



Far North
District Council



Te Kaunihera o Te Hiku o te Ika

AGENDA

Extraordinary Council Meeting

Tuesday, 12 March 2024

Time: 1pm

Location: Virtually via Microsoft Teams

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 Tāmāti Rākena
Cr John Vujcich

**Far North District Council
Extraordinary Council Meeting
will be held in the Virtually via Microsoft Teams on:
Tuesday 12 March 2024 at 1pm**

Te Paeroa Mahi / Order of Business

1	Karakia Timatanga / Opening Prayer	5
2	Ngā Whakapāha Me Ngā Pānga Mema / Apologies and Declarations of Interest	5
3	Ngā Tono Kōrero / Deputations	5
4	Ngā Kōrero A Te Kahika / Mayoral Announcements	5
5	Ngā Pūrongo Taipitopito / Information Reports	6
5.1	Adoption of the Long Term Plan 2024-27 Supporting Information and Consultation Document	6
6	Karakia Whakamutunga / Closing Prayer	382
7	Te Kapinga Hui / Meeting Close	382

1 KARAKIA TIMATANGA / OPENING PRAYER

Ka tuku mātou kia kaha mai ngā māngai kua whiriwhirihia mō Te Kaunihera o Te Hiku o te Ika ki te mahi me te ngākau auaha me te whakamahi i ngā pūkenga me te mātauranga i roto i ngā wānanga me ngā whakataunga kia whakatūria ai tētahi Hapori e matatika ana, e tū kotahi ana ka mutu ka whakapiki anō i te oranga o tō tātou rohe, ka whakatau anō i ngā take o te rohe i runga i te tika me te pono.

We ask that through Council discussions and decisions the representatives we have elected may govern the Far North District with imagination, skill and wisdom to achieve a fairer and more united Community that enhances the wellbeing of our district and solves the District's problems efficiently and effectively.

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 Manager - Democracy Services (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

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

4 NGĀ KŌRERO A TE KAHIKA / MAYORAL ANNOUNCEMENTS

5 NGĀ PŪRONGO TAIPITOPITO / INFORMATION REPORTS

5.1 ADOPTION OF THE LONG TERM PLAN 2024-27 SUPPORTING INFORMATION AND CONSULTATION DOCUMENT

File Number: A4601907

Author: Jo Boyd, Corporate Planner

Authoriser: Jonathan Slavich, Chief Financial Officer

TAKE PŪRONGO / PURPOSE OF THE REPORT

To recommend the adoption of the Supporting Information and Consultation Document (CD) for the Long-Term Plan (LTP) 2024-27. Note that the supporting information must be adopted prior to the CD because it is information on which the CD relies.

WHAKARĀPOPOTO MATUA / EXECUTIVE SUMMARY

- In preparing this LTP, under the Severe Weather Emergency Recovery (SWER) (Local Government Act 2002 – Long Term Plan) Order 2023 requires the local authority to adopt a CD that informs why Council is operating under the Order and the additional key matters Council is considering for inclusion in the LTP proper.
- The CD must be made available to the community along with any supporting information on which it relies.
- Under the SWER Order 2023, there is no requirement to have either the CD or supporting information audited. All due care has been exercised in the preparation of this supporting information and CD, having regard to the information available at the time.

TŪTOHUNGA / RECOMMENDATION

That Council:

- a) **adopt the supporting information as information that is relied upon by the content of the Consultation Document in accordance with section 9 of the Severe Weather Emergency Recovery (Local Government Act 2002—Long-term Plan) Order 2023:**
 - i) **Proposed significant forecasting assumptions**
 - ii) **Proposed financial strategy**
 - iii) **Proposed infrastructure strategy**
 - iv) **Proposed community outcomes**
 - v) **Proposed capital works programme**
 - vi) **Proposed groups and activities**
 - vii) **Proposed Northland Inc activities**
 - viii) **Proposed FNHL activities**
 - ix) **Proposed forecast financial statements**
 - x) **Proposed funding impact statements**
 - xi) **Proposed funding impact statement (rates)**
 - xii) **Proposed forecast reserve funds**
 - xiii) **Proposed accounting policies**
 - xiv) **Proposed revenue and financing policy**
 - xv) **Proposed treasury, liability and investment policies**

xvi) Proposed rating relief policies**xvii) Proposed fees and charges schedule 2024/25****xviii) Support information disclaimer**

- b) **Adopt the Consultation Document for the Long Term Plan 2024-27;**
- c) **Delegate authority to the Chief Executive Officer to approve any final edits and design changes required to the Consultation Document and/or supporting information to finalise documents for printing and distribution.**

1) TĀHUHU KŌRERO / BACKGROUND

Council was granted the option of completing a lite version of an LTP under the Severe Weather Emergency Recovery (Local Government Act 2002 – Long Term Plan) Order 2023. This meant several changes including focusing on repairing the damage in 2022/23 caused by severe weather events, modified Infrastructure and Financial Strategies to cover the period of the LTP and the non-audit requirement.

The LTP 2024-27 has been in development for six months, during which time multiple workshops were held to enable Elected Members to review and discuss strategic direction, what the impacts are of the lighter version of the LTP, community outcomes, current and future work programmes, the challenges Council is likely to face over the next three years and new work priorities to navigate those challenges. The CD and supporting information are a culmination of those activities.

2) MATAPAKI ME NGĀ KŌWHIRINGA / DISCUSSION AND OPTIONS

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

Consultation Document

The CD recognises that an LTP can be a large, complex, and occasionally technical document that can be difficult for the community to engage with effectively.

The LGA requires that the CD present only the issues that are 'significant' against the criteria in Council's policy on Significance and Engagement or that Council specifically wishes to gather feedback on.

In the CD for 2024-27 the following issues are presented for public feedback:

1. Ngā Hononga Rautaki | Strategic linkages

- He rautaki whakaarotau | Our strategic priorities: Have been updated to acknowledge that our overarching priority for this LTP is to repair our transport network.
- Ngā hua ki te hāpori | our community outcomes. The CD acknowledges that our current suite of community outcomes is fit for purpose but minor wording changes to better reflect the outcome:
 - Change Connected communities that are prepared for the unexpected to Resilient communities that are prepared for the unexpected.
 - Remove and treasured from 'A wisely managed and treasured environment that recognises the role of tangata whenua as kaitiaki.
 - Rewording of 'We embrace and celebrate our unique culture and heritage and value it as a source of enduring pride to 'We celebrate our unique culture and history'.

2. Key proposals

- Issue 1: Should we change the way we rate stormwater across the district?
This proposal asks if we should introduce a 'public good' charge and change the way we rate across the district.

- Issue 2: Should we change the way we rate for those who access or could access water supply and wastewater services?

This puts forward the same proposal under the consultation we conducted last year for district-wide rating but have included a third and fourth option for rating by scheme and ward.

- Issue 3: How do we continue to provide community services in the future?

The proposal asks if we either provide a multi-purpose centre for each ward or two multi-purpose centres for Bay of Islands-Whangaroa, one each for Kaikohe-Hokianga and Te Hiku wards.

A preferred option needs to be agreed upon before the consultation document is released to the public and the questions are succinct with the options.

3. Other information

We have a suite of policies etc, that have been updated to reflect changes in legislation, updating to current date/time formats and inclusion of current financial information. No other changes have been made to policies.

The Significance and Engagement Policy does not have to be revised and therefore no changes have been made. This policy will accompany the suite of supporting information, without the need to be adopted.

Supporting information

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

- proposed significant forecasting assumptions
- proposed three-year financial strategy
- proposed five-year infrastructure strategy
- proposed capital works programme
- proposed forecast financial statements
- proposed forecast funding impact statements (whole of Council and activity)
- proposed funding impact statement (rates)
- proposed forecast reserve funds
- proposed accounting policies
- proposed revenue and financing policy
- proposed treasury, liability and investment policies
- proposed rates relief policies
- proposed fees and charges schedule for 2024/25.

Timeline to adoption of the final LTP

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

- This meeting – adoption of the supporting information and CD.
- 14 March to 15 April – community consultation consisting of primarily a webpage, with consultation information. We have also planned ‘pop ups’ in our main three service centres as well as an additional venue in Kerikeri. Attendance by the Mayor and Deputy Mayor, Councillors and Community Board members, and staff are requested.
- 24,30 April, 1 May (2 May - 1/2 day reserved) – verbal submissions to be held in Kaikohe and Kaitia for those who opt to verbally submit.
- 7 May – Pre-deliberations workshop to discuss the feedback received.
- 15 May (20 May reserve day) – deliberations/decision making incorporating feedback received through submissions. Adoption of Fees and Charges schedule for 2024/25.
- 15 May to 14 June – update of all financials and preparation of final LTP for adoption.
- 26 June - adoption of final LTP, and the setting of rates for 2024/25.

TAKE TŪTOHUNGA / REASON FOR THE RECOMMENDATION

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

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

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

ĀPITIHINGA / ATTACHMENTS

1. CD submission form - A4609988 [↓](#) 
2. Consultation Document final - A4610021 [↓](#) 
3. Proposed accounting policies - A4609824 [↓](#) 
4. Proposed capital works programme - A4609986 [↓](#) 
5. Proposed Community Outcomes - A4609816 [↓](#) 
6. Proposed fees and charges schedule 2024-25 - A4609842 [↓](#) 
7. Proposed Financial Strategy - A4609977 [↓](#) 
8. Proposed FNHL activities - A4609818 [↓](#) 
9. Proposed forecast financial statements - A4609984 [↓](#) 
10. Proposed forecast reserve funds - A4609979 [↓](#) 
11. Proposed funding impact statement - rates - A4609981 [↓](#) 
12. Proposed funding impacts statements - A4610031 [↓](#) 
13. Proposed Groups and activities - A4609826 [↓](#) 
14. Proposed Infrastructure Strategy - A4609820 [↓](#) 
15. Proposed Northland Inc Activities - A4609822 [↓](#) 
16. Proposed rating relief policies - A4609828 [↓](#) 
17. Proposed Revenue and Financing Policy - A4609836 [↓](#) 
18. Proposed significant forecasting assumptions - A4609830 [↓](#) 
19. Proposed Treasury, Liability and Investment policies - A4609838 [↓](#) 
20. Significance and engagement policy 2021 - A4609832 [↓](#) 
21. Supporting information disclaimer - A4609844 [↓](#) 
22. Te Mahi Tahi me te Maori working with Maori - A4609834 [↓](#) 

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	High degree of significance as it outlines Council's work programme and delivery to the community for the next three years.
State the relevant Council policies (external or internal), legislation, and/or community outcomes (as stated in the LTP) that relate to this decision.	Local Government Act 2002 Local Government Rating Act 2002 Severe Weather Emergency Recovery (Local Government Act 2002 – Long Term Plan) Order 2023
State whether this issue or proposal has a District wide relevance and, if not, the ways in which the appropriate Community Board's views have been sought.	Community Boards have been included in the development of the Consultation Document and Supporting Information
State the possible implications for Māori and how Māori have been provided with an opportunity to contribute to decision making if this decision is significant and relates to land and/or any body of water. State the possible implications and how this report aligns with Te Tiriti o Waitangi / The Treaty of Waitangi.	The views and preferences of Māori will be received as part of the engagement on the CD and supporting information. The possible implications for Māori may be considered significant.
Identify persons likely to be affected by or have an interest in the matter, and how you have given consideration to their views or preferences (for example – youth, the aged and those with disabilities).	The community at large is expected to have an interest in the content of the CD and supporting information.
State the financial implications and where budgetary provisions have been made to support this decision.	The LTP is the fundamental document that underpins all financial and budgetary provisions over the life of the Plan but does not, in itself, require specific financial arrangements other than those used for consultation.
Chief Financial Officer review.	The Chief Financial Officer has reviewed this report.

ME WHAKAWHITI KŌRERO WE NEED TO TALK



Te Pae Tawhiti Tuhinga Uiuinga
Long Term Plan Consultation Document
2024-27

Submission form

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

You can also submit online at www.fndc.govt.nz/ltp2024-27. Submitting online saves cost and time. If you need more space than is provided on this form, please feel free to write on extra pages. If you have extra information you would like council to consider, please attach it to your submission.

Please read through our consultation document available on our website: www.fndc.govt.nz/ltp2024-27 or in paper versions at any of our service centres, isites / information centres or libraries. Other supporting information is available on our website: www.fndc.govt.nz/ltp2024-27 or you can view the paper versions at Kaikohe, Kaitiāia or Kerikeri service centres.

ISSUE 1

Which option do you think will work if we change the way we rate stormwater across the District (Select 1 option)

- ☐ 1. Do nothing
- ☐ 2. Change to a targeted rate based on land use and introduce a public good rate

Would you like to expand on your answer?

ISSUE 2

Do you support Council's preferred option about changing the way we rate for those who access or could access water supply and wastewater services? (Select 1 option)

- ☐ 1. Do nothing
- ☐ 2. Change to district-wide rates for those connected to / or have the ability to connect to water supply and / or wastewater services
- ☐ 3. Change to targeted ward rate for those connected to / or have the ability to connect to water supply and / or wastewater services
- ☐ 4. Change to targeted scheme-based operational rate for those connected to / or have the ability to connect to water supply and / or wastewater services

Would you like to expand on your answer?

ISSUE 3

Which option do you think will work if we change the way provide community services in the future? (Select 1 option)

- ☐ 1. Provide multi-purpose centres: two for Bay of Islands-Whangaroa, one each for Kaikohe-Hokianga, and Te Hiku
- ☐ 2. Provide a multi-purpose centre for each ward
- ☐ 3. Do nothing

Would you like to expand on your answer?

Is there anything else you want to provide feedback on?

About youFirst Name *(required)*Last Name *(required)*Organisation *(if applicable)*Position in organisation
*(If applicable)*Your email *(required)*

Would you like to present your submission verbally?

- ☐ Yes *Verbal submissions will be held in Council Chamber, Kaikohe - 24, 30 April and at Te Ahu, Kaitaia - 1 May. Those participating will be allowed 10 minutes to present their submission. We will contact you by email or phone about scheduling a time for your verbal submission.*
- ☐ No

Phone *(if you wish to present your submission verbally, we will contact you by email or phone)*Which ward do you live in? *(Select 1 option)*

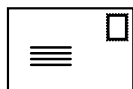
- ☐ Te Hiku (North)
- ☐ Kaikohe-Hokianga (West)
- ☐ Bay of Islands-Whangaroa (East)
- ☐ Outside Far North

Would you like to be informed about future consultations? *(required)*

- ☐ Yes
- ☐ No

Anyone is invited to give feedback using this form, either online or written. Feedback can be from an individual or on behalf of an organisation. Your personal information will not be used for any purpose other than updating you on outcome of this consultation, unless you have indicated you wish to be informed about future consultations. Your personal information is handled according to the principles of the Privacy Act 1993. *(required)*

- ☐ I have read the terms of this public consultation

SUBMISSIONS CLOSE AT 5.00 PM ON MONDAY 15 APRIL 2024

By post:
LTP submissions
Far North District Council
Private Bag 752
Kaikohe 0440



In person:
hand it in to any council service centre,
library or isite/information centre.



ME WHAKAWHITI KŌRERO WE NEED TO TALK

TE TUHINGA O TE
RAUTAKI AHUNGA ROA
LONG TERM PLAN
CONSULTATION DOCUMENT

2024-27



Adopted XX March 2024

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NGĀ KAUPAPA CONTENTS

Kua rerekē tēnei mahere - he aha ai? This plan is different - Why?	1
Me whai kōrero koe Have your say	2
Ngā rā Key dates	2
He pānui nā te kaunihera A message from your council	3
Ngā hononga rautaki Strategic linkages	5
Kei hea tātou iāianei nā Where we are now	6
Te Rautaki Ahumoni Our Financial Strategy summary	12
Ngā Kaupapa Matua o te Mahere nei Key proposals for this plan	17
Me whakarerekē raini te āhua o te tatau i te wai ua puta noa i te rohe? Should we change the way we rate stormwater across the district?	18
Me whakarerekē raini te āhua tatau i te hunga ka hono ki te wai me te waipara, ka āhei raini ki te hono ki te wai me te waipara? Should we change the way we rate for those who access or could access water supply and wastewater services?	20
Me pēhea e haere tonu ai ngā ratonga ā ngā rā kei te heke mai? How do we continue to provide community services in the future?	25
He kōrero atu anō Other information	27
Māmā noa iho te whakapā mai! Making a submission is easy!	28

KUA REREKĒ TĒNEI MAHERE - HE AHA AI? THIS PLAN IS DIFFERENT - WHY?

In 2022 and 2023, the Far North, along with other parts of New Zealand, were battered by back-to-back severe weather events. This included Cyclone Gabrielle, which struck the North Island early in February 2023. The impact on our already vulnerable road infrastructure was significant.

Over 12 months from July 2022, 487 slips affected Far North roads. Of those, 140 were caused by Cyclone Gabrielle – the highest number of slips on record for a single event. Culverts and other drainage assets, footpaths and seawalls were also damaged. The repair bill for our local roading network has been estimated at \$29.1 million.

The government recognised that these weather events and the extra work they had created would significantly reduce the ability of affected councils to develop and engage with the public on a 10-year Long Term Plan (LTP) while also focusing on recovery and rebuilding. It gave eight councils, including ours, the option to create a shortened three-year plan spanning 2024-27.

This option will allow councils to focus on cyclone recovery. For us in the Far North, the goal will be on repairing our damaged infrastructure, particularly focused on roads, and to make the best use of funding offered by the government.

This simplified version of the plan lets us:

- Plan for the next three years instead of 10
- Concentrate on recovering from the weather events in 2022/23
- Focus on our number one priority – repair our transport network.

Repairing our transport network

With that focus on repairing our transport network we have been planning and working with our contractors to make sure when repairs can be carried out more efficiently as well as working on building more resilient roads and addressing causes such as drainage as we repair. We are planning to spend \$322.3 million on new works and renewals on our transport network over the next five years. For more information about our planned works, please see our proposed capital works programme - details can be found in the more information section on page 27.

We know as a council we are going to face more challenging weather events in the future and this will put more pressure on our infrastructure. But we need to be practical, and address the cause of some of the issues. We want to talk to you about increasing the funding we currently have for stormwater and there is more about this on page 18 of this document.

Disclaimer

This Long Term Plan (LTP) Consultation Document and supporting information has been prepared in accordance with the Severe Weather Emergency Recovery Legislation Act 2023 and the Severe Weather Emergency Recovery (Local Government Act 2002—Long-term Plan) Order 2023 issued in October 2023. The Order simplifies the process for preparation of an LTP by certain councils affected by the severe weather events of 2023 and enables the Council to prepare an LTP Consultation Document and supporting information that has not been formally audited. While this Consultation Document and supporting information is not required to include a formal audit report, all due care has been exercised in the preparation of this Consultation Document and supporting information, having regard to the information available to Council at that time.

ME WHAI KŌRERO KOE HAVE YOUR SAY

With our focus on repairing our transport network, we still have some other issues that we need to talk about these are on pages 17 to 26 of this document.

Please share your feedback by filling out the submission form, which you can do either online at www.fndc.govt.nz/ltp2024-27 or by picking up a form from one of our service centres, libraries, or an isite near you. More details can be found on page 28.

Your input is important, and our councillors will carefully consider all the feedback we receive. They will use this information to make decisions before officially approving and adopting the plan in June this year.

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

NGĀ RĀ KEY DATES

- **14 MARCH - 15 APRIL**
Consultation with our communities
- **24, 30 APRIL, 1 MAY**
Verbal submission days
(See our website for more details)
- **15, 20 MAY**
Deliberations meeting
- **JUNE 26**
Adoption of the plan meeting
- **JULY 1**
Plan comes into effect



HE PĀNUI NĀ TE KAUNIHERA

Kia ora koutou

E ai ki tā te whārangi tuatahi, e hui ana mātou ki ngā kainoho, kaiutu tāke anōki mō te whakapoto i te Rautaki Ahunga Roa (RAR) te take. Nā te pākaha mai o Āwha Kāpireira, kua homai te whiriwhiringa e te Kāwanatanga kia mahia mai he rautaki 3 tau kē te roa, tēnā i te rautaki 10 tau te roa. E 8 nahe ngā kaunihera i whiwhi ki tēnei whiriwhiringa. Whakaae tonu atu mātou ki te tono nei, kia nui atu ai tā mātou aro ki te raruraru nui kei te kāinga nei, arā, ki ō tātou rori.

Nā te kaha pāngia tātou e te āwha kino, kua ara mai he nama nui hei utu mā te kaunihera. Ā, e kake haere nei te nui o tērā nama, nā te āhua tonu o te ao e noho nei. Kua piki ngā rēti ki tōna tino ikeikeitanga o te 30 tau kua pahure. Nā tēnā kua pau iho te pūtea hei whakatika i ngā rori, ā, me te pūtea kua whakaaetia kētia ki ētahi atu mahi i roto i te RAR 2021-31.

Ko tā mātou he whakatupu i te pūtea, i te wairua o te haporī, me te taiāo anōki hei painga mō ngā uri whakatupu. Ko ngā hua ka puāwai i te rohe nei, kei te āhua tonu o te tuku i ngā ratonga. Nā, he mea nui anō ki te āta whiriwhiri i ngā whakataunga, me tōna pānga ki ngā uri whakatupu.

He mahi pakeke rā hoki ki te whakatakoto rautaki mō tō tātou rohe. He whānui nō te whenua ka tahi, he maha hoki nō ngā kāinga iti, ka rua. Kātahi ka huri atu ki te whakarite, hanga, whakahou, me te utu i ngā rori, wai para, wai ua, me ētahi atu kaupapa tūāhanga, ka pakeke kē atu. Ka mutu, kia tū kaha anō te rohe nei mō te tūpono pā mai o te āwhā ā ngā tau tata nei, haramai te uaua. Ahakoa e ū tonu ana ā mātou ratonga, me te tiaki i tō tātou rohe, me te whakatutuki i ngā mahi e ai ki te ture, he utu nui kei konā. Hoi, e mātau ana mātou, ehara i te mea mā te whakapiki i ngā utu rēti ka aha ai, e taumaha kē ana ētahi whānau o Te Hiku i te utu nama.

Nā, hei huarahi putanga oratanga, kua tātari ngā kaimahi me ngā mema kaunihera i te pūtea, kia nui atu ai te tiaki pūtea mai me te rere tonu o ngā ratonga ki ngā iwi. Kia oti ēnei mea e rua nei, me whakatau uaua hoki.

Kua mahi tahi hoki mātou ki ngā poari haporī. He rautaki ā rātou e whakatakoto ana i ngā mahi e tika ana kia oti. Hoi, tērā ētahi o ā rātou kaupapa ka whai kikokiko anō. Tērā ētahi ka tārewa, kia whakahou rānō i te rautaki. I pēnei ai kia aro mātou ki ngā rori i pākarukarungia ai.

Kia ahatia. Ko te whakataunga hukihuki kei a mātou, ko te wāhi whakapiki i ngā utu rēti mō te tau 2024/2025, ka 16.5% te nui o te pikinga. Ina

whakatatūngia ētahi whakaaro kei te tuhinga nei, ka piki te utu rēti.

E whakairo ana tēnei Tuhinga Hukihuki i ētahi kaupapa matua, ngā whiriwhiringa, te utu, me pēhea e utua ai, me te pānga o aua utu ki te tangata.

Kei te Rautaki Whairawa e rārangi mai ana te huarahi e whai pūtea ai kia rere tonu ai ngā ratonga ā ngā tau kei te heke mai. Hei āpiti ki tēnei, kua oti i a mātou tētahi Rautaki Tūāhanga hei whakatatū i ngā raruraru hanganga rori, wai ua, wai para, me te ū tonu o te whai wai anōki.

Tirohia te whārangi 12 o tēnei tuhinga nei mō te whakarāpopototanga.

Mō te roanga atu, me te homai i ō whakaaro, haere ki te whārangi 27, whārangi 28 anōki.

Hoinō rā, ko te wā tēnei e pānui ai koe i ngā kōrero. Me mātua mōhio mātou e tika ana tēnei huarahi i mua i te whakatātūtanga iho.

Hena koa, āta panui i ngā tono nei. Mutu, me whakaaro ake, he aha te pākaha o ā tātou whakataunga ki ngā uri whakatupu, he aha hoki tōna whaitake ki te whainga nui, kia puāwai tonu te nohotahi a tēnā, a tēnā, i roto i tō tātou rohe.

Ka tāria ō kōrero.

Ngā manaakitanga.

Te Kaunihera o Te Hiku o te Ika

A MESSAGE FROM YOUR COUNCIL

Kia ora koutou

As outlined on page 1, we are consulting with residents and ratepayers on a reduced Long Term Plan (LTP). Due to the impacts of Cyclone Gabrielle, we were one of eight councils given the option by government to create a three-year LTP instead of the normal 10-year plan. We grabbed that opportunity so we can more effectively focus on our residents' number one priority – repairing our seriously battered road network.

Back-to-back severe weather events have left the council with a considerable repair bill. This has been compounded by spiralling inflation – the highest rates experienced in New Zealand in more than 30 years. This reduces our ability to pay for urgent road repairs and seriously impacts budgets for other projects already committed to in our 2021-31 LTP.

Our role is to promote economic, social, cultural, and environmental wellbeing for current and future generations. How we deliver services across the district can significantly impact these outcomes, so it's crucial to get it right and to consider how decisions today will affect future generations.

Planning for this district is challenging due to its huge geographic spread and many small communities. That makes it tough to plan, build, maintain and pay for our roading, water, wastewater and stormwater and other infrastructure. Building in resilience against future weather events is also tricky. While we remain committed to maintaining service levels and enhancing community wellbeing, delivering what we are legally bound to do and everything we want to do doesn't come cheap. However, we know that many Far North residents are already struggling to pay their bills. Simply raising council rates to cover increased costs isn't an option.

In response, staff and elected members have assessed budgets line by line to reduce what we spend while continuing to deliver our core services. Achieving that balance will require some tough decisions.

We've collaborated with our community boards, who have outlined strategic plans and priorities. Some projects included in these plans will proceed, but our focus on repairing our transport network means some will be delayed until the next planning cycle.

What we've landed on is a proposed rates increase for 2024/25 of 16.5%. If we proceed with some of the proposals in this document, that total rates take will increase.

This Consultation Document outlines our key proposal, what options we have, how much they will cost, how it will be funded and what the financial impact to ratepayers will be.

Our Financial Strategy summary lays out our plans to remain financially sustainable in the future so we can continue providing quality services. We've also developed a five-year Infrastructure Strategy to address significant issues facing our infrastructure as roads, stormwater, wastewater, and water supply, and how we plan to tackle these challenges. A summary of this is on page 12 of this document.

You can find more information on how to access the full versions of these strategies and other supporting information, as well as how to submit your feedback, on pages 27 and 28.

Now it's time for you to read through this document and tell us what you think. We want to ensure we've made the right decisions before finalising and adopting the plan in June 2024.

Please read our proposals carefully. Consider how the decisions we make today will affect future generations and impact our long-term goal of creating a district of sustainable prosperity and wellbeing.

We look forward to hearing your views.

Thank you very much.

Far North District Council

NGĀ HONONGA RAUTAKI STRATEGIC LINKAGES

NGĀ WĀHANGA E WHĀ O TE HAUORA • THE FOUR ASPECTS OF WELLBEING



Ā iwi
Social



Ōhanga
Economic



Taiao
Environmental



Ahurea
Cultural

TIROHANGA • OUR VISION

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

ARONGA • OUR MISSION

HE ARA TĀMATA
CREATING GREAT PLACES
Supporting our people

HE RAUTAKI WHAKAAROTAU • OUR STRATEGIC PRIORITIES



Repair our transport network



Address
affordability



Better asset
management



Enable
sustainable
economic
development



Adapt to
climate
change



Protect our
water
supply



Deepen our
sense of
place and
connection

NGĀ HUA KI TE HAPORI • OUR COMMUNITY OUTCOMES



Proud,
vibrant
communities



Communities
that are
healthy, safe,
connected and
sustainable



Resilient
communities
that are
prepared for
the unexpected



Prosperous
communities
supported by
a sustainable
economy



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



We celebrate
our unique
culture and
history

KEI HEA TĀTOU IĀIANEI NĀ WHERE WE ARE NOW

Rates increase

You may know that the council is dealing with higher costs for our projects and services. This is mostly due to the aftereffects caused by COVID-19, global issues, and high inflation and now roading repairs and three waters reintroduced.

Before we decide on the rates, collaboration across a number of groups are held to capture priorities, projects, and operational spend over the next three years.

These numbers are then worked through with council and further refinements are made to those initial budgets. We look at lots of things to decide what we must do now - because it is required and what projects can wait a while.

We go through several iterations of budgets to ensure these align with the strategic priorities, community outcomes and the four aspects of wellbeing.

This year, we've had more challenges, like higher costs to fix roads because of the severe weather events, taking back control of managing water services, and a big increase in contract expenses, as well as the higher costs of goods and services. Because of these challenges, we need to increase our rates to ensure we deliver what we say we are going to, while still maintaining what we have. We currently have a projected rates increase of 16.5% for 2024/25.

Roading

The most common and emphatic feedback we receive is about the need to improve our roads. However, it's important to note that our district doesn't have a substantial ratepayer base like some of our neighbours. Despite this, we strive to make the best use of the resources available to us. As you are all aware, the weather events in 2022/23 caused significant damage to our transport network, and that is why this LTP is 'all about roading'.

We've secured \$105 million in funding to aid us in repairing the damage and we have planned and budgeted for \$165 million in total (including the funding) over the next three years to improve and maintain our transport infrastructure and network.

We have a robust work plan in place and are actively exploring ways to construct more resilient roads. Additionally, we are ensuring that our contractors consistently maintain these roads to keep them fit for their intended purposes.

Three waters

The previous governments water reform policy legislated a shift in responsibility for handling stormwater, drinking water, and wastewater from local councils to publicly owned regional entities. The idea was to make things more efficient and save money on managing water in smaller areas and their communities.

The new Coalition Government is in the process of repealing this legislation. The new policy will give communities and councils the freedom to decide how they want their water services to be managed in the future. At the same time, ensuring focus remains on providing safe water quality, whilst making long-term investments in infrastructure.

But, here's the issue for our district. Because our communities are spread out with some areas only having a few ratepayers to 'pay' the entire cost of the infrastructure, which costs a lot of money. In some cases it will become unaffordable to fund these services for the community and council.

We also don't want to lump the cost of infrastructure on our future Far North generations and need to try and provide an affordable and equitable basis to fund infrastructure now and in the future, with a very blunt tool called 'rating'. As a council to do this, we have minimal options and when we 'pull one lever' another one moves as well.

Last year, we asked for input on switching our rating system to become district-wide rating for water supply and wastewater. This would have meant that smaller communities wouldn't be as impacted when upgrades or new infrastructure projects were needed. However, the council rejected this proposal because of the introduction of Three Waters legislation and the potential changes it might bring.

But now we are back to square one and again, we are asking the question - should we change the way we rate for those who access or could access water supply and wastewater services. See page XX to have your say.

At this stage, we are in a 'wait and see' situation with the Coalition Government as to how infrastructure will be funded. We will continue to where practical and necessary lobby for funding and assistance to ensure we can continue to deliver these vital services to our communities.

Capital programme delivery

With no end in sight to increased costs just to get stuff done, council faces that same fact. Increases in inflation, contractor costs and supplies as well as shortage of contractors to complete the work required.

We have applied strict criteria to capital projects and have landed on a deliverable programme. This will allow the council to be able to complete projects in a timely and efficient manner. For more information on the capital programme, please see page 27.

As this can have a flow on effect to the services that is provided to the district, we are looking at how we can provide community services. In this document, we are asking the question – how do we continue to provide community services in the future. See page 28 for details on how to have your say.

Decommission of Kauri Dam

Council resolved several years ago to exit from the Kauri Dam, instead utilising both the Awanui and Sweetwater sources to service the Kaitiāia township. The recent appointment of a Project Manager has significantly progressed the decommissioning of the dam. Remedial works will continue over the coming months with Council intending to surrender the consents for the take and structures at this site.

Kerikeri Wastewater Treatment Plant

With the new Kerikeri Wastewater Treatment Plant operational, it allows us to progress the decommissioning of the original plant. Council is looking to retain some of the site to ensure a strategic approach to wastewater in the Kerikeri township but will ensure the decommissioning leaves the site in a tidy condition. Any assets able to be repurposed will be utilised at other plants within the district.

Housing for the Elderly divestment

In the last LTP, we talked about divesting our 147 Housing for the Elderly units.

A decision was made to start the process of identifying one or more providers that would enable the best option for partially or fully divesting the assets.

Throughout this process it is important that the existing tenant arrangements are maintained and protected. This means ensuring that current tenants are taken care of and that the number of housing units and level of service in the area either stays the same or improves over time.

Council is continuing to explore opportunities to divest some or all of its Housing for the Elderly portfolio.



Possible change to kerbside recycling/refuse collection

The Ministry for the Environment has announced that all councils must provide kerbside recycling collections to households in urban areas by 1 January 2027. However, the legislation to support this has not been introduced yet. Council does not currently provide kerbside recycling services so this would be a new service for some of our communities. Though a kerbside refuse service is not becoming mandatory for councils to provide, there are advantages to providing both services at the same time so provision of kerbside refuse services will be a decision for us to make.

Council is nearing the end of negotiations to replace their existing Solid Waste Contracts and as part of the process, pricing has been sought for future kerbside services on a provisional basis.

As there are still some details to be confirmed including the introduction of the legislation, once we have all the information, we'll be talking to our communities and ask for feedback from those affected about the proposed service and cost associated with them.

Kaikohe Library

Council committed to a new civic hub for Kaikohe in 2018, when Long Term Plan consultation told us very clearly there was strong support for a new facility and that this should include the current public library function. We've had some changes along the way but are steadily progressing towards breaking ground in full partnership with hapū, iwi and community representatives.

Council have purchased the land needed for the build to be completed on Broadway, initial draft designs have shown the current budgets allocated for the project are sufficient, and outcomes of recent community engagement about what services the library/hub needs is being analysed to inform the detailed design brief.

The next steps are to confirm and gain consents for a detailed design and demolishing the current unfit for purposes structures off the land acquired for this project.

The project is expected to be completed during this Long Term Plan 2024-27.

TE RAUTAKI TŪĀHANGA OUR INFRASTRUCTURE STRATEGY SUMMARY

Strategy purpose

Our Infrastructure Strategy aims to ensure responsible management of Council's infrastructure assets and services. It has been prepared in accordance with the requirements of section 101B of the Local Government Act 2002, modified as part of the Severe Weather Emergency Recovery Order 2023, for a weather events affected council.

This strategy has a five-year planning horizon (greater than minimum of three years under the shortened Long Term Plan regime). This is a temporary change to support local authorities during the recovery phase from the recent extreme weather events.

However, we wish to prepare for the future and put the right building blocks for the 2027 Infrastructure Strategy particularly growth planning, climate adaptation and improving the asset management

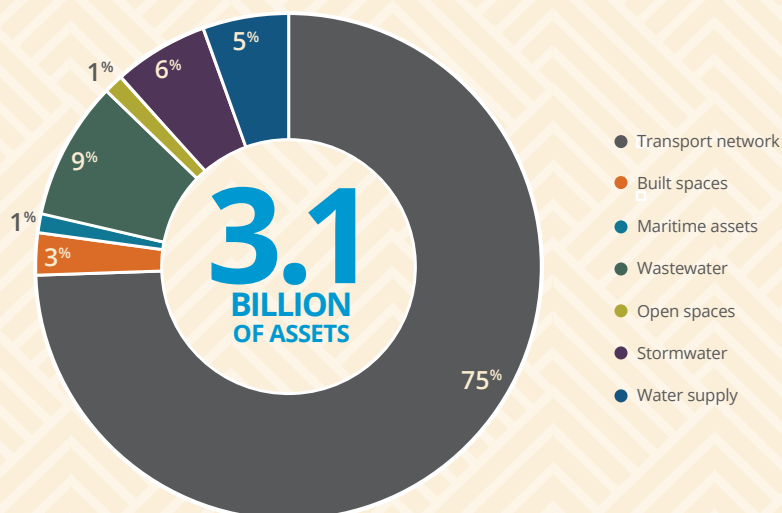
practices. The approach adopted for the 2024 strategy is setting up the right upfront strategic planning (top down) and with supporting underlying data (bottom up). It will take a few planning cycles to achieve an evidence-based strategy.

Strategy scope

Our Infrastructure Strategy covers the core infrastructure assets - our transport network, water supply, wastewater and stormwater. Our strategy also covers non-core assets at a high level - built spaces (community buildings and halls, and libraries), maritime assets, open spaces (parks and reserves, playgrounds, cemeteries etc), and solid waste.

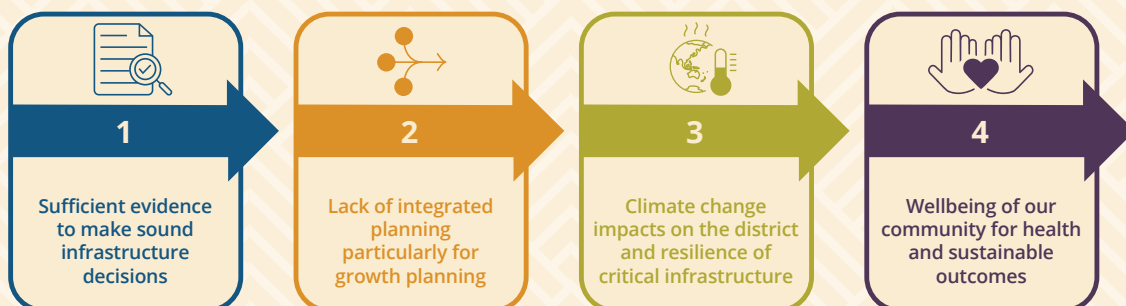
Assets at a glance

We own and manage \$3.1 billion (replacement value) of infrastructure assets which can be summarised as follows.



Our significant challenges

In preparing this strategy, four strategic district infrastructure issues have been identified that are at the forefront of infrastructure planning and decision-making.



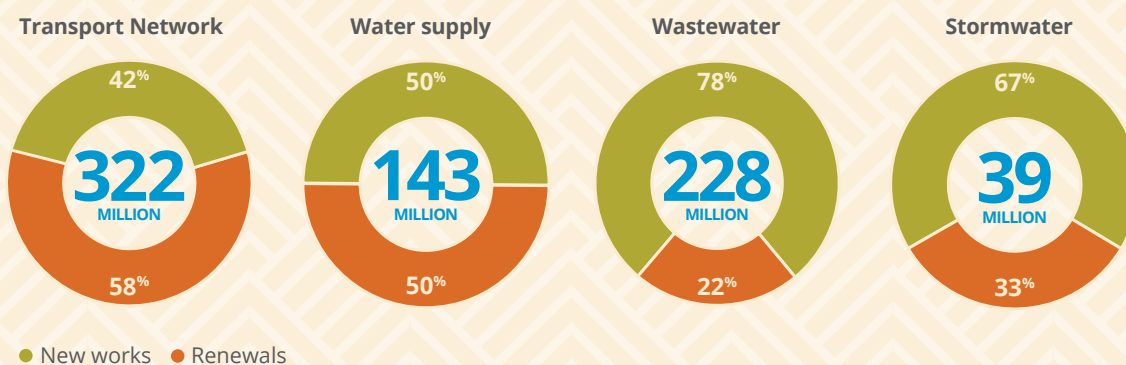
Financial forecasts





The total expected capital and operational expenditure (inflated) for each infrastructure activity over the five-year period is shown in the table below. A combined capital expenditure of \$732 million comprises of 44% renewals and 56% levels of service.

Activity	Capital expenditure (\$'000's)		Operational expenditure (\$'000's)	Total (\$'000's)
	New works	Renewals		
Roading and Footpaths	135,460	186,870	347,619	669,949
Water supply	70,810	72,043	87,619	230,472
Wastewater	177,288	50,945	144,891	373,124
Stormwater	26,146	12,941	22,887	61,974
Sub Total 1	409,704	322,799	603,016	
Sub Total 2	732,503		603,016	1,335,519
Total	1,335,519			

The following figures shows the capital forecast for renewals and levels of service (inflated) 2024-29 for each activity.

Capital work forecasts



Activity	Projects	Timings	Cost estimates (\$m)
 Transport Network	Unsealed remetalling	Year 1-5	48.2
	Sealed pavement rehabilitation	Year 1-5	39.7
	Resurfacing	Year 1-5	28.3
	Ferry replacement	Year 3	4.2
 Water Supply	Paihia water treatment plant relocation	Year 1-4	18.7
	Kerikeri water network upgrade (to Heritage Bypass)	Year 2-3	12.1
	Kaikohe water network reticulation renewals	Year 3-5	10.7
	Kawakawa water network planned renewals	Year 3-5	15.0
	Waipapa water treatment plant development	Year 4-5	10.9
 Wastewater	Kaikohe wastewater treatment plant upgrades	Year 1-4	32.8
	Kaikohe wastewater network scheduled renewals	Year 3-5	9.2
	Kaitiāia wastewater network renewals	Year 3-5	9.5
	Kerikeri wastewater treatment and network scheme expansion (stages 2 and 3)	Year 4-5	68.0
 Stormwater	Moerewa stormwater improvements	Year 1	3.4
	Kaitiāia stormwater network pipe renewal (Lake Road)	Year 3-4	5.3
	Kaikohe stormwater network improvements (Station Road)	Year 3-5	5.4
	District-wide stormwater network renewals	Year 4-5	5.5

Key decisions we expect to make

We will need to make key decisions over the duration of our strategy. Some of these decisions will be significant to the district and some will not. Key decisions and actions that will need to be made by council over the next five years include:

Activity	Key decisions
All	Continuing to gather evidence, particularly the condition of the critical three water assets, in the next three to ten years to help develop robust and risk-based renewal programmes. Council must make a decision on the most appropriate mechanism to fund growth related infrastructure, and gather the evidence required to support any future development or financial contributions policy. This may include implementing development contributions, financial contributions through the district plan, or some combination of both.
Transport network	Prioritisation of resilience, funding for resurfacing and rehabilitation works. Strengthening / replacement of aging structures. Replacement of the Hokianga Ferry within five years.
Three waters	Moving from reactive to proactive renewals for three water assets to ensure these assets are managed sustainably long term. Rebuilding sound practices for managing the three water assets including capable people, data, processes, and systems so these assets are managed wisely going forward.

TE RAUTAKI AHUMONI OUR FINANCIAL STRATEGY SUMMARY

This summary of our Financial Strategy outlines our approach to funding our activities in a way that is both sustainable and affordable for our communities. It determines the budgets we need for delivering projects and services in the LTP and Infrastructure Strategy.

We use tools like debt and rates limits to secure the necessary financial resources for projects and services while also ensuring that costs are managed responsibly. To achieve our strategy, prioritisation is essential to make sure our communities receive the services it needs in a way that is both affordable and balanced.

This strategy aims to:

- Achieve a balanced budget each year, ensuring that projected operating revenues are set at a level sufficient to meet that year's projected operating expenses
- Continue to moderate the impact of funding depreciation on strategic assets
- Ensure that no more than 90% of revenue will come from rates, with the balance coming from other sources such as subsidies from Government agencies including Waka Kotahi, and user fees and charges
- Limit annual overall rates increases to inflation (Local Government Cost Index) plus a declining addition of 16.5% in year 1, 7.1% in year 2, and 3.8% in year 3. This declining addition reflects higher upfront investment in repairing our transport network post the severe weather events (years 1 & 2), after which the addition reduces to more historical norms.
- Ensure that net debt does not exceed 280% of revenue
- Maintain interest costs at less than 10% of rates revenue.

The approach for the Financial Strategy is:

- Support the focus on recovery post severe weather events in repairing and building resilience into our transport infrastructure
- Recognise the financial implications of climate change and sea level rise in planning decisions, and provide sufficient funding to local and regional adaptation initiatives
- Continue to engage with the government on local government reforms

- Adequately fund the infrastructure strategy to enable the achievement of its key focus areas
- Maintain the core services we currently provide as cost-effectively and efficiently as possible, ensuring that finding operational efficiencies remains of paramount importance
- Continue to use the method of funding the net depreciation value to provide for renewals. Once condition and capacity data is reliably available, Council will consider the future funding of renewals using rates, borrowing, and other contributions in place of funding depreciation
- Use borrowing to spread the cost of new capital expenditure over time to ensure that the cost of infrastructure today is spread equitably between the ratepayers of today and tomorrow.

Financial Strategy highlights

Year ended 30 June	2025	2026	2027
Proposed rates \$m ¹	\$124	\$133	\$138
Budgeted rates increase ²	16.5%	7.1%	3.8%
Rates limit (Inflation + 2.9%) ³	17.9%	10.2%	8.3%
Det ceiling \$m	\$477	\$511	\$526
Debt \$m ⁴	\$217	\$262	\$322
Debt/revenue ratio ⁵	109.2%	118.1%	141.8%

¹ Proposed rates are the rates requirement based on the prospective revenue and expenditure for the three years. Revenue and expenditure projections are based on BERL forecast Local Government Cost Index (LGCI).

² Proposed rates increase is the movement in budgeted rates year on year.

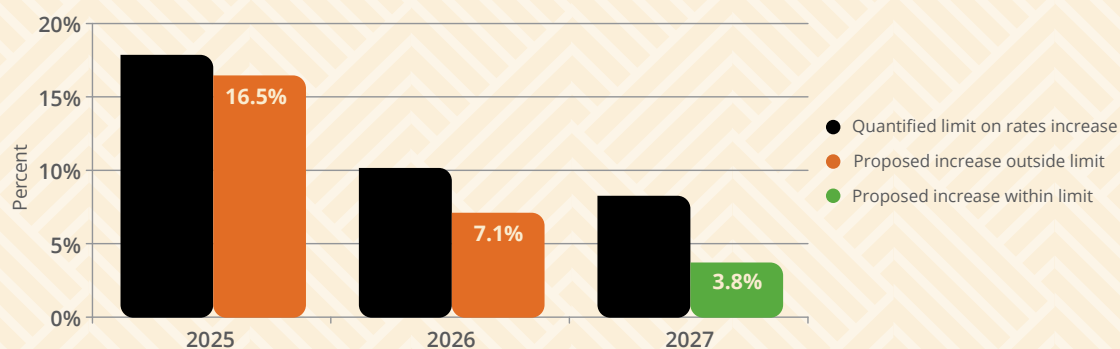
³ The rates limit is the maximum rates increase per annum, which consists of inflation (Local Government Cost Index) plus a declining addition of 15.0% in year 1, 8.0% in year 2, and 6.0% in year 3. This declining addition reflects higher upfront investment in repairing our transport network post the severe weather events (years 1 & 2), after which the addition reduces to more historical norms. The inflation estimates are based on BERL forecast Local Government Cost Index (LGCI).

⁴ Debt is calculated as total borrowings.

⁵ Debt to revenue ratio is calculated as debt divided by operating revenue plus subsidies capital work.

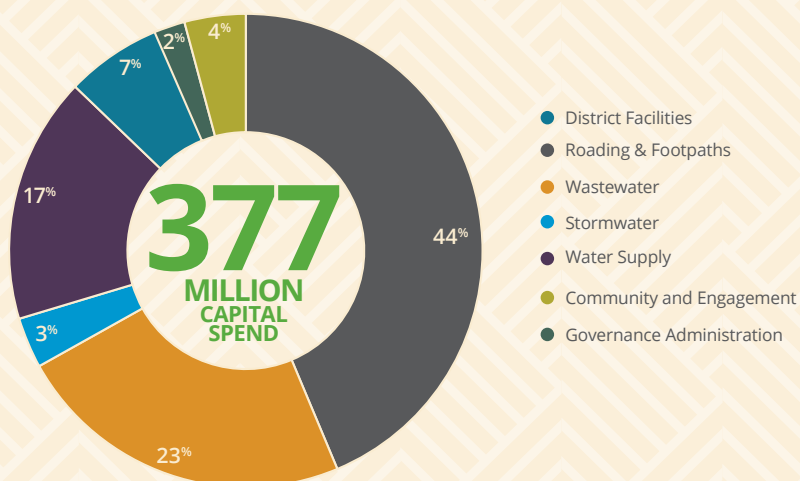
Total rates increase per year

Rate (increase) affordability (Whole of council)

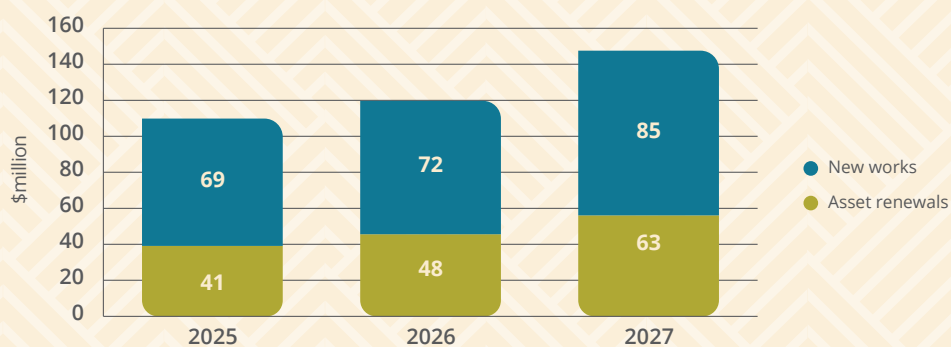


What will our debt pay for?

Capital spend (\$ million over three years)



Capital expenditure per year



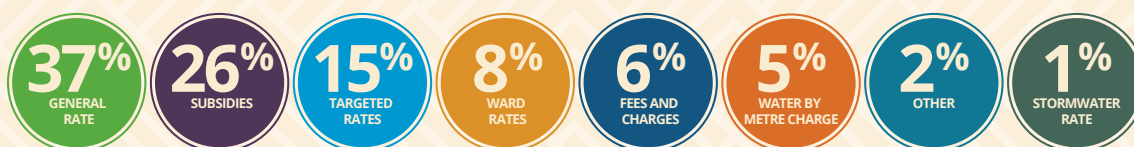
Council has a number of assets which have a long useful life and are not due for replacement within the three-year period covered by this plan. Investment identified as "Level of Service" does not always result in an increase to existing levels of service, but it ensures Council can respond to resilience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

Impact on rates

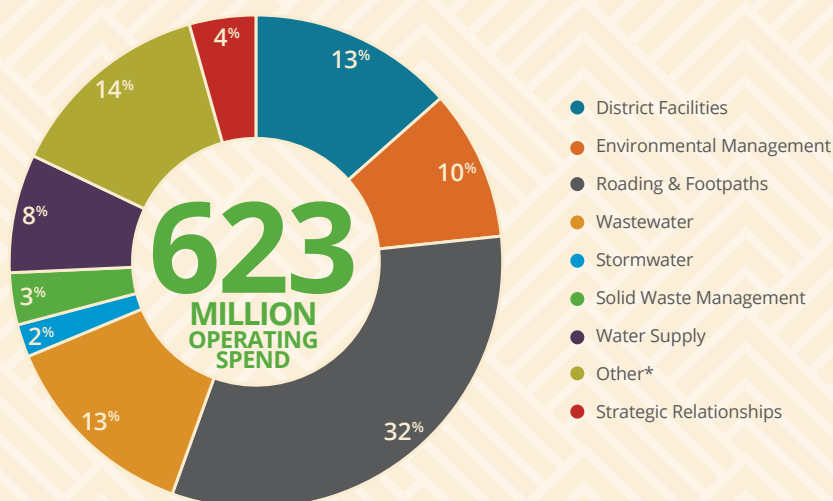
Our main source of funding is from rates. While we try to maximise the Government subsidies available and have adopted a 'user pays' policy (exercised through targeted rates and consumption and user charges) for many services and assets, the bulk is funded by rates.

Where does our revenue come from?

Council operational expenditure for the 3 year period is proposed to be funded on average, 61% from rates (including targeted water), and 39% from other revenue including user fees and charges and subsidies. In addition, we are budgeting for funding from Government subsidies to support capital expenditure.



Operating spend



* Other includes Governance Administration, Planning and Policy, Drainage, Community and Engagement.

NGĀ HUA O Ā KOUTOU UTU RĒTI THIS IS WHAT YOUR RATES DOLLAR CONTRIBUTES TO

GENERAL RATES

19
CENTS

TRANSPORT NETWORK

10
CENTS

REGULATORY SERVICES

TARGETED RATES

17
CENTS

WASTEWATER

09
CENTS

COMMUNITY SERVICES

08
CENTS

CUSTOMER SERVICES

04
CENTS

WATER

07
CENTS

RECREATION FACILITIES

07
CENTS

FUTURE PLANNING

04
CENTS

STORMWATER

06
CENTS

GOVERNANCE

04
CENTS

SUSTAINABLE ENVIRONMENT

03
CENTS

REFUSE

01
CENT

CIVIL DEFENCE

01
CENT

HOUSING FOR THE
ELDERLY

IF YOU WANT TO
KNOW MORE ABOUT
OUR ACTIVITIES
PLEASE SEE PAGE 27
OF THIS DOCUMENT
ON WHERE TO FIND
OUR SUPPORTING
INFORMATION

Example of rates payable on different value properties

Applies to all rateable properties

Land Values	General Rates	UAGC	Road UAGC	Roading Rate	Ward Rate Average	Public Good Rate	Wastewater Average	Water Average (Excluding Usage)	Final Rates 2024/25	AP 2023/24
Residential										
100,000	\$349	\$450	\$100	\$8	\$478	\$30	\$1,468	\$369	\$3,253	\$2,658
250,000	\$873	\$450	\$100	\$21	\$478	\$30	\$1,468	\$369	\$3,790	\$3,123
500,000	\$1,746	\$450	\$100	\$42	\$478	\$30	\$1,468	\$369	\$4,684	\$3,898
750,000	\$2,619	\$450	\$100	\$64	\$478	\$30	\$1,468	\$369	\$5,578	\$4,674
1,000,000	\$3,492	\$450	\$100	\$85	\$478	\$30	\$1,468	\$369	\$6,473	\$5,449
Rural and Lifestyle										
100,000	\$349	\$450	\$100	\$9	\$478	\$30	-	-	\$1,417	\$1,282
250,000	\$873	\$450	\$100	\$23	\$478	\$30	-	-	\$1,955	\$1,748
500,000	\$1,746	\$450	\$100	\$46	\$478	\$30	-	-	\$2,851	\$2,525
750,000	\$2,619	\$450	\$100	\$70	\$478	\$30	-	-	\$3,747	\$3,302
1,000,000	\$3,492	\$450	\$100	\$93	\$478	\$30	-	-	\$4,643	\$4,079
Commercial										
100,000	\$960	\$450	\$100	\$23	\$478	\$30	\$1,468	\$369	\$3,879	\$3,201
250,000	\$2,401	\$450	\$100	\$57	\$478	\$30	\$1,468	\$369	\$5,354	\$4,479
500,000	\$4,801	\$450	\$100	\$114	\$478	\$30	\$1,468	\$369	\$7,811	\$6,610
750,000	\$7,202	\$450	\$100	\$172	\$478	\$30	\$1,468	\$369	\$10,269	\$8,741
1,000,000	\$9,603	\$450	\$100	\$229	\$478	\$30	\$1,468	\$369	\$12,727	\$10,872

Notes:

1. Land Values are indicative amounts only.
2. In addition to the total rates indicated above, ratepayers in the rateable area for the stormwater network will be charged the targeted rate per \$ of capital value of their rateable property i.e. for \$100K of capital value the targeted rate for stormwater charge will be \$21.96.

Monitoring and reviewing our Financial Strategy

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

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

The Strategy will be reviewed triennially as part of the LTP process. Consideration will also be given to the impacts of any significant changes in local, national or global economic conditions during each year's Annual Plan process. To read our full financial strategy please click on the following address www.fndc.govt.nz/ltp2024-27 or read the paper copy version available at our service centres, libraries or i-SITEs across the District.

NGĀ KAUPAPA MATUA O TE MAHERE NEI KEY PROPOSALS FOR THIS PLAN

As we have mentioned our priority for the next three years is to focus on fixing the damage to our transport network. But we also have some challenges we want to talk about and welcome your thoughts and ideas on some or all of the options proposed.

You can provide your feedback online, complete the submission form, or come along to a day where you can verbally submit your comments. The details can be found under key dates on page 1.

ME TONO Ā KOUTOU KŌRERO I MUA I TE
15 O NGĀ RĀ O ĀPEREIRA
REMEMBER WE NEED YOUR FEEDBACK
BY 15 APRIL



17

Far North District Council | Te Pae Tawhiti Tuhinga Uiuinga | Long Term Plan Consultation Document 2024-27



ME WHAKAREREKĒ RAINI TE ĀHUA O TE TATAU I TE WAI UA PUTA NOA I TE ROHE? SHOULD WE CHANGE THE WAY WE RATE STORMWATER ACROSS THE DISTRICT?

What's happening now

Stormwater is rainwater that flows across roofs, roads and driveways into the Council's stormwater system of drains and culverts.

Severe weather events impact on our stormwater infrastructure and its ability to cope, is at capacity.

We need to decide on how we rate this activity going forward to tackle the growing problems that are increasing due to more severe weather events, lack of asset information and making sure our long-term investment are future-proof.

In the future, as we move on to the next LTP, we will have a better understanding about our stormwater network and asset information.

We'll be working to identify and solve problems before they become urgent, rather than waiting to react once issues arise

What is the issue?

- The impact of weather events on the public and private network has increased.
- The lack of long-term investment and asset information has our stormwater network at full capacity.

How we currently rate for stormwater?

We currently rate to fund specific capital developments within the urban communities across the district. The rate is set in two categories with no differentials.

This activity contributes to these community outcomes



Let's look at the options

We have included the positive and negative impacts for each option as well as how that impacts on service, ratepayers and debt. We also have a preferred option that we think would work best while still continuing to provide this service to our communities.

OPTION 1 Do nothing		
Positive impacts <ul style="list-style-type: none"> • Continuity: Maintains the current funding structure without disrupting existing operations. • Familiarity: The current method works fine. 	Negative impacts <ul style="list-style-type: none"> • Inadequate Funding: Maintaining the status quo may not provide sufficient resources to address the increasing challenges posed by severe weather events and aging infrastructure. • Risk of infrastructure failure: Without additional investment, the stormwater network may remain at full capacity, leading to increased risks of flooding and other related issues. • Lack of future-proofing: Failing to adapt the funding mechanism may hinder efforts to future-proof the stormwater management system against evolving challenges. 	
Impact on level of service Nil	Impact to ratepayer 10% general rate funded 90% targeted on capital value	Impact on debt Nil

OPTION 2**Change to a targeted rate based on land use and introduce a public good rate****Positive impacts**

- Fairness: Targets those who directly benefit from the stormwater network.
- Adequate funding: Ensures a more equitable distribution of funding, potentially generating additional revenue to address the increasing demands on stormwater infrastructure.

Negative impacts

- Equity concerns: there may be challenges already with high rating increases across the district to be able pay.

Impact on level of service

Less reactive activity on addressing the issue

Impact to ratepayer

\$10 stormwater public good rate per rating unit per year

See table below for targeted rate details

Impact on debt

Nil

Stormwater targeted rate		2024/25	2025/26	2026/27
Industrial / commercial	Per land use	375.00	375.00	375.00
Others including residential	Per land use	187.50	187.50	187.50

**OPTION 2 IS OUR PREFERRED OPTION****What do you think?**

Let us know your thoughts. Complete your submission online at www.fndc.govt.nz/ltp2024-27

Want more information?

Our capital programme shows what projects we will be doing in the stormwater space over the next three years.

You can find that on our website (link) or you can read the document at any of our service centres, libraries or information centres / i sites.

ISSUE 2

ME WHAKAREREKĒ RAINI TE ĀHUA TATAU I TE HUNGA KA HONO KI TE WAI ME TE WAIPARA, KA ĀHEI RAINI KI TE HONO KI TE WAI ME TE WAIPARA? SHOULD WE CHANGE THE WAY WE RATE FOR THOSE WHO ACCESS OR COULD ACCESS WATER SUPPLY AND WASTEWATER SERVICES?

This proposal does not affect those who are not connected (or not able to connect) to a council water or wastewater scheme.

We are proposing a shift in the way we rate for water and wastewater. These services cost a lot of money and it is really tough to fund these services in an affordable and equitable way with the district being so spread out.

growth while still managing affordability – one of the biggest challenges we face as a district. If we continue to rate water and wastewater the way we do currently, some communities will not be able to afford their rates when we carry out much-needed upgrades.

What's happening now

We are proposing that everyone who is connected (or could connect) to council water supply and/or wastewater schemes is charged on a district-wide, ward or scheme-by-scheme basis.

This activity contributes to these community outcomes



What is the issue?

We are proposing this change to make sure we can upgrade our services to be compliant and support

Let's look at the options

We have included the positive and negative impacts for each option as well as how that impacts on service, ratepayers and debt. We also have a preferred option that we think would work best while still continuing to provide this service to our communities.

OPTION 1

Do nothing

Positive impacts

- **Familiarity:** People pay for the services that they receive.
- **Fairness:** Targets those who directly benefit from the water and wastewater network.
- **Adequate funding:** Ensures a more equitable distribution of funding, potentially generating additional revenue to address the increasing demands on infrastructure.
- **Compliance:** We need to make sure our water and wastewater schemes are doing the job they should. There are issues we need to resolve, some because of increased government requirements.
- **Affordability:** The total cost of upgrades is not relative to the number of connections on a network. That means a small community will experience a far greater cost burden than a larger community, where the costs are spread more widely. By moving to a district-wide targeted rate, the burden is spread across a much larger number of ratepayers.

Negative

- **Inadequate Funding:** Maintaining the status quo may not provide sufficient resources to address the increasing challenges posed by severe weather events and aging infrastructure.
- **Equity concerns:** there may be challenges already with high rating increases across the district to be able to pay.

OPTION 1 cont...**Do nothing**

- | | |
|--|---|
| <ul style="list-style-type: none"> • Growth: This includes current demand and future growth. By enabling growth and new connections, upgrade costs will be shared across more ratepayers | <ul style="list-style-type: none"> • Future affordability: Affects some of our smaller communities. |
|--|---|

Impact on level of service

Nil

Impact to ratepayer

See water supply and wastewater targeted rates tables in the Funding Impact Statement - Rates, details on page 26 (Other information)

Impact on debt

Nil

OPTION 2**Change to district-wide rates for those connected to / or have the ability to connect to water supply and / or wastewater services****Positive impacts**

- **Familiarity:** People pay for the services that they receive.
- **Fairness:** Targets those who directly benefit from the water and wastewater network.
- **Adequate funding:** Ensures a more equitable distribution of funding, potentially generating additional revenue to address the increasing demands on infrastructure.
- **Compliance:** We need to make sure our water and wastewater schemes are doing the job they should. There are issues we need to resolve, some because of increased government requirements.
- **Affordability:** The total cost of upgrades is not relative to the number of connections on a network. That means a small community will experience a far greater cost burden than a larger community, where the costs are spread more widely. By moving to a district-wide targeted rate, the burden is spread across a much larger number of ratepayers.
- **Growth:** This includes current demand and future growth. By enabling growth and new connections, upgrade costs will be shared across more ratepayers.

Negative impacts

- **Equity concerns:** there may be challenges already with high rating increases across the district to be able to pay.
- **Future affordability:** Affects some of our smaller communities.

Impact on level of service

Nil

Impact to ratepayer

The table below show rates for water and wastewater services if changed to a district-wide targeted rate.

Impact on debt

Nil

Water supply targeted rate		2024/25	2025/26	2026/27
Connected	Per SUIP	369.70	402.71	487.83
Availability	Per rating unit	369.70	402.71	487.83
Wastewater targeted rate				
District-wide connected	Per SUIP	417.35	461.18	529.39
District-wide availability	Per rating unit	417.35	461.18	529.39
District-wide additional pans	Per sub pan*	250.41	276.71	317.63

* Per sub pan = Per subsequent pan

OPTION 3**Change to targeted ward rate for those connected to / or have the ability to connect to water supply and / or wastewater services****Positive impacts**

- **Compliance:** We need to make sure our water and wastewater schemes are doing the job they should. There are issues we need to resolve, some because of increased government requirements.
- **Affordability:** The total cost of upgrades is not relative to the number of connections on a network. That means a small community will experience a far greater cost burden than a larger community, where the costs are spread more widely. By moving to a district-wide targeted rate, the burden is spread across a much larger number of ratepayers.
- **Growth:** This includes current demand and future growth. By enabling growth and new connections, upgrade costs will be shared across more ratepayers.

Negative impacts

- **Inadequate Funding:** Maintaining the status quo may not provide sufficient resources to address the increasing challenges posed by severe weather events and aging infrastructure.

Impact on level of service

Nil

Impact to ratepayer

The tables below show rates for water and wastewater services if changed to a ward based targeted rate including the wastewater operational rate.

Impact on debt

Nil

Water supply targeted capital rate		2024/25	2025/26	2026/27
Bay of Islands - Whangaroa				
Connected	Per SUIP	273.92	351.25	402.15
Availability	Per rating unit	273.92	351.25	402.15
Kaikohe - Hokianga				
Connected	Per SUIP	405.75	466.14	497.93
Availability	Per rating unit	405.75	466.14	497.93
Te Hiku				
Connected	Per SUIP	567.48	695.66	689.92
Availability	Per rating unit	567.48	695.66	689.92
Wastewater targeted capital rate				
Bay of Islands - Whangaroa				
Connected	Per SUIP	569.41	590.10	594.99
Availability	Per rating unit	569.41	590.10	594.99
Additional pans	Per sub pan	341.65	354.06	356.99
Kaikohe - Hokianga				
Connected	Per SUIP	302.73	457.20	548.55
Availability	Per rating unit	302.73	457.20	548.55
Additional pans	Per sub pan	181.64	274.32	329.13
Te Hiku				
Connected	Per SUIP	322.90	412.41	458.87
Availability	Per rating unit	322.90	412.41	458.87
Additional pans	Per sub pan*	193.74	247.45	275.32
Wastewater targeted operational rate				
Bay of Islands - Whangaroa				
Connected rate	Per SUIP	1,396.84	1,159.41	1,247.09
Subsequent pan rate	Per sub pan	838.11	695.65	748.26
Kaikohe - Hokianga				
Connected rate	Per SUIP	773.27	840.11	1,005.65
Subsequent pan rate	Per sub pan	463.96	504.07	603.39
Te Hiku				
Connected rate	Per SUIP	828.49	883.53	997.73
Subsequent pan rate	Per sub pan*	497.10	530.12	598.64

OPTION 4**Change to targeted scheme-based operational rate for those connected to / or have the ability to connect to water supply and / or wastewater services****Positive impacts**

- **Compliance:** We need to make sure our water and wastewater schemes are doing the job they should. There are issues we need to resolve, some because of increased government requirements.
- **Affordability:** The total cost of upgrades is not relative to the number of connections on a network. That means a small community will experience a far greater cost burden than a larger community, where the costs are spread more widely. By moving to a district-wide targeted rate, the burden is spread across a much larger number of ratepayers.
- **Growth:** This includes current demand and future growth. By enabling growth and new connections, upgrade costs will be shared across more ratepayers.
- **Fairness:** Targets those who directly benefit from the water and wastewater network.
- **Adequate funding:** Ensures a more equitable distribution of funding, potentially generating additional revenue to address the increasing demands on infrastructure.

Negative

- **Inadequate Funding:** This may not provide sufficient resources to address the increasing challenges posed by severe weather events and aging infrastructure.

Impact on level of service	Impact to ratepayer	Impact on debt
Nil	The table below show rates for water and wastewater services if changed to a scheme based targeted rate including the wastewater operational rate.	Nil

Wastewater operational rate		2024/25	2025/26	2026/27
Ahipara				
Ahipara connected	Per SUIP	945.01	992.38	1,078.92
Ahipara additional pans	Per sub pan*	567.00	595.43	647.35
Hihi				
Hihi connected	Per SUIP	2,147.01	2,067.21	3,215.07
Hihi additional pans	Per sub pan	1,288.20	1,240.32	1,929.04
Kāeo				
Kāeo connected	Per SUIP	1,614.42	1,674.26	1,768.51
Kāeo additional pans	Per sub pan	968.65	1,004.56	1,061.10
Kaikohe				
Kaikohe connected	Per SUIP	628.71	706.44	898.21
Kaikohe additional pans	Per sub pan	377.23	423.87	538.93
Kaitāia & Awanui				
Kaitāia & Awanui connected	Per SUIP	663.51	742.36	842.64
Kaitāia & Awanui additional pans	Per sub pan	398.11	445.42	505.58
Kawakawa				
Kawakawa connected	Per SUIP	1,072.27	1,120.40	1,204.29
Kawakawa additional pans	Per sub pan	643.36	672.24	722.58
Kerikeri				
Kerikeri connected	Per SUIP	2,106.15	1,262.25	1,352.04
Kerikeri additional pans	Per sub pan	1,263.69	757.35	811.22
Kohukohu				
Kohukohu connected	Per SUIP	1,289.58	1,286.36	1,378.25
Kohukohu additional pans	Per sub pan	773.75	771.82	826.95

23

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Wastewater operational rate		2024/25	2025/26	2026/27
Ōpononi				
Ōpononi connected	Per SUIP	982.38	1,028.55	1,110.70
Ōpononi additional pans	Per sub pan	589.43	617.13	666.42
Paihia				
Paihia connected	Per SUIP	840.86	880.64	951.59
Paihia additional pans	Per sub pan	504.52	528.38	570.95
Rangiputa				
Rangiputa connected	Per SUIP	1,147.63	1,200.95	1,295.34
Rangiputa additional pans	Per sub pan	688.58	720.57	777.21
Rāwene				
Rāwene connected	Per SUIP	878.00	922.53	1,004.25
Rāwene additional pans	Per sub pan	526.80	553.52	602.55
Russell				
Russell connected	Per SUIP	1,556.75	1,600.79	1,699.32
Russell additional pans	Per sub pan	934.05	960.47	1,019.59
Taipā				
Taipā connected	Per SUIP	865.23	893.99	978.19
Taipā additional pans	Per sub pan	519.14	536.39	586.92
Whangaroa				
Whangaroa connected	Per SUIP	20,367.79	20,894.15	21,501.85
Whangaroa additional pans	Per sub pan	12,220.68	12,536.49	12,901.11
Whatuwhiwhi				
Whatuwhiwhi connected	Per SUIP	900.77	948.15	1,036.29
Whatuwhiwhi additional pans	Per sub pan	540.46	568.89	621.77

* Per sub pan = Per subsequent pan

What do you think?

Take a look at the sample rating information for each option and how it affects you, and then let us know your thoughts. Complete your submission online at www.fndc.govt.nz/ltp2024-27

Want more information?

Our proposed capital programme shows what projects we will be doing in the water supply / wastewater spaces over the next three years.

You can find that on our website www.fndc.govt.nz/ltp2024-27 or you can read the document at any of our service centres, libraries or information centres / isites.



ME PĒHEA E HAERE TONU AI NGĀ RATONGA Ā NGĀ RĀ KEI TE HEKE MAI? HOW DO WE CONTINUE TO PROVIDE COMMUNITY SERVICES IN THE FUTURE?

What's happening now

We operate six service centres, three I-sites and six libraries across our district. Last year, these centres had around 22,947 face-to-face interactions. While that might sound like a lot, the number is actually decreasing because more people are able to access our services online now. With better internet and increased online options, people are preferring to move to a more digitally operated service. To be more effective a more consolidated model where we combine our services as one would cater for the needs of our district.

What is happening now?

Customers are having to travel to separate locations, for example going to the library and then having to go to another building to make a service enquiry.

The options

We have included the positive and negative impacts for each option as well as how that impacts on service, ratepayers and debt. We also have a preferred option that we think would work best while still continuing to provide this service to our communities.

Some of the smaller service centres, libraries and i-sites have limited opening hours.

What is the issue?

A number of buildings are used for one purpose only, whether it be a service centre, library or i-site. And we know there are others that provide combined services but not in entirety.

Each building has associated operating costs which continue to increase over the years due to inflationary impacts, interest rates and day to day operations.

This activity contributes to these community outcomes



OPTION 1

Provide multi-purpose centres: two for Bay of Islands-Whangaroa, one each for Kaikohe-Hokianga, and Te Hiku

Positive impacts

- **Cost Savings:** Reduces overhead costs associated with operating and maintaining two service centres in the future.
- **Resource Optimisation:** Allows for the consolidation of resources into fewer locations, potentially improving efficiency.
- **Focus on Digital Services:** Encourages further investment and development of online platforms to meet the shifting demands of the population.

Negative impacts

- **Operational costs:** This will have additional costs in the 1st year to ensure setup is correct.
- **Capital investment:** The initial cost to setup will have an impact.
- **Reduced Accessibility:** Removes physical service points from certain areas, potentially disenfranchising those who rely on face-to-face interactions.
- **Customer Disruption:** May inconvenience existing clients who are accustomed to utilising the now-closed service centres.
- **Community Impact:** Closure of service centres may lead community dissatisfaction, particularly in areas where the centres provide essential support.

Impacts

If we do decide to go with our preferred option, we would not be implementing any changes until July 2025. We want to make sure the communities in those areas are well-informed of closures if they occur and what the alternatives are.



OPTION 1 IS OUR PREFERRED OPTION

OPTION 2**Provide a multi-purpose centre for each ward****Positive impacts**

- **Cost Savings:** Reduces overhead costs associated with operating and maintaining two service centres in the future.
- **Resource Optimisation:** Allows for the consolidation of resources into fewer locations, potentially improving efficiency.
- **Focus on Digital Services:** Encourages further investment and development of online platforms to meet the shifting demands of the population.

Negative impacts

- **Operational costs:** This will have additional costs in the 1st year to ensure setup is correct.
- **Capital investment:** The initial cost to setup will have an impact.
- **Reduced Accessibility:** Removes physical service points from certain areas, potentially disenfranchising those who rely on face-to-face interactions.
- **Customer Disruption:** May inconvenience existing clients who are accustomed to utilising the now-closed service centres.
- **Community Impact:** Closure of service centres may lead to community dissatisfaction, particularly in areas where the centres provide essential support.

Impacts

If we do decide to go with our preferred option, we would not be implementing any changes until July 2025. We want to make sure the communities in those areas are well-informed of closures if they occur and what the alternatives are.

OPTION 3**Do nothing****Positive impacts**

- **Continuity:** Maintains the current setup without disrupting existing operations.
- **Accessibility:** Ensures continued physical presence in all locations, potentially reaching those who prefer or lack access to digital services.
- **Familiarity:** Customers are accustomed to the current service centre locations and may find comfort in their accessibility.

Negative impacts

- **Cost Inefficiency:** Maintaining the service centres, libraries and isites might be financially burdensome, especially if face-to-face interactions continue to decline.
- **Resource Allocation:** Spread resources thinly across multiple locations, potentially impacting the quality of service provided.
- **Lack of Adaptability:** Fails to capitalise on the trend towards digital services and may not align with changing consumer preferences.

Impact on level of service

Nil

Impact to ratepayer

No change

Impact on debt

Nil

What do you think? Do you agree with our preferred option or choose another? Then let us know. Complete a submission form online at www.fndc.govt.nz/ltp2024-27



HE KŌRERO ATU ANŌ OTHER INFORMATION

As well as providing your thoughts on the proposals in this document, we also welcome feedback on any of the supporting information mentioned below.

- Proposed forecast financial statements
- Proposed funding impact statements
- Proposed funding impact statement (rates)
- Proposed fees and charges schedule 2024/25
- Proposed forecast reserve funds
- Proposed community outcomes
- Proposed groups and activities
- Proposed Financial Strategy
- Proposed Infrastructure Strategy
- Proposed Policies
 - Accounting policies
 - Revenue and Financing Policy
 - Rating Relief Policies
 - Treasury, Liability and Investment Policies
- Proposed capital works programme
- Proposed significant forecasting assumption

Our adopted Significant and Engagement policy 2021 and Te Mahi Tahi me te Māori • Working with Māori document also supports these documents.

Supporting information can be viewed in paper versions at either Kaikohe, Kaitiāia or Kerikeri services centres or found on our website: www.fndc.govt.nz/ltp2024-27

Copies of the Consultation Document and submission form can be picked up from any service centres, isites / information centres or libraries.

MĀMĀ NOA IHO TE WHAKAPĀ MAI! MAKING A SUBMISSION IS EASY!



You can submit online at:
www.fndc.govt.nz/ltp2024-27
Online submissions saves cost and time!



You can email your feedback to:
submissions@fndc.govt.nz



You can come and fill in a printed form at a service centre near you, complete it there or take it away and post it back to us.



You can post your form back to us at:
LTP submissions
Far North District Council
Private Bag 752
Kaikohe 0440



You can catch up with us in person at one of our planned 'pop ups' in Kaikohe, Kaitiāia or Kerikeri, throughout March. See our website for information on when and where we will be.

KIA MAHARA ANŌ,
ME TONO MAI Ā
KOUTOU KŌRERO I
MUA I TE 15 O NGĀ
RĀ O ĀPEREIRA

REMEMBER WE NEED
YOUR FEEDBACK BY
15 APRIL

HE ARA TĀMATA
CREATING GREAT PLACES
Supporting our people

WHAKAPĀ MAI
CONTACT US

Te Kaunihera o Te Hiku o te Ika
Far North District Council

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ACCOUNTING POLICIES

CONTENTS

Reporting entity	3
Accounting principles compliance.....	3
Statement of compliance and basis of preparation	3
Changes in accounting policies	4
Specific accounting policies	4
Cost allocation	4
Revenue	5
Borrowings and other financial liabilities	6
Goods and Services Tax (GST)	7
Leases.....	7
Cash and cash equivalents.....	7
Debtors and other receivables.....	8
Creditors and other payables	8
Employee benefits	8
Property, plant and equipment	8
Revaluations	9
Additions	9
Subsequent costs	10
Assets under construction	10
Disposals.....	10
Depreciation.....	10
Impairment	12
Critical accounting estimates and assumptions	12
Critical judgments in applying Council's accounting policies	13
Intangible assets	13
Forestry assets	14
Equity	14
Property revaluation reserves.....	15
Fair value through equity reserves	15
Cash flow hedge reserves	15
Development costs	15
Financial assets	15
Investment properties	16
Provisions.....	16
Statement of cash flows.....	17
Non-current assets held for sale.....	17
Critical accounting estimates and assumptions	17

Reporting entity

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

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

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

These financial statements are for the three years ended 30 June 2027 and were authorised by Far North District Council for consultation on 12 March 2024.

Accounting principles compliance

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

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

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

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

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

Statement of compliance and basis of preparation**Statement of compliance**

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

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

Council is responsible for the prospective financial statements included in the LTP 2024-27, including the appropriateness of the significant financial assumptions these are based on, and the other disclosures included in the document.

The prospective financial statements are for the period 1 July 2024 to 30 June 2027 and do not reflect any actual results. The actual results achieved for the period covered by this plan are likely to vary from the information presented in the document and these variations may be material. Council does not intend to update prospective financial statements after publication.

In the opinion of Council and the management of the Far North District Council, the prospective financial statements for the 3 year period ending 30 June 2027 fairly reflect the prospective financial position, performance and operations of the Far North District Council.

Measurement base

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

Presentation currency and rounding

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

Changes in accounting policies

The following changes in accounting policies have been applied:

- Financial instruments - PBE IPSAS 41 PBE IPSAS 41 Financial Instruments was issued in March 2019. This standard supersedes PBE IFRS 9 Financial Instruments, which was issued as an interim standard. It is effective for reporting periods beginning on or after 1 January 2022. The group has adopted PBE IPSAS 41 Financial Instruments, and the adoption did not result in any significant impact on the group financial statements.
- 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. This standard has been applied and adoption did not result in any material changes to the statement of service performance

Specific accounting policies

Cost allocation

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

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

Criteria for direct and indirect costs

Direct costs are charged directly to significant activities. Indirect costs are charged to significant activities based on cost drivers and related activity / usage information. The

costs of internal services not directly charged to activities are allocated as overheads using appropriate cost drivers such as actual usage, staff numbers and floor area.

Revenue

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

Rates revenue

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

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

Building and resource consent

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

Landfill

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

Development contributions

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

Subsidy

Subsidies are recognised as revenue upon entitlement once conditions pertaining to eligible expenditure have been fulfilled. Council receives funding assistance from Central Government from three main agencies:

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

Vested or donated physical assets

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

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

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

Grants

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

Sale of goods

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

Rental revenue

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

Dividends

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

Third party revenue

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

Interest

Interest revenue is recognised using the effective interest method.

Borrowings and other financial liabilities**Borrowing**

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

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

Borrowing costs

Borrowing costs are expensed in the period they are incurred.

Guarantees

Accounting Standards require the council to initially recognise the guarantee liability by applying the 12-month expected credit loss model (as fair value could not be reliably

measured) and subsequently at the higher of the provision for impairment at balance date determined by the expected credit loss model and the amount initially recognised. At the end of financial year, the council have assessed the 12-month expected credit losses of the guarantee liability, based on market information of the underlying assets held by the NZLGFA. The estimated 12-month expected credit losses are immaterial due to the extremely low probability of default by the NZLGFA in the next 12 months, and therefore, the council have not recognised a liability.

Grants

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.

Income tax

Income tax expense includes components relating to current tax.

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

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

Goods and Services Tax (GST)

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

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

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

Commitments and contingencies are disclosed exclusive of GST.

Leases

Operational lease

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

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

Cash and cash equivalents

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

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

Debtors and other receivables

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

Creditors and other payables

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

Employee benefits**Short term employee entitlements**

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

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

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

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

Presentation of employee entitlements

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

Defined contribution schemes

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

Property, plant and equipment

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

Property, plant and equipment consists of:

- Operational assets
These include land, buildings, improvements to leased assets, plant and equipment, and motor vehicles.

- Restricted assets

Restricted assets are parks and reserves owned by Council that provide a benefit or service to the community and cannot be disposed of because of legal or other restrictions.

- Infrastructure assets

Infrastructure assets are the fixed utility systems owned by Council. Each asset type includes all items that are required for the network to function; for example, sewer reticulation includes reticulation piping and sewer pump stations.

Revaluations

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

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

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

- Roading infrastructure assets
- Stormwater infrastructure assets
- Water and sewerage infrastructure assets
- Maritime assets
- Footpaths and footbridges
- Carparks
- Refuse transfer stations
- Library books
- Ferry assets
- Heritage assets
- Parks and reserves
- Land
- Community facilities buildings.

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

Additions

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

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

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

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

Subsequent costs

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

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

Assets under construction

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

completion and then depreciated.

Disposals

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

Depreciation

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

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

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

	Useful life (Years)	Straight line depreciation (%)
Operational assets		
Runways	25	4
Buildings	15 – 120	0.83 – 6.67
Motor vehicles	3 – 5	20 – 33
Plant and machinery	1 – 40	2.5 – 100
Wharves (concrete)	10 - 85	1.17 – 10
Wharves (timber), moorings and ramps	10 – 50	2 – 10
Office furniture and equipment	5 – 15	6.67 – 20

	Useful life (Years)	Straight line depreciation (%)
Computers	3 - 7	14.28 – 33
Library books	3 – 40	2.5 – 33
Heritage assets	10 – 185	0.54 – 10
Leasehold improvements	3 – 25	4 - 33
Infrastructure assets		
Roads		
Top surface (seal)	5 - 50	2 – 20
Top surface (unsealed)	12	8.33
Pavement (base course) – sealed	35	2.85
Pavement (sub base) sealed	35 - 50	2 – 2.85
Pavement (sub base) sealed	50 - 80	1.25 - 2
Culverts, cesspits	15 - 100	1 – 6.7
Surface water channels	0 - 50	0 - 20
Footpaths	30 – 60	1.6 – 3.3
Kerbs	50 – 80	1.25 – 2
Streetlights	8– 60	1.67 – 12.5
Signs	20	5
Bridges	50 – 100	1 – 2
Railings	30 – 50	2 – 3.3
Water reticulation		
Pipes	50 – 100	1 – 2
Valves, hydrants	50 - 70	1.43 – 2
Pump stations	10 – 50	2 – 10
Treatment Plants	5 - 100	1 - 2
Tanks / dams	40 – 100	1. – 2.5
Sewerage reticulation		
Pipes	40 – 100	1 – 2.5
Manholes	80	1.25
Pump Stations	7 - 70	1.43 - 14.28
Treatment plant	5 – 70	1.43 – 20
Stormwater systems		
Pipes	40 – 100	1 – 2.5%
Manholes	100	1%
Refuse	5 - 100	1 - 20

Improvements to leased assets are depreciated over the shorter of the unexpired period

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

Land is not depreciated.

Impairment

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

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

The carrying amounts of Council assets are reviewed at balance date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

An impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognised in the surplus / (deficit). Impairment losses on revalued assets offset any balance in the asset revaluation reserve, with any remaining impairment loss being posted to the surplus / (deficit).

The reversal of an impairment loss on a revalued asset is credited to the revaluation reserve. However, to the extent that an impairment loss for that class of asset was previously recognised in the surplus / (deficit), a reversal of the impairment loss is also recognised in the surplus / (deficit).

For assets not carried at a revalued amount the reversal of an impairment loss is recognised in the surplus / (deficit).

Critical accounting estimates and assumptions

Infrastructural assets

There are a number of assumptions and estimates used when performing Depreciated Replacement Cost (DRC) valuations over infrastructural assets. These include:

- The physical deterioration and condition of an asset. Council may be carrying an asset at an amount that does not reflect its actual condition. This is particularly so for those assets which are not visible, such as stormwater, wastewater and water supply underground assets. This risk is minimised by Council performing physical inspections and assessments;
- Estimating any obsolescence or surplus capacity of an asset; and
- Estimates are made when determining the remaining useful lives over which the asset will be depreciated. If useful lives do not reflect the actual consumption of the benefits of the asset, Council could be over or underestimating the annual depreciation charge recognised as an expense in the statement of comprehensive revenue and expense.

To minimise this risk, Council's infrastructure asset useful lives have been determined with reference to the NZ Infrastructural Asset Valuation and Depreciation Guidelines published by the National Asset Management Steering Group and have been adjusted for local conditions based on past experience.

Experienced independent valuers perform Council's infrastructure asset revaluations.

Critical judgments in applying Council's accounting policies

Management has exercised the following critical judgments in applying the Council accounting policies for the three-year period ended 30 June 2027.

Classification of property

Council owns a number of properties which are maintained primarily to provide housing to pensioners. The receipt of market-based rental from these properties is incidental to holding these properties. These properties are held for service delivery objectives as part of the Council's social housing policy. These properties are accounted for as property, plant and equipment.

Intangible assets

Intangible assets are stated at cost less accumulated amortisation. Easements, resource consents, public access rights, software and electronic books are included in this category.

Computer software

Acquired computer software systems are capitalised on the basis of costs incurred to acquire and bring the software to use. Costs associated with developing or maintaining computer software programmes are recognised as expense when incurred.

Other intangible assets

Other intangible assets, excluding easements which are not amortised, are stated at cost less accumulated amortisation and impairment losses. The useful lives and associated amortisation classes of intangible assets have been estimated as follows:

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

Where Council invests at least \$100,000 in a project, but will not ultimately own an asset, the cost of the right will be treated as an intangible asset where:

- the community has the right to use the facility; and
- in terms of the contract, that right exists for longer than 12 months.

In all instances the cost will be amortised over the shorter of the expected life of the asset or the term of the contract rights.

Subsequent costs

Subsequent expenditure on capitalised intangible assets will be capitalised only when:

- it increases the future economic benefits embodied in the specific asset to which it relates; and
- it meets the definition of, and recognition criteria for, an intangible asset.

All other expenditure is expensed as incurred.

Amortisation

An intangible asset with a finite useful life is amortised:

- over the period of that finite life;
- annually assessed for indicators of impairment (and tested for impairment if indicators exist); and
- carried at cost less accumulated amortisation and accumulated impairment losses.

An intangible asset with an indefinite useful life is not amortised but is tested annually for impairment.

Forestry assets

Forestry assets are independently revalued to estimated market valuation. The net gain or loss arising from changes in the forest asset valuation is included in the surplus / (deficit). All gains and losses from harvesting are recognised in the statement of comprehensive revenue and expense when realised.

Forestry maintenance costs are expensed when incurred.

Equity

Equity is the community's interest in Council and is measured as the difference between total assets and liabilities.

Public equity is disaggregated and classified into a number of components to enable clear identification of the specified uses that Council makes of its accumulated surpluses:

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

Restricted reserves

Restricted reserves are a component of equity representing a use to which various parts of the equity have been assigned.

Reserves may be legally restricted or created by Council.

Restricted reserves are those reserves subject to specific conditions accepted as binding by Council and which may not be revised by Council without reference to the Courts or a third party. Transfers from these reserves may be made only for certain specified purposes or when certain specified conditions are met.

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

Council created reserves are reserves established by Council decision. Council may alter them without reference to any third party or the Courts. Transfers to and from these

reserves are at the discretion of Council.

Property revaluation reserves

These reserves relate to the revaluation of property, plant and equipment to fair value.

Fair value through equity reserves

This reserve comprises the cumulative net change in fair value of equity assets.

Cash flow hedge reserves

This reserve comprises the effective portion of the cumulative net change in the fair value of derivatives designated as cash flow hedges.

Development costs

Expenditure on development projects is carried forward to be expended against expected future revenue from the project. Expenditure carried forward is expensed when Council determines that the project has ceased or that no identified future benefits are likely to be derived.

Financial assets

PBE Standards classify financial assets into three categories:

i. Measured at amortised cost if:

- the asset is held by the Group to collect the contractual cash flows; and
- the contractual cash flows represent solely payments of principal and interest.

Financial assets in this category are initially recognised at fair value and subsequently are required to be measured at amortised cost.

ii. Measured at fair value through other comprehensive revenue and expense if:

- the objective of the Group's management model for holding the assets is to both collect contractual cash flows and to sell the financial assets; and
- the asset's contractual cash flows represent solely payments of principal and interest.

Financial assets in this category are required to be measured at fair value with all changes taken through other comprehensive revenue and expenses.

iii. Measured at fair value through surplus or deficit if:

- the assets that do not meet the criteria for classification as at amortised cost or at fair value through other comprehensive revenue and expense.

Financial assets in this category are required to be measured at fair value with all changes in fair value recognised in surplus or deficit.

The classification depends on the Council's management model for the financial asset and the contractual cash flow characteristics of the financial asset. Management determines the classification of its investments at initial recognition and re-evaluates this designation at every reporting date.

Financial assets are initially measured at fair value plus transaction costs unless they are measured at fair value through surplus or deficit, in which case the transaction costs are recognised in the surplus or deficit. Impairment of financial assets

Financial assets carried at amortised cost are assessed each reporting date for impairment. If there is objective evidence of impairment, the difference between the asset's carrying amount and the present value of estimated future cash flows, where

appropriate, is recognised in the surplus/(deficit).

Inventories

Inventories are valued at the lower of cost (determined on a first-in first-out basis) and net realisable value. This valuation includes allowances for slow-moving and obsolete inventories.

Inventories held for distribution at no charge, or for a nominal amount, are stated at the lower of cost and current replacement cost.

The write-down from cost to current replacement cost or net realisable value is recognised in the surplus / (deficit).

Investment properties

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

After initial recognition, Council measures all investment properties at fair value determined annually by an independent valuer. Fair values are based on market values, being the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.

Any gain or loss arising from a change in fair value is recognised in the surplus / (deficit). There is no depreciation on investment properties.

Rental revenue from investment property is accounted for as described in the accounting policy for revenue recognition.

When an item of property, plant and equipment is transferred to investment property following a change in its use, any differences arising at the date of transfer between the carrying amount of the item immediately prior to transfer and its fair value is recognised directly in equity if it is a gain. Upon disposal of the item the gain is transferred to accumulated comprehensive revenue and expense. Any loss arising in this manner is recognised immediately in the surplus / (deficit).

If an investment property becomes owner-occupied, it is reclassified as property, plant and equipment and its fair value at the date of reclassification becomes its cost for accounting purposes.

When Council begins to redevelop an existing investment property for continued future use as an investment property, the property remains an investment property and is not reclassified as property, plant and equipment during the redevelopment.

Provisions

A provision is recognised in the statement of financial position when Council has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits, the amount of which can be reliably estimated, will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

Landfill post-closure costs

Council as an operator of both closed and operational landfills has a legal obligation under the Resource Management Act (1991) to provide ongoing maintenance and monitoring services at landfill sites after closure. A provision for post-closure costs is recognised as a liability when the obligation for post-closure costs arises.

The provision is based on the present value of future cash flows expected to be incurred, taking into account ongoing future events including new legal requirements and known improvements in technology. The provision includes all costs associated with landfill post closure.

Council measures landfill assets using the cost model with changes in the provision for decommissioning costs being added to, or deducted from, the asset value until closure of the asset, at which time all changes to the provision are taken to the surplus / (deficit).

The discount rate used is a pre-tax rate that reflects current market assessments of time value of money and risks specific to Council.

Statement of cash flows

Cash or cash equivalents refers to cash balances on hand, cash held in bank accounts, on-demand deposits of three months or less and other highly-liquid investments in which Council or its subsidiaries invest as part of its day-to-day cash management.

Operating activities include cash received from all revenue sources of Council and record cash payments made for the supply of goods and services.

Agency transactions (for example, the collection of regional council rates) are recognised as receipts and payments in the statement of cash flows, given that they flow through Council's main bank account.

Investing activities are those activities relating to the acquisition and disposal of non-current assets. Financing activities comprise the change in equity and debt capital structure of Council.

Non-current assets held for sale

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

An impairment loss is recognised for any initial or subsequent write-down of the asset to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset is recognised at the date of for accounting purposes.

Non-current assets are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities classified as held for sale continue to be recognised.

Non-current assets classified as held for sale are presented separately from other assets in the statement of financial position.

Critical accounting estimates and assumptions

In preparing these prospective financial statements, Council has made estimates and assumptions concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and judgments are continually evaluated and are based on historic experience and other factors, including expectations or future events that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Landfill aftercare provision

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 require.
- 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/discountrates](https://treasury.govt.nz/publications/guidance/reporting/accounting/discountrates)



**PROPOSED
CAPITAL
WORKS
PROGRAMME
2024-27**

Contents

Community and Engagement Group	1
Delivery and Operations Group	1
District Facilities	1
Compliance - Environmental Management	2
Compliance - Solid Waste Management	3
Corporate Services Group	3
Governance Administration	3
Northland Transport Alliance	3
Roothing and Footpaths	3
Water Services Group	4
Stormwater	4
Wastewater	5
Water Supply	6

Community and Engagement Group

	2024/25	2025/26	2027/28
New works			
Library eBooks	44,123	48,183	54,520
Library eResources	37,845	40,240	44,374
Library replacement, Kaikohe	6,404,825	6,562,798	-
Total new works	6,486,793	6,651,221	98,894
Renewals			
Information centre renewals, District-wide	-	2,044	35,262
Information centre renewals, Kaitāia	55,274	41,465	53,819
Information centre renewals, Ōpononi	5,310	3,066	3,140
Information centre renewals, Paihia	10,350	37,303	34,535
Library eBooks	41,400	40,880	41,860
Library technology	3,142	2,925	11,163
Scheduled library renewals, District-wide	322,993	343,441	378,718
Scheduled renewals, Kāeo library	4,681	-	-
Scheduled renewals, Kaikohe library	9,058	682,352	10,465
Scheduled renewals, Kaitāia library	13,350	-	-
Scheduled renewals, Paihia library	5,914	1,114	-
Scheduled renewals, Proctor library, Kerikeri	184,474	25,550	5,233
Service centre renewals, Rāwene	109,369	-	-
Total renewals	765,315	1,180,140	574,195
Total capital works for Community and Engagement Group	7,252,108	7,831,361	673,089

Delivery and Operations Group

District Facilities	2024/25	2025/26	2027/28
New works			
Amenity lighting, BOI-Whangaroa	10,000	10,220	10,465
Amenity lighting, Kaikohe-Hokianga	10,000	10,220	10,465
Amenity lighting, Te Hiku	10,000	10,220	10,465
Cemetery development, Russell	150,000	-	-
Housing for the Elderly works, District-wide	3,906,667	4,708,014	4,088,327
Kaitāia Airport fencing	200,000	-	-
Kaitāia Airport runway	1,294,854	-	-
Kaitāia Airport upgrades	465,000	-	-
Maritime - Rangitāne footpath	-	167,132	-
Maritime - Windsor Landing, public toilet	138,048	-	-
Maritime facilities, boat ramp parking Rangitāne	1,561,558	-	-
Maritime facilities, minor upgrades	-	77,393	87,569
New carparking, Russell	124,670	-	-
Paihia waterfront improvements	1,035,000	-	-
Parks and reserves, District-wide playground shadesails	190,000	-	-
Public toilet, Kāeo	20,000	-	-
Taipā Point Reserve stormwater mitigation	207,000	-	-
Tsunami siren replacement project CDEM remediation	340,962	-	-
Waipapa Baysport carpark surfacing	207,000	306,600	-
Total new works	9,870,759	5,289,799	4,207,291

District Facilities	2024/25	2025/26	2027/28
Renewals			
Amenity lighting, BOI-Whangaroa	5,000	5,110	5,232
Amenity lighting, Kaikohe-Hokianga	5,000	5,110	5,233
Amenity lighting, Te Hiku	5,000	5,110	5,232
Bins, benches, bollards, signs and tables, BOI-Whangaroa	30,000	30,660	31,395
Bins, benches, bollards, signs and tables, Kaikohe-Hokianga	30,000	30,660	31,395
Bins, benches, bollards, signs and tables, Te Hiku	30,000	30,660	31,395
Building renewals, Kāeo old Post Office	517,500	-	-
Civil defence renewals	25,849	-	-
Coastal walkway consent renewal, Ōpua Basin	-	7,497	-
Hall renewals, Kāeo	246,330	-	-
Hall renewals, Ōkaihau	956,224	-	-
Hall renewals, Taipā (Lake Ohia)	97,934	-	-
Kaitiāia airport runway	418,526	-	-
Maritime consent renewals, Awanui River, Unahi	-	7,497	-
Maritime consent renewals, Clansman Wharf Area, Whangaroa	-	7,497	-
Maritime consent renewals, Hokianga Harbour	-	19,761	-
Maritime consent renewals, Horeke, Hokianga Harbour	7,593	7,497	-
Maritime consent renewals, Kohukohu	-	7,497	-
Maritime consent renewals, Ōmāpere	-	19,761	-
Maritime consent renewals, Ōpononi, Hokianga Harbour	-	14,994	-
Maritime consent renewals, Paihia	-	-	20,235
Maritime consent renewals, Pukenui, Houhora Harbour	-	7,497	-
Maritime consent renewals, Rāwene, Hokianga Harbour	-	7,497	-
Maritime consent renewals, Te Hāpua Wharf, Pārengarenga Harbour	-	7,497	-
Maritime consent renewals, The Narrows, Hokianga Harbour	-	7,497	-
Maritime consent renewals, Tōtara North	-	7,497	-
Maritime consent renewals, Whangaroa	-	7,497	-
Maritime renewals, Hihi	-	19,761	-
Motorcamp consent renewals, Tauranga Bay	250,000	-	-
Parks and reserves renewals, BOI-Whangaroa	300,000	306,600	313,950
Parks and reserves renewals, Kaikohe-Hokianga	300,000	306,600	313,950
Parks and reserves renewals, Te Hiku	300,000	303,023	313,950
Pioneer House renewals, Kaitiāia	1,963	511,000	-
Public toilet discharge consent renewal, Moerewa	-	-	9,770
Total renewals	3,526,919	1,691,277	1,081,737
Total capital works for District Facilities	13,397,678	6,981,076	5,289,028

Compliance - Environmental Management	2024/25	2025/26	2027/28
New works			
Kaitiāia Animal Shelter fencing	160,000	-	-
Total new works	160,000	-	-
Renewals			
Animal control renewals, Kaikohe	-	-	32,556
Animal control renewals, Kaitiāia	-	31,793	-
Total renewals	-	31,793	32,556
Total capital works for Environmental Management	160,000	31,793	32,556

Compliance - Solid Waste Management	2024/25	2025/26	2027/28
New works			
New bridge Kaitāia Transfer Station	500,000	-	-
Recycling solutions, District-wide	50,000	51,100	52,325
Total new works	550,000	51,100	52,325
Renewals			
Transfer station consent renewals, Kaitāia	54,168	-	-
Weighbridge renewals, Kaitāia	158,663	34,113	-
Total renewals	212,831	34,113	-
Total capital works for Solid Waste Management	762,831	85,213	52,325

Corporate Services Group

Governance Administration	2024/25	2025/26	2027/28
New works			
Archives digitisation	25,000	-	-
Smart District action plan	215,000	219,730	224,998
Support projects - additional scoping	80,000	81,760	83,720
Total new works	320,000	301,490	308,718
Renewals			
Climate change aerial photography	200,000	204,400	209,300
EDRMS renewals	-	871,163	-
GIS renewals	71,026	-	-
Office equipment renewals	81,248	80,227	82,150
Other scheduled renewals	215,283	222,544	217,675
Peripheral renewals	18,900	61,320	34,535
Pool vehicles	480,600	491,173	502,948
Server renewals	300,000	919,800	209,300
Service centre renewals, Kaikohe	202,148	45,741	36,628
Total renewals	1,569,205	2,896,368	1,292,536
Total capital works for Corporate Services Group	1,889,205	3,197,858	1,601,254

Northland Transport Alliance

Roading and Footpaths	2024/25	2025/26	2027/28
New works			
Footpaths: Bay of Islands - Whangaroa	155,250	153,300	156,975
Footpaths: Kaikohe - Hokianga	155,250	153,300	156,975
Footpaths: Te Hiku	155,250	153,300	156,975
Low cost / low risk: local road improvements	8,387,561	14,201,056	13,876,655
Low cost / low risk: walking and cycling	1,790,000	2,800,280	2,909,270
Other access reactive capital	100,000	102,200	104,650
Low cost / low risk: Road 2 Zero	3,135,000	3,255,070	3,406,358
Standalone Kerikeri CBD bypass	-	-	5,232,500
Unformed paper roads	500,000	511,000	523,250
Unsubsidised 2nd coat seals	150,000	153,300	156,975
Unsubsidised sealing	2,000,000	2,044,000	2,093,000
Urban drainage	500,000	511,000	523,250
Total new works	17,028,311	24,037,806	29,296,833

Roading and Footpaths	2024/25	2025/26	2027/28
Renewals			
Bridges and structures renewals	3,481,400	4,068,778	4,267,054
Cycleway network renewals	-	-	89,912
Drainage renewals	1,664,901	1,911,876	2,103,600
Ferry renewals	100,000	730,730	3,142,640
Footpath renewals, BOI-Whangaroa	285,972	331,146	339,085
Footpath renewals, Kaikohe-Hokianga	193,261	236,395	242,062
Footpath renewals, Te Hiku	281,672	326,751	334,584
Sealed road rehabilitation	4,925,060	4,637,005	6,012,015
Sealed road resurfacing	7,201,909	10,395,419	7,122,471
Structures component replacements	1,823,555	2,207,521	2,328,254
Traffic services renewals	651,691	745,354	819,733
Unsealed road metalling	6,237,299	7,266,952	7,813,219
Total renewals	26,846,720	32,857,927	34,614,629
Total capital works for Roothing and Footpaths	43,875,031	56,895,733	63,911,462

Water Services Group

Stormwater	2024/25	2025/26	2027/28
New works			
Stormwater improvements, Moerewa	3,388,000	-	-
Stormwater improvements, Tasman Heights, Ahipara Stage 4	138,000	-	-
Stormwater Inlet structure upgrade, Kawakawa	-	-	654,063
Stormwater minor capital works, District-wide	375,000	383,250	392,438
Stormwater network catchpit improvements, Kawakawa	-	-	326,508
Stormwater network extension upgrades, Kerikeri	-	-	130,813
Stormwater network improvements, Kaikohe	-	-	212,440
Stormwater network pipe renewal, Kaitāia	-	-	209,300
Stormwater pipe renewal, Kaitāia	1,250,000	-	-
Stormwater resource consents, Kaitāia	40,000	20,440	-
Stormwater upgrade, Ahipara	150,000	715,400	-
Total new works	5,341,000	1,119,090	1,925,562
Renewals			
Network reactive renewals triggered by roading, District-wide	300,000	306,600	313,950
Reactive renewals, District-wide	300,000	306,600	313,950
Gross debris traps upgrades, Kaikohe	-	153,300	-
Stormwater pipe renewal, Kawakawa	-	-	1,308,125
Stormwater renewal and diversion, Kaitāia	47,000	431,284	-
Total renewals	647,000	1,197,784	1,936,025
Total capital works for Stormwater	5,988,000	2,316,874	3,861,587

Wastewater	2024/25	2025/26	2027/28
New works			
Access to potable water at treatment plants	150,000	439,460	-
Discharge consent, Hihi	52,000	-	-
Land purchase for discharge - Kohukohu	-	817,600	-
Land purchase for discharge - Ōmāpere/Ōpononi	-	1,022,000	-
Land purchase for discharge - Rāwene	-	-	313,950
Network overflow, Kaitāia	6,513,000	2,219,784	-
Storage pump capacity improvements, Kerikeri	600,000	-	-
Telemetry upgrades, District-wide	2,100,000	3,219,300	3,296,475
Treatment plant development, Kaitāia	-	-	1,308,125
Treatment plant replacement, Hihi	500,000	3,193,750	2,747,063
Treatment plant upgrades, Kaikohe	1,250,000	5,110,000	15,697,500
Treatment plant upgrades, Kaitāia	625,000	1,022,000	4,709,250
Wastewater minor capital works, District-wide	625,000	638,750	654,063
Wastewater monitoring site upgrades, District-wide	-	638,750	654,063
Wastewater network improvements, Ngāwhā	-	-	261,625
Wastewater network programme of infiltration detection and repair, Paihia	-	383,250	-
Wastewater network upgrade, Rāwene	-	255,500	-
Wastewater pump station odour devices programme, District-wide	-	383,250	392,438
Wastewater pump station storage improvement, Haruru	225,000	-	-
Wastewater resource consents amend to land discharge, Taipā	100,000	127,750	-
Wastewater resource consents amend to land discharge, Kohukohu	100,000	229,950	-
Wastewater resource consents amend to land discharge, Ōpononi	-	-	104,650
Wastewater resource consents amend to land discharge, Rāwene	-	-	130,813
Wastewater scheme improvements, Kaikohe	1,027,000	-	-
Wastewater treatment aqua mats replacement, Whatuwhiwhi	125,000	-	-
Wastewater treatment plant critical spares programme, District-wide	-	638,750	-
Wastewater treatment plant improvements, Whatuwhiwhi	-	483,406	2,604,739
Wastewater treatment plant pipe realignment upgrade, Russell	-	-	156,975
Wastewater treatment plant upgrades, Whangaroa	-	125,706	768,131
Wastewater treatment plant upgrades, Ōpononi	3,905,000	-	-
Total new works	17,897,000	20,948,956	33,799,860
Renewals			
Baffin Street upgrade (Pump station 1 and storage)	1,600,000	-	-
Consent renewal, expand treatment plant, Kerikeri	-	76,650	183,138
Consent renewal, network overflows, Kaitāia	250,000	-	-
Consent renewal, Rāwene	175,000	255,500	-
Consent renewal, Russell	175,000	-	-
Consent renewal, Taipā	-	-	78,488
Consent renewal, Whatuwhiwhi	175,000	-	-
Diffuser renewal, Russell	250,000	-	-
Discharge consent renewal, Houhora Heads Motor Camp	250,000	-	-
Kohukohu wastewater treatment development	-	-	654,063
Network renewals, Kaitāia	-	-	837,200
Network renewals, Kawakawa	-	-	261,625
Ōpononi wastewater network renewals	400,000	408,800	418,600

Wastewater	2024/25	2025/26	2027/28
Power cable realignment, Kāeo	-	-	261,625
Pump station renewals and upgrades, District-wide	-	1,430,800	1,517,425
Reactive renewals	300,000	306,600	313,950
Scheduled renewals, Kaikohe	-	-	523,250
Wastewater network reactive renewals triggered by roading, District-wide	-	306,600	313,950
Wastewater network renewals, Russell	400,000	715,400	745,108
Wastewater network renewals, Whatuwhiwhi	400,000	408,800	418,600
Wastewater treatment and disposal sludge management renewals, Kawakawa	-	42,924	-
Total renewals	4,375,000	3,952,074	6,527,022
Total capital works for Wastewater	22,272,000	24,901,030	40,326,882

Water Supply	2024/25	2025/26	2027/28
New works			
Clarifier membrane, Ōpononi	-	-	287,788
District-wide programme to meet water safety plan requirements	250,000	255,500	261,625
Fireflow upgrades, Kaikohe	225,000	-	-
Fireflow upgrades, Ōpononi	-	341,348	1,207,661
Kaikohe water source resilience	875,000	-	-
Kaikohe water treatment plant Spectro Analyser installation	-	127,750	-
Kaitāia fluoridation	3,000,000	-	-
Kerikeri fluoridation	3,000,000	-	-
Mains upgrade, Paihia - Ōpua	-	693,938	707,434
Monitoring site upgrades, District-wide	188,000	-	-
Paihia Mmains Baffin Street Stage 1	354,000	-	-
Riverbank infiltration gallery improvement, Paihia	312,000	-	-
SCADA system upgrades	900,000	1,379,700	1,412,775
Storage improvements, District-wide	-	638,750	1,308,125
Upgrade main to Heritage Bypass, Kerikeri	-	6,905,654	5,232,500
Water treatment plant PLC installation, Kaitāia	113,000	-	-
Water treatment plant PLC upgrade, Kaikohe	200,000	-	-
Water treatment plant upgrade, Kerikeri	1,000,000	2,474,262	4,242,511
Zonal monitoring, Paihia	400,000	-	-
District-wide water minor capital works	461,000	483,406	507,553
Total new works	11,278,000	13,300,308	15,167,972
Renewals			
District-wide water network reactive renewals triggered by roading	300,000	306,600	313,950
District-wide water pump station renewal programme	-	357,700	366,275
District-wide water reactive renewals	300,000	306,600	313,950
Kaikohe water network reticulation renewals	-	-	3,139,500
Kaikohe Water treatment plant consent renewal, Monument Hill bores and Squires Spring	75,000	178,850	-
Kaikohe water treatment plant consent renewal, Wairoro Stream	175,000	-	-
Kawakawa water network planned renewals	-	-	4,186,000

Water Supply	2024/25	2025/26	2027/28
Okiaihau renew UV Unit	75,000	-	-
Ōpononi Ōmāpere water treatment plant consent renewal, Waiarohia Stream Dam	75,000	178,850	-
Ōpononi Ōmāpere water treatment plant consent renewal, Waiotemarama Stream	75,000	178,850	-
Ōpononi water resource consents renew structure consent, Waiotemarama Stream	132,000	59,276	-
Water supply network planned renewals, Kaitāia	750,000	-	-
Water treatment plant relocation Paihia	1,000,000	2,555,000	8,283,048
Total renewals	2,957,000	4,121,726	16,602,723
Total capital works for Water Supply	14,235,000	17,422,034	31,770,695
New works	68,931,863	71,699,770	84,857,455
Renewals	40,899,990	47,963,202	62,661,423
GRAND TOTAL	109,831,853	119,662,972	147,518,878

NGĀ HUA KI TE HAPORI OUR COMMUNITY OUTCOMES



Our community outcomes were reviewed as part of the Long-Term Plan 2024-27 with slight adjustments made to the wording.

	Proud, vibrant communities	Whakatauki Te pā harakeke. A community of harakeke plants.
	Communities that are healthy, safe, connected, and sustainable	Whakatauki He tina ki runga, he tāmōre ki raro. Contentment above, firmly rooted below.
	Resilient communities that are prepared for the unexpected	Whakatauki Te toka tū moana. The boulder standing in the ocean.
	Prosperous communities supported by a sustainable economy	Whakatauki He kūaka marangaranga, kōtahi te manu i tau ki te tāhuna, ka tau, ka tau, tau atu e. Godwits rise and flock together in the air, one bird comes down to land on the sandbank to feed, then another, then another and another.
	A wisely managed environment that recognises the role of tangata whenua as kaitiaki	Whakatauki Whatungarongaro te tangata, toitu te whenua. As man disappears, the land remains.
	We celebrate our unique culture and history	Whakatauki Kia whakatōmuri te haere whakamua. I walk backwards into the future with my eyes fixed on my past.



**PROPOSED
FEES AND CHARGES
SCHEDULE
2024/25**

Contents

Animals	1
Building consents	3
Bylaw enforcement	6
Cemeteries	7
Certificates, licenses and permits	8
Leases and licenses of reserves / change of reserve status	11
Legal services	13
Libraries	14
Marine	15
Official information	16
Property information	17
Resource consents	18
Rubbish disposal services at transfer stations	23
Stormwater	24
Transport	25
Venues for hire	26
Wastewater	27
Water supply	28

Late Payment Interest and Debt Collection Fees

Council may charge late payment or default interest and debt collection fees if you fail to pay all amounts charged and/or invoiced by Council.

Late payment or default interest is OCR rate current at the time plus 2% pa flat.

Debt collection fees include costs and disbursements incurred by Council and/or third party engaged by Council to recover the debt. These costs and disbursements include debt collection agency fees, legal fees and court filing fees

Animals

Dogs

Registration fee for desexed dogs	Current	1 July 2024 – 31 August 2024	Current	Full fee and late registration penalty 1 September 2024 – 30 June 2025
		Proposed		Proposed
Pet dog	\$57.00	\$58.00	\$86.00	\$88.00
Classified dangerous dog	\$85.50	\$87.00	\$129.00	\$132.00
Working / pig dog	\$45.00	\$46.00	\$66.00	\$68.00
Disability assist dog (approved organisation certified)	No charge	No charge	No charge	No charge
Multiple dog discount (Register five dogs, get the sixth dog free)	\$0.00	\$0.00	\$0.00	\$0.00
Discount for Gold Card or Community Card holders	10%	10%	10%	10%

Full fee, penalty and debt recovery costs are incurred between 1 September 2024 and 30 June 2025.

Registration fee for non-desexed dogs	Current	1 July 2024 – 31 August 2024	Current	Full fee and late registration penalty 1 September 2024 – 30 June 2025
		Proposed		Proposed
Pet dog	\$68.00	\$70.00	\$97.00	\$99.00
Working / pig dog	\$55.00	\$56.00	\$79.00	\$81.00
Disability assist dog (approved organisation certified)	No charge		No charge	No charge
Multiple dog discount (Register five dogs, get the sixth dog free)	\$0.00		\$0.00	\$0.00
Discount for Gold Card or Community Card holders	10%		10%	10%

Full fee, penalty and debt recovery costs are incurred between 1 September 2024 and 30 June 2025.

Other fees	Current	Proposed
Re-homing dog registration fee (applies to dogs re-homed by the SPCA or via Council pounds).	\$41.00	\$42.00
Dog adoption. Fee includes microchipping, dog registration until the end of the current year, vet check, vaccinations and desexing (if required).	Actual costs	Actual costs
Microchipping	\$34.00	\$35.00
Small dog collar	\$13.00	\$13.00
Large dog collar	\$18.00	\$18.00
Replacement registration tag (per tag)	\$5.00	\$5.00

Note: All fees are GST INCLUSIVE at the current rate of 15% unless otherwise stated (where applicable)

Other fees**De-sexed dog registration**

Registration of desexed dogs is free for the first year of the dog's life (desexing certificate to be supplied) for the current registration year only. All other years shall be at normal fee.

Dog impounding	Current	Proposed
Impounding	\$77.00	\$79.00
Second impounding	\$115.00	\$118.00
Third and subsequent impounding	\$158.00	\$162.00
Daily handling	\$16.00 per day	\$16.00 per day
Veterinary care	Actual costs	Actual costs

Impounding fee contributes to covering the cost of collecting of the dog that is covered by the general ratepayer and serves as a form of penalty for the individuals own dog being collected.

Other animals

Stock impounding	Current	Proposed
Bovine (bull, cow, ox) where one to five head of stock are impounded	\$106.00	\$108.00
Bovine (bull, cow, ox) where six to 10 head of stock are impounded	\$209.00	\$214.00
Bovine (bull, cow, ox) where 11 plus head of stock are impounded	\$316.00	\$323.00
Equine (horse) where one to five are impounded	\$118.00	\$121.00
Equine (horse) where six to 10 are impounded	\$224.00	\$229.00
Equine (horse) where 11 plus are impounded	\$329.00	\$337.00
Ovine (sheep)	\$35.00	\$36.00
Calves, foals, lambs, piglets (feeding off the mother) – no impounding or sustenance charge	No charge	No charge
Sustenance fees for impounded stock (per head per day)	\$10.00	\$10.00
NAIT (National Animal Identification and Tracing) tagging	Actual costs	Actual costs
Advertising costs (Advertising of impounded stock as required prior to auction / disposal)	Actual costs + \$17.00 admin cost	Actual costs + \$17.00 admin cost
Transport of stock to pound	Actual costs + \$17.00 admin cost	Actual costs + \$17.00 admin cost
Officers time (per hour)	\$100.00	\$100.00

Note: All fees are GST INCLUSIVE at the current rate of 15% unless otherwise stated (where applicable)

Building consents

Building notes

It is important to note that each building project and site may be different, so please use this information as a guideline only.

Total consent costs may not be known until the consent has been processed to approval.

For an indication of fees payable with your building consent application, please use our building fee calculator or contact our building staff on free phone 0800 920 029 (Northland land lines only) or 09 401 5200.

When are building fees payable?

If your building project falls under the criteria for fixed fee applications, then you will be paying a fee as stated in the consolidated fees schedule. This fee will be required when lodging your application.

If your building project falls outside the criteria for fixed fee applications, then you will be in the banded fee bracket. These fees will be calculated based on processing time and will be invoiced at time of issue of your consent.

When issuing a Code Compliance Certificate a check is done to see if there are any outstanding inspection or processing fees and these will be invoiced at this time.

In all cases, Council payment terms apply to all issued invoices.

How do I work out the estimated value?

This is the total value of the building work including GST. Usually the designer or architect supplies the contract square metre rate and Council checks this against national statistics, the MBIE website, Building Economist and Codeword's publications.

Why do I get charged for inspections in advance?

Council policy is to release building consents as soon as possible. Estimated inspection fees are paid in advance to assist this process to avoid delays for all parties.

What are 'actual costs' and what will they include?

- Processing, inspections and administration services
- It may also include external services engaged to carry out reviews for Council e.g. New Zealand Fire Service and Heritage NZ etc.
- Disbursements like scanning, copying, telephone, travel and postage.

What are external services and why are they applicable to my application?

External services are usually for New Zealand Fire Service design review, engineering technical or weather-tightness review for complex design or when unproven methods are

proposed or input from Heritage NZ for any archaeological reviews.

When does my consent become commercial and trigger the higher fees?

Generally when the building use is associated with public use and the engagement of employees

Some descriptions of these building types include:

- Communal residential (hostel / prison)
- Communal non-residential (church / school)
- Commercial (bank / service station)
- Industrial (agricultural building / sewage plant)

These classified uses attract the higher fee due to the additional design complexity and use of specified systems.

What happens if I don't go ahead with my building consent, do I get a total refund?

This function is carried out on a case-by-case basis and no full refund is provided due to administration and cost overheads. In normal cases there will be a refund for unused inspections, and BRANZ / MBIE levies.

If processing has already begun, partially complete or fully completed fees will be deducted accordingly.

Other fee information

Some levies are set by other agencies and are not affected by this proposal.

All fees are GST inclusive unless otherwise stated.

Building application fees are based on the project value of the building works, simple structures or minor type applications.

Fixed fee applications

This fee applies to building work with a project value of less than \$20,000.

This fee applies to residential projects only.

This fee applies to specific works as listed in the chart below – the fee includes:

- Building processing
- District plan processing (where applicable)
- Inspections as nominated (additional inspections will be charged at the current fee rate)
- Code compliance certificate application fee.

This fee is non-refundable due to the reduced fee offered for these services.

General building fees	Current	Proposed
Amended plans application	Actual costs	Actual costs
BRANZ Levy (applies to project values above \$20,000)	\$1.00 per \$1,000.00	\$1.00 per \$1,000.00
MBIE Levy (applies to project values above \$20,000)	\$1.75 per \$1,000.00	\$1.75 per \$1,000.00
Building warrant of fitness annual renewal	Actual costs	Actual costs
Building warrant of fitness audit report and inspection fee	Actual costs	Actual costs
Building warrant of fitness (audit only)	Actual costs	Actual costs
Certificate of acceptance application installment (actual processing costs are calculated and applied)	\$584 + actual costs	\$597 + actual costs
Certificate of public use application	Actual costs	Actual costs
Certificate of title request	\$42.00	\$43.00
Change of use application installment (actual processing costs are calculated and applied)	Actual costs	Actual costs
Code compliance certificate application	Actual costs	Actual costs
Older code compliance certificate application (includes review of building consents if over four years old)	Actual costs	Actual costs
Compliance schedule and statement	Actual costs	Actual costs
Compliance and accreditation levy (maximum levy fee \$276.00)	\$1.40 per \$1,000.00	\$1.40 per \$1,000.00
Condition assessment report application	\$110.00	\$113.00
Enforcement action under the Building Act (Notice to fix notice, dangerous or insanitary notice and breach investigation)	Actual costs	Actual costs
Exemption from requiring building consent application	Actual costs	Actual costs
Extension of time application	\$110.00	\$113.00
Field advice notice	\$200.00	\$205.00
Inspections – residential	\$230.00	\$235.00
Inspections – commercial	\$350.00	\$358.00
Request for information (charged on any application type)	Actual costs	Actual costs
Scanning charge per application	\$12.00	\$12.00
Section 72 hazard notification	Actual costs	Actual costs
Section 75 building on two or more allotments notification	Actual costs	Actual costs
Specific expertise – inspection and processing required	Actual costs	Actual costs
Swimming pool inspections	\$314.00	\$321.00
Waiver / modification waiver application to existing building consent	Actual costs	Actual costs
Weekly building consent report (charge per annum)	\$680.00	\$696.00
Development Engineer	\$265.00	\$271.00
Building Manager / Compliance Manager	\$225.00	\$230.00
Team Leader / Senior Building Officer / Senior Building Specialist	\$200.00	\$205.00
Building Officer / Building Compliance Officer	\$185.00	\$189.00
PIM Officer (District Plan check)	\$160.00	\$164.00
Building Administration / Compliance Administration	\$145.00	\$148.00

Note: All fees are GST INCLUSIVE at the current rate of 15% unless otherwise stated (where applicable)

Vehicle crossings	Current	Proposed
Vehicle crossing application and vehicle crossing inspection fee	\$300.00	\$307.00
<i>A bond deposit (minimum \$1,000.00) may be set to ensure construction of vehicle crossing</i>		
Vehicle crossing inspection fee	\$200.00	\$205.00
Re-application fee for expired approvals	\$77.00	\$79.00
Application for RAPID number	\$30.00	\$31.00
Replacement RAPID signs	\$11.00	\$11.00

Note: All fees are GST INCLUSIVE at the current rate of 15% unless otherwise stated (where applicable)

Bylaw enforcement

Bylaw license application	Current	Proposed
General bylaw license incorporates fees for:-	\$117.00 per application	\$120.00 per application
Application for advertising signs		
Application for brothel signs		
Reclaiming of seized advertising signs	\$88.00 per sign	\$90.00 per sign

Note: All fees are GST INCLUSIVE at the current rate of 15% unless otherwise stated (where applicable)

Cemeteries

Burial plots	Current	Proposed
Burial plot	\$1,152.00	\$1,179.00
Interment single depth	\$1,010.00	\$1,033.00
Interment double depth	\$1,145.00	\$1,171.00
Interment child (under 10)	\$249.00	\$255.00
Interment - oversize single depth	\$1,113.00	\$1,139.00
Interment - oversize double depth	\$1,217.00	\$1,245.00
Disinterment fee	\$2,247.00	\$2,299.00
Statutory holiday surcharge	\$556.00	\$569.00
Special circumstance surcharge (e.g late arrival or additional processing)	\$521.00	\$533.00

Ash burial	Current	Proposed
Ash berm (Russell)	\$523.00	\$535.00
Ash berm (All others)	\$269.00	\$275.00
Grave digging for ash burial	\$222.00	\$227.00
Concrete cap	\$115.00	\$118.00

Other fees	Current	Proposed
Cemetery fees (e.g search fee, headstone, memorial permit, installation fee)	\$40.00	\$41.00
Memorial bench	Actual costs	Actual costs

Note: All fees are GST INCLUSIVE at the current rate of 15% unless otherwise stated (where applicable)

Certificates, licenses and permits

Alcohol licensing	Current	Proposed
The following fees are set under the Sale and Supply of Alcohol (Fees) Regulations 2013		
Application fee - Managers Certificates	\$316.25	\$316.25
Renewal fee - Managers Certificates	\$316.25	\$316.25
Temporary License fee	\$296.70	\$296.70
Temporary Authority fee	\$296.70	\$296.70
Certificate of Compliance Liquor application - please see Page 25 - Resource consents for this fee		
Advertising of an alcohol application	\$47.50	\$47.50

Premises - On, off and club licenses			
Fee category and cost / risk rating score		Application fee	Annual fee
		Set by legislation	Set by legislation
Very low	0-2	\$368.00	\$161.00
Low	3-5	\$609.50	\$391.00
Medium	6-15	\$816.50	\$632.50
High	16-25	\$1,023.50	\$1,035.00
Very high	26 plus	\$1,207.50	\$1,437.50
Special licenses - risk based fees (see definition below)			Set by legislation
Class 1			\$575.00
Class 2			\$207.00
Class 3			\$63.25

Special license definition

Class 1	a large event (400+) people, or more than three medium events (100 - 400 people), or more than 12 small events (fewer than 100 people)
Class 2	One to three medium events (100 - 400 people), or Three to 12 small events (fewer than 100 people)
Class 3	One or two small events (fewer than 100 people)

Amusement devices and entertainment premises	Set by legislation
These fees are set under Section 11 of the Amusement Devices Regulations 1978 and are applicable to devices such as merry-go-rounds, Ferris wheels and roller coasters, bumper cars and boats, indoor go-karts, mini-bikes, parasails, jet skis, bungee jumping. Bouncy castles, inflatable slides and non-powered playground equipment are not amusement devices and so you do not require a permit.	
Amusement devices only; one device, for the first seven days of operation or part thereof	\$10.00
Amusement devices only; for each additional device operated by the same owner, for the first seven days or part thereof	\$2.00
Amusement devices only; for each device, for each further period of seven days or part thereof	\$1.00

Collection and transportation of waste and diverted materials	Current	Proposed
Waste collector's license	\$543.00 per annum	\$555.00 per annum

Note: All fees are GST INCLUSIVE at the current rate of 15% unless otherwise stated (where applicable)

Environmental health licenses	Current	Proposed
(Per annum) Health (Registration of Premises) Regulations 1966 annual renewal 1 July. Pro rata fees for new application throughout the registration year.		
Health (hairdressers, mortuaries, camping grounds and septic tank cleaners)	\$349.00	\$357.00
Re-inspection	\$202.00	\$207.00
Change of ownership (new certificate)	\$61.00	\$62.00
Replacement of lost certificate	\$29.00	\$30.00

Fire prevention	Current	Proposed
Section clearance (includes administration charge, site inspection if required and contractors' actual costs)	\$108.00 + actual costs	\$110.00 + actual costs

Food Act	Current	Proposed
Food Control Plan (FCP)		
Template FCP registration	\$310.00	\$317.00
Thermometer	\$30.00	\$31.00
Additional food control plan document	\$28.00	\$29.00
Renewal of registration (annual renewal)	\$232.50	\$238.00
Additional processing time	\$155.00	\$159.00
Registration amendment	\$155.00	\$159.00
FCP verification fixed fee	\$542.50	\$555.00
Failure to attend scheduled verification	\$155.00	\$159.00
Compliance and monitoring fee	\$155.00	\$159.00
National Programme (NP)		
NP registration	\$250.00	\$256.00
NP renewal (renewal required every 2 years)	\$142.50	\$146.00
Additional national programme document pack	\$28.00	\$29.00
Additional processing time	\$155.00	\$159.00
Registration amendment	\$155.00	\$159.00
NP verification fixed fee	\$387.50	\$396.00
Failure to attend scheduled verification	\$155.00	\$159.00
Compliance and monitoring fee	\$155.00	\$159.00

Gaming Act 2003	Current	Proposed
Gaming venue relocation and TAB venue application license fees	\$434.00	\$444.00

Note: All fees are GST INCLUSIVE at the current rate of 15% unless otherwise stated (where applicable)

Mobile shop, stall, hawkers, alfresco dining and tour operators' licenses (Road Use Bylaw)**Definitions:**

Mobile shop means a vehicle (including a trailer) from which goods are offered for sale in any public place but does not include any vehicle used exclusively for the delivery of pre-ordered goods, nor any stall.

Hawker means any person who carries any goods for sale from property to property but does not include any person delivering pre-ordered goods, or any person exposing goods for sale in any public place, nor any mobile shopkeeper.

Tour operator means any person who offer tourist activities in a specific site in a public space.

Regular annual licenses		Current	Proposed
Mobile shop	Non-food		
	Annual	\$544.00	\$557.00
	Seasonal – one month	\$48.00 per month	\$49.00 per month
	Food related		
	Annual <i>This fee is for the license to trade in a permitted public place. A food license will also be required</i>	\$810.00	\$829.00
	Seasonal*	\$69.00 per month	\$71.00 per month
Coffee vendor only	Annual	\$270.00	\$276.00
	Seasonal*	\$27.50 per month	\$28.00 per month
Hawkers	Annual	\$350.00	\$358.00
	Seasonal*	Pro rata \$33.00 per month	Pro rata \$34.00 per month
Street stalls (Fundraising events, charitable trusts, or street appeal collectors) Maximum 20 per year		No charge	No charge
Tour operators license		\$215.00	\$220.00

* Minimum of one month

Alfresco dining license		Current	Proposed
All licenses renewable on 1 July each year			
Application and renewal fee		\$113.00	\$116.00
Site inspection		\$79.00	\$81.00
One table		\$56.00	\$57.00
Two tables		\$112.00	\$115.00
Three tables		\$170.00	\$174.00
Four tables		\$225.00	\$230.00
Five tables		\$282.00	\$288.00
New application received during licensing year		Pro rata, according to number of tables (however the application fee and site inspection will be charged at full fee)	Pro rata, according to number of tables (however the application fee and site inspection will be charged at full fee)
Re-inspection fee		\$56.00	\$57.00
Change of new ownership – new licensee		\$61.00	\$62.00

Note: All fees are GST INCLUSIVE at the current rate of 15% unless otherwise stated (where applicable)

Leases and licenses of reserves / change of reserve status

Change of reserve status – processing charges	Current	Proposed
Change of classification of reserve	\$355.00	\$363.00
Revocation of reservation of reserve	\$355.00	\$363.00

Note: This charge covers administrative costs and is to be paid on application for reserve status. This charge is not payable in cases where the application can be processed in conjunction with a request to lease the reserve, in which case the lease processing charge listed below covers the costs. Applicants will be required to meet other costs that may apply – Department of Conservation fees, resource consent application fees, survey costs etc.

Leases of reserves (one year or more) – processing charges	Current	Proposed
New lease of reserve; e.g. local purpose or recreation (including grazing leases)	\$473.00	\$484.00
Renewal of lease of reserve; e.g. local purpose or recreation	\$238.00	\$243.00

Administration charges to be paid on application for the lease. When applicable, applicants will also be required to meet legal expenses, Department of Conservation fees, resource consent and / or liquor license application fees.

Easements under Reserves Act – processing charge	Current	Proposed
Easement over reserve (plus any addition)	\$465.00	\$476.00

Leases of Reserves (one year or more) – rentals per year	Current	Proposed
Lease by commercial operator (e.g. motor camp, carpark)	Individually determined on percentage of Government value	Individually determined on percentage of Government value
Lease by semi-community group (e.g. bowling club, school)	\$118.00	\$121.00
Lease by community group (e.g. Marae committee)	\$118.00	\$121.00
Grazing leases	By tender process	By tender process

Note: Lessees are also required to pay rates and in some cases, where the lessees are occupying council owned buildings, they are required to reimburse council when annual insurance premiums are paid.

Temporary license to occupy reserves – processing charges	Current	Proposed
New license for grazing or other purposes	\$118.00	\$121.00
Renewal of license for grazing purposes	\$58.00	\$59.00

Rentals		
Licenses by commercial operator	Individually determined on percentage of Government value	Individually determined on percentage of Government value
Licenses by semi-community and community groups	\$118.00	\$121.00
Grazing licenses	By tender process	By tender process

Permits to occupy reserves – less than one month	Current	Proposed
No processing charge but written application required	No charge	No charge

Use of reserves	Current	Proposed
Commercial use (e.g. circus) per showing	\$89.00	\$91.00
Plus deposit (refundable if no turf damage)	\$651.00	\$666.00
Community use ground rental	No charge	No charge

Note: All fees are GST INCLUSIVE at the current rate of 15% unless otherwise stated (where applicable)

Paihia Village Green - stallholders / exhibitors	<i>Current</i>	<i>Proposed</i>
Residents of the Far North District (per site / per day)	\$10.00	\$10.00
Non-residents of the Far North District (per site / per day)	\$21.00	\$21.00
Community activities (e.g. Carols by Candlelight)	No charge	No charge
Hire of entire village green	By negotiation with Focus Paihia	By negotiation with Focus Paihia

Note: All fees are GST INCLUSIVE at the current rate of 15% unless otherwise stated (where applicable)

Legal services

Hourly rates	Current	Proposed
In-house Counsel	\$286.00	\$293.00
Property Legalisation Officer	\$111.00	\$114.00
Travelling costs – from nearest Council office	As per IRD mileage rates schedule	As per IRD mileage rates schedule

Note: All fees are GST INCLUSIVE at the current rate of 15% unless otherwise stated (where applicable)

Libraries

Item replacement	Current	Proposed
All items: Replacement value of item plus administration fee	Actual costs and \$10.00 per item	Actual costs and \$10.00 per item

Borrowing	Current	Proposed
Local resident borrower	No charge	No charge
Organisation borrower (limited users)	\$31.00	\$32.00
Replacement borrower card	\$2.20	\$2.20
Interloan search	from \$6.00	from \$6.00
Book repairs	from \$5.20	from \$5.30

We no longer charge overdue fees on any borrowed items.

Faxing	Current	Proposed
Local		
Transaction fee	\$2.60	\$2.60
Per page thereafter	\$1.00	\$1.00
National		
Transaction fee	\$2.60	\$2.60
Per page thereafter	\$1.00	\$1.00
International		
Transaction fee	\$2.60	\$2.60
Per page thereafter	\$1.00	\$1.00
Incoming fax		
Per page (one to four pages)	\$2.60	\$2.60
Per page thereafter (fifth page)	\$1.00	\$1.00

Note: All fees are GST INCLUSIVE at the current rate of 15% unless otherwise stated (where applicable)

Marine

Hokianga vehicle ferry	Current	Proposed
Children concession	\$4.00	\$4.00
Foot / car passenger – single	\$2.00	\$2.00
Passenger concession	\$10.00	\$10.00
Motorcycle – one way	\$5.00	\$5.00
Campervan – one way	\$40.00	\$40.00
Light vehicle (vehicles <2200 kg – trailers / caravans)	\$20.00	\$20.00
Resident light vehicle	\$7.00	\$7.00
Light vehicle concession – five trips	\$30.00	\$30.00
Light vehicle concession – 10 trips	\$55.00	\$55.00
Heavy vehicle single trip – per axle	\$15.00	\$15.00
Heavy vehicle concession – 10 trips	\$100.00	\$100.00
Special sailings	\$150.00	\$150.00

Note: All fees are GST INCLUSIVE at the current rate of 15% unless otherwise stated (where applicable)

Official information

Local Government Official Information and Meetings Act (LGOIMA) information requests	Current	Proposed
Staff time per half hour (first hour free)	\$38.00 per half hour	\$38.00 per half hour
Plan print	\$5.00	\$5.00
Photocopying	\$0.20	\$0.20

Copies of documents required to be available at a reasonable charge under the Local Government Official Information and Meetings Act (All postage payable).

Annual supply of agendas and minutes	Current	Proposed
Council	Actual costs	Actual costs
Community boards – per board	Actual costs	Actual costs
All Community boards	Actual costs	Actual costs
All agendas (Council, community boards, hearings)	Actual costs	Actual costs
Hearings agendas	Actual costs	Actual costs

Other Council publications	Current	Proposed
Hard copy of Annual Plan, Long Term Plans and Annual Report	Actual costs	Actual costs

Photocopying charges	Current	Proposed
A4 (black and white)	\$0.20	\$0.20
A4 (colour)	\$1.00	\$1.00
A3 (black and white)	\$0.40	\$0.40
A3 (colour)	\$2.00	\$2.00

Charges for supply of information when the information is not required to be provided free under the Local Government Official Information and Meeting Act, where the aggregate amount of staff time spent to action the request exceeds half an hour.

Document scanning	Current	Proposed
One to five pages	\$1.00	\$1.00
Six or more pages	\$2.00	\$2.00

Operative District Plan	Current	Proposed
Text volume	\$190.00	\$194.00
Map volume	\$170.00	\$174.00
Map pages (individual)	Actual costs	Actual costs
Text and maps (printed)	\$357.00	\$365.00

Rating information	Current	Proposed
Rate book (per book – annual)	Actual costs	Actual costs

Note: All fees are GST INCLUSIVE at the current rate of 15% unless otherwise stated (where applicable)

Property information

Electronic property file request	Current	Proposed
Collating and providing the property file online (per property file)	\$25.00	\$26.00

Digital data supply	Current	Proposed
DCDB parcels – per parcel	\$0.20	\$0.20
Staff time (per hour)	\$95.00	\$97.00
USB stick (with data on it)	\$6.00	\$6.00

Physical map requests (paper and pdf)	Current	Proposed
Staff time (per hour)	\$95.00	\$97.00
Hard copy – A3	\$46.00	\$47.00
Hard copy – A2	\$56.00	\$57.00
Hard copy – A1	\$79.00	\$81.00
Hard copy – A0	\$95.00	\$97.00
Soft copy (PDF format) – A3	\$46.00	\$47.00
Soft copy (PDF format) – A2	\$46.00	\$47.00
Soft copy (PDF format) – A1	\$46.00	\$47.00
Soft copy (PDF format) – A0	\$46.00	\$47.00
USB stick (with data on it)	\$6.00	\$6.00

Note: Where a request covers more than one property and/or requires additional time to process, the charges will be based on 10-minute intervals according to the schedule. FNDC does not provide A4 maps. These are accessible and printable via the mapping website www.fndcmaps.govt.nz

Property information products – maps	Current	Proposed
Vector maps: locality plan, property plan, property boundaries, addresses, legal description, area – A4	Actual costs	Actual costs
Street map (Cadastral) – reproduction costs	Actual costs	Actual costs

Land Information Memoranda (LIM's)	Current	Proposed
LIM application – All properties	\$312.00	\$319.00
Research fee – where extensive research is required. (This is additional to the application fee)	\$38.00 per half hour	\$39.00 per half hour

Residential rates postponement fees	Current	Proposed
Establishment fee: includes legal costs, and production of documents for registering statutory land charge (includes LINZ fee)	\$300.00	\$300.00
Annual administration fee for maintaining rates postponement	\$50.00	\$50.00

Note: All fees are GST INCLUSIVE at the current rate of 15% unless otherwise stated (where applicable)

Resource consents

Resource consent fees are calculated based on BERL Forecasts of Price Level Change Adjustors (with some rounding). This means that fees may increase each year in accordance with the changes to the BERL Forecast.

Notes:

1. These fees have been rounded up to the nearest whole dollar
 2. All fees GST inclusive unless otherwise stated
- Instalment fees are charged at the following stages: application lodgement;
 - limited or notification process; and
 - hearings process.

Where the instalment paid does not cover the actual processing costs Council shall require the applicant to pay an additional charge following the issuing of decision. Council reserves the right to interim invoice applications monthly where costs have been incurred and exceed the instalment fee paid.

An applicant shall upon request be provided an itemised breakdown of costs. For the purposes of these charges the terms 'actual and reasonable cost'* and 'standard charges' shall include but not be limited to:

- FNDC staff time for receiving, processing and issuing a decision
- Inspections
- Travel – breakdown of costs, etc.
- Administrative / technical support
- Contract services (e.g. landscape architect, engineers) engaged by Council to fulfil obligations of the Resource Management Act 1991; and
- Disbursements including photocopying, phone and postage.

An applicant required to pay an additional charge has a right of objection to the council in respect of that requirement and has a right of appeal to the Environment Court in respect of Council's decision on that objection.

All fees and charges are **INSTALLMENTS** unless otherwise stated at the top of the particular table.

* Actual and reasonable cost based on an hourly rate, mileage and disbursements will be deducted from the instalment fee or charged to determine the final fee payable.

The following table has been modified to merge similar fees.

Application for resource consent, designation or heritage orders	Current	Proposed
Applications made under the Resource Management Act:	\$1,500.00	\$1,535.00
<ul style="list-style-type: none"> • Simple land use (single Zone Rule breach with no engineering assessment required) 		
This instalment is payable at the time of lodgement. Actual processing costs will be calculated and invoiced after the decision is issued. Interim invoicing may apply.		
Applications made under the Resource Management Act:	\$1,204.00	\$1,232.00
<ul style="list-style-type: none"> • Change or cancellation of consent condition – Sec 127 • Change or cancellation of consent notice condition - 221(3) • Outline plan consideration (176A) • Application for extension – Sec 125 lapsing a consent • Fast track Consents 		
This instalment is payable at the time of lodgement. Actual processing costs will be calculated and invoiced after the decision is issued. Interim invoicing may apply.		
Applications made under the Resource Management Act:	\$2,500.00	\$2,558.00
<ul style="list-style-type: none"> • Land use 		
This instalment is payable at the time of lodgement. Actual processing costs will be calculated and invoiced after the decision is issued. Interim invoicing may apply.		

Note: All fees are GST INCLUSIVE at the current rate of 15% unless otherwise stated (where applicable)

Application for resource consent, designation or heritage orders	Current	Proposed
Applications made under the Resource Management Act:	\$2,900.00	\$2,967.00
<ul style="list-style-type: none"> Subdivision 1-4 lots <p>This instalment is payable at the time of lodgement. Actual processing costs will be calculated and invoiced after the decision is issued. Interim invoicing may apply.</p>		
Applications made under the Resource Management Act:	\$4,800.00	\$4,910.00
<ul style="list-style-type: none"> Subdivision 5-8 lots <p>This instalment is payable at the time of lodgement. Actual processing costs will be calculated and invoiced after the decision is issued. Interim invoicing may apply.</p>		
Applications made under the Resource Management Act:	\$6,500.00	\$6,650.00
<ul style="list-style-type: none"> Subdivision 9+ lots <p>This instalment is payable at the time of lodgement. Actual processing costs will be calculated and invoiced after the decision is issued. Interim invoicing may apply.</p>		
Applications made under the Resource Management Act:	\$2,700.00	\$2,762.00
<ul style="list-style-type: none"> Discharge to land <p>This instalment is payable at the time of lodgement. Actual processing costs will be calculated and invoiced after the decision is issued. Interim invoicing may apply.</p>		
Applications made under the Resource Management Act:	\$2,900.00	\$2,967.00
<ul style="list-style-type: none"> Updating of cross lease flats plans <p>This instalment is payable at the time of lodgement. Actual processing costs will be calculated and invoiced after the decision is issued. Interim invoicing may apply.</p>		
Applications made under the Resource Management Act:	\$4,900.00	\$5,013.00
<ul style="list-style-type: none"> Combined subdivision / land use <p>This instalment is payable at the time of lodgement. Actual processing costs will be calculated and invoiced after the decision is issued. Interim invoicing may apply.</p>		
Applications made under the Resource Management Act:	\$1,933.00	\$1,977.00
<ul style="list-style-type: none"> National Environmental Standards for Plantation Forestry National Environmental Standards for Contaminated Soil <p>This instalment is payable at the time of lodgement. Actual processing costs will be calculated and invoiced after the decision is issued. Interim invoicing may apply.</p>		
Notices of requirement for a designation and / or heritage order	\$2,800.00	\$2,864.00
Removal of or alteration to a notice of requirement	\$840.00	\$859.00
Simple Sect 127 change of conditions (minor changes and where the approval remains consistent with the original proposal, no engineering assessment is required and there are no parties affected by the change)	\$671.00	\$686.00

Note: Deemed permitted boundary activities and deemed permitted marginal or temporary activities' fees can be found under 'Approvals and certificates'.

Limited notification for resource consents, notices of requirement and heritage orders	Current	Proposed
Land use and subdivision; combined land use and subdivision; notices of requirement; heritage orders; discharge to land.	\$5,000.00	\$5,115.00
Note: Where an instalment fee has already been paid, Council will require the balance owing to be paid before limited notification proceeds.		

Note: All fees are GST INCLUSIVE at the current rate of 15% unless otherwise stated (where applicable)

Public notification for resource consents, notices of requirement and heritage orders	Current	Proposed
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Land use and subdivision; combined land use and subdivision; discharge to land; changes to consent conditions – Section 127; notice of requirements; heritage orders.	\$8,000.00	\$8,184.00
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Note: Where an instalment fee has already been paid, Council will require the balance owing to be paid before notification proceeds.

Hearings	Current	Proposed
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Hearings required for any resource consent or other permission.	\$1,933.00	\$1,977.00
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Hearing fee

- Cost of third party / hearing commissioners will be charged at actual costs
- Staff and consultant costs will be charged at actual costs
- Miscellaneous charges (copying, venue hire, printing, etc.) will be charged at actual costs
- All costs will be itemised
- The final fee in any one application will be determined by the Team Leader, Resource Consents or his / her appointee
- All charges will be actual and reasonable costs less the instalment fee.

Note: Actual and reasonable costs based on an hourly rate, mileage and disbursements will be deducted from the instalment fee or charged to determine the final fee payable.

Monitoring	Current	Proposed
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Monitoring fee – monitoring of resource consents (including Certificate of Compliance). Based on two inspections being required when charged.	\$384.00	\$393.00
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Approvals and certificates – installment	Current	Proposed
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These fees are calculated in instalment and are payable at the time of lodgement. Actual processing costs will be calculated and invoiced after the decision is issued. Interim invoicing may apply.

Certificate under Sec 221 (consent notice), certificate under Sec 222 (completion certificate), approval of survey plan Sec 223	\$262.00	\$268.00
Cancellation of building line restriction Sec 327A LGA 1974	\$240.00	\$246.00
Outline plan waiver	\$156.00	\$160.00
224 (c) Certificate without engineering conditions	\$612.00	\$626.00
224 (c) Certificate with engineering conditions	\$1,136.00	\$1,162.00
Section 243 Cancellation of Easement	\$480.00	\$491.00
Deemed permitted boundary activities and deemed permitted marginal or temporary activities	\$480.00	\$491.00
Earthworks permit – includes administration and one inspection	\$480.00	\$491.00
Engineering Plan Approvals (RMAEPA)	\$760.00	\$777.00
Any meeting booked in advance relating to a resource consent application. Actual and reasonable costs will be calculated based on the charge rate associated with the staff member(s) required to attend and for any research required prior to the meeting. This includes Pre-Application Meetings and Concept Development Meetings.	Actual and reasonable costs	Actual and reasonable costs

Note: All fees are GST INCLUSIVE at the current rate of 15% unless otherwise stated (where applicable)

Other approvals, certificates and fixed fees		Current	Proposed
Preparation of covenant against transfer of allotments – Sec 240		\$480.00	\$491.00
Any other certificate, authority, requirements, or actions requested of Council under the provisions of the Resource Management Act, the Local Government Act or any other related legislation		\$480.00	\$491.00
Savings certificate issued under Sec 226(1)(e). Determination of and extension of existing use (Section 10)		\$925.00	\$946.00
Creation of right of way under Sec 348 Local Government Act		\$925.00	\$946.00
Section 139 Certificate of Compliance, Section 139(A) Existing Use Certificate		\$1,276.00	\$1,305.00
Fees or charges levied on Council by other organisations; i.e. District Land Registrar, Department of Conservation	Actual and reasonable costs charged by the other organisation and Council admin charge		Actual and reasonable costs charged by the other organisation and Council admin charge
Request for consideration of District Plan change. Plus, actual and reasonable costs charged to Council by any other organisations and applicable hourly staff rates. This is the required lodgement fee should a change be requested. Should the requested change be accepted by the Council for processing as a private plan change, all additional costs will be charged		\$14,001.00	\$14,323.00
Charge for supplying information in respect of plans and resource consents per half hour, and any other associated costs that apply to the request	Actual and reasonable costs		Actual and reasonable costs
Any report required by Council in determining / processing a resource consent per half hour, and any other associated costs that apply to the request	Actual and reasonable costs		Actual and reasonable costs
CT – producing certificates of title; easement instruments; consent notices	\$41.00 per search		\$42.00 per search
Scanning charge – per application	\$12.00 per application		\$12.00 per application
Post approval charge. Part of administration associated with consents, statutory reports, inquiries and complaints about consents	\$228.00		\$233.00

Liquor compliance certificates	Current	Proposed
Certificate of Compliance Liquor application	\$467.00	\$478.00

Hourly processing charges	Current	Proposed
Principal Planner and Manager; Resource Management	\$210.00	\$215.00
Resource Consent Engineer	\$190.00	\$194.00
Team Leader	\$200.00	\$205.00
Senior Planner	\$190.00	\$194.00
Intermediate and Resource Planner	\$185.00	\$189.00
Resource Planner	\$180.00	\$184.00
Consent Planner	\$160.00	\$164.00
Planning Technician and Monitoring Officer	\$155.00	\$159.00
Consultants	Actual and reasonable costs	Actual and reasonable costs
Note: The actual costs the consultants charge plus a Council administration charge will apply. Please ask Council what charge may apply if your consent application has been allocated to a Consultant Planner or Consultant Engineer.		
Other – Professional services (Pre-application meetings and concept development meetings)	Actual and reasonable costs	Actual and reasonable costs

Note: All fees are GST INCLUSIVE at the current rate of 15% unless otherwise stated (where applicable)

Travel costs for resource consents

The travel cost is derived from the time the Council officer spends in a vehicle travelling to the site from the nearest Council service centre (Kaikohe, Kaitaia and Kerikeri), charged at the Inland Revenue Department mileage rate. Actual time spent on site will be charged for at the appropriate hourly rate.

As per the IRD mileage rate schedule

Development contributions

Far North District Council does not currently charge development contributions.

Note: All fees are GST INCLUSIVE at the current rate of 15% unless otherwise stated (where applicable)

Rubbish disposal services at transfer stations

Rubbish	Current	Proposed
At transfer station		
Per bag (standard 65L)	\$3.00	\$3.00
Oversized bag (130L)	\$6.00	\$6.00
Wheelie bin (240L)	\$11.00	\$11.00
Loose material per m ³	\$46.00	\$46.00
Compacted material per m ³	\$74.50	\$74.50
Greenwaste m ³	\$22.00	\$22.00

Whole tyre disposal	Current	Proposed
At transfer station		
Motorcycle tyre	\$3.50	\$3.50
Passenger car tyres	\$5.00	\$5.00
Light truck and 4x4 tyres	\$8.00	\$8.00
Truck tyres	\$16.00	\$16.00
Tractor and super single	\$23.00	\$23.00
Earth mover tyres	Not accepted	Not accepted

e-Waste	Current	Proposed
Transfer station pricing for householders		
TV's CRT	\$10.00	\$10.00
TV's flat screen	\$10.00	\$10.00
Computer CRT	\$10.00	\$10.00
Monitors LCD	\$5.00	\$5.00
PC's		
Desktop / laptop / server	\$5.00 each	\$5.00 each
UPS's	\$5.00	\$5.00
Laptop batteries	\$5.00	\$5.00
Network equipment	\$5.00	\$5.00
Printers		
Printers / scanners / fax	\$5.00 each	\$5.00 each
Photocopier small / medium	\$10.00	\$10.00
Photocopier large	\$10.00	\$10.00
Copier cartridges	\$4.00 per kg	\$4.00 per kg
Household appliances etc.		
Heaters (No oil filled)	\$3.00	\$3.00
Vacuums	\$3.00	\$3.00
Microwaves	\$5.00	\$5.00
Consumer electronics		
DVD and VCR players	\$3.00	\$3.00
Stereo system and games	\$3.00	\$3.00
Radios etc	\$3.00	\$3.00
Other		
Cell phones	No charge	No charge

Note: All fees are GST INCLUSIVE at the current rate of 15% unless otherwise stated (where applicable)

Stormwater

Any works on Councils' stormwater network can only be undertaken by Council approved contractors. Excludes charges included with rates.

Activity / service	Current	Proposed
Application fee for a stormwater connection	\$49.00	\$50.00
Application fee to build close to, or excavate close to a public storm water line not within a legal road*	\$49.00	\$50.00
New connection	Quote to be provided	Quote to be provided
Approximate marking of single of single location services of mains with minimum 3 days' notice	Quote to be provided	Quote to be provided
Accurate marking of mains including excavation with minimum 10 day notice	Quote to be provided	Quote to be provided
Accurate marking of mains including excavation with minimum 10 day notice or location of mains over a wide area	Quote to be provided	Quote to be provided
Urgent location of mains	Quote to be provided	Quote to be provided

*If site visit required additional costs of staff time, administration and mileage apply.

Note: All fees are GST INCLUSIVE at the current rate of 15% unless otherwise stated (where applicable)

Transport

Road closures	Current	Proposed
Applications for motor sprint events	\$156.00	\$160.00
Note: if event spans more than one ward an extra \$50 per ward is chargeable		
Applications for parades	\$54.00	\$55.00
Other road closures will be charged based on an estimated cost at normal charge out rates – minimum	\$54.00	\$55.00

Note: all advertising costs are the responsibility of the applicant.

Traffic overweight permit	Current	Proposed
Traffic overweight permit	\$144.00	\$147.00

Note: All fees are GST INCLUSIVE at the current rate of 15% unless otherwise stated (where applicable)

Venues for hire

Corporate and private hireage	Full day (8:30-5:00)		Half day		Hourly	
	Current	Proposed	Current	Proposed	Current	Proposed
Kaeo – Meeting room	\$80.00	\$80.00	\$45.00	\$45.00	\$15.00	\$15.00
Kerikeri – Procter Library	-	-	-	-	\$20.00	\$20.00
Kerikeri – John Butler Centre, Tane Mahuta room	\$100.00	\$100.00	\$55.00	\$55.00	\$20.00	\$20.00
Kaikohe Memorial Hall – Entire complex	\$300.00	\$300.00	Full day or hourly only	Full day or hourly only	\$40.00	\$40.00
Kaikohe Memorial Hall – Supper room and kitchen	\$200.00	\$200.00	Full day or hourly only	Full day or hourly only	\$30.00	\$30.00
Kaikohe Memorial Hall – Main hall only	\$150.00	\$150.00	Full day or hourly only	Full day or hourly only	\$25.00	\$25.00
Kaikohe Memorial Hall – Bond	\$300.00	\$300.00	Full day or hourly only	Full day or hourly only	\$40.00	\$40.00

Community groups	Full day (8:30-5:00)		Half day		Hourly	
	Current	Proposed	Current	Proposed	Current	Proposed
Kaeo – Meeting room	\$40.00	\$40.00	\$20.00	\$20.00	\$10.00	\$10.00
Kerikeri – Procter Library	-	-	-	-	\$15.00	\$15.00
Kerikeri – John Butler Centre, Tane Mahuta room	\$50.00	\$50.00	\$30.00	\$30.00	\$15.00	\$15.00
Kaikohe Memorial Hall – Entire complex	\$150.00	\$150.00	Full day or hourly only	Full day or hourly only	\$25.00	\$25.00
Kaikohe Memorial Hall – Supper room and kitchen	\$75.00	\$75.00	Full day or hourly only	Full day or hourly only	\$20.00	\$20.00
Kaikohe Memorial Hall – Main Hall only	\$50.00	\$50.00	Full day or hourly only	Full day or hourly only	\$15.00	\$15.00
Kaikohe Memorial Hall – Bond	\$150.00	\$150.00	Full day or hourly only	Full day or hourly only	\$25.00	\$25.00

Note: All fees are GST INCLUSIVE at the current rate of 15% unless otherwise stated (where applicable)

Wastewater

Any works on Councils wastewater networks can only be undertaken by Council approved contractors. Excludes charges included with rates.

Activity / service	Current	Proposed
Administration fee for a wastewater connection	\$49.00	\$50.00
Administration fee to build close to/over or excavate close to a public sewer not within a legal road*	\$49.00	\$50.00
Upgrade or modify existing connection	Quote to be provided	Quote to be provided
New connection provided by Council's contractor up to 150mm main (includes connection to main and one metre of pipe from Council main)	Quote to be provided	Quote to be provided
New connection provided by Council's contractor to mains greater than 150mm or connection lengths greater than one metre or where a manhole / chamber is required	Quote to be provided	Quote to be provided
New connection to a pressure wastewater network provided by Council's contractor	Quote to be provided	Quote to be provided
Inspection by Council officers of connection work not undertaken by Council's contractor (single connection)	Quote to be provided	Quote to be provided
Inspection by Council Officers of connection work not undertaken by Council's contractor (multiple connections)	Quote to be provided	Quote to be provided

Wastewater connected rate for all new connections

Where a property connects to sewerage after 1 July in any year, the connection fee will include a sum in lieu of a rate. The amount of the fee will be calculated on the basis of one twelfth (1/12) of the relevant capital, operating and additional pan rates for the scheme concerned for every complete month until 30 June in the following year.

Service availability charge where a new wastewater connection is provided but the property does not connect

Where sewerage is made available to a property after 1 July in any year but the property does not connect, the connection fee will include a sum in lieu of a rate. The amount of the fee will be calculated on the basis of one twelfth (1/12) of the relevant availability rate for the scheme concerned for every complete month until 30 June in the following year.

Approximate marking of single location services of mains with minimum three days' notice	Quote to be provided	Quote to be provided
Accurate marking of mains including excavation with minimum 10 day notice	Quote to be provided	Quote to be provided
Accurate marking of mains including excavation with minimum 10 day notice or location of mains over a wide area	Quote to be provided	Quote to be provided
Urgent location of mains	Quote to be provided	Quote to be provided
Inspection of onsite wastewater system by Council Monitoring Officer*	\$97.00 per hour	\$99.00 per hour
Sampling of onsite wastewater system by Council Monitoring Officer	Actual costs	Actual costs

*If site visit required additional costs of staff time, administration and mileage apply.

Approved commercial operators discharge fees	Current	Proposed
Cubic metre rate	\$33.00 / m ³	\$34.00 / m ³
Lost card replacement	\$35.00 per card	\$36.00 per card

Note: All fees are GST INCLUSIVE at the current rate of 15% unless otherwise stated (where applicable)

Water supply

Any works on Councils' water supply networks can only be undertaken by Council approved contractors. Excludes charges included in rates.

Activity / service	Current	Proposed
Administration fee for a water connection	\$49.00	\$50.00
Administration fee to build or excavate close to a public water main not within a legal road*	\$49.00	\$50.00
Water connected rate for all new connections		
Where a property connects to water after 1 July in any year, the connection fee will include a sum in lieu of a rate. The amount of the fee will be calculated on the basis of one twelfth (1/12) of the relevant capital rates for the scheme concerned for every complete month until 30 June in the following year.		
Service availability charge where a new water connection is provided but the property does not connect		
Where water is made available to a property after 1 July in any year but the property does not connect, the connection fee will include a sum in lieu of a rate. The amount of the fee will be calculated on the basis of one twelfth (1/12) of the relevant availability rate for the scheme concerned for every complete month until 30 June in the following year.		
Non-standard water connections including meter and meter box	Quote to be provided	Quote to be provided
Standard 20 mm water meter connection in footpath within five metres of main	Quote to be provided	Quote to be provided
Standard 20 mm water meter connection in berm within five metres of main	Quote to be provided	Quote to be provided
Relocation of existing service or meter	Quote to be provided	Quote to be provided
Approximate marking of single location services of mains with minimum three days' notice	Quote to be provided	Quote to be provided
Accurate marking of mains including excavation with minimum 10 day notice	Quote to be provided	Quote to be provided
Accurate marking of mains including excavation with minimum 10 days' notice, or location of mains over a wide area	Quote to be provided	Quote to be provided
Urgent location of mains	Actual costs	Actual costs
Meter checking fee (calibration check – refundable if meter incorrect)	\$491.00	\$502.00
Restrictor installation	Quote to be provided	Quote to be provided
Special meter readings	\$98.00	\$100.00
Bulk water supply		
Bond	\$2,051.00	\$2,098.00
Annual administration fee (covers billing and vehicle inspection)	\$684.00 for first vehicle \$353.00 for each subsequent vehicle	\$700.00 for first vehicle \$361.00 for each subsequent vehicle
Charge rate per m ³	Standard domestic rate in the area concerned	Standard domestic rate in the area concerned

*If site visit required additional costs of staff time, administration and mileage apply.

Note: All fees are GST INCLUSIVE at the current rate of 15% unless otherwise stated (where applicable)

Water by meter rates		
Potable water	Per M ³	\$4.77
Non-potable water	Per M ³	\$3.10
Non-metered rates		
Non-metered potable rate	Per SUIP	\$1,560.29
Non-metered non-potable rate	Per SUIP	\$1,143.33

Location of services	Current	Proposed
Marking of approximate services locations		
Urgent (within 24 hours)	Quote to be provided	Quote to be provided
Programmed (within 3 days)	Quote to be provided	Quote to be provided
Dig up and locate (10 days' notice)	Quote to be provided	Quote to be provided

Note: All fees are GST INCLUSIVE at the current rate of 15% unless otherwise stated (where applicable)



PROPOSED FINANCIAL STRATEGY

This Financial Strategy outlines our approach to funding our activities in a way that is both sustainable and affordable for our communities. It determines the budgets we need for delivering projects and services in the LTP and Infrastructure Strategy. We use tools like debt and rates limits to secure the necessary financial resources for projects and services while also ensuring that costs are managed responsibly. To achieve our strategy, prioritisation is essential to make sure our communities receive the services it needs in a way that is both affordable and balanced.

This strategy aims to:

- Achieve a balanced budget each year, ensuring that projected operating revenues are set at a level sufficient to meet that year's projected operating expenses
- Continue to moderate the impact of funding depreciation on strategic assets
- Ensure that no more than 90% of revenue will come from rates, with the balance coming from other sources such as subsidies from Government agencies including Waka Kotahi, and user fees and charges
- Limit annual overall rates increases to inflation (Local Government Cost Index) plus a declining addition of 15.0% in year 1, 8.0% in year 2, and 6.0% in year 3. This declining addition reflects higher upfront investment in repairing our transport network post the severe weather events (years 1 & 2), after which the addition reduces to more historical norms.
- Ensure that net debt does not exceed 280% of revenue.
- Maintain interest costs at less than 10% of rates revenue.

The Financial Strategy aims to support and enable the Infrastructure Strategy, which focuses on four strategic district infrastructure issues which were identified and are at the forefront of infrastructure planning and decision making. These are:

- Sufficient evidence to make sound infrastructure decisions.
- Lack of integrated planning particularly for growth planning.
- Climate change impacts on the district and resilience of critical infrastructure.
- Wellbeing of our community for healthy and sustainable outcomes.

The approach for the 2024 Financial Strategy is:

- Support the focus on recovery post severe weather events in repairing and building resilience into our transport infrastructure
- Recognise the financial implications of climate change and sea level rise in planning decisions, and provide sufficient funding to local and regional adaptation initiatives
- Continue to engage with the government on local government reforms
- Adequately fund the infrastructure strategy to enable the achievement of its key focus areas
- Maintain the core services we currently provide as cost-effectively and efficiently as possible, ensuring that finding operational efficiencies remains of paramount importance
- Continue to use the method of funding the net depreciation value to provide for renewals. Once condition and capacity data is reliably available, Council will consider the future funding of renewals using rates, borrowing, and other contributions in place of funding depreciation
- Use borrowing to spread the cost of new capital expenditure over time to ensure that the cost of infrastructure today is spread equitably between the ratepayers of today and tomorrow.

Towards sustainability, affordability and economic recovery

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

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

To the Far North, taking a sustainable development approach means that our commitments to deliver infrastructure and services are funded in a way that is affordable for the community and that meet Council's obligation to be effective stewards of the District's assets now and into the future. Council has a good understanding of how its daily business contributes to and promotes community wellbeing, and as part of the work programme for the next 3 years will seek to more strongly embed the checks and balances that help Council to enhance and protect community wellbeing in decision-making and daily business.

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

- Overarching focus on recovery and repairing our transport network
- The security and resilience of water supply and storage
- Sustainable economic development
- Better asset management leading to enhanced delivery of core infrastructure
- Adaptation to the effects of climate change and sea level rise on communities and infrastructure
- Deepening sense of place and connection in the many communities, towns and settlements across the District
- Providing infrastructure and services in a way that is affordable to the District's ratepayers.

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

Where possible, this strategy ensures that:

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

Council acknowledges that:

- The severe weather events has taken its toll on our transport network, and that investment is desperately needed
- Balancing the need for repair and recovery of our transport network with affordability, whilst recognising the need to invest more upfront given the damage following the severe weather events
- The cost of providing services will not reduce without significant intervention
- Council will need to continue to make difficult trade-off decisions, compromise on delivering 'nice to haves' to ensure essential services are provided and costs are kept down
- Council will have to balance the affordability and prudence of increasing debt levels. Too much debt now could compromise future development projects.

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

Funding sources

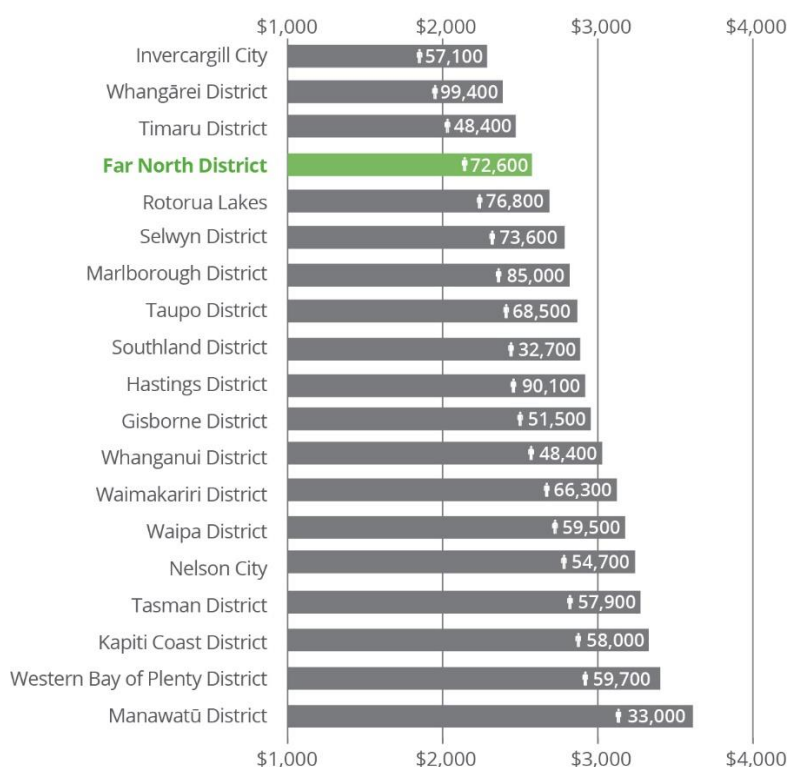
Council's main source of funding is from rates. While we try to maximise Government subsidies and grants and have adopted a 'user pays' policy (exercised through targeted rates and consumption and user charges), for many services and assets the bulk is funded by rates.

It has long been acknowledged that rates in general in New Zealand are high; the table below shows how we compared in 2021/22.

Average residential rates*

Far North District	Average for district councils	National average
\$2,665.15	\$2,773.01	\$2,512.52

*Average residential rates include compulsory user charges (such as water) Source: 2023 Ratepayers' Report (www.taxpayers.org.nz)



Funding sources



General rates

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

Targeted rates

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

Ward rates

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

- Bay of Islands-Whangaroa 45.7%
- Kaikohe-Hokianga 23.5%
- Te Hiku 30.8%

Roading rates

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

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

Stormwater rates

Council levies a stormwater rate to fund specific stormwater capital developments within urban areas across the District.

Urban areas subject to the stormwater rate are:

Ahipara	Awanui	Kaikohe
Haruru Falls	Hihi	Houhora / Pukenui

Ōkaihau	Ōpononi / Ōmāpere	Ōpua / Ōkiato
Kawakawa	Karikari communities	Kerikeri / Waipapa
Kaimaumau	Kaitāia	Kohukohu
Ngāwhā	Moerewa	Paihia / Te Haumi
Rāwene	Russell	Taipā
Taupō Bay	Tauranga Bay	Whangaroa / Kāeo

Council is targeting 90% of stormwater charges to urban areas based on Capital value with the remaining 10% being charged District-wide based on land value.

Sewerage rates

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

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

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

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

Water rates and charges

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

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

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

Targeted improvement rates

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

- Paihia Central Business District Development: used to fund Paihia central business area improvements. The rate is charged per SUIP in the area defined (see Council's Funding Impact Statement for more details). The rate is set on a differential basis, with all rating units assessed as commercial being charged a differential of 3 (300%) on the general differential.

- Kaitiāia Business Improvement Development (BID): Allows for the Kaitiāia Business Association to undertake improvement works in the Kaitiāia business area. The rate is set on land value and is charged to commercial rating units in Kaitiāia.
- Bay of Islands Recreation Centre: This is a targeted rate to provide funding for an operational grant to support the Bay of Islands Recreation Centre in Kawakawa. The Centre (formerly the ASB Recreation Centre) was built by the community on Ministry of Education land at Bay of Islands College in the 1970s and was initially run by a community trust that was wound up in 2004. Council ran the facility to 2017 when Sports Northland took over the management and maintenance of the centre which has a heated pool, squash court, fitness centre and gym and is used by about 33,000 people a year.

Private roading contributions

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

Public Good rate

Council introduced in 2021 a public good rate of \$15 per rating unit for water and for wastewater. Even though properties within the district may not be connected to services, they do place some burden on the systems. For water, Council must consider the volume of water required to fill private water tanks when considering capacity for each scheme. The same applies to properties that have septic tanks that need to be emptied as the waste from those systems is deposited into one of the existing wastewater schemes. Council decided that a small rate of \$15 would be charged to all ratepayers to recognise these issues.

Increases to rates

Due to the cost of infrastructure and service provision, which continues to rise faster than general inflation, Council assumes that its costs will increase in accordance with the Local Government Cost Index (LGCI). In the 2024-27 Long Term Plan, we intend to increase the general rate beyond the level of inflation, as shown in the table below.

Financial year ended 30 June	2025	2026	2027
LGCI + addition	17.9%	10.2%	8.3%
Proposed rates increase	16.5%	7.2%	3.8%

Forecast rates \$m

Financial Year ended 30 June	2025	2026	2027
Proposed rates \$m	\$124	\$133	\$138

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

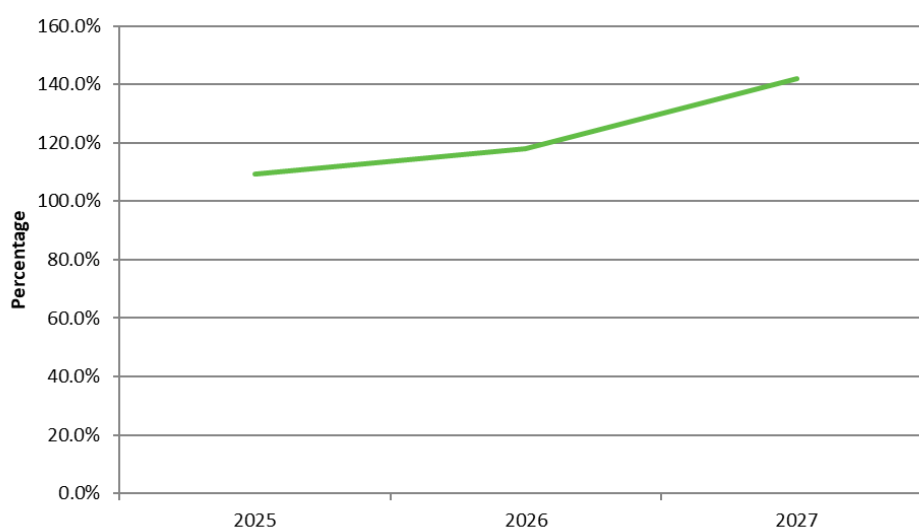
Projected rating base information

2025	2026	2027
38,128	38,319	38,511

Debt, interest and internal funding

External debt is planned to be \$217 million at the end of the first year of this plan and is anticipated trend upwards to \$322 million at the end of the 2027. The chart below compares net debt to revenue.

Net debt as a % of revenue



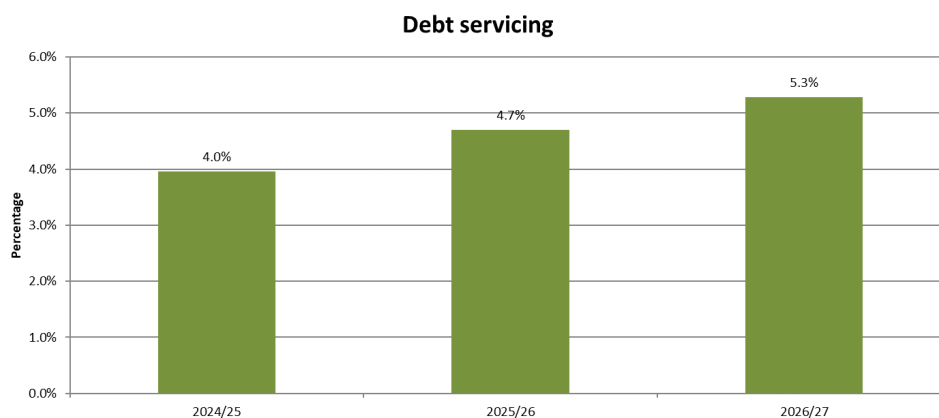
Council's intention is to ensure that net debt does not exceed 280% of revenue. Council has also considered the impacts of its borrowing against the debt servicing benchmark.

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

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

The 2024-27 Long Term Plan assumes an interest rate averaging 4.8%.

Debt servicing



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

Fees and charges

Most fees and charges will be adjusted annually to align with the Local Government Cost Index inflation factor (LGCI) which is expected to be relatively stable between 2.3% and 2.9% over the 2024-27 period. In some areas, actual costs will be recovered in accordance with the Revenue and Financing Policy. This may exceed the rate of LGCI. All fees and charges are reviewed annually.

Subsidies

Government subsidies via Waka Kotahi NZ Transport Agency provide a significant source of funding for our transportation activities. In 2024/25 we expect to receive operating and capital subsidies of \$46.1 million, representing 71% of the gross cost of both operating and capital expenditure on a wide range of approved items. At the time of completing this Strategy, Waka Kotahi NZ Transport Agency had provided an indicative allocation of \$164m for maintenance and renewals for the first three years of the plan. No confirmation of the allocation for new capital works had been received.

Development contributions and financial contributions

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

Sustainable growth has again become evident in some locations in the Far North, and to ensure that the implications of growth are funded in a fair and balanced way, Council is currently investigating both development contributions and financial contributions, and intends to introduce a new policy in future.

Expenditure

Note that total operating expenditure is net of remissions which ranges from \$2.1 million to \$2.3 million annually over the 3 years of the 2024-27 LTP. This expenditure is netted against rate income.

Operating expenditure

Total annual operational expenditure (net of remissions) is forecast to increase from



Total annual revenue is forecast to increase from



The forecast levels of operating expenditure and revenue across the 3 years of the Plan. This provides for an operating surplus in every year of the Plan sufficient to balance the budget in accordance with Section 100 of the Local Government Act 2002.

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

Breakdown by activity

Expenditure Breakdown by activity	Total over 3 years (\$000s)	% of Total
Network		
Roading & Footpaths	200,402	32.2%
Wastewater	82,397	13.2%
Water Supply	48,441	7.8%
Solid Waste Management	21,247	3.4%
Stormwater	13,366	2.1%
Total	365,853	58.7%
Other		

District Facilities	83,907	13.5%
Environmental Management	61,512	9.9%
Customer Services	27,137	4.4%
Governance & Strategy	13,792	2.2%
Drainage	5,739	0.9%
Community & Engagement	37,433	6.0%
Planning & Policy	27,618	4.4%
Total	257,138	41.3%
Total activity expenditure	622,991	100.0%

Capital expenditure

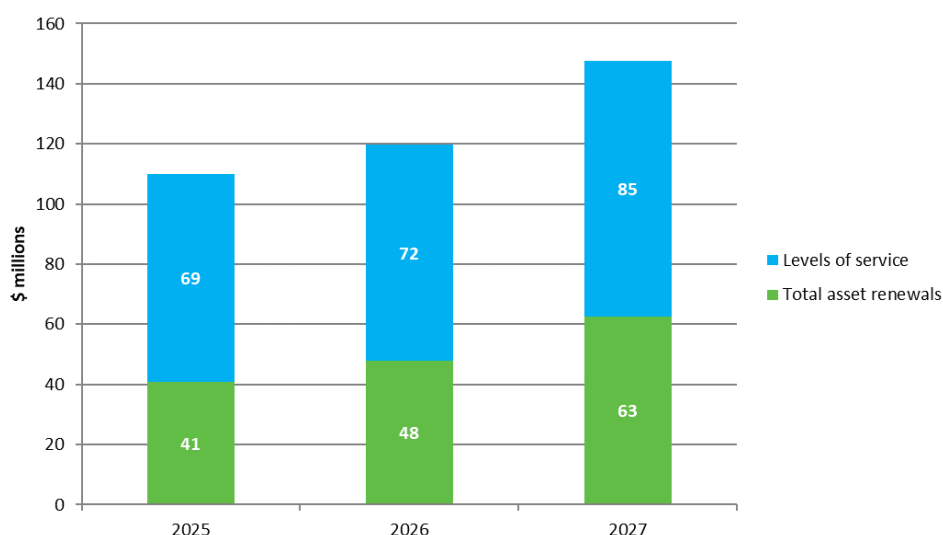
Total annual spend on capital projects ranges from \$110 million to \$148 million.

Expenditure is funded by:

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

The graph below illustrates planned capital expenditure over the 3 years of the Plan of \$377 million. 40% of total expenditure is for the renewal of existing assets, with 60% for improving levels of service.

Capital expenditure per year



Council has undertaken a comprehensive review of all funding mechanisms (including rates). We have committed to developing an Asset Management System to ensure that

asset information is provided that will allow for improved planning for asset replacement. Until the work required to implement the system has been completed, Council is planning a business-as-usual approach which includes funding depreciation rather than renewals.

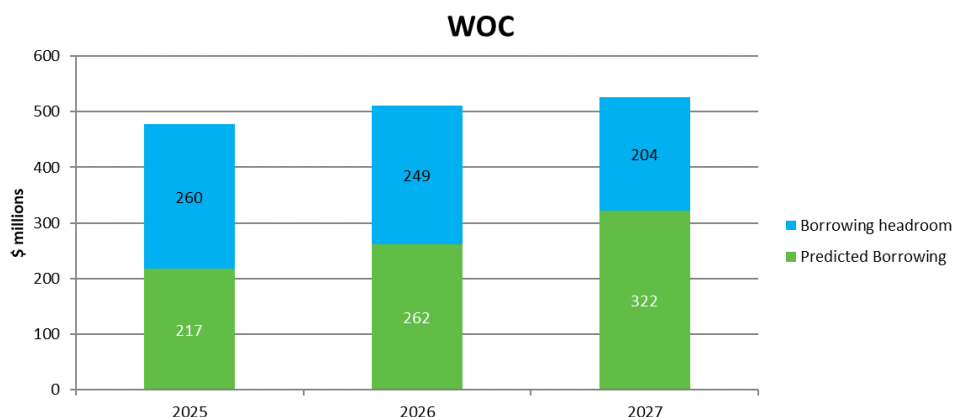
Limiting our capital works programme

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

Council's commitment to capital works delivery is an average annual programme of \$109.6 million in the first 3 years of the plan across network infrastructure groups. This includes work that is subject to Government support.

Breakdown by activity	Total over 3 years (\$000s)	Average
Network		
Roading and Footpaths	164,682	
Water Supply	63,428	
Wastewater	87,500	
Solid Waste Management	900	
Stormwater	12,166	
Total	328,677	109,559
Other		
District Facilities	25,668	
Environmental Management	224	
Community & Engagement	15,757	
Governance & Strategy	6,688	
Total	48,337	16,112
Total activity expenditure	377,014	125,671

Borrowing levels



Renewals and depreciation

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

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

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

Capital expenditure by activity type is allocated as shown in the following table. This shows that over the 3-year period 87.2% of capital expenditure is focused on network infrastructure.

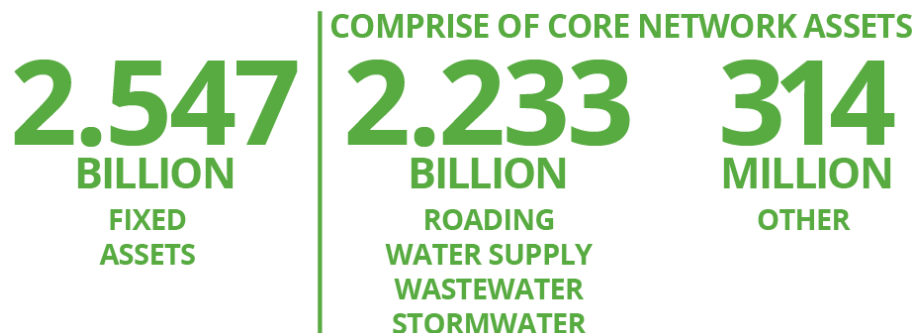
Although the focus of this LTP 2024-27 is primarily focused on network infrastructure, it also recognised that our community facilities such as playgrounds and reserves are important to our District promoting the vision of Creating Great Places, Supporting Our People. To that end, our proposed capital expenditure includes District Facilities spend of 6.8% of the remaining total capital budget in the 'other' category.

Breakdown by activity	Total over 3 years (\$000s)	Average
Network		
Roading and Footpaths	164,682	43.7%
Water Supply	63,428	16.8%
Wastewater	87,500	23.2%

Solid Waste Management	900	0.2%
Stormwater	12,166	3.2%
Total	328,677	87.2%
Other		
District Facilities	25,668	6.8%
Environmental Management	224	0.1%
Community & Engagement	15,757	4.2%
Governance & Strategy	6,688	1.8%
Total	48,337	12.8%
Total activity expenditure	377,014	100%

Assets

Fixed assets valued as at 30 June 2023



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

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

Minimising risk

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

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

Limits and policies

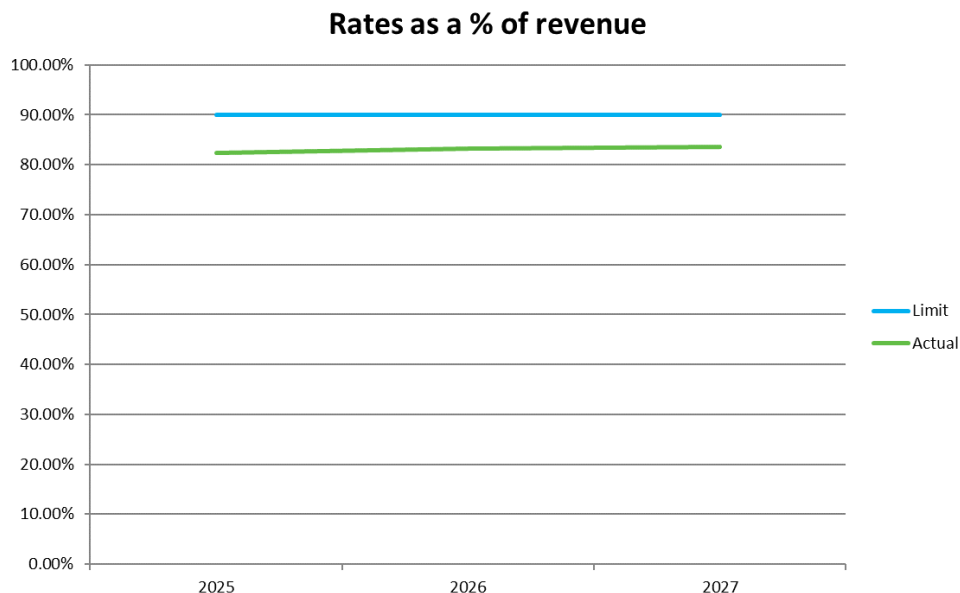
Limit on rates (excluding water) as a percentage of revenue

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

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

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

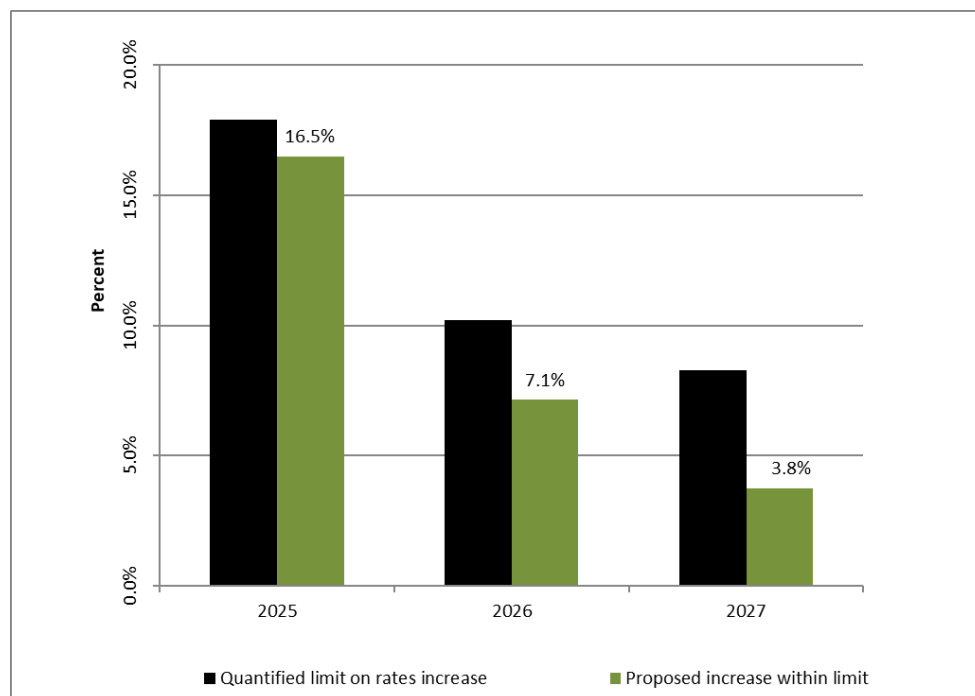
Rates as a percentage of revenue



Limit on rates increases

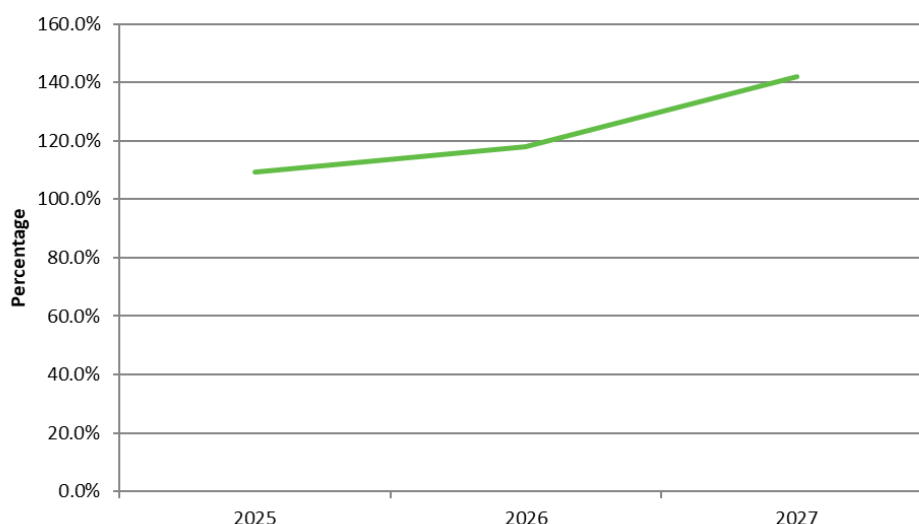
The limit on rates increases is set at LGCI plus a declining addition of 15.0% in year 1, 8.0% in year 2, and 6.0% in year 3. This declining addition reflects higher upfront investment in repairing our transport network post the severe weather events (years 1 & 2), after which the addition reduces to more historical norms.

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

Rates (increase) affordability

Limits on borrowing

Net debt as a % of revenue



External debt is planned to be \$217m in year 1 of this plan and then peak at \$322m by 2026/27. Council has also considered the impacts of its borrowing against the debt servicing benchmark.

Securities for borrowing

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

Council organisation

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

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

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

Monitoring and reviewing the strategy

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

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

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

Supporting information

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

- Revenue and Financing Policy
- Treasury Policies
- Infrastructure Strategy

Long Term Plan disclosure statement for the period commencing 1 July 2024**The purpose of this statement**

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

For the period spanning 2024 to 2027, we expect to meet all of these benchmarks, and by doing so, debt ratios will remain low, limits on rates revenue, rates increases and borrowing will stay within our self-imposed limits, demonstrating a strong and prudent financial position.

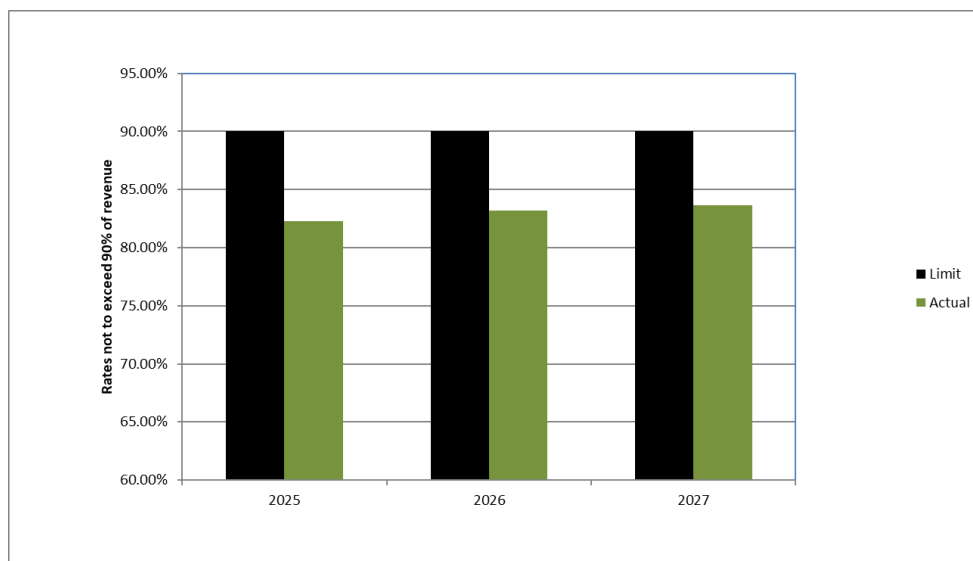
Rates affordability benchmarks

We meet the rates affordability benchmark if:

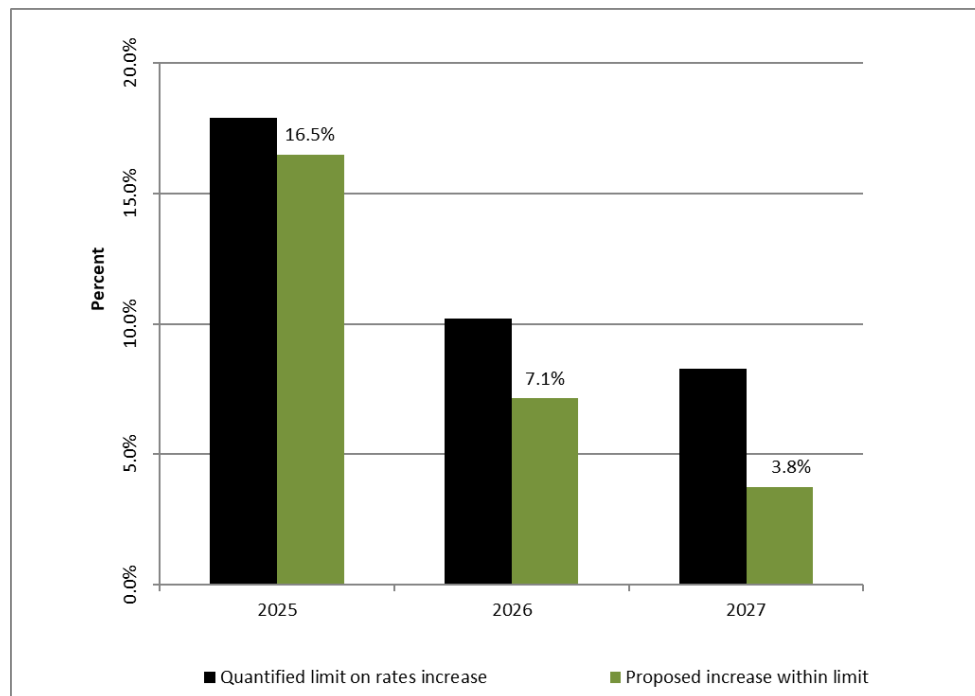
- Planned rates income equals or is less than each quantified limit on rates; and
- Planned rates increases equal or are less than each quantified limit on rates increases.

Rates (income) affordability

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

**Rates (increases) affordability**

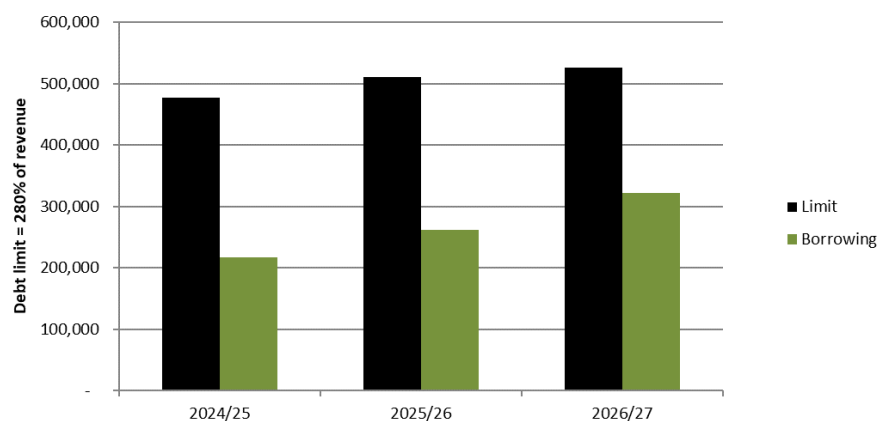
This graph compares planned rates increases with a quantified limit on rates increases contained in the Financial Strategy included in this Long Term Plan. The quantified limit is that the rates increase should not exceed LGCI plus a declining addition of 15.0% in year 1, 8.0% in year 2, and 6.0% in year 3. Council forecasts rates increases within this limit in all years of the LTP.



Debt affordability benchmarks

External debt

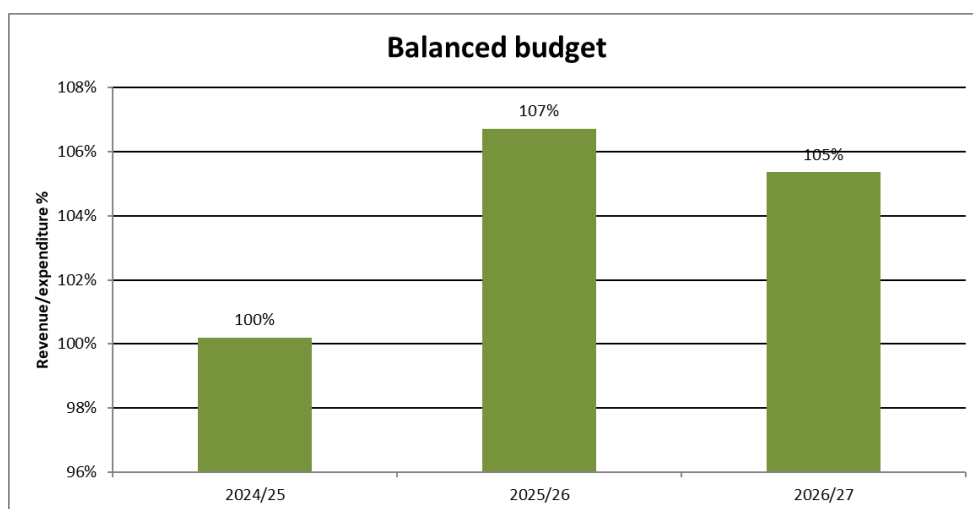
This graph compares planned debt with a quantified limit on borrowing contained in the Financial Strategy included in this Long Term Plan. The quantified limit is that net debt be no higher than 280% of revenue excluding capital subsidies. Council forecasts external debt levels within this limit for the period of the LTP.



Balanced budget benchmark

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

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

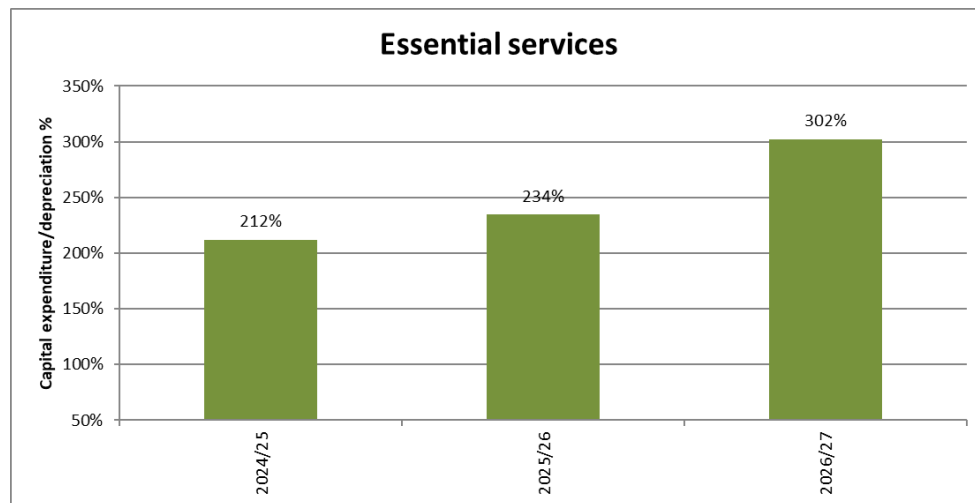


Essential services benchmark

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

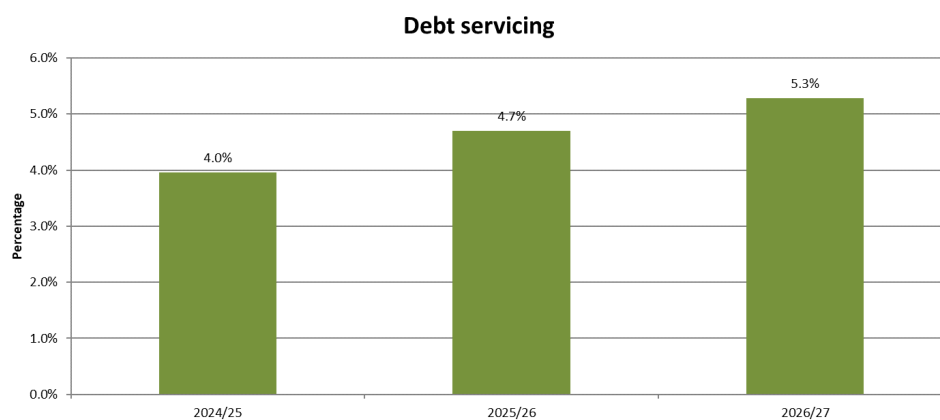
We meet the essential services benchmark if planned capital expenditure on network services equals or is greater than expected depreciation on network services.

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



Debt servicing benchmark

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



**FAR NORTH
HOLDINGS LIMITED
PROPOSED
ACTIVITIES
2024-27**

Overview

Far North Holdings Limited (FNHL) is a Council Controlled Trading Organisation that develop and manage assets and commercial trading on behalf of Council. FNHL manage a diverse range of district assets to provide employment, economic, cultural and social outcomes to support the growth in the Far North District.

Key activities

1. Manage, operate and develop commercial, maritime, aviation, housing and infrastructure assets within its ownership in a commercial manner, or under the terms of any management agreement entered into;
2. Plan, facilitate and secure commercial outcomes and investment in its area of influence that support economic growth of the Far North District (the District) for the betterment of the District, in a socially, culturally and environmentally responsible way;
3. Create profits for its Shareholder and improve the Shareholder's asset value.

Objectives

As FNDC's commercial vehicle, FNHL will grow the value of shareholder funds, the return to FNDC over time and actively manage, develop and maintain regional infrastructure and assets. Additionally, we will contribute to the four aspects of well-being in the communities in which we operate (economic, social, environmental and cultural).

We will achieve these objectives by undertaking the following actions:

1. Achieve sustainable, commercial returns from our combined asset portfolio to facilitate dividends to our shareholder;
2. Sustainably manage and maintain core community infrastructure and assets, in a socially and environmentally responsible manner which reflects and accommodates the interests of our stakeholders and communities when we are able to do so;
3. Deliver growth by identifying opportunities for investment and improved profitability, including development of a housing portfolio that helps to address community housing needs and consideration of opportunities proposed by FNDC;
4. Actively manage marine assets & infrastructure, including supporting growth of the Bay of Islands Marina and the associated marine economy, and address climate change and environmental impacts;
5. Continue to develop Ngawha Park to provide employment and skills-based training opportunities for our District and seek to attract value-added manufacturing and processing businesses that will generate further employment opportunities;
6. Be a good employer by doing the right thing by employees; and
7. Using its portfolio: the Bay of Islands Airport, Bay of Islands Marina and Ngawha Park; the company will look to maximise opportunities to attract high quality capital and investment into the region to support FNDC's goal of sustainable prosperity.

Policies relating to ownership and control

Council is the sole shareholder of FNHL and return on investment is by way of annual dividends to FNDC.

Through the annual Statement of Intent, FNDC establishes broad parameters for the company's operations without inhibiting proper commercial management.

Strategic Focus	Objectives	Group Performance Target		
		2024/ 25	2025 / 26	2026/ 27
Financial <i>"Achieve sustainable commercial returns"</i>	Create value for ratepayers by increasing shareholder funds	Grow shareholder funds by > \$5 million Far North Housing Ltd to contribute to the growth in shareholder	Grow shareholder funds by > \$5 million	Grow shareholder funds by > \$5 million
	Ratio of consolidated shareholder funds ¹	Must exceed 50%	Must exceed 50%	Must exceed 50%
	Effective financial management to deliver	Operating profit > \$2.0 million	Operating profit > \$2.5 million	Operating profit > \$3.0 million
	Return profit to FNDC by way of dividend, in line with dividend policy	Dividend payable >\$1.0 million	Dividend payable >\$1.25 million	Dividend payable >\$1.5 million
People <i>"Be a good employer"</i>	To make safety our priority to ensure health, safety and wellbeing of all employees and contractors in the Group	Put in place Health Safety & Wellbeing Objectives	Health Safety & Wellbeing Objectives and identified target areas being	Health Safety & Wellbeing Objectives and identified target areas being actioned
Sustainability <i>"Undertake sustainable investment and management for the benefit of future Generations"</i>	Commit to tangible action to measure climate impact and target reductions based on best practice	Scope requirements for measuring carbon footprint across Far North Holdings and its subsidiaries	Measure carbon footprint for the Ngawha Park in line with generally accepted standards	Measure carbon footprint across the wider business in line with generally accepted standards and prepare an emissions reduction plan
	Achieve and maintain Clean Marina certification	To achieve	To achieve	To achieve

¹ Defined as total equity/ total assets, as reported in the Statement of Financial Position prepared under GAAP (generally accepted accounting practice).

Strategic Focus	Objectives	Group Performance Target		
		2024/ 25	2025 / 26	2026/ 27
Community <i>"Create economic & housing opportunities, with improving engagement and communication"</i>	Encourage positive relationships with the community by having transparent engagement policies and monitoring key stakeholder perceptions	Stakeholder perceptions survey	Stakeholder perceptions survey	Stakeholder perceptions survey
	Ngawha Park developed to grow economic and employment opportunities in the Far North	5 businesses based at the Park or incubated within the Innovation Centre	8 businesses based at the Park or incubated within the Innovation Centre	8+ businesses based at the Park or incubated within the Innovation Centre
	Identify opportunities to deliver social housing to meet local needs in partnership with Community Housing Providers (CHP's)	Develop at least 50 housing units	Develop at least 50 housing units (subject to funding availability)	Develop > 50 housing units (subject to funding availability)
	Civil Aviation Authority Certification maintained for the BOI Airport to support regional tourism and business visitors	To achieve	To achieve	To achieve



PROPOSED FORECAST FINANCIAL STATEMENTS

**Prospective statement of comprehensive revenue and expense
for the year ending 30 June 2025**

AP 2023/24 \$000s		LTP 2024/25 \$000s	LTP 2025/26 \$000s	LTP 2026/27 \$000s
Revenue				
62,743	Rates - general	70,583	77,146	78,039
4,196	Rates - targeted water	4,418	5,359	6,851
35,479	Rates - targeted excluding water	45,555	47,126	49,706
2,063	Rates - penalties	1,518	1,518	1,518
20,844	Fines, fees and charges	22,922	23,065	23,238
14,923	Subsidies operational	19,294	22,311	22,681
27,795	Subsidies capital	28,513	39,154	39,215
1,985	Other income	2,527	2,598	2,540
1,300	Dividends	1,300	1,300	1,300
171,330	Total comprehensive revenue	196,631	219,577	225,089
Expenses				
38,203	Personnel costs	40,213	40,858	41,707
45,480	Depreciation and amortisation expense	53,756	57,171	60,805
5,409	Finance costs	7,872	10,410	12,007
75,698	Other expenses	94,397	97,193	99,024
164,790	Total operating expenses	196,239	205,632	213,543
6,539	Net operating surplus / (deficit)	392	13,945	11,546
Other comprehensive revenue and expenses				
Surplus / (deficit) attributable to:				
6,539	Far North District Council	392	13,945	11,546
Items that will not be reclassified to surplus				
115,898	Gains / (loss) on asset revaluations	75,161	55,855	63,467
115,898	Total other comprehensive revenue and expense	75,161	55,855	63,467
122,437	Total comprehensive revenue	75,553	69,800	75,013

**Prospective statement of changes in equity
for the year ending 30 June 2025**

Actual 2022/23 \$000s	Revised 2023/24 \$000s		LTP 2024/25 \$000s	LTP 2025/26 \$000s	LTP 2026/27 \$000s
2,321,561	2,489,335	Opening balance	2,554,940	2,630,493	2,700,293
167,774	65,605	Total comprehensive income	75,553	69,800	75,012
2,489,335	2,554,940	Closing balance	2,630,493	2,700,293	2,775,305

**Prospective statement of financial position
as at 30 June 2025**

AP 2022/23 \$000s	Revised 2023/24 \$000s		LTP 2024/25 \$000s	LTP 2025/26 \$000s	LTP 2026/27 \$000s
Public equity					
1,078,750	1,070,087	Other reserves	1,145,248	1,201,103	1,264,570
13,791	12,908	Restricted reserves	12,908	12,908	12,908
1,516,774	1,471,945	Retained earnings	1,472,337	1,486,282	1,497,828
2,609,315	2,554,940	Total public equity	2,630,493	2,700,293	2,775,305
Current assets					
7,371	6,581	Cash and cash equivalents	13,159	32,645	41,955
34,544	34,847	Trade and other receivables	35,788	36,503	37,307
-	-	Other financial assets	-	-	-
141	183	Inventories	183	183	183
42,056	41,611	Total current assets	49,130	69,332	79,444
Non-current assets					
2,234	2,126	Other financial assets	2,126	2,126	2,126
467	463	Forestry	467	472	477
13,945	11,379	Intangible assets	15,104	18,046	19,232
18,000	18,000	Investments in subsidiaries	18,000	18,000	18,000
-	-	Derivative financial instruments	-	-	-
2,739,306	2,684,315	Property, plant and equipment	2,792,766	2,884,842	3,009,686
2,773,952	2,716,283	Total non-current assets	2,828,463	2,923,486	3,049,521
2,816,008	2,757,894	Total assets	2,877,593	2,992,818	3,128,965
Current liabilities					
26,632	33,576	Trade and other payables	34,483	35,172	35,946
10,000	10,000	Borrowings	45,500	40,000	10,000
1,846	1,027	Provisions	9	16	8
-	-	Financial guarantee liabilities	-	-	-
-	-	Derivative financial instruments	-	-	-
3,190	2,750	Employee benefits	2,825	2,881	2,945
41,668	47,353	Total current liabilities	82,817	78,069	48,899
388	(5,742)	Working capital	(33,687)	(8,737)	30,546
Non-current liabilities					
163,847	155,464	Borrowings	164,163	214,343	304,656
-	-	Trade and other payables	-	-	-
-	-	Derivative financial instruments	-	-	-
-	-	Employee benefits	-	-	-
1,177	137	Provisions	121	113	105
165,024	155,601	Non-current liabilities	164,284	214,456	304,761
206,692	202,954	Total liabilities	247,100	292,525	353,660
2,609,315	2,554,940	Net Assets	2,630,493	2,700,293	2,775,305

**Prospective statement of cash flows
for the year ending 30 June 2025**

AP 2023/24 \$000s		LTP 2024/25 \$000s	LTP 2025/26 \$000s	LTP 2026/27 \$000s
Operating activities				
Cash was provided from:				
114,489	Rates	133,780	142,661	147,670
57,630	Other income	64,087	78,467	78,966
1,405	Interest and dividends	1,411	1,411	1,411
173,525		199,277	222,539	228,047
Cash was applied to:				
119,644	Supply of goods, services and employees	138,933	130,438	132,822
5,409	Interest paid	7,872	10,410	12,007
84	Fringe benefit tax paid	195	196	198
125,138		147,000	141,044	145,027
48,387	Net cash inflows / (outflows) from operating activities	52,277	81,494	83,019
Financing activities				
Cash was provided from:				
67,916	Borrowing	77,799	74,198	93,281
67,916		77,799	74,198	93,281
Cash was applied to:				
11,118	Borrowing	13,666	16,544	19,472
11,118		13,666	16,544	19,472
56,798	Net cash inflows / (outflows) from financing activities	64,133	57,654	73,809
Investing activities				
Cash was provided from:				
Cash was applied to:				
103,398	Purchase and development of property, plant and equipment	109,832	119,663	147,519
103,398		109,832	119,663	147,519
(103,398)	Net cash inflows / (outflows) from investing activities	(109,832)	(119,663)	(147,519)
1,789	Net increase / (decrease) in cash flows	6,578	19,486	9,310
Net cash position				
5,582	Cash and cash equivalents opening balance 1 July	6,581	13,159	32,645
7,371	Less cash and cash equivalents closing balance 30 June	13,159	32,645	41,955
1,789	Cash movements for the year	6,578	19,486	9,310



PROPOSED FORECAST RESERVE FUNDS

	LTP 2024/25 \$000s	LTP 2025/26 \$000s	LTP 2026/27 \$000s
Revaluation reserves			
Opening balance	975,683	1,142,520	1,067,359
Appropriations	166,837	55,855	194,483
Closing balance	1,142,520	1,198,375	1,261,842
Fair value through equity reserve			
Opening balance	31	31	31
Closing balance	31	31	31
Capital reserve			
Opening balance	2,697	2,697	2,697
Closing balance	2,697	2,697	2,697
Cash flow hedge reserve			
Opening balance	-	-	-
Closing balance	-	-	-
General separate fund			
Opening balance	2,186	2,186	2,186
Appropriations	-	-	-
Withdrawals	-	-	-
Closing balance	2,186	2,186	2,186
Special fund			
Opening balance	5,121	5,121	5,121
Appropriations	-	-	-
Withdrawals	-	-	-
Closing balance	5,121	5,121	5,121
Amenity development fund			
Opening balance	459	459	459
Appropriations	-	-	-
Withdrawals	-	-	-
Closing balance	459	459	459
Community services fund			
Opening balance	5,142	5,142	5,142
Appropriations			
Withdrawals			
Closing balance	5,142	5,142	5,142

	LTP 2024/25 \$000s	LTP 2025/26 \$000s	LTP 2026/27 \$000s
Development contributions			
Opening balance	(16,907)	(16,907)	(16,907)
Appropriations	-	-	-
Withdrawals	-	-	-
Closing balance	(16,907)	(16,907)	(16,907)
Open Spaces Development Contributions			
Opening balance	(3,768)	(3,768)	(3,768)
Closing balance	(3,768)	(3,768)	(3,768)
Depreciation reserve			
Opening balance	100,622	121,006	139,785
Appropriations	53,751	57,166	60,800
Withdrawals	(33,367)	(38,387)	(50,399)
Closing balance	121,006	139,785	150,186
Retained earnings			
Opening balance	1,422,284	1,402,339	1,397,505
Appropriations and withdrawals	(19,945)	(4,834)	1,144
Closing balance	1,402,339	1,397,505	1,398,649
Emergency event reserve			
Opening balance	7,304	7,304	7,304
Appropriations	-	-	-
Withdrawals	-	-	-
Closing balance	7,304	7,304	7,304
Mineral survey reserve			
Opening balance	50	50	50
Appropriations	-	-	-
Withdrawals	-	-	-
Closing balance	50	50	50
Property disposal reserve			
Opening balance	198	198	198
Appropriations	-	-	-
Withdrawals	-	-	-
Closing balance	198	198	198



FUNDING IMPACT STATEMENT RATES

WHAT IS THE FUNDING IMPACT STATEMENT?

Introduction

The Funding Impact Statement (FIS) is one of the key statements included in this Long Term Plan. Essentially it pulls together all the information from each of the different groups of activities and sets out in a single statement the sources of both the operating and capital funding for everything that Council does.

This statement is prepared in a different format to most of the other financial statements included in this plan and provides a synthesis of Council's overall funding requirements.

The format of this statement is prescribed in the legislation and does not have to meet the normal accounting requirements. The intention is that it will provide a more understandable picture of what Council is spending money on and how those expenditures are funded.

The second and perhaps, more important purpose of the FIS is to set out the basis of rating which Council is using for the term of this Plan.

Legislative requirements

The Local Government Act 2002 requires that Council include a FIS in each Long Term Plan. This statement in the form required by regulation must include the following information:

- The sources of funding to be used by the local authority
- The amount of funds expected to be produced from each source
- How the funds are to be applied
- The projected number of rating units within the district at the end of the preceding financial year.

Key features of this Funding Impact Statement

Council has not proposed any significant changes to the method of setting rates for the first year of this plan. However Council is proposing to undertake a comprehensive review of rating methodologies over the next twelve months. It is anticipated, that due to the time needed to achieve a good outcome, any proposed changes would be included in a revised Long Term Plan to be issued in 2020.

Revenue and financing mechanisms

In addition to rating income, Council has a number of other sources of revenue including:

- Fees and Charges
- Subsidies
- Depreciation funds and other reserves
- Loans and borrowings
- Development and financial contributions in respect of contributions assessed in the years prior to the adoption of this plan.

PROPOSED RATES FOR 2025

This portion of the Funding Impact Statement has been prepared in two parts. The first part outlines the rating methodologies and differentials which Council has used to set the rates for the 2024/25 rating years. The second part outlines the proposed rates for the 2024-27 years.

General Rate

General Rates are set on the basis of Land Value to fund Councils general activities. This rate is set on a differential basis as described below.

The General Rate differentials are generally based on the land use as defined by Council's Valuation Service Provider and included in the Rating Information Database. The proposed differentials are set out in the following table. (Refer Local Government (Rating) Act 2002, Sections 13(2)(b) & 14 & Schedule 2 Clause 1.)

General Rate differential categories			
Differential	Basis	Description	Land use codes
General	100%	These are rating units which have a non-commercial use based on their actual use as defined by their land use code. (Note: in certain circumstances land with a commercial land use may be treated as general if the ratepayer demonstrates to Council's satisfaction that the actual use is not commercial.)	00, 01, 02, 09, 10 to 17, 19 to 29, 90, 91, 92 & 97-99 (93 - 96 may also be treated as general if the actual use of the land is not commercial)
Commercial	275%	These are rating units which have some form of commercial or industrial use or are used primarily for commercial purposes as defined by their land use codes. (Note: in certain circumstances land with a general land code use may be treated as commercial if the actual use of the entire rating unit is commercial in nature.)	03, 04, 05, 06, 07, 08, 18, 30 to 89, 93, 94, 95,& 96
Mixed Use	Mixed use may apply where two different uses take place on the rating unit and where each use would be subject to a different differential. In these circumstances Council may decide to split the rating unit in to two divisions for rating purposes and apply the appropriate differential to each part. (Local Government (Rating) Act 2002 Section 27(5)).		

Council retains the right to apply a different differential where it can be demonstrated, to its satisfaction, that the actual use of the entire rating unit differs from that described by the current land use code. – For more information, refer to the section 'Notes in relation to Land Use Differentials'.

Uniform Annual General Charge (UAGC)

The UAGC rate is set on the basis of one charge assessed in respect of every separately used or inhabited part (SUIP) of a rating unit. This rate will be set at a level designed to ensure that the total of the UAGC and certain targeted rates set on a uniform basis do not exceed the allowable maximum of 30%. The total of the UAGC and applicable uniform targeted rates is as shown below.

2024/25	2025/26	2026/27
13.8%	13%	12.6%

(Refer Local Government (Rating) Act 2002, Section 15 and 21).

Roading Rate

Council has two targeted roading rates to fund a portion of the costs of its roading activities:

- A targeted rate on the basis of a fixed amount of \$100 assessed on every SUIP to fund part of the costs of roading (refer: Local Government (Rating) Act 2002 Sections 16 & 17 and Schedule 3 Clause 7). funded by the uniform roading rate. The remaining 90% is funded from the General Rate. This rate is set on a differential basis according to land use as described below (refer: Local Government (Rating) Act 2002 Section 16 & Schedules 2 Clause 1 and 3 Clause 3).
- A targeted rate assessed on the basis of Land Value to fund 10% of the balance of the roading activity not

The Roding Rate differentials are generally based on land use as defined by Council's Valuation Service Provider and included in the Rating Information Database. The differential basis is designed to ensure that the specified share of the rate is generated by each of the differential categories. The Roding Rate differentials are:

Roding Rate differential categories			
Differential	Share	Description	Land use codes
Residential	29%	Rating units which have residential land uses or are used primarily for residential purposes	09, 90, 91, 92 & 97 - 99 (93 - 96 may also be treated as residential if the actual use is residential in nature)
Lifestyle	20%	Rating units which have lifestyle land uses	02 & 20 - 29
Commercial	7%	Rating units which have some form of commercial land use or are used primarily for commercial purposes	03 - 06, 08, 30 - 39, 40 - 49, 50-59, 60-69, 80-89, (93 - 96 may also be treated as commercial if the actual use is commercial in nature)
Industrial	2%	Rating units which have some form of industrial land use or are used primarily for industrial purposes	07 & 70 - 79
Farming General	16%	Rating units which have some form of primary or farming land use or are used primarily for farming purposes other than land used for dairy or horticulture	01, 10, 12-14, 16, 19
Horticulture	1%	Rating units which have horticultural, market garden or other similar land uses	15
Dairy	7%	Rating units which have dairy land uses	11
Forestry	13%	Rating units which have forestry land uses but exclude land which is categorised under the Valuer General's Rules as Indigenous forests or Protected forests of any type	17
Mining / Quarry	4%	Rating units which have mining or quarry land uses	18
Other	1%	Rating units where the defined land use is inconsistent or cannot be determined	

Council retains the right to apply a different differential where it can be demonstrated, to its satisfaction, that the actual use of the entire rating unit differs from that described by the current land use code. – For more details, refer to the section 'Notes to Land Use Differentials'.

Ward Rate

A ward targeted rate is set on the basis of a fixed amount assessed on every SUIP to fund urban, recreational and other local services and activities within the three wards of the district.

The Ward Rate is set on a differential basis according to the Ward in which the rating unit is located as described overleaf. (Refer: Local Government (Rating) Act 2002 Section 16 & 17 & Schedules 2 Clauses 6 and 3 Clause 7).

Ward Rate differential categories		
Differential	Basis	Description

Te Hiku Ward	31%	All rating units within the Te Hiku Ward
Bay of Islands-Whangaroa Ward	46%	All rating units within the Bay of Islands – Whangaroa Ward
Kaikohe-Hokianga Ward	24%	All rating units within the Kaikohe-Hokianga Ward

Stormwater Rate

This rate is to fund specific stormwater capital developments within urban communities across the district. This rate is set in two categories with no general or commercial differentials:

- 10% to be funded from the general rates and the remaining 90% is to be targeted to urban areas on the basis of capital value on every rateable property within the following communities – refer rating area maps . (Local Government (Rating) Act 2002 Sections 16, 17 and 18 Schedule 2 Clauses 1 and 6)

Stormwater rating areas		
Ahipara	Awanui	Haruru Falls
Hihi	Houhora / Pukenui	Ōkaihau
Ōpononi / Ōmāpere	Ōpua / Ōkiato	Kaikohe
Kaīmaumau	Kaitāia	Karikari communities
Kawakawa	Kohukohu	Kerikeri / Waipapa
Moerewa	Ngāwhā	Paihia / Te Haumi
Rāwene	Russell	Taipā
Taupō Bay	Tauranga Bay	Whangaroa / Kāeo

Paihia Central Business District Development Rate

This targeted rate is set on a differential basis on the basis of a fixed amount assessed on every SUIP to fund improvements to the Paihia Central Business Area. The rated area includes rating rolls 00221, 00223, 00225, and 00227, but excludes any rating units in those rolls which are currently assessed the Kerikeri Mainstreet Rate – Refer Rating area maps. (Refer: Local Government (Rating) Act 2002 Section 16 & Schedules 2 Clause 1 & 3 Clause 7).

Paihia Central Business District Development Rate differential categories		
Differential	Basis	Description
General	Per SUIP	All rating units which are assessed the General Rate – General Differential
Commercial	Per SUIP	All rating units which are assessed the General Rate – Commercial Differential

Kaitāia Business Improvement District Rate

This targeted rate is set to support the Kaitāia Business Improvement District (KBID). Council has a memorandum of understanding with the Business Association for them to undertake agreed improvement works to be funded by the targeted rate. This rate is set on the basis of land value assessed over all Rating Units which are assessed the General Rate – Commercial Differential within the defined rating area within the Kaitāia Township. – Refer Rating area maps. (Refer: Local Government (Rating) Act 2002, Section 16 & Schedule 3 Clause 3).

Sewerage Rates

There are a number of targeted rates set to fund the provision and availability of sewerage services. These rates are designed to separately fund the costs associated with each wastewater scheme. Council's approach is that each scheme will pay its own interest and depreciation costs through the use of separate targeted capital rates, whereas the operating costs will be funded on the basis of a district wide operating rate.

Capital Rates (Set on a scheme by scheme basis)

- Capital Differential Rate:** Capital rates are set on a scheme by scheme basis to fund the interest and depreciation costs associated with the provision of sewerage services to each of the district's 16 separate sewerage schemes.

- Capable of connection means that rating unit is not connected to a public reticulated sewage disposal system but is within 30 metres of the reticulation, within an area serviced by a sewerage scheme and Council will allow the rating unit to connect.
- In terms of the Local Government (Rating) Act 2002 a rating unit used primarily as a residence for one household will be treated as having only one pan.
- Te Pae Tawhiti Tuhinga Uiuinga | Tā Tātou Rautaki ā-Pūtea | Long Term Plan 2024-27 | Supporting information

These rates are set differentially on the basis of the provision or availability of service as set out below. (Refer: Local Government (Rating) Act 2002, Section 16, 17 & 18 and Schedules 2 Clause 5 & 3 Clauses 7 & 9).

Stormwater rating areas							
Ahipara	Hihi	Kāeo	Kaikohe	Kaitāia and Awanui	Kawakawa	Kohukohu	Kerikeri
Ōpononi	Paihia	Rangiputa	Rāwene	Russell	Taipā	Whangaroa	Whatuwhiwhi

Sewerage Capital Rate differential categories		
Differential	Basis	Description
Connected	100%	Per SUIP connected, either directly or indirectly, to any of the District's public reticulated wastewater disposal systems.
Serviceable	100%	Per RATING UNIT that is capable of being connected to a public reticulated wastewater disposal system, but is not so connected ¹

2. **Additional Pan Rate:** In addition to the capital differential rate, where the total number of water closets or urinals connected, either directly or indirectly, to a SUIP that is assessed the connected differential rate, an additional targeted rate will be assessed in respect of the third and every subsequent water closet or urinal (pan) in the SUIP set at 60% of the capital differential rate value. (Local Government (Rating) Act 2002, Section 16 & Schedule 3 Clauses 7 & 12)².

Government (Rating) Act 2002, Section 16 & Schedule 3 Clauses 7 & 12).

Notes:

- For the sake of clarity, SUIPS which are connected to any of the district's sewerage rating areas will be assessed for both the capital and operating rates.
- Rating units that are outside of one of the defined sewerage schemes and that are neither connected to, nor capable of connection to a public reticulated sewerage system will not be liable for these rates.

Sewerage public good charge

A charge of \$15 on every rating unit in the district.

Operating Rates (Set on a District-wide basis)

- Operating Rate:** The operating targeted rate is to fund the operating costs associated with the provision of sewerage services. This rate is set on the basis of a fixed amount on every SUIP that is connected, either directly or indirectly, to a public reticulated wastewater disposal system. (Local Government (Rating) Act 2002, Section 16 & Schedule 3 Clause 7)
- Additional Pan Rate:** In addition to the operating rate, where the total number of water closets or urinals connected, either directly or indirectly, to a SUIP that is assessed the connected differential rate, an additional targeted rate will be assessed in respect of the third and every subsequent water closet or urinal (pan) in the SUIP set at 60% of the operating rate value. (Local

Water Rates

There are a number of targeted rates set to fund the provision and availability of water supplies. These rates are designed to separately fund the costs associated with each water supply scheme. Council's approach is that each scheme will pay its own interest and depreciation costs through the use of separate targeted capital rates, whereas the operating costs will be funded on the basis of a district wide operating rate.

Capital Rates (Set on a scheme by scheme basis)

- Differential Rate:** A series of separate differential targeted rates is set to fund the capital costs associated with the provision of water supplies to each of the district's eight separate water supply schemes. These rates are set differentially on the basis of the provision or availability of service as set out below. (Refer: Local Government (Rating) Act 2002, Section 16, 17 & 18 and Schedules 2 Clause 5 & 3 Clauses 7 & 9).

Water Capital Rate differential categories		
Differential	Basis	Description
Connected	100%	Per SUIP that is connected, either directly or indirectly, to any of the Districts public reticulated water supply systems.
Serviceable	100%	Per RATING UNIT that is capable of being connected to a public reticulated water supply system, but is not so connected ³

Water public good charge

- Capable of connection means that rating unit is not connected to a public reticulated water supply system but is within 100 metres of the reticulation, within an area serviced by a water scheme and Council will allow the rating unit to connect.

A charge of \$15 on every rating unit in the district.

Operating Rates (Set on a district wide basis)

1. **Operating Rate:** This is a targeted rate set for water supply based on the volume of water supplied. This rate will be assessed per cubic metre of water supplied as recorded by a water meter. Different rates are set depending on whether the supply is potable or non-potable water (Local Government (Rating) Act 2002, Section 19).
2. **Non-metered Rate:** The targeted rate is set for a water supply to every SUIP which is supplied with water other than through a water meter. This rate will be based on a flat amount equivalent to the supply of 250 cubic metres of water per annum. Different rates are set depending on whether the supply is potable or non-potable water (Local Government (Rating) Act 2002, Section 16 & Schedule 3 Clause 8 & 9).

Notes:

- For the sake of clarity, SUIPS which are connected to any of the district's water supply schemes will be assessed both the capital and operating rates.
- Rating units that are outside of one of the defined water supply schemes and that are neither connected to, nor capable of connection to a public reticulated water supply system, will not be liable for these rates.

Land drainage Rates

There are four land drainage rating areas in the Far North District all located of which in the northern part of the Te Hiku Ward.

Kaitiāia drainage area

A targeted rate is set to fund land drainage in the Kaitiāia drainage area to be assessed on the basis of a uniform rate

per hectare of land area within each rating unit located within the Drainage Rating Area. Refer Rating area maps for details of the rating area (Local Government (Rating) Act 2002, Section 16 & Schedule 3 Clause 5).

Kaikino drainage area

A targeted rate is set to fund land drainage in the Kaikino drainage area. This rate will be assessed differentially according to location as defined on the valuation record for each rating unit – refer Rating area maps for details of the rating area. This rate is assessed as a rate per hectare of land within each rating unit according to the differentials described below (Local Government (Rating) Act 2002 Section 16 & Schedule 3 Clause 5).

Motutangi drainage area

A targeted rate is set to fund land drainage in the Motutangi drainage area. This rate will be assessed differentially according to location as defined on the valuation record for each rating unit – refer Rating area maps for details of the rating area. This rate is assessed as a rate per hectare of land within each rating unit according to the differentials described below (Local Government (Rating) Act 2002 Section 16 & Schedule 3 Clause 5).

Waiharara drainage area

A targeted rate is set to fund land drainage in the Waiharara drainage area. This rate will be assessed differentially according to location as defined on the valuation record for each rating unit – refer Rating area maps for details of the rating area. This rate is assessed as a rate per hectare of land within each rating unit according to the differentials described below (Local Government (Rating) Act 2002 Section 16 & Schedule 3 Clause 5).

Drainage Rate differential categories		
Differential	Basis	Description
Differential area A	100%	All rating units or parts of rating units located within the defined Differential Rating area A
Differential area B	50%	All rating units or parts of rating units located within the defined Differential Rating area B
Differential area C	17%	All rating units or parts of rating units located within the defined Differential Rating area C

BOI Recreation Centre Rate

The BOI Recreational Centre Rate assists in funding an operational grant to support the BOI Recreation Centre. This rate is assessed on the basis of a fixed amount on every SUIP within the area contained within rating rolls 400 to 499 – refer Rating area maps for details of the rating area (refer: Local Government (Rating) Act 2002, Section 16 & Schedule 3 Clause 7).

For the first year of this LTP Council will not be seeking any lump sum contributions in respect of any targeted rates. However, it is proposing to offer this option for the proposed Hupara Road Sealing Targeted Rate which will be first rated in 2019/2020. (Local Government Act 2002 Schedule 10 Clause 20(4)(e)).

Lump sum contributions

Notes in relation to land use differentials

		Rates 2024/25		Rates 2025/26		Rates 2026/27		Rates
Rate	Basis of Assessment	Rate (GST Inc)	Total Rate	Rate (GST Inc)	Total Rate	Rate (GST Inc)	Total Rate	2023/24 GST Inc
GENERAL RATES								
Uniform Annual General Charge	Per SUIP1	\$450.00	\$17,157,600	\$450.00	\$17,243,550	\$450.00	\$17,329,950	\$450.00
General Differential	Per \$ of Land Value	\$0.0034919	\$58,357,408	\$0.0038712	\$64,696,354	\$0.0039239	\$65,577,088	\$0.0030315
Commercial Differential	Per \$ of Land Value	\$0.0096027	\$8,348,453	\$0.0106458	\$9,255,285	\$0.0107907	\$9,381,280	\$0.0083366
TARGETED WARD SERVICES RATE								
BOI - Whangaroa Ward Differential	Per SUIP	\$470.30	\$8,333,011	\$496.40	\$8,795,463	\$506.30	\$8,970,877	\$376.50
Te Hiku Ward Differential	Per SUIP	\$439.90	\$5,610,925	\$443.50	\$5,656,843	\$447.70	\$5,710,414	\$384.50
Kaikohe - Hokianga Ward Differential	Per SUIP	\$560.80	\$4,292,644	\$592.60	\$4,536,057	\$598.10	\$4,578,156	\$438.30
TARGETED ROADING RATES								
Uniform Roading Rate	Per SUIP	\$100.00	\$3,812,800	\$100.00	\$3,831,900	\$100.00	\$3,812,800	\$100.00
Roading Differential Rate								
Residential	Per \$ of Land Value	\$0.0000849	\$636,288	\$0.0000957	\$716,861	\$0.0000986	\$739,053	\$0.0000690
Lifestyle	Per \$ of Land Value	\$0.0000930	\$438,819	\$0.0001047	\$494,387	\$0.0001080	\$509,692	\$0.0000757
Farming Gen	Per \$ of Land Value	\$0.0001153	\$351,055	\$0.0001299	\$395,510	\$0.0001340	\$407,754	\$0.0000932
Horticulture	Per \$ of Land Value	\$0.0000693	\$21,941	\$0.0000780	\$24,719	\$0.0000804	\$25,485	\$0.0000565
Dairy	Per \$ of Land Value	\$0.0001934	\$153,587	\$0.0002179	\$173,035	\$0.0002246	\$178,392	\$0.0001485
Forestry	Per \$ of Land Value	\$0.0014726	\$285,233	\$0.0016590	\$321,352	\$0.0017104	\$331,300	\$0.0011905
Commercial	Per \$ of Land Value	\$0.0002287	\$153,587	\$0.0002577	\$173,035	\$0.0002656	\$178,392	\$0.0001872
Industrial	Per \$ of Land Value	\$0.0002051	\$43,882	\$0.0002310	\$49,439	\$0.0002382	\$50,969	\$0.0001657
Mining/Quarry	Per \$ of Land Value	\$0.0081715	\$87,764	\$0.0092062	\$98,877	\$0.0094912	\$101,938	\$0.0066063
Other	Per \$ of Land Value	\$0.0001795	\$21,941	\$0.0002023	\$24,719	\$0.0002085	\$25,485	\$0.0001463
STORMWATER TARGETED RATES								
Stormwater targeted rate	Per \$ of Capital Value	\$0.0002537	\$2,890,196	\$0.0002916	\$3,321,960	\$0.0003028	\$3,449,552	\$0.0002196
TARGETED DEVELOPMENT RATES								
Paihia CBD Development Rate								
General Differential	Per SUIP	\$18.00	\$38,133	\$18.00	\$38,133	\$18.00	\$38,133	\$18.00
Commercial Differential	Per SUIP	\$56.00	\$20,328	\$56.00	\$20,328	\$56.00	\$20,328	\$56.00
Kaitiāia BID Rate	Per \$ of Land Value	\$0.0007309	\$57,500	\$0.0007309	\$57,500	\$0.0007309	\$57,500	\$0.0007397
BOI RECREATION CENTRE RATE								
Uniform Targeted Rate	Per SUIP	\$5.00	\$23,900	\$5.00	\$23,900	\$5.00	\$23,900	\$5.00
SEWERAGE TARGETED RATES								
Sewerage Capital Rates								
Ahipara								
Ahipara Connected	Per SUIP	\$348.65	\$196,290	\$363.70	\$204,763	\$374.98	\$211,114	\$273.65
Ahipara Availability	Per rating unit	\$348.65	\$36,608	\$363.70	\$38,189	\$374.98	\$39,373	\$273.65
Ahipara Additional Pans	Per Sub Pan2	\$209.19	\$11,924	\$218.22	\$12,439	\$224.99	\$12,824	\$164.19
Hihi								
Hihi Connected	Per SUIP	\$993.09	\$160,881	\$1,430.87	\$231,801	\$1,965.32	\$318,382	\$551.38
Hihi Availability	Per rating unit	\$993.09	\$22,841	\$1,430.87	\$32,910	\$1,965.32	\$45,202	\$551.38
Hihi Additional Pans	Per Sub Pan	\$595.85	\$4,171	\$858.52	\$6,010	\$1,179.19	\$8,254	\$330.83
Kāeo								
Kāeo Connected	Per SUIP	\$875.81	\$150,639	\$899.19	\$154,661	\$912.33	\$156,921	\$684.16
Kāeo Availability	Per rating unit	\$875.81	\$15,765	\$899.19	\$16,185	\$912.33	\$16,422	\$684.16
Kāeo Additional Pans	Per Sub Pan	\$525.49	\$44,141	\$539.51	\$45,319	\$547.40	\$45,982	\$410.50
Kaikohe								
Kaikohe Connected	Per SUIP	\$213.45	\$369,055	\$266.90	\$461,470	\$338.91	\$585,975	\$172.23
Kaikohe Availability	Per rating unit	\$213.45	\$13,020	\$266.90	\$16,281	\$338.91	\$20,674	\$172.23
Kaikohe Additional Pans	Per Sub Pan	\$128.07	\$100,535	\$160.14	\$125,710	\$203.35	\$159,630	\$103.34
Kaitiāia & Awanui								
Kaitiāia & Awanui Connected	Per SUIP	\$270.54	\$701,240	\$412.99	\$1,070,470	\$459.08	\$1,189,935	\$242.02
Kaitiāia & Awanui Availability	Per rating unit	\$270.54	\$30,842	\$412.99	\$47,081	\$459.08	\$52,335	\$242.02
Kaitiāia & Awanui Additional Pans	Per Sub Pan	\$162.32	\$138,621	\$247.79	\$211,613	\$275.45	\$235,234	\$145.21
Kawakawa								
Kawakawa Connected	Per SUIP	\$503.89	\$289,737	\$511.96	\$294,377	\$522.36	\$300,357	\$478.89
Kawakawa Availability	Per rating unit	\$503.89	\$6,551	\$511.96	\$6,655	\$522.36	\$6,791	\$478.89
Kawakawa Additional Pans	Per Sub Pan	\$302.33	\$52,605	\$307.18	\$53,449	\$313.42	\$54,535	\$287.33

		Rates 2024/25		Rates 2025/26		Rates 2026/27		Rates
Rate	Basis of Assessment	Rate (GST Inc)	Total Rate	Rate (GST Inc)	Total Rate	Rate (GST Inc)	Total Rate	2023/24 GST Inc
Kerikeri								
Kerikeri Connected	Per SUIP	\$718.98	\$1,302,792	\$745.64	\$1,351,100	\$736.53	\$1,334,592	\$672.50
Kerikeri Availability	Per rating unit	\$718.98	\$94,186	\$745.64	\$97,679	\$736.53	\$96,485	\$672.50
Kerikeri Additional Pans	Per Sub Pan	\$431.39	\$194,557	\$447.38	\$201,768	\$441.92	\$199,306	\$403.50
Kohukohu								
Kohukohu Connected	Per SUIP	\$843.92	\$74,265	\$1,054.31	\$92,779	\$1,770.18	\$155,776	\$709.30
Kohukohu Availability	Per rating unit	\$843.92	\$7,595	\$1,054.31	\$9,489	\$1,770.18	\$15,932	\$709.30
Kohukohu Additional Pans	Per Sub Pan	\$506.35	\$8,102	\$632.59	\$10,121	\$1,062.11	\$16,994	\$425.58
Ōpononi								
Ōpononi Connected	Per SUIP	\$438.92	\$178,202	\$1,056.78	\$429,053	\$1,121.81	\$455,455	\$275.22
Ōpononi Availability	Per rating unit	\$438.92	\$43,453	\$1,056.78	\$104,621	\$1,121.81	\$111,059	\$275.22
Ōpononi Additional Pans	Per Sub Pan	\$263.35	\$29,495	\$634.07	\$71,016	\$673.09	\$75,386	\$165.13
Paihia								
Paihia Connected	Per SUIP	\$468.01	\$1,000,605	\$480.18	\$1,026,625	\$488.50	\$1,044,413	\$456.31
Paihia Availability	Per rating unit	\$468.01	\$98,750	\$480.18	\$101,318	\$488.50	\$103,074	\$456.31
Paihia Additional Pans	Per Sub Pan	\$280.81	\$343,711	\$288.11	\$352,647	\$293.10	\$358,754	\$273.79
Rangiputa								
Rangiputa Connected	Per SUIP	\$243.76	\$25,595	\$255.66	\$26,844	\$266.80	\$28,014	\$240.50
Rangiputa Availability	Per rating unit	\$243.76	\$4,144	\$255.66	\$4,346	\$266.80	\$4,536	\$240.50
Rangiputa Additional Pans	Per Sub Pan	\$146.26	\$585	\$153.40	\$614	\$160.08	\$640	\$144.30
Rāwene								
Rāwene Connected	Per SUIP	\$523.37	\$127,702	\$535.63	\$130,694	\$601.06	\$146,659	\$516.68
Rāwene Availability	Per rating unit	\$523.37	\$14,654	\$535.63	\$14,998	\$601.06	\$16,830	\$516.68
Rāwene Additional Pans	Per Sub Pan	\$314.02	\$14,759	\$321.38	\$15,105	\$360.64	\$16,950	\$310.01
Russell								
Russell Connected	Per SUIP	\$509.74	\$305,337	\$555.68	\$332,852	\$564.45	\$338,105	\$502.35
Russell Availability	Per rating unit	\$509.74	\$71,873	\$555.68	\$78,351	\$564.45	\$79,587	\$502.35
Russell Additional Pans	Per Sub Pan	\$305.85	\$44,654	\$333.41	\$48,678	\$338.67	\$49,446	\$301.41
Taipā								
Taipā Connected	Per SUIP	\$318.16	\$505,874	\$350.73	\$557,661	\$368.32	\$585,629	\$321.81
Taipā Availability	Per rating unit	\$318.16	\$123,446	\$350.73	\$136,083	\$368.32	\$142,908	\$321.81
Taipā Additional Pans	Per Sub Pan	\$190.90	\$27,871	\$210.44	\$30,724	\$220.99	\$32,265	\$193.09
Whangaroa								
Whangaroa Connected	Per SUIP	\$673.11	\$9,424	\$703.79	\$9,853	\$1,153.82	\$16,153	\$667.78
Whangaroa Availability	Per rating unit	\$673.11	\$3,366	\$703.79	\$3,519	\$1,153.82	\$5,769	\$667.78
Whangaroa Additional Pans	Per Sub Pan	\$403.87	\$4,443	\$422.27	\$4,645	\$692.29	\$7,615	\$400.67
Whatuwhiwhi								
Whatuwhiwhi Connected	Per SUIP	\$359.85	\$290,399	\$400.90	\$323,526	\$445.35	\$359,397	\$315.16
Whatuwhiwhi Availability	Per rating unit	\$359.85	\$127,027	\$400.90	\$141,518	\$445.35	\$157,209	\$315.16
Whatuwhiwhi Additional Pans	Per Sub Pan	\$215.91	\$3,886	\$240.54	\$4,330	\$267.21	\$4,810	\$189.10
Sewerage Public Good Rate								
Uniform charge	Per rating unit	\$15.00	\$517,808	\$15.00	\$517,808	\$15.00	\$517,808	\$15.00
Sewerage Operating Rate								
Connected Rate (All Schemes)	Per SUIP	\$1,050.08	\$14,276,943	\$987.95	\$13,432,157	\$1,101.03	\$14,969,654	\$645.95
Subsequent Pan Rate (All Schemes)	Per Sub Pan	\$630.05	\$2,605,889	\$592.77	\$2,451,695	\$660.62	\$2,732,325	\$387.57
WATER TARGETED RATES								
Water Capital Rates								
Kaikohe								
Kaikohe Connected	Per SUIP	\$375.19	\$723,742	\$443.65	\$855,801	\$462.74	\$892,625	\$369.17
Kaikohe Availability	Per rating unit	\$375.19	\$19,885	\$443.65	\$23,513	\$462.74	\$24,525	\$369.17
Kaitiāia								
Kaitiāia Connected	Per SUIP	\$567.48	\$1,455,019	\$695.66	\$1,783,672	\$689.92	\$1,768,955	\$541.03
Kaitiāia Availability	Per rating unit	\$567.48	\$51,641	\$695.66	\$63,305	\$689.92	\$62,783	\$541.03
Kawakawa								
Kawakawa Connected	Per SUIP	\$367.59	\$427,507	\$383.29	\$445,766	\$396.71	\$461,374	\$389.82
Kawakawa Availability	Per rating unit	\$367.59	\$11,395	\$383.29	\$11,882	\$396.71	\$12,298	\$389.82
Kerikeri								
Kerikeri Connected	Per SUIP	\$242.88	\$726,211	\$354.42	\$1,059,716	\$423.08	\$1,265,009	\$236.17
Kerikeri Availability	Per rating unit	\$242.88	\$32,789	\$354.42	\$47,847	\$423.08	\$57,116	\$236.17
Ōkaihau								

Rate	Basis of Assessment	Rates 2024/25		Rates 2025/26		Rates 2026/27		Rates 2023/24 GST Inc
		Rate (GST Inc)	Total Rate	Rate (GST Inc)	Total Rate	Rate (GST Inc)	Total Rate	
Ōkaihau Connected	Per SUIP	\$404.91	\$74,503	\$455.12	\$83,742	\$463.99	\$85,374	\$401.99
Ōkaihau Availability	Per rating unit	\$404.91	\$5,669	\$455.12	\$6,372	\$463.99	\$6,496	\$401.99
Ōmāpere/Ōpononi								
Ōmāpere/Ōpononi Connected	Per SUIP	\$612.31	\$257,170	\$684.49	\$287,486	\$800.61	\$336,256	\$600.64
Ōmāpere/Ōpononi Availability	Per rating unit	\$612.31	\$44,086	\$684.49	\$49,283	\$800.61	\$57,644	\$600.64
Paihia								
Paihia Connected	Per SUIP	\$267.48	\$591,398	\$330.31	\$730,315	\$376.52	\$832,486	\$208.14
Paihia Availability	Per rating unit	\$267.48	\$23,538	\$330.31	\$29,067	\$376.52	\$33,134	\$208.14
Rāwene								
Rāwene Connected	Per SUIP	\$286.86	\$93,230	\$289.77	\$94,175	\$287.29	\$93,369	\$282.02
Rāwene Availability	Per rating unit	\$286.86	\$5,450	\$289.77	\$5,506	\$287.29	\$5,459	\$282.02
Water Public Good Rate								
Uniform charge		\$15.00	\$517,808	\$15.00	\$517,808	\$15.00	\$517,808	\$15.00
Water Operating Rates								
Water by Meter Rates								
Potable Water	Per M ³	\$4.77	\$10,848,163	\$4.78	\$10,890,918	\$5.35	\$12,178,360	\$3.92
Non-potable Water	Per M ³	\$3.10	\$3,097	\$3.11	\$3,110	\$3.48	\$3,477	\$2.55
Non-metered Rates								
Non-metered Potable Rate	Per SUIP	\$1,560.29	\$93,618	\$1,649.15	\$98,949	\$1,824.03	\$109,442	\$1,331.35
Non-metered non-potable Rate	Per SUIP	\$1,143.33	\$0.00	\$1,230.54	\$0.00	\$1,355.94	\$0.00	\$988.20
DRAINAGE TARGETED RATES								
Kaitāia drainage area	Per Ha of land area	\$12.47	\$116,597	\$12.47	\$116,597	\$12.47	\$116,597	\$12.55
Kaikino drainage area								
Kaikino A	Per Ha of land area	\$11.46	\$4,305	\$11.46	\$4,305	\$11.46	\$4,305	\$11.46
Kaikino B	Per Ha of land area	\$5.73	\$2,157	\$5.73	\$2,157	\$5.73	\$2,157	\$5.73
Kaikino C	Per Ha of land area	\$1.91	\$2,515	\$1.91	\$2,515	\$1.91	\$2,515	\$1.91
Motutangi drainage area								
Motutangi A	Per Ha of land area	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Motutangi B	Per Ha of land area	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Motutangi C	Per Ha of land area	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Waiharara drainage area								
Waiharara A	Per Ha of land area	\$20.96	\$3,017	\$20.96	\$3,017	\$20.96	\$3,017	\$20.96
Waiharara B	Per Ha of land area	\$10.48	\$8,149	\$10.48	\$8,149	\$10.48	\$8,149	\$10.48
Waiharara C	Per Ha of land area	\$3.50	\$1,868	\$3.50	\$1,868	\$3.50	\$1,868	\$3.50

EXAMPLE RATES**Example of rates payable on different value properties**

Applies to all rateable properties

Land Values	General Rates	UAGC	Road UAGC	Road Rate	Ward Rate Average	Public Good Rate	Wastewater Average	Water Average (Excluding Usage)	Final Rates 2024/25	AP 2023/24
Residential										
100,000	\$349	\$450	\$100	\$8	\$478	\$30	\$1,468	\$369	\$3,253	\$2,658
250,000	\$873	\$450	\$100	\$21	\$478	\$30	\$1,468	\$369	\$3,790	\$3,123
500,000	\$1,746	\$450	\$100	\$42	\$478	\$30	\$1,468	\$369	\$4,684	\$3,898
750,000	\$2,619	\$450	\$100	\$64	\$478	\$30	\$1,468	\$369	\$5,578	\$4,674
1,000,000	\$3,492	\$450	\$100	\$85	\$478	\$30	\$1,468	\$369	\$6,473	\$5,449
Rural and Lifestyle										
100,000	\$349	\$450	\$100	\$9	\$478	\$30	-	-	\$1,417	\$1,282
250,000	\$873	\$450	\$100	\$23	\$478	\$30	-	-	\$1,955	\$1,748
500,000	\$1,746	\$450	\$100	\$46	\$478	\$30	-	-	\$2,851	\$2,525
750,000	\$2,619	\$450	\$100	\$70	\$478	\$30	-	-	\$3,747	\$3,302
1,000,000	\$3,492	\$450	\$100	\$93	\$478	\$30	-	-	\$4,643	\$4,079
Commercial										
100,000	\$960	\$450	\$100	\$23	\$478	\$30	\$1,468	\$369	\$3,879	\$3,201
250,000	\$2,401	\$450	\$100	\$57	\$478	\$30	\$1,468	\$369	\$5,354	\$4,479
500,000	\$4,801	\$450	\$100	\$114	\$478	\$30	\$1,468	\$369	\$7,811	\$6,610
750,000	\$7,202	\$450	\$100	\$172	\$478	\$30	\$1,468	\$369	\$10,269	\$8,741
1,000,000	\$9,603	\$450	\$100	\$229	\$478	\$30	\$1,468	\$369	\$12,727	\$10,872

Notes:

1. Land Values are indicative amounts only.

2. In addition to the total rates indicated above, ratepayers in the rateable area for the stormwater network will be charged the targeted rate per \$ of capital value of their rateable property i.e. for \$100K of capital value the targeted rate for stormwater charge will be \$21.96.

OTHER RATING POLICY STATEMENTS

Projected number of rating units

Local Government Act 2002 Schedule 10 Clause 20A requires Council to state the projected number of rating units within the district or region of the local authority at the end of the preceding financial year.

Council is projecting 39,622 rating units at 30 June 2024:

2024/25	2025/26	2026/26
38,128	38,319	38,511

The projected total values at 30 June 2024:

- Land Value \$18,615,588,660
- Capital value of \$33,056,524,510

Definition of a Separately Used or Inhabited Part of a Rating Unit

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

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

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

- Individual flats or apartments
- Separately leased commercial areas which are leased on a rating unit basis
- Vacant rating units
- Single rating units which contain multiple uses such as a shop with a dwelling
- A residential building or part of a residential building that is used, or can be used as an independent residence. An independent residence is defined as having a separate entrance, separate cooking facilities, e.g. cooking stove, range, kitchen sink etc. together with living and toilet/bathroom facilities.

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

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

Postponement charges

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

- Establishment fee: includes legal costs, and production of documents for registering statutory land charge (includes LINZ fee) \$300.00
- Annual administration fee for maintaining rates postponement \$50.00
- Financing fee on all postponements: Currently set at 4.75% pa but may vary to match Council's average cost of funds.

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

Payment of Rates

Rates

With the exception of water by meter charges, Council will charge the rates for the 2018/19 rating year by way of four instalments. Each instalment must be paid on or before the due dates set out below. Any rates paid after the due date will become liable for penalties as set out;

Rate instalment dates

Instalment	Due date	Penalty date
One	20 August 2024	27 August 2024
Two	20 November 2024	27 November 2024
Three	20 February 2025	27 February 2025
Four	20 May 2025	27 May 2025

Water by meter

Water meters are read on a six-month cycle and are payable on the 20th of the month following the issue of the invoice as follows:

Scheme	1st invoice	Due date	Penalty date	2nd invoice	Due date	Penalty date
Kaikohe	Nov 2024	20/12/2024	27/12/2024	May 2025	20/06/2025	27/06/2025
Kaitiāia	Aug 2024	20/09/2024	27/09/2024	Feb 2025	20/03/2025	27/03/2025
Kawakawa	Jul 2024	20/08/2024	27/08/2024	Jan 2025	20/02/2025	27/02/2025
Kerikeri	Sep 2024	21/10/2024	28/10/2024	Mar 2025	21/04/2025	28/04/2025
Ōkaihau	Jul 2024	20/08/2024	27/08/2024	Jan 2025	20/02/2025	27/02/2025
Ōmāpere / Ōpononi	Jul 2024	20/08/2024	27/08/2024	Jan 2025	20/02/2025	27/02/2025
Paihia	Oct 2024	20/11/2024	27/11/2024	Apr 2025	20/05/2025	27/05/2025
Rāwene	Jul 2024	20/08/2024	27/08/2024	Jan 2025	20/02/2025	27/02/2025

Penalties on Rates

Sections 57 and 58 of the Local Government (Rating) Act 2002 empower councils to charge penalties on the late payment of rates.

Pursuant to sections 57 and 58 of the Act, Council will impose the following penalties:

A ten percent (10%) penalty on any portion of each instalment of rates assessed in the 2018/2019 financial year that is not paid on or by the due date for payment, as listed above.

Penalties on Water by Meter Rates

A ten percent (10%) penalty on any portion of the rate assessed for the supply of water, as separately invoiced, that is not paid on or by the due date for payment as set out on the invoice. This penalty will be added on the 27th day of the month in which the invoice was due.

For Rating area maps please see website



FUNDING IMPACT STATEMENTS

WHOLE OF COUNCIL**Funding Impact Statement For 2024-27 Long Term Plan**

	AP 2023/24 \$000s	LTP 2024/25 \$000s	LTP 2025/26 \$000s	LTP 2026/27 \$000s
Sources of operational funding				
General rates, uniform annual general charges, rates penalties	66,995	74,307	80,676	81,613
Targeted rates	39,675	49,973	52,485	56,557
Subsidies and grants for operating purposes	15,007	19,393	22,414	22,788
Fees and charges	20,743	22,736	22,875	23,045
Internal charges and overheads recovered	238	207	210	213
Local authority fuel tax, fines, infringement fees, and other receipts	1,765	2,406	2,475	2,414
Dividends	1,300	1,300	1,300	1,300
Total operating funding	145,723	170,323	182,435	187,929
Applications of operating funding				
Payments to staff and suppliers	116,090	137,507	140,677	142,787
Finance costs	5,409	7,872	10,410	12,007
Internal charges and overheads applied	-	-	-	-
Other operating funding applications	-	-	-	-
Total applications of operating funds	121,499	145,379	151,087	154,794
Surplus (deficit) of operating funding	24,224	24,943	31,347	33,135
Sources of capital funding				
Subsidies and grants for capital expenditure	27,795	28,513	39,154	39,215
Development, financial and other contributions	-	-	-	-
Increase (decrease) in debt	44,286	51,621	44,681	60,312
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Total sources of capital funding	72,081	80,134	83,835	99,528
Applications of capital funding				
Capital Expenditure				
- to meet additional demand	-	-	-	-
- to improve the level of service	68,249	68,932	71,700	84,857
- to replace existing assets	35,149	40,900	47,963	62,661
Increase (decrease) in reserves	(7,092)	(4,754)	(4,481)	(14,856)
Total applications of capital funding	96,306	105,078	115,182	132,662
Surplus (deficit) of capital funding	(24,224)	(24,943)	(31,347)	(33,135)
Funding balance	-	-	-	-

COMMUNITY & ENGAGEMENT**Funding Impact Statement For 2024-27 Long Term Plan**

	AP 2023/24 \$000s	LTP 2024/25 \$000s	LTP 2025/26 \$000s	LTP 2026/27 \$000s
Sources of operational funding				
General rates, uniform annual general charges, rates penalties	9,687	10,987	11,884	12,968
Targeted rates	-	-	-	-
Subsidies and grants for operating purposes	-	-	-	-
Fees and charges	566	360	364	381
Internal charges and overheads recovered	3	1	1	1
Local authority fuel tax, fines, infringement fees, and other receipts	-	-	-	-
Total operating funding	10,256	11,347	12,249	13,350
Applications of operating funding				
Payments to staff and suppliers	5,311	6,608	6,800	6,955
Finance costs	261	132	444	721
Internal charges and overheads applied	3,278	3,969	4,123	4,536
Other operating funding applications	-	-	-	-
Total applications of operating funds	8,849	10,709	11,367	12,212
Surplus (deficit) of operating funding	1,407	638	882	1,138
Sources of capital funding				
Subsidies and grants for capital expenditure	-	-	-	-
Development, financial and other contributions	-	-	-	-
Increase (decrease) in debt	416	6,308	6,153	(732)
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Total sources of capital funding	416	6,308	6,153	(732)
Applications of capital funding				
Capital Expenditure				
- to meet additional demand	-	-	-	-
- to improve the level of service	1,075	6,487	6,651	99
- to replace existing assets	416	765	1,180	574
Increase (decrease) in reserves	333	(305)	(797)	(267)
Increase (decrease) in investments	-	-	-	-
Total applications of capital funding	1,823	6,947	7,035	406
Surplus (deficit) of capital funding	(1,407)	(638)	(882)	(1,138)
Funding balance	-	-	-	-

DRAINAGE**Funding Impact Statement For 2024-27 Long Term Plan**

	AP 2023/24 \$000s	LTP 2024/25 \$000s	LTP 2025/26 \$000s	LTP 2026/27 \$000s
Sources of operational funding				
General rates, uniform annual general charges, rates penalties	1,606	1,598	1,628	1,695
Targeted rates	121	121	121	121
Subsidies and grants for operating purposes	-	-	-	-
Fees and charges	-	-	-	-
Internal charges and overheads recovered	-	-	-	-
Local authority fuel tax, fines, infringement fees, and other receipts	-	-	-	-
Total operating funding	1,726	1,719	1,749	1,815
Applications of operating funding				
Payments to staff and suppliers	282	273	273	273
Finance costs	15	10	5	-
Internal charges and overheads applied	1,581	1,588	1,623	1,695
Other operating funding applications	-	-	-	-
Total applications of operating funds	1,878	1,871	1,901	1,967
Surplus (deficit) of operating funding	(151)	(152)	(152)	(152)
Sources of capital funding				
Subsidies and grants for capital expenditure	-	-	-	-
Development, financial and other contributions	-	-	-	-
Increase (decrease) in debt	(64)	(111)	(100)	-
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Total sources of capital funding	(64)	(111)	(100)	-
Applications of capital funding				
Capital Expenditure				
- to meet additional demand	-	-	-	-
- to improve the level of service	-	-	-	-
- to replace existing assets	-	-	-	-
Increase (decrease) in reserves	(215)	(263)	(252)	(152)
Increase (decrease) in investments	-	-	-	-
Total applications of capital funding	(215)	(263)	(252)	(152)
Surplus (deficit) of capital funding	151	152	152	152
Funding balance	-	-	-	-

PLANNING AND POLICY**Funding Impact Statement For 2024-27 Long Term Plan**

	AP 2023/24 \$000s	LTP 2024/25 \$000s	LTP 2025/26 \$000s	LTP 2026/27 \$000s
Sources of operational funding				
General rates, uniform annual general charges, rates penalties	8,895	8,846	9,423	9,253
Targeted rates	-	-	-	-
Subsidies and grants for operating purposes	-	-	-	-
Fees and charges	-	-	-	-
Internal charges and overheads recovered	-	-	-	-
Local authority fuel tax, fines, infringement fees, and other receipts	75	10	75	10
Total operating funding	8,970	8,856	9,498	9,263
Applications of operating funding				
Payments to staff and suppliers	7,233	7,336	7,912	7,523
Finance costs	5	8	7	5
Internal charges and overheads applied	1,715	1,501	1,569	1,724
Other operating funding applications	-	-	-	-
Total applications of operating funds	8,954	8,845	9,487	9,252
Surplus (deficit) of operating funding	17	11	11	11
Sources of capital funding				
Subsidies and grants for capital expenditure	-	-	-	-
Development, financial and other contributions	-	-	-	-
Increase (decrease) in debt	(20)	(24)	(24)	(24)
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Total sources of capital funding	(20)	(24)	(24)	(24)
Applications of capital funding				
Capital Expenditure				
- to meet additional demand	-	-	-	-
- to improve the level of service	-	-	-	-
- to replace existing assets	-	-	-	-
Increase (decrease) in reserves	(3)	(14)	(14)	(13)
Increase (decrease) in investments	-	-	-	-
Total applications of capital funding	(3)	(14)	(14)	(13)
Surplus (deficit) of capital funding	(17)	(11)	(11)	(11)
Funding balance	-	-	-	-

STRATEGIC RELATIONSHIPS**Funding Impact Statement For 2024-27 Long Term Plan**

	AP 2023/24 \$000s	LTP 2024/25 \$000s	LTP 2025/26 \$000s	LTP 2026/27 \$000s
Sources of operational funding				
General rates, uniform annual general charges, rates penalties	6,518	8,859	9,172	9,106
Targeted rates	-	-	-	-
Subsidies and grants for operating purposes	-	-	-	-
Fees and charges	-	-	-	-
Internal charges and overheads recovered	50	-	-	-
Local authority fuel tax, fines, infringement fees, and other receipts	-	-	-	-
Total operating funding	6,568	8,859	9,172	9,106
Applications of operating funding				
Payments to staff and suppliers	5,624	7,282	7,530	7,306
Finance costs	-	-	-	-
Internal charges and overheads applied	935	1,554	1,619	1,777
Other operating funding applications	-	-	-	-
Total applications of operating funds	6,560	8,836	9,149	9,083
Surplus (deficit) of operating funding	8	23	23	23
Sources of capital funding				
Subsidies and grants for capital expenditure	-	-	-	-
Development, financial and other contributions	-	-	-	-
Increase (decrease) in debt	-	-	-	-
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Total sources of capital funding	-	-	-	-
Applications of capital funding				
Capital Expenditure				
- to meet additional demand	-	-	-	-
- to improve the level of service	-	-	-	-
- to replace existing assets	-	-	-	-
Increase (decrease) in reserves	8	23	23	23
Increase (decrease) in investments	-	-	-	-
Total applications of capital funding	8	23	23	23
Surplus (deficit) of capital funding	(8)	(23)	(23)	(23)
Funding balance	-	-	-	-

GOVERNANCE ADMINISTRATION**Funding Impact Statement For 2024-27 Long Term Plan**

	AP 2023/24 \$000s	LTP 2024/25 \$000s	LTP 2025/26 \$000s	LTP 2026/27 \$000s
Sources of operational funding				
General rates, uniform annual general charges, rates penalties	1,585	2,735	3,508	1,680
Targeted rates	-	-	-	-
Subsidies and grants for operating purposes	45	97	100	104
Fees and charges	1,073	1,193	1,204	1,218
Internal charges and overheads recovered	15	47	49	51
Local authority fuel tax, fines, infringement fees, and other receipts	-	-	-	-
Dividends	1,300	1,300	1,300	1,300
Total operating funding	4,018	5,372	6,162	4,353
Applications of operating funding				
Payments to staff and suppliers	21,758	24,832	25,290	26,587
Finance costs	(1,584)	(1,701)	(1,746)	(1,700)
Internal charges and overheads applied	(18,538)	(20,608)	(21,382)	(23,388)
Other operating funding applications	-	-	-	-
Total applications of operating funds	1,637	2,523	2,161	1,500
Surplus (deficit) of operating funding	2,381	2,849	4,000	2,853
Sources of capital funding				
Subsidies and grants for capital expenditure	-	-	-	-
Development, financial and other contributions	-	-	-	-
Increase (decrease) in debt	771	(269)	(278)	(278)
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Total sources of capital funding	771	(269)	(278)	(278)
Applications of capital funding				
Capital Expenditure				
- to meet additional demand	-	-	-	-
- to improve the level of service	1,217	320	301	309
- to replace existing assets	1,586	1,569	2,896	1,293
Increase (decrease) in reserves	349	691	525	974
Increase (decrease) in investments	-	-	-	-
Total applications of capital funding	3,152	2,580	3,723	2,575
Surplus (deficit) of capital funding	(2,381)	(2,849)	(4,000)	(2,853)
Funding balance	-	-	-	-

WATER SUPPLY**Funding Impact Statement For 2024-27 Long Term Plan**

	AP 2023/24 \$000s	LTP 2024/25 \$000s	LTP 2025/26 \$000s	LTP 2026/27 \$000s
Sources of operational funding				
General rates, uniform annual general charges, rates penalties	225	-	-	-
Targeted rates	4,196	4,418	5,359	6,851
Subsidies and grants for operating purposes	-	-	-	-
Fees and charges	8,093	9,712	9,712	9,712
Internal charges and overheads recovered	-	-	-	-
Local authority fuel tax, fines, infringement fees, and other receipts	-	-	-	-
Total operating funding	12,514	14,130	15,071	16,563
Applications of operating funding				
Payments to staff and suppliers	7,617	9,151	8,842	9,029
Finance costs	1,178	1,310	1,872	2,454
Internal charges and overheads applied	1,007	918	972	1,055
Other operating funding applications	-	-	-	-
Total applications of operating funds	9,801	11,379	11,685	12,538
Surplus (deficit) of operating funding	2,713	2,750	3,386	4,025
Sources of capital funding				
Subsidies and grants for capital expenditure	-	-	358	366
Development, financial and other contributions	-	-	-	-
Increase (decrease) in debt	1,719	10,912	13,616	18,899
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Total sources of capital funding	1,719	10,912	13,973	19,266
Applications of capital funding				
Capital Expenditure				
- to meet additional demand	-	-	-	-
- to improve the level of service	3,291	11,278	13,300	15,168
- to replace existing assets	1,517	2,957	4,122	16,603
Increase (decrease) in reserves	(377)	(572)	(63)	(8,480)
Increase (decrease) in investments	-	-	-	-
Total applications of capital funding	4,432	13,663	17,359	23,290
Surplus (deficit) of capital funding	(2,713)	(2,750)	(3,386)	(4,025)
Funding balance	-	-	-	-

SOLID WASTE MANAGEMENT**Funding Impact Statement For 2024-27 Long Term Plan**

	AP 2023/24 \$000s	LTP 2024/25 \$000s	LTP 2025/26 \$000s	LTP 2026/27 \$000s
Sources of operational funding				
General rates, uniform annual general charges, rates penalties	4,263	3,269	3,564	3,735
Targeted rates	-	-	-	-
Subsidies and grants for operating purposes	-	-	-	-
Fees and charges	1,156	1,704	1,704	1,704
Internal charges and overheads recovered	-	-	-	-
Local authority fuel tax, fines, infringement fees, and other receipts	885	1,500	1,500	1,500
Total operating funding	6,304	6,473	6,768	6,939
Applications of operating funding				
Payments to staff and suppliers	5,489	5,834	6,016	6,123
Finance costs	103	104	124	110
Internal charges and overheads applied	678	535	553	595
Other operating funding applications	-	-	-	-
Total applications of operating funds	6,269	6,473	6,694	6,828
Surplus (deficit) of operating funding	34	-	73	111
Sources of capital funding				
Subsidies and grants for capital expenditure	-	-	-	-
Development, financial and other contributions	-	-	-	-
Increase (decrease) in debt	215	371	(206)	(207)
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Total sources of capital funding	215	371	(206)	(207)
Applications of capital funding				
Capital Expenditure				
- to meet additional demand	-	-	-	-
- to improve the level of service	474	550	51	52
- to replace existing assets	78	213	34	-
Increase (decrease) in reserves	(303)	(391)	(217)	(148)
Increase (decrease) in investments	-	-	-	-
Total applications of capital funding	250	372	(132)	(96)
Surplus (deficit) of capital funding	(34)	-	(73)	(111)
Funding balance	-	-	-	-

STORMWATER**Funding Impact Statement For 2024-27 Long Term Plan**

	AP 2023/24 \$000s	LTP 2024/25 \$000s	LTP 2025/26 \$000s	LTP 2026/27 \$000s
Sources of operational funding				
General rates, uniform annual general charges, rates penalties	3,533	1,065	1,299	1,169
Targeted rates	2,275	2,512	2,888	2,999
Subsidies and grants for operating purposes	-	-	-	-
Fees and charges	-	-	-	-
Internal charges and overheads recovered	-	-	-	-
Local authority fuel tax, fines, infringement fees, and other receipts	-	-	-	-
Total operating funding	5,808	3,578	4,187	4,168
Applications of operating funding				
Payments to staff and suppliers	2,540	993	1,189	1,040
Finance costs	252	501	741	726
Internal charges and overheads applied	1,858	182	189	207
Other operating funding applications	-	-	-	-
Total applications of operating funds	4,650	1,676	2,119	1,973
Surplus (deficit) of operating funding	1,158	1,901	2,068	2,195
Sources of capital funding				
Subsidies and grants for capital expenditure	-	-	-	-
Development, financial and other contributions	-	-	-	-
Increase (decrease) in debt	5,388	4,687	217	957
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Total sources of capital funding	5,388	4,687	217	957
Applications of capital funding				
Capital Expenditure				
- to meet additional demand	-	-	-	-
- to improve the level of service	5,613	5,341	1,119	1,926
- to replace existing assets	2,137	647	1,198	1,936
Increase (decrease) in reserves	(1,205)	600	(32)	(710)
Increase (decrease) in investments	-	-	-	-
Total applications of capital funding	6,546	6,588	2,285	3,152
Surplus (deficit) of capital funding	(1,158)	(1,901)	(2,068)	(2,195)
Funding balance	-	-	-	-

WASTEWATER**Funding Impact Statement For 2024-27 Long Term Plan**

	AP 2023/24 \$000s	LTP 2024/25 \$000s	LTP 2025/26 \$000s	LTP 2026/27 \$000s
Sources of operational funding				
General rates, uniform annual general charges, rates penalties	294	32	407	759
Targeted rates	15,286	21,589	21,864	24,034
Subsidies and grants for operating purposes	-	-	-	-
Fees and charges	255	140	140	140
Internal charges and overheads recovered	-	-	-	-
Local authority fuel tax, fines, infringement fees, and other receipts	-	-	-	-
Total operating funding	15,835	21,760	22,411	24,934
Applications of operating funding				
Payments to staff and suppliers	8,847	16,307	13,906	14,323
Finance costs	1,830	2,277	3,268	4,093
Internal charges and overheads applied	2,044	2,102	2,150	2,268
Other operating funding applications	-	-	-	-
Total applications of operating funds	12,721	20,686	19,324	20,685
Surplus (deficit) of operating funding	3,114	1,074	3,087	4,249
Sources of capital funding				
Subsidies and grants for capital expenditure	-	-	-	-
Development, financial and other contributions	-	-	-	-
Increase (decrease) in debt	12,509	19,279	19,748	31,430
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Total sources of capital funding	12,509	19,279	19,748	31,430
Applications of capital funding				
Capital Expenditure				
- to meet additional demand	-	-	-	-
- to improve the level of service	12,281	17,897	20,949	33,800
- to replace existing assets	4,455	4,375	3,952	6,527
Increase (decrease) in reserves	(1,113)	(1,919)	(2,066)	(4,648)
Increase (decrease) in investments	-	-	-	-
Total applications of capital funding	15,623	20,353	22,835	35,679
Surplus (deficit) of capital funding	(3,114)	(1,074)	(3,087)	(4,249)
Funding balance	-	-	-	-

ROADING AND FOOTPATHS**Funding Impact Statement For 2024-27 Long Term Plan**

	AP 2023/24 \$000s	LTP 2024/25 \$000s	LTP 2025/26 \$000s	LTP 2026/27 \$000s
Sources of operational funding				
General rates, uniform annual general charges, rates penalties	14,232	17,615	19,805	20,391
Targeted rates	5,938	6,593	6,916	7,045
Subsidies and grants for operating purposes	14,923	19,294	22,311	22,681
Fees and charges	661	500	500	500
Internal charges and overheads recovered	133	131	131	131
Local authority fuel tax, fines, infringement fees, and other receipts	600	600	600	600
Total operating funding	36,488	44,733	50,263	51,349
Applications of operating funding				
Payments to staff and suppliers	25,826	32,295	35,873	36,129
Finance costs	1,723	2,261	2,519	2,721
Internal charges and overheads applied	(338)	47	74	230
Other operating funding applications	-	-	-	-
Total applications of operating funds	27,212	34,603	38,466	39,080
Surplus (deficit) of operating funding	9,276	10,130	11,797	12,269
Sources of capital funding				
Subsidies and grants for capital expenditure	22,477	28,513	37,711	38,849
Development, financial and other contributions	-	-	-	-
Increase (decrease) in debt	5,805	4,388	6,089	10,919
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Total sources of capital funding	28,282	32,901	43,800	49,768
Applications of capital funding				
Capital Expenditure				
- to meet additional demand	-	-	-	-
- to improve the level of service	19,088	17,028	24,038	29,297
- to replace existing assets	17,285	26,847	32,858	34,615
Increase (decrease) in reserves	1,185	(844)	(1,299)	(1,874)
Increase (decrease) in investments	-	-	-	-
Total applications of capital funding	37,558	43,031	55,597	62,037
Surplus (deficit) of capital funding	(9,276)	(10,130)	(11,797)	(12,269)
Funding balance	-	-	-	-

ENVIRONMENTAL MANAGEMENT**Funding Impact Statement For 2024-27 Long Term Plan**

	AP 2023/24 \$000s	LTP 2024/25 \$000s	LTP 2025/26 \$000s	LTP 2026/27 \$000s
Sources of operational funding				
General rates, uniform annual general charges, rates penalties	9,635	12,100	12,262	13,029
Targeted rates	-	-	-	-
Subsidies and grants for operating purposes	-	-	-	-
Fees and charges	7,572	7,715	7,835	7,964
Internal charges and overheads recovered	25	13	13	13
Local authority fuel tax, fines, infringement fees, and other receipts	100	186	189	193
Total operating funding	17,332	20,014	20,299	21,200
Applications of operating funding				
Payments to staff and suppliers	12,685	13,482	13,526	13,864
Finance costs	168	176	177	160
Internal charges and overheads applied	4,035	5,863	6,086	6,654
Other operating funding applications	-	-	-	-
Total applications of operating funds	16,888	19,521	19,788	20,678
Surplus (deficit) of operating funding	444	493	511	522
Sources of capital funding				
Subsidies and grants for capital expenditure	-	-	-	-
Development, financial and other contributions	-	-	-	-
Increase (decrease) in debt	(215)	(53)	(220)	(220)
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Total sources of capital funding	(215)	(53)	(220)	(220)
Applications of capital funding				
Capital Expenditure				
- to meet additional demand	-	-	-	-
- to improve the level of service	-	160	-	-
- to replace existing assets	-	-	32	33
Increase (decrease) in reserves	230	280	259	269
Increase (decrease) in investments	-	-	-	-
Total applications of capital funding	230	440	291	301
Surplus (deficit) of capital funding	(444)	(493)	(511)	(522)
Funding balance	-	-	-	-

DISTRICT FACILITIES**Funding Impact Statement For 2024-27 Long Term Plan**

	AP 2023/24 \$000s	LTP 2024/25 \$000s	LTP 2025/26 \$000s	LTP 2026/27 \$000s
Sources of operational funding				
General rates, uniform annual general charges, rates penalties	5,975	7,200	7,723	7,826
Targeted rates	11,981	14,741	15,338	15,507
Subsidies and grants for operating purposes	38	3	3	3
Fees and charges	1,366	1,413	1,417	1,427
Internal charges and overheads recovered	12	16	16	16
Local authority fuel tax, fines, infringement fees, and other receipts	105	111	111	111
Total operating funding	19,477	23,483	24,606	24,889
Applications of operating funding				
Payments to staff and suppliers	11,727	13,114	13,520	13,635
Finance costs	1,473	2,795	3,000	2,716
Internal charges and overheads applied	2,782	2,348	2,425	2,647
Other operating funding applications	-	-	-	-
Total applications of operating funds	15,981	18,257	18,945	18,998
Surplus (deficit) of operating funding	3,495	5,226	5,661	5,891
Sources of capital funding				
Subsidies and grants for capital expenditure	5,318	-	1,085	-
Development, financial and other contributions	-	-	-	-
Increase (decrease) in debt	17,698	6,133	(314)	(432)
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Total sources of capital funding	23,016	6,133	771	(432)
Applications of capital funding				
Capital Expenditure				
- to meet additional demand	-	-	-	-
- to improve the level of service	25,209	9,871	5,290	4,207
- to replace existing assets	7,674	3,527	1,691	1,082
Increase (decrease) in reserves	(6,371)	(2,039)	(549)	170
Increase (decrease) in investments	-	-	-	-
Total applications of capital funding	26,511	11,359	6,432	5,459
Surplus (deficit) of capital funding	(3,495)	(5,226)	(5,661)	(5,891)
Funding balance	-	-	-	-



PROPOSED GROUPS AND ACTIVITIES

CONTENTS

Introduction	1
1. Community and Engagement Group	2
Libraries	3
Customer services.....	3
Te Ahu Museum and archives	4
Visitor information services (sites).....	4
2. Corporate Services Group	5
3. Delivery and Operations Group.....	7
Building Services.....	8
Compliance	8
Property and facilities management.....	9
Resource consents.....	10
4. People and Capability group	12
5. Planning and Policy Group.....	13
6. Strategic relationships group.....	16
7. Northland Transport Alliance	20
Roothing	21
Footpaths	22
8. Water Services group.....	23
Water Supply	23
Wastewater.....	27
Stormwater	30

Note:

Recent changes to our organisation's group structure as well as the reintroduction of 3Waters may see some group name changes and activities moved to align to the new structure.

Introduction

In 2023, Council restructured its groups to improve alignment of the activities to the LTP. Some of our groups activities do not have external performance measures attached but are measured internally through various streams of reporting.

Within each group, the following sections:

- describe what the function of the group is
- what they provide (key facts)
- what activities they perform
- how they align to the aspects of wellbeing
- the effects of providing the group/activity
- the overall budget for each section
- community outcomes

Within each group of activities there may be a number of smaller activities, for example Libraries, Animal Control, Building Consents etc

1. Community and Engagement Group

What we do

This group plays a multifaceted role in fostering knowledge, connectivity, informing and cultural preservation. Our libraries serve as vibrant hubs of learning and exploration, offering an extensive array of resources to satisfy diverse interests and support academic pursuits. Customer services are at the heart of our commitment to excellence, ensuring customers receive the assistance they need with efficiency and courtesy. Meanwhile, our museum and archive initiatives safeguard the rich tapestry of human history, preserving artifacts and documents for future generations. Information centres act as dynamic focal points, providing up-to-date information and assistance to both locals and visitors, while our communication and engagement teams work tirelessly to connect with the community, fostering a sense of belonging and participation in the shared narrative of knowledge and culture. Together, we work towards goals that empowers individuals, inform, assist and strengthens our communities.

What we provide

- 6 Libraries
- Customer Services (6 Service Centres and 1 Contact Centre)
- Te Ahu Museum and Archives
- 3 i-SITEs Information Centres
- Communications and Engagement teams.



Aligns to these aspects of wellbeing

- A iwi / Social
- Ōhanga / Economic
- Ahurea / Cultural

Why we do it

We are driven by a commitment to the enrichment of our communities through our diverse array of services. Libraries embody our belief in the transformative power of knowledge, serving as accessible havens for intellectual exploration, education, and providing community spaces. Our dedication to customer services stems from a desire to create seamless and positive experiences for individuals seeking information, ensuring that every interaction is marked by responsiveness and helpfulness. Our museum and archives are integral to our mission of preserving the cultural heritage and collective memory of culture, fostering a deeper understanding of our past and present. Information centres serve as beacons of reliable and current knowledge, empowering individuals with the tools they need for informed decision-making. Lastly, our communication and engagement teams tirelessly work to bridge the gap between council and communities, helping to foster a sense of belonging, shared understanding, and active participation. In essence, these activities are fuelled by a passion for knowledge, community, and the impact they have on shaping a brighter future.

Effects of providing this activity

Community outcomes	Positive	Negative	How we mitigate these effects
 <p>Proud, vibrant communities</p>	Provides <ul style="list-style-type: none"> Public places to meet, discuss, connect and celebrate as a community Information to our communities and visitors about the district, council and the region as a whole Sources of knowledge Sharing safe spaces and information providers 	Potential <ul style="list-style-type: none"> Lack of use if under-utilised or poor location planning for services Misinformation or noncommunication can lead to people feeling isolated and uninformed 	Continue <ul style="list-style-type: none"> Look at ways to improve and increase utilisation To engage and interact with our communities and listen to what they are telling us, through their feedback To continue to provide a high level of customer service to all our communities and visitors
 <p>We celebrate our unique culture and history</p>	Provides <ul style="list-style-type: none"> Social and cultural wellbeing of our communities Showcases our cultural heritage 	Potential <ul style="list-style-type: none"> Diminishing value and understanding if insufficient resourced and funded 	Continue <ul style="list-style-type: none"> To provide adequate funding and support to ensure all generations across our communities in the future understand the value of their culture and heritage

Proposed levels of service

Libraries				
Performance measure		Results 2022/23	Status	Target 2024-2031
1.1 To provide quality library services for the benefit of all in the community.				
1.1.1	Customer/visitor satisfaction	3.81%	Achieved	Maintain / Increase
1.1.2	Maintain/increase in-person library use as a percentage of the population of the District	47.50%	Achieved	Maintain / Increase

Customer services				
Performance measure		Results 2022/23	Status	Target 2024-2031
1.2 Council provides the right services, in the right places, to the agreed standard.				
1.2.1	Service Centre users' satisfaction	3.81%	Not achieved	maintain / increase

1.2.2	Percentage of customer enquires resolved at first point of contact.	48%	Not achieved	68% increasing by 1% each year thereafter
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Te Ahu Museum and archives				
Performance measure		Results 2022/23	Status	Target 2024-2031
1.3 To provide quality museum services for the benefit of all in the community.				
1.3.1	Customer and visitor satisfaction	No result	n/a	1% increase on previous year

Visitor information services (isites)				
Performance measure		Results 2022/23	Status	Target 2024-2031
1.4 To provide booking and information services through the District's Information Centres, influencing visitors to stay longer and spend more.				
1.4.3	Customer/visitor satisfaction	4.17%	Achieved	Maintain/increase

Changes to levels of service

The level of service for this group was reviewed as part of this LTP process and the below table indicates which measures will now be internally assessed and reported on a quarterly basis.

Libraries				
1.1.2	Increase the percentage of online library service use	63.30%	Achieved	≥1% increase on previous year
1.1.4	Increase in number of attendees at library events and programmes	Average of 9 attendees per event	Achieved	≥5% increase on previous year
Customer services				
1.2.1	Percentage of abandoned calls (Contact Centre)	22%	Not achieved	12%
Te Ahu Museum				
1.3.2	Increase in number of visitors to the Museum (door count)	20,848	Achieved	1% increase on previous year
1.3.3	Increase in the number of research requests completed	336 Research requests	Achieved	1% increase on previous year
isites				
1.4.1	The number of visitor bookings through the Information Centres will show an increase each year	43.9%	Achieved	≥1% increase
1.4.2	Increase the net profit on retail sales by 1.0% per year (profit increase on previous year)	527.5%	Achieved	Retail sales net profit ≥1.0%

2. Corporate Services Group

What we do

Corporate Services is a diverse group responsible for essential operations within council. Business Compliance which includes the Project Management Office (PMO), providing support to council in the key areas of project management, procurement, contract management and sustainable procurement.

Digital Information Services is responsible for establishing, monitoring and maintaining information technology systems and services to council and the community. Data analytics plays a pivotal role in enhancing decision-making processes, optimising resource allocation, and improving service delivery to residents by examining, cleaning, transforming, and modelling data with the goal of discovering useful information, making informed conclusions, and supporting decision-making.

Digital Information Management are the experts in managing and overseeing the various aspects of council's digital information ensuring that the information is well organised, accessible, secure, and compliant with relevant regulations and policies.

Financial Services diligently manages the financial health of council and provides financial planning, ensuring fiscal responsibility.

Property Information create, maintain and councils' property data, manage street numbering and provide LIM and Property reports.

Finally, the Risk and Assurance function is dedicated to identifying, assessing, and mitigating risks, fostering a culture of resilience and compliance.

Together, these functions form the backbone of our Corporate Services Group, working collaboratively to uphold the organisation's integrity, efficiency, and strategic vision, while continuing to seek efficiencies and improved customer service.

What we provide

- Business Compliance (PMO)
- Digital Information Services
- Digital Information Management
- Data Analytics
- Financial Services
- Legal Services
- Property Information
- Risk and Assurance


Why we do it

Our teams collaboratively play a critical role in supporting the Council's operational efficiency, compliance, and overall performance by managing administrative operations and providing specific expertise to assure compliance, resilience and minimise risks to both council and our communities. Our collective efforts not only mitigate potential challenges but also contribute to the council's overall success and sustainability.

Aligns to these aspects of wellbeing

- A iwi / Social
- Ōhanga / Economic

Effects of providing this activity

Contribution to community outcomes	Positive	Negative
 Proud, vibrant communities	<ul style="list-style-type: none"> • Guides our staff to excel in their work and to strive to provide exceptional customer service. • Leveraging technology to enhance information accessibility to the community. • Identifying, assessing, and mitigating risks, ensuring council is resilient and compliant. • Manages the financial health of council and provides financial planning, ensuring fiscal responsibility. 	There are no significant negative effects for providing this group of activities.

What we have planned for the next three years

Over the next three years, Digital Information Services, in collaboration with other groups in council, will complete a review of the business systems and implement improvements to ensure these continue to meet Councils needs and community outcomes.

3. Delivery and Operations Group

What we do

Within the Delivery and Operations Group, our focus is on the seamless functioning of the councils' infrastructure and operations. Building Services form a cornerstone, ensuring that our communities physical spaces are safe, compliant and working towards future-proofing for climate change. Our compliance team ensuring that all aspects of operations and regulations are adhere to regulatory standards, mitigating risks and assist in fostering a culture of responsibility through education and information. Property and Facilities Management oversee the efficient utilisation and maintenance of our facilities, optimising for functionality, efficiency and sustainability. The Resource Consents team play a critical role in navigating regulatory requirements for both non-commercial and commercial projects, to ensure facilitation of a streamlined cost-effective process. Collectively, our teams efforts contribute to the smooth, compliant, and efficient operation, ultimately supporting councils mission and objectives.

What we provide

- Building services
- Compliance
- Property and facilities management
- Resource consents


Why we do it



The core of our mission in the Delivery and Operations Group lies in the facilitation of a seamlessly operating, efficient infrastructure that is safe and compliant for our communities. Building services are driven by a commitment to creating and maintaining physical spaces that are both functionality and support the wellbeing of our communities. Compliance underpins the regulatory component that keeps our community safe, mitigating risks and upholding ethical practices. Property and facilities management are driven by the goal of providing healthy and safe spaces and facilities that are maintained, functional but also sustainable. Resource consents ensure regulatory standards are met and projects adhere to legal requirements. Together, these efforts are rooted in a commitment to operational excellence, regulatory adherence, and the creation of an environment that fosters both productivity, compliance, and future-proofs facilities for future generations.

Aligns to these aspects of wellbeing

- A iwi / Social
- Ōhanga / Economic
- Taiao / Environmental

Effects of providing this activity

Contribution to community outcomes	Positive	Negative	How we mitigate these effects
 <p>Proud, vibrant communities</p>	<p><i>Provides</i></p> <ul style="list-style-type: none"> • Planning and maintenance to ensure that facilities and infrastructure are fit, healthy and safe for present and future demands 	<p><i>Potential</i></p> <ul style="list-style-type: none"> • Increase costs to meet regulations and health and safety requirements 	<p><i>Continue</i></p> <ul style="list-style-type: none"> • To maintain what we have and consider the effects of new projects and the ongoing costs associated with regulations to meet future requirements

 <p>Communities that are healthy, safe, connected and sustainable</p>	<p><i>Provides</i></p> <ul style="list-style-type: none"> Resources to deal with complaints which can negatively impact our community safety and wellbeing 	<p><i>Potential</i></p> <ul style="list-style-type: none"> Can be seen by some as being over-regulated in terms of their own social choices Increase in costs to regulate and meet compliance regulations 	<p><i>Continue</i></p> <ul style="list-style-type: none"> To balancing the needs of our communities while adhering to regulations To provide education programmes and work with our communities and individuals Work with our communities, our contractors and people to ensure the health and safety of everyone within our district
 <p>A wisely managed environment that recognises the role of tangata whenua as kaitiaki</p>	<p><i>Provides</i></p> <ul style="list-style-type: none"> Protection to that environment by limiting our impacts based on regulations and compliance factors 	<p><i>Potential</i></p> <ul style="list-style-type: none"> Increase costs to ensure our environment is sustainable for future generations 	<p><i>Continue</i></p> <ul style="list-style-type: none"> Work with our communities, our contractors and people to protect our environment and everything within it

Proposed levels of service

Building Services				
Performance measure		Result 2022/23	Status	Target 2024-2031
3.1 To comply with current legislative requirements with regard to processing consent applications.				
3.1.1	Process building consents within statutory timeframes.	100%		≥95%

Compliance				
<i>Animal control</i>				
Performance measure		Result 2022/23	Status	Target 2024-2031
3.2 To ensure animal related activities are managed in accordance with legislative requirements.				
3.2.1	Respond to reported incidents by contacting the customer and arranging next steps within the following timeframes:			≥93% within set
	a. Urgent within 1.5 hours	94.50%	Achieved	

	b. Non-urgent within 3 days	92.80%	Not achieved	
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Environmental health				
Performance measure		Result 2022/23	Status	Target 2024-2031
3.3 To monitor food premises in accordance with the requirements of the Food Act, 2014.				
3.3.1	Food Control Plan and National Programme audits completed as scheduled	86.80%	Not achieved	≥95% of all food control plans and national programs assessed

Monitoring and enforcement				
Performance measure		Result 2022/23	Status	Target 2024-2031
3.4 To ensure compliance with the Resource Management Act with regard to noise pollution.				
3.4.1	Respond to noise complaints within the following timeframes:			≥95% within set timeframe
	a. In urban areas: 1 hour	75.70%	Not achieved	
	b. In rural areas: 2 hours	80.20%	Not achieved	

District Licensing Committee				
Performance measure		Result 2022/23	Status	Target 2024-2031
3.5 To license and monitor the sale of liquor in accordance with the Sale and Supply of Alcohol Act, 2012.				
3.5.1	All licensed premises are visited for Host Responsibility inspections at least once every four years	99.00%	Achieved	<75% of premises visited annually

Property and facilities management

Solid waste management				
Performance measure		Result 2022/23	Status	Target 2024-2031
3.6 To decrease the proportion of waste sent to landfill and increase the proportion of waste that is sent for recycling.				
3.6.1	Percentage of waste from refuse transfer station that is recycled / reused	58.20%	Not achieved	64%
3.6.2	Responding to RFS relating to illegal dumping, and removing the rubbish.			95% within set timeframe
	a. Offensive waste: pick up within 24 hours	100%	Achieved	
	b. Standard waste: pick up within 4 days	85.5%	Not achieved	

Cemeteries				
Performance measure		Result 2022/23	Status	Target 2024-2031
3.7 To ensure cemeteries are operated in a way that meets the community's needs.				
3.7.1	All grave digging services are carried out respectfully, safe and the site is kept in a clean and tidy state	3	Not achieved	no more than one complaint received regarding our grave digging services

Town maintenance, public toilets and car parks				
Performance measure		Result 2022/23	Status	Target 2024-2031
3.8 Council will provide well maintained and accessible public toilets in high use areas.				
3.8.1	Increase the number of public toilets with disabled access per annum in line with facility renewal/upgrades	1	Not achieved	2
3.8.2	Ensure that public toilets are maintained to a cleanliness standard that enables users to have a pleasant experience	79.60%	Not achieved	≥91%
3.8.3	Provide accessibility upgrades within parks and reserves.	3	Achieved	2 per ward per annum

Resource consents				
Performance measure		Result 2022/23	Status	Target 2024-2031
3.9 To administer and enforce the Resource Management Act 1991, Building Act 2004 and Council's District Plan and Bylaws.				
3.9.1	Respond to compliance incidents within 3 working days	80.8%	Not achieved	≥95%
3.9.2	Process applications made under the Resource Management Act 1991 within statutory timeframes	22%	Not achieved	≥95%

Changes to levels of service

The level of service for this group was reviewed as part of this LTP process and the below table indicates which measures will now be internally assessed and reported on a quarterly basis.

<i>Solid waste management</i>				
Performance measure		Result 2022/23	Status	Target 2024- 2031
5.1 To decrease the proportion of waste sent to landfill and increase the proportion of waste that is sent for recycling.				
5.1.2	All refuse transfer stations are open to the public no more than 30 mins late once a year	99.66%	Achieved	99.50%
<i>Civic and community buildings</i>				
Performance measure		Result 2022/23	Status	Target 2024-2031
6.2 To provide buildings for public recreation and leisure.				
6.2.1	All operational civic and community buildings are safe for community use and meet all statutory legislation levels.	All buildings compliant	Achieved	All buildings compliant

4. People and Capability group

What we do

In the People and Capability Group, our overarching mission is to cultivate a thriving and dynamic organizational culture. People and Capability operations form the backbone of our commitment to human resources, ensuring the development and well-being of our people through strategic talent management, data driven people metrics and support services. Projects and Transformation drive organisational evolution, leading initiatives that enhance efficiency, innovation, and adaptability. Facilities and Administration Management is dedicated to creating an optimal physical working environment, managing spaces that inspire productivity and collaboration. Health Safety and Wellbeing underscores our commitment to the holistic welfare of our workforce, promoting a safe and supportive workplace. Together, these components of the People and Transformation Group contribute to fostering a workplace that not only values its people but also champions positive change and continual improvement.

What we provide

- Health, safety and wellbeing
- People and capability operations
- Projects and transformation

Why we do it

The collective efforts of the teams are driven by a shared commitment to the holistic development and well-being of our organisation and its most valuable asset—its people. We focus on nurturing a skilled and engaged workforce, recognising that empowered and supported individuals contribute to organisational success. We look at initiatives to adapt and innovate, ensuring we remain agile and resilient in a dynamic environment. Ultimately, the collective efforts of these teams are anchored in the belief that a thriving, innovative, and healthy workforce is the key to sustained council's success.

Aligns to these aspects of wellbeing

- A iwi / Social
- Ōhanga / Economic

Effects of providing this activity

There are no significant negative effects for providing this group of activities.

5. Planning and Policy Group

What we do

In the Planning and Policy Group, our primary focus is on shaping the future trajectory of our organisation and its interaction with the community and environment. The Policy team crafts and refines guidelines, ensuring that our actions align with established principles and legal frameworks. Bylaws serve as a foundation for governance, providing the regulatory structure necessary for the orderly functioning of our operations. Strategies guide our long-term vision, outlining the path to sustainable development and growth. District and reserve management efforts prioritise the preservation and responsible use of natural resources and public spaces. Integrated planning allows us to approach complex challenges with a comprehensive and interconnected perspective, ensuring that our initiatives align cohesively. Climate change considerations underscore our commitment to environmental stewardship and integrating sustainability practices into our policies and plans. Development of climate adaptation plans builds resilience in our communities and mitigation of the effects of climate change focuses the group on intergenerational equity. In essence, the Planning and Policy Group plays a pivotal role in shaping the present and future of our district, fostering sustainable development and community wellbeing.

What we provide

- Climate action and resilience using adaptation plans and mitigation strategies.
- Integrated planning
- Strategies, policies, and bylaws

Why we do it






The work of the Planning and Policy Group is motivated by a commitment to holistic and sustainable development. Through policy formulation, we establish a framework that ensures our actions align with ethical, legal, and community-oriented principles. Bylaws provide the necessary governance structure for the smooth functioning of our district. Strategies guide our endeavours, steering us towards long-term goals that prioritise environmental stewardship, community wellbeing and resilience, and responsible resource management. District and reserve management plans are driven by a commitment to preserve natural landscapes and public spaces for the benefit of current and future generations. Integrated planning allows us to tackle challenges comprehensively, fostering synergy among various initiatives. Climate action underscores our responsibility to our communities to provide guidance and leadership in adaptation planning and mitigation of the effects of the changing climate. We address environmental, social and economic concerns, integrating sustainability and resilience into our policies and plans. Ultimately, our work in the Planning and Policy Group is rooted in the belief that thoughtful, strategic planning is the linchpin for creating a resilient, equitable, and sustainable future.


Aligns to these aspects of wellbeing

- A iwi / Social
- Ōhanga / Economic
- Taiao / Environmental
- Ahurea / Cultural

Effects of providing this activity

Community outcome	Positive	Negative	How we mitigate these effects
	<i>Provides</i>	<i>Potential</i>	<i>Continue</i>

 <p>Proud, vibrant communities</p>	<ul style="list-style-type: none"> • Opportunity for us to engage with our community and develop processes, plans and strategies that enable them to have a say in matters that affect their lives 	<ul style="list-style-type: none"> • For some plans and policies to advantage some over others either as individuals or groups 	<ul style="list-style-type: none"> • Working with our communities to ensure there is equal opportunities for all in future planning for our district, allowing for everyone's voice to be heard
 <p>Communities that are healthy, safe, connected and sustainable</p>	<p>Provides</p> <ul style="list-style-type: none"> • plans and strategies that keep our communities healthy and safe through environmental design, crime prevention and other principles. 	<p>Potential</p> <ul style="list-style-type: none"> • That some plans or strategies do not align with all communities, groups or individuals 	<p>Continue</p> <ul style="list-style-type: none"> • Working towards better communication and information when new policies, plans or strategies are designed and then introduced
 <p>Resilient communities that are prepared for the unexpected.</p>	<p>Provides</p> <ul style="list-style-type: none"> • Community adaptation plans and pre-event planning using adaptive pathway planning and strategies to build social, economic, cultural, and environmental resilience within communities. 	<p>Potential</p> <ul style="list-style-type: none"> • Climate change maladaptation where actions intended to reduce the impacts of climate change actually create more risk and vulnerability. 	<p>Continue</p> <ul style="list-style-type: none"> • Working with communities to plans together. • Ongoing evaluation and monitoring of plans. • Community agency. • Triggers to change treatments pre-agreed with communities. • Education and awareness
 <p>Prosperous communities supported by a sustainable economy</p>	<p>Provides</p> <ul style="list-style-type: none"> • Economic stability can be factored when plans and strategies are designed for future growth, this leads to job creation which benefits our communities as a whole 	<p>Potential</p> <ul style="list-style-type: none"> • Impacts may include not allowing for growth or the costs associated with rapid growth in areas that are not prepared either financially or infrastructurally which may not be able to sustain growth 	<p>Continue</p> <ul style="list-style-type: none"> • To plan and develop strategies, plans and policies with communities that allow for growth and prosperity by sound planning development
 <p>A wisely managed environment that recognises the role of</p>	<p>Provides</p> <ul style="list-style-type: none"> • Planning for sustainable and harmonious coexistence by acknowledging and protecting the delicate balance between human 	<p>Potential</p> <ul style="list-style-type: none"> • Inadequate environmental care can result in pollution, deforestation, and habitat destruction, contributing to climate change and 	<p>Continue</p> <ul style="list-style-type: none"> • Education and awareness • Developing policies and plans that address these issues

tangata whenua as kaitiaki	activities and ecological integrity is maintained, ensuring the preservation of biodiversity, natural resources, and ecosystems.	exacerbating natural disasters which compromises quality of life and diminished resilience to environmental challenges as well as increased financial costs	<ul style="list-style-type: none"> • Community engagement and engaging in collaborative initiatives • Using technological innovation to assist with future planning • Crisis preparation and how we respond to environmental, natural and pollution related incidents
 <p>We celebrate our unique culture and history</p>	<i>Provides</i> <ul style="list-style-type: none"> • Plans that identify and protect culture, history and heritage sites 	<i>Potential</i> <ul style="list-style-type: none"> • Lost of valued assets or sites due to lack of maintenance or poor planning decisions 	<i>Continue</i> <ul style="list-style-type: none"> • Working with our communities together when developing plans and ensuring there is adequate funding to maintain assets identified in the future

6. Strategic relationships group

What we do

In the Strategic Relationships Group, we focus on building meaningful and collaborative connections that contribute to the overall success and inclusivity of our Iwi, Hapū, Whānau, communities and council. Working closely with all our Iwi, Hapū, Whānau and communities is a fundamental aspect of our commitment to recognising and respecting everyone's perspectives. We work together in partnership that honour our rich cultural heritage and contribute to positive outcomes. The Mana kāwanatanga - Democracy Services team, provides guidance and support on a daily basis to the elected representatives of the community that form the governance function of our council, enabling them to understand their legislative responsibilities and assisting them to make informed decisions on behalf of our communities.

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. Our Māori Engagement, Relationships and Development (Te Hono) team, supports the aspirations of tangata whenua and is working to provide platforms for partnerships and opportunities for building capability and capacity within the community.

Council is committed to developing sustainable, beneficial relationships with the community through improved funding opportunities and empowering local communities, to achieve this the Stakeholder Relationships team play a key role in supporting community boards to achieve targeted outcomes and connect people and communities to achieve strategic outcomes.

By nurturing Partnerships and Strategic relationships, facilitating democratic processes, and engaging with a broad spectrum of stakeholders, we aim to create an inclusive and collaborative environment that reflects the values and aspirations of our diverse district.

What we provide

Mana kāwanatanga - Democracy Services

- Support the governance function of Council
- Democratic and procedural advice in relation to Governance functions and formal meetings
- Manage the triennial local government election for the Far North District Council, including handover and induction.
- Manage the (minimum) six-yearly Representation Review.
- Contribute to, and in some cases lead, organisational projects and civic events as they arise to provide input and support from a Governance perspective.

Te Hono - Māori Engagement, Relationships and Development

- Support the organisation to achieve the goals of Te Pae o Uta – Te Ao Māori Framework
- Support Council cultural competency in Te Ao Māori
- Support iwi / hapū to thrive
- Strengthen our 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

Stakeholder Relationships

- Support Community Board Members to achieve the aspirations of the community by feeding information into Council
- Connect communities to funding opportunities, provide and administer community grants
- Work with communities, key stakeholders, other regional authorities, external agencies and organisations to develop key relationships within Council
- Support community-initiated plans

Why we do it

The work of the Strategic Relationships Group is driven by a commitment to fostering a community-centric and inclusive approach to partnership and good governance. This engagement is not just a gesture but a genuine effort to incorporate diverse voices into decision-making processes, ensuring that policies and initiatives are culturally sensitive and equitable.


The goal is to uphold the principles of transparency, accountability, and citizen participation, fostering a robust democratic framework that empowers individuals to actively engage in shaping their community. Engagement, relationship management and development opportunities are motivated by the understanding that a thriving community involves collaboration with various entities. By building and maintaining strong relationships with stakeholders, including businesses and community organisations, Māori and other communities of interest we aim to create a shared vision and a collective commitment to the well-being and progress of the district as a whole.





Ultimately, our work in the Strategic Relationships Group is grounded in the belief that inclusive partnerships and democratic processes are essential for our communities' holistic development and harmony.

Aligns to these aspects of wellbeing

- Ōhanga - Economic
- Ā iwi - Social
- Taiao – Environmental
- Ahurea - Cultural

Effects of providing this activity

Community outcome	Positive	Negative	How we mitigate these effects
 <p>Proud, vibrant communities</p>	<p>Provides</p> <ul style="list-style-type: none"> • Ability for our communities to participate in council decision-making. • Co-working with stakeholders, external organisations and groups to support communities. 	<p>Potential</p> <ul style="list-style-type: none"> • Lack of understanding or apathy may present barriers for communities to participate in decision-making 	<p>Continue</p> <ul style="list-style-type: none"> • Working on ways to improve our communication and working with partners, communities, stakeholders, external organisations and other interested groups

Community outcome	Positive	Negative	How we mitigate these effects
 <p>Communities that are health, safe, connected and sustainable</p>	<ul style="list-style-type: none"> Deliver outcomes that align with community driven wellbeing initiatives and improving equity. 	<ul style="list-style-type: none"> Lack of communication or not engaging all of community. Lack of alignment between council and Community Boards and Communities/Council deliverables. 	<ul style="list-style-type: none"> Ongoing communication and development of relationships and sharing of information, value and purpose. Connecting with other agencies to share outcomes and remove duplication.
 <p>Prosperous communities supported by a sustainable economy</p>	<ul style="list-style-type: none"> Access to funding that supports communities to deliver initiatives and create economic growth. 	<ul style="list-style-type: none"> No support or uplift in capability may leave communities unable to realise potential or enable opportunities. 	<ul style="list-style-type: none"> Ensure we are clear on funding channels and council processes LTP and Annual Plan. Connecting communities to other agencies and enabling support.
 <p>A wisely managed environment that recognises the role of tangata whenua</p>	<ul style="list-style-type: none"> Build and maintain relationships with local iwi/hapu/hapori 	<ul style="list-style-type: none"> Disconnection from relevance of local government 	<ul style="list-style-type: none"> Early and often communication and mutual gained trust and understanding of priorities
 <p>We celebrate our unique culture and history</p>	<ul style="list-style-type: none"> Co-Governance Te Kuaka – Te Ao Māori Committee 	<ul style="list-style-type: none"> Lack of alignment in priorities between iwi partners and Council 	<ul style="list-style-type: none"> Work closely with iwi partners to provide opportunities for meaningful and relevant engagement

What we have planned for the next three years

- Support the implementation of Te Pae o Uta across Council
- Support the implementation of the Te Reo and Tikanga Policy across council
- Development and Implementation of Strategic Relationship Framework (including Customer Relationship Management CRM tool).
- Improved partnerships with key stakeholders
- Reinstatement of Community awards programme and Honours Board
- Implementation of revised Funding Policy and associated collateral.
- Ongoing support of Community Boards

- Deliver high quality formal meetings by way of offering advice based on current legislative requirements in alignment with the adopted standing orders.
- Engage with our diverse communities to gain input on the Representation Review proposal.
- Manage the Local Government Elections 2025 with positive outcomes for our district.
- Develop and maintain continuous business improvement efforts through the support of the Te Pae o Uta framework and collaboration with all groups, external partners, and stakeholders.

7. Northland Transport Alliance

What we do

The Northland Transportation Alliance (NTA) is a partnership between all four councils within Northland and Waka Kotahi (NZTA). The NTA is responsible for local roads, with Waka Kotahi being responsible for all state highways.

Staff are seconded from all four Northland councils and work collaboratively with our stakeholders (councils and ratepayers) and service delivery partners (contractors and consultants) to collectively create better safer and more accessible journeys across Northland.

The NTA framework provides a mechanism for individual councils to leverage off each other's expertise and maximise the resources from individual partner organisations to look after Northland's nearly 6,000kms of local roading network.

Customers make requests and enquiries via FNDC standard contact channels.

What we provide

- 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'


Why we do it



Council transport network activities are a crucial aspect of its responsibility to provide essential connections for the district. The construction and maintenance of roads and footpaths are essential for facilitating transportation, ensuring connectivity, and promoting public safety. Roads serve as vital arteries for the movement of people and goods, contributing to economic development and social cohesion. Footpaths, enhance pedestrian mobility and safety, encouraging active lifestyles and fostering a sense of community. By investing in our roading network and the maintenance of it. Council aim to create a well-connected and accessible environment that enhances the overall quality of life for residents and supports the sustainable development of the region.

Aligns to these aspects of wellbeing

- A iwi / Social
- Ōhanga / Economic
- Taiao / Environmental

Effects of providing this activity

Aspect of wellbeing	Positive	Negative	How we mitigate these effects
 <p>Communities that are healthy, safe, connected and sustainable</p>	<p>Provide</p> <ul style="list-style-type: none"> • safe travel around our District • connectivity within and between communities • access to recreation and 	<p>Potential</p> <ul style="list-style-type: none"> • traffic noise impacts and vibration to properties adjoining roads 	<p>Continue</p> <ul style="list-style-type: none"> • road maintenance • road sealing where appropriate • road safety improvement programmes

	leisure and community facilities • access to retail, commercial and professional services • for planning of the network	• health issues caused by dust on unsealed roads • dangers to people and high social cost from accidents caused by poor roading quality and /or design • delays and flow problems caused by heavy traffic volumes in urban areas • air pollution from traffic fumes affects health and the environment	• better planning for better roads programme • monitoring of emissions and offsetting these in our emission reduction programme • using dust suppressant products • repairing deteriorated roads as funding allows and on a priority basis
 Resilient communities supported by a sustainable economy	Provide • networks for the transport of goods and services in and around the district • employment opportunities, within the transport sector and other industries such as forestry	Potential • damage to our roading network caused by heavy loaded trucks	Continue • to work with the transport industry to minimise the effect of damage to local roads • to work with Waka Kotahi to ensure the highway networks are better maintained and more frequent maintenance is carried out
 A wisely managed environment that recognises the special role of tangata whenua as kaitiaki	Provide • better planning and continuous maintenance based on funding allowances to ensure our networks are maintain	Potential • air pollution from traffic fumes affects health and the environment • flooding effects on the environment	Continue • repairing deteriorated roads as funding allows and on a priority basis • Funding drainage as part of the wider roading activity to minimise flooding

Proposed levels of service

Local Government mandatory performance measure

Roading			
Performance measure	Results 2022/23	Status	Target 2024-2031

7.1 To maintain the District's roading network in a satisfactory condition and in accordance with national safety and engineering standards				
7.1.1	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	38 total 5 fatal 33 serious injury crashes Actual increase in serious injuries and fatalities is 3	Not achieved	No increase
7.1.2	The average quality of ride on a sealed local road network, measured by smooth travel exposure	92%	Achieved	>88%
7.1.3	The percentage of the sealed local road network that is resurfaced	4.60%	Not achieved	>8%
7.1.4	The percentage of customer service requests relating to roads and footpaths to which the territorial authority responds within the time frame specified in the Long Term Plan	93.20%	Not achieved	≥95%
7.1.5	The maintenance of the roads meets the Council level of service targets as specified in our roading maintenance contracts	65.30%	Not achieved	>85%
7.1.6	The percentage of the sealed local road network that is rehabilitated	0.18%	Not achieved	0.50%
7.1.7	The Hokianga Ferry Service will run in accordance with advertised timetable	95.60%	Achieved	>95%
Footpaths				
7.2 To maintain the District's footpath network and infrastructure to high standards.				
7.2.1	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 long term plan)	98%	Achieved	>90% in fair or better condition

8. Water Services group

What we do

The water services group looks after water supply, wastewater, and stormwater activities.

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.

What we provide

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



Aligns to these aspects of wellbeing

- A iwi / Social
- Ōhanga / Economic
- Taiao / Environmental
- Ahurea / Cultural

Why we do it

Councils supplies water as a vital component of their activities to fulfill their role in safeguarding public health, ensuring environmental sustainability, and promoting the general welfare of communities. The provision of clean and accessible water is a fundamental necessity for residents, and councils take on the responsibility of managing water resources, treatment facilities, and distribution networks. By overseeing water supply, councils contribute to disease prevention, sanitation, and overall community wellbeing. This essential service aligns with the broader goal of creating livable and healthy environments for residents.

Effects of providing this activity

Contribution to community outcomes	Positive	Negative	How we mitigate these effects
 <p>Communities that are healthy, safe, connected and sustainable</p>	<p><i>Provides</i></p> <ul style="list-style-type: none"> safe and convenient drinking water supply a reliable water supply for commercial and industrial users 	<p><i>Potential</i></p> <ul style="list-style-type: none"> supply and demand can impact during drought conditions Businesses using large volumes of water may decide against locating in our District due to water costs or availability of supply 	<p><i>Continue</i></p> <ul style="list-style-type: none"> to monitor and control water supply to ensure there is enough for everyone
 <p>A wisely managed environment That recognises the role of tangata whenua as kaitiaki</p>	<p><i>Provides</i></p> <ul style="list-style-type: none"> treated water is returned to the environment 	<p><i>Potential</i></p> <ul style="list-style-type: none"> Water extraction from rivers and streams has the potential for negative impacts on habitats for native species 	<p><i>Continue</i></p> <ul style="list-style-type: none"> to monitor and reduce water losses from the public supply system to reduce the amount of water we need to take

Proposed levels of service

 Local Government mandatory performance measure

Performance measure		Latest results: 2022/23	Status	Target 2024-2031
2.1.1	The extent to which the local authority's drinking water supply complies with: part 4 of the drinking-water standards (bacteria compliance criteria), and part 5 of the drinking-water standards (protozoal compliance criteria).	See AR 2022/23	Not achieved	Each scheme continuously meets the required standards for drinking water Each scheme to be reported on separately
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)	28.6	Not achieved	<26%
2.1.3	Where the local authority attends a call-out in			

Performance measure		Latest results: 2022/23	Status	Target 2024-2031
	response to a fault or unplanned interruption to its networked reticulation system, the following median response times measured:			
	a. attendance for urgent call-outs: from the time that the local authority receives notification to the time that service personnel reach the site, and	1	Achieved	< 2 hours
	b. 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	6.3	Not achieved	< 4 hours
	c. 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	.70	Achieved	< 2 working days
	d. 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	.80	Achieved	< 3 working days
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	28.22	Achieved	< 100 complaints per 1,000

Performance measure		Latest results: 2022/23	Status	Target 2024-2031
	expressed per 1000 connections to the local authority's networked reticulation system			
2.1.5	The average consumption of drinking water per day per resident within the territorial authority district	268.43	Achieved	≤ 350 litres per person per day

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 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.

What we provide

- 17 communities serviced with wastewater schemes
- 15 wastewater treatment plants
- 444 km of sewer pipe
- 153 pumping stations
- 13,411 properties are connected to Council's systems.



Why we do it

Councils manage wastewater as part of their activities to ensure the responsible and sustainable treatment of sewage and industrial effluents. Wastewater management is essential for preventing environmental pollution, protecting public health, and maintaining the overall wellbeing of residents. Proper wastewater management helps mitigate the impact on water bodies, ecosystems, and public health by treating and safely disposing of pollutants.

Aligns to these aspects of wellbeing

- A iwi / Social
- Ōhanga / Economic
- Taiao / Environmental
- Ahurea / Cultural

Effects of providing this activity

Contribution to community outcomes	Positive	Negative	How we mitigate these effects
 <p>Communities that are healthy, safe, connected and sustainable</p>	<p><i>Provides</i></p> <ul style="list-style-type: none"> • Decreases the risk of infection 	<p><i>Potential</i></p> <ul style="list-style-type: none"> • to create the ongoing need for disposal of sludge 	<p><i>Continue</i></p> <ul style="list-style-type: none"> • investigate alternative options for the safe and sustainable disposal of sludge
 <p>A wisely managed environment That recognises the role of</p>	<p><i>Provides</i></p> <ul style="list-style-type: none"> • Safe disposal of wastewater reduces the amount of untreated effluent entering the environment 	<p><i>Potential</i></p> <ul style="list-style-type: none"> • for adversely affected by spills or overflows of untreated sewage; smell and noises from the wastewater treatment plants 	<p><i>Continue</i></p> <ul style="list-style-type: none"> • monitor treated effluent to ensure it meets the conditions of resource consents and decrease the risk of overflows

tangata whenua as kaitiaki		and pumping stations may create nuisance or impact public health and the operation and maintenance of our assets	
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Proposed levels of service

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

Local Government mandatory performance measure

Performance measure		Results: 2022/23	Status	Target 2024-2031
3.1.1	The number of dry weather sewerage overflows from the territorial authority's sewerage system, expressed per 1000 sewerage connections to that sewerage system	2.94	Achieved	≤ 12 per 1000 connections
3.1.2	Compliance with the territorial authority's resource consents for discharge from its sewerage system measured by the number of:			
	a. abatement notices	2	Achieved	2 or less
	b. infringement notices	4	Not achieved	1 or less
	c. enforcement orders, and	0	Achieved	0
	d. convictions, received by the territorial authority in relation those resource consents	0	Achieved	0
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:			
	a. attendance time: from the time that the territorial authority receives notification to the time that service personnel reach the site, and	1.42	Achieved	2 Hours
	b. 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	2.85	Achieved	4 Hours These are median times
3.1.4	The total number of complaints received by the territorial authority about any of the following:	25.57	Achieved	≤ 50 per 1000 connections

Performance measure		Results: 2022/23	Status	Target 2024-2031
	sewage odour sewerage system faults sewerage system blockages, and the territorial authority's response to issues with its sewerage system, expressed per 1000 connections to the territorial authority's sewerage system			
3.1.5	Where 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 b. resolution to prevent overflow	a. 73% b. 72.6%	Not achieved	≥ 95% responded to within set timeframe

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.

What we provide

- 136 km of pipes
- 39 km of lined and unlined channels
- 3,106 manholes
- 23 basins and ponds
- 66 floodgates
- 1,798 inlets and outlets
- 1 pump station

Why we do it

Stormwater management is a vital component of our activities to address the challenges posed by rainfall runoff and to safeguard communities from flooding and environmental degradation. Stormwater management involves the planning, construction, and maintenance of systems to control the flow of rainwater, preventing erosion, minimizing flooding, and protecting water quality. These activities help mitigate the risks of property damage, ensure the safety of residents, and maintain the integrity of local ecosystems. Through the establishment of drainage systems, retention basins and ponds and other infrastructure, council actively works to reduce the impact of storms, enhancing overall resilience and sustainability to our district.


Aligns to these aspects of wellbeing



- A iwi / Social
- Ōhanga / Economic
- Taiao / Environmental
- Ahurea / Cultural

How is it paid for?

(graph showing breakdown of funding source)

Effects of providing this activity

Contribution to community outcomes	Positive	Negative	How we mitigate these effects
 <p>Communities that are healthy, safe, connected and sustainable</p>	<p><i>Provides</i></p> <ul style="list-style-type: none"> • Reduction in risk of damage from flooding to individual properties 	<p><i>Potential</i></p> <ul style="list-style-type: none"> • Can affect public health and safety. 	<p><i>Continue</i></p> <ul style="list-style-type: none"> • Continue to advise landowners of potentially floodprone areas and plan accordingly so these areas are part of the built environment

			<ul style="list-style-type: none"> Monitor new developments to ensure natural flowpaths are maintained.
 <p>Resilient communities that are prepared for the unexpected</p>	<i>Provides</i>	<i>Potential</i>	<i>Continue</i>
	•	•	•
 <p>A wisely managed environment That recognises the role of tangata whenua as kaitiaki</p>	<i>Provides</i>	<i>Potential</i>	<i>Continue</i>
	<ul style="list-style-type: none"> A safe living environment for all our communities 	<ul style="list-style-type: none"> To cause public health issues through the bacterial contamination to the environment through overflows during adverse weather events 	<ul style="list-style-type: none"> to monitor discharges and fund maintenance to prevent issues occurring

Proposed levels of service

4.1 To enable sustainable development through urban storm water infrastructure.

Local Government mandatory performance measure

Performance measure		Results 2022/23	Status	Target 2024-2031
4.1.1	The number of flooding events that occur in a territorial authority district	0	Achieved	1 or less
	For each flooding event, the number of habitable floors affected. (Expressed per 1000 properties connected to the territorial authority's stormwater system)	0	Achieved	0
4.1.2	Compliance with the territorial authority's resource consents for discharge from its stormwater system, measured by the number of:			
	abatement notices	0	Achieved	1 or less
	infringement notices	0	Achieved	0
	enforcement orders, and	0	Achieved	0

	convictions, received by the territorial authority in relation those resource consents	0	Achieved	0
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	No events	Achieved	≤ 48 hours
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	11.19	Not achieved	0



2024 Infrastructure Strategy

FEBRUARY 2024



Contents

Document control	1
1. Introduction	2
1.1. About the strategy	2
1.2. Achievements since 2021	4
1.3. The Far North – the place we live	5
1.4. Strategic linkages	8
2. Strategic Context	11
2.1. National context	11
2.2. The Far North - our context	11
2.3. Flood recovery	15
2.4. Strategic Challenges for Non-Core Assets	15
2.5. Land drainage activity	17
2.6. Regional collaboration	18
2.7. Growth planning	20
3. Our Direction	23
3.1. Our significant challenges	23
3.2. Our management response	23
4. How We Manage Our Infrastructure	27
4.1. Asset management approach	27
4.2. Levels of service	28
4.3. Reliability of information	33
5. Risk Management	35
5.1. Risk management approach	35
5.2. Climate change impacts and actions	35
5.3. Critical assets	40
6. Managing Our Assets Over the Next 5 years	42
6.1. Land Transportation	42
6.2. Water Supply	52
6.3. Wastewater	59
6.4. Stormwater	66
7. Financial Summary	72
7.1. Key decisions we expect to make	72
7.2. Funding depreciation	72
7.3. Financial forecasts	73
7.4. Funding implications	74



8. Financial Assumptions and Uncertainty	75
8.1. Significant planning assumptions	75
8.2. Significant financial assumptions	76
9. Strategy Improvement	78

DRAFT



Document control

PROJECT MANAGEMENT	
Name	Designation

PLAN PREPARED / REVIEWED / UPDATED BY:		
Date	Name	Designation

COUNCIL CONSIDERATION / ADOPTION		
Date	Minute No.	Reason / Decision



1. Introduction

1.1. About the strategy

1.1.1. Strategy purpose

The Infrastructure Strategy (strategy) aims to ensure responsible stewardship of Far North District Council's (FNDC / Council) infrastructure assets and services. It has been prepared in accordance with the requirements of section 101B of the Local Government Act 2002 and modified as part of the Long Term Plan Lite requirements as a flood damaged council. This strategy has a 5-year planning horizon (greater than minimum of 3 years under the Long Term Plan Lite regime).

The Far North District has been severely impacted by significant weather events. There have been at least ten different significant weather events since July 2022 impacting the Te Tai Tokerau Northland Region. Specifically, storm flooding and Cyclone Gabrielle caused considerable damage to roads across the Far North District.

FNDC is one of the flood damaged councils that has Government's approval to undertake a Long Term Plan Lite. This allows for a three-year plan instead of the statutory 10-year Long Term Plan and 30-year Infrastructure Strategy. This is a temporary change to support local authorities during the recovery phase from the recent extreme weather events. The Local Government Act has been amended to allow the Infrastructure Strategy to be prepared for the shorter Long Term Plan Lite timeframe with a focus on the damaged infrastructure to facilitate the recovery.

However, we wish to prepare for the future and put in place the right building blocks for the 2027 Infrastructure Strategy particularly growth planning, climate adaptation and improving the asset management practices for the non-core activities. The approach adopted for the 2024 strategy is setting up the right upfront strategic planning (top down) and with supporting underlying data (bottom up). It will take a few Long Term Plan cycles to achieve an evidence-based strategy.

1.1.2. Strategy scope

The 2024 Infrastructure Strategy covers the includes the core infrastructure assets in accordance with section 101B (6) of the Local Government Act 2002:

- Land transport.
- Water supply.
- Wastewater.
- Stormwater.

Our 2024 strategy also covers the non-core assets at a high level in the front sections only. The non-core assets are:

- Built spaces including community buildings and halls, and libraries.
- Maritime assets including jetties, wharves and boat ramps.
- Open spaces including cemeteries, parks and reserves, and playgrounds.
- Solid waste including consented closed landfills and Resource Recovery Centre.

1.1.3. Strategy layout

The strategy has been structured to show clear distinction between Our Present (Sections 1, 2, 4 and 5), Our Direction (Section 3) and Our Future (Sections 6, 7 and 8). The strategy layout is shown in the table below. The non-core activities are covered only in Our Present sections.



Table 1 Strategy layout

Strategy focus	Strategy section	Description
Our Present	Section 1 Introduction	Identifies the infrastructure assets included in this strategy.
		Summarises progress on implementing the key actions identified in the 2021 Infrastructure Strategy at district level.
		Illustrates the linkages between strategic documents.
		Sets the scene for our present – district geographic context and tangata whenua, and assets at a glance.
	Section 2 Strategic Context	Sets the scene with the various new legislation at a national level.
		Provides the Far North context with trends covering population growth, economic and tourism trends, and natural hazards.
		Overview of the significant weather events and flood recovery efforts.
		Overview of the community and waste activities, regional collaboration initiatives and growth planning.
Our Direction	Section 3 Our Direction	Discusses the significant infrastructure issues at district level and management responses to them.
Our Present	Section 4 How We Manage Our Infrastructure	Describes our asset management approach.
		Describes the levels of service framework.
		States confidence in the asset data used for this strategy.
	Section 5 Risk Management	Describes Council's risk management approach, and the impacts of climate change on our assets.
		Identifies the critical assets.
Our Future	Section 6 Managing Our Assets Over the Next 5 Years	Documents the current asset state in terms of age, condition and performance for each activity.
		Discusses the service levels and identifies the key challenges for each activity.
		Identifies the principal options for the significant issues and documents implications, cost and when, for each activity. Identifies the financial forecasts associated with the actions proposed and funding sources for each only.
	Section 7 Financial Summary	Identifies the financial forecasts associated with the actions proposed and funding sources for the combined activities.
	Section 8 Financial Assumptions and Uncertainty	Details specific planning and financial assumptions for the Infrastructure Strategy.
	Section 9 Strategy Improvement	Summary of the key actions to address the identified weak areas in the strategy.



1.2. Achievements since 2021

We have made some progress on implementing the key actions identified in the 2021 Infrastructure Strategy, as outlined below at district and activity levels.

Table 2 Achievements at district level

Significant challenges – key themes	Strategic responses	Achievements since 2021
Managing our assets	Continue to invest in our asset management programme	Water supply and wastewater hydraulic models and stormwater models developed are being finalised. Programme Darwin, intended to improve asset management practices, was disestablished in anticipation of the move to the abandoned Water Services Entities.
	Optimise the way infrastructure is funded and delivered	Work completed to support a Development Contributions Policy are (refer to Section 2.6 for details): <ul style="list-style-type: none"> The draft Growth Planning Review (April 2023) included mapping data in GIS. The Development Contributions Policy Gap Analysis (May 2023) identified required information for the different activities.
Managing change	Implement the Climate Change Roadmap	There was slower progress than expected in implementing the 2020 Climate Change Roadmap due to various management structural changes. A Climate Action Implementation Plan is being developed to put the Climate Action Policy into action (refer to Section 5.2).
	Integrate strategic infrastructure delivery with land use planning	A full review of its District Plan is still underway. A new District Plan has been proposed (Proposed District Plan). The original submission period closed in October 2022. A spatial mapping tool has been produced to assist the public in understanding those submissions seeking spatial outcomes (such as rezoning) for specific properties.

The delivery of the planned capital works programme was impacted by COVID lockdowns for Northland and the Auckland Region's restrictions which isolated Northland from the rest of the country and key supply chains. These impacts have been compounded by inadequate internal resourcing.

Table 3 Achievements at activity level

Activity issues	Achievements since 2021
Water supply	<ul style="list-style-type: none"> The new 14km pipeline from Sweetwater, near Awanui, to the town of Kaitiāia to improve the town's resilience during dry weather. The leak detection project commenced resulting in successful identification and repairs being undertaken. Council confirmed a partnership with Te Tai Tokerau Water Trust which is building a mid-North water storage reservoir and delivery system. Initiatives to improve water resilience including increased water conservation messaging and education. Water Safety Plans and reporting for Taumata Arowai. Installation of new sample points and online monitoring equipment of water quality in the network.
Wastewater	<ul style="list-style-type: none"> Taipa Wastewater Treatment Plant upgrade is progressing with additional aeration, Electrocoagulation trial initiated, and ongoing investigation into Discharge to Land. Opononi Wastewater Treatment Plant upgrade is in detailed design to meet new 3 year consent timeframes. Detailed design to reduce Kaitiāia's wastewater overflows is expected by mid-2024 with construction scheduled for FY2025.



Activity issues	Achievements since 2021
	<ul style="list-style-type: none"> Upgrades to Kaitaia's Wastewater Treatment Plant is being coordinated with the consent renewal for which consultation has started. The Kaikohe Wastewater Treatment Plant Working Group has identified a preferred upgrade option for which feasibility is now being investigated. Construction of a replacement aeration tank for Hihi Wastewater Treatment Plant is expected by mid-2024, after which the working group will consider upgrade options.
Stormwater	<ul style="list-style-type: none"> Investment in training to improve accuracy in classifying service requests / complaints has resulted significantly lower stormwater service requests /complaint numbers than the average in previous years. Pipe renewals in Commerce Street with additional storage expected in FY2025. Remediation works in Mangonui, Cable Bay, Russell, Kaitaia and Awanui. Construction of network upgrades in Kaitaia, Moerewa, Omapere and Whatuwhiwhi are expected to commence in 2024.
Land transport	<ul style="list-style-type: none"> Strengthening forestry road network. Asphalt re-surfacing. IDSNZ dTIMS rut progression model and High-Speed Crack Analysis model. Unsealed Centre of Excellence. Dry dock repair to the Ferry.
Built spaces	<ul style="list-style-type: none"> Management structure – The new management structure has consolidated the asset functions into one team under Property and Facilities Group (previously dispersed under Infrastructure and Asset Management). Animal shelters – New purpose-built south facility located in Kaikohe. New toilets facilities added throughout the district.
Maritime assets	<ul style="list-style-type: none"> Management agreement with Far North Holdings Limited (FNHL) with increased budget subject to approval. Acquisition of addition land at Opononi for boat trailer parking.
Open spaces	<ul style="list-style-type: none"> A new management system (Discover EverAfter) in place for searching cemetery family / genealogy records. New pump tracks and playgrounds opened in 2021/22 at Awanui, Ahipara, Kerikeri and Kaikohe catered for the youth in the communities. Agreed core level of service for open space management with community boards prior to tendering new Open Spaces Management operation and maintenance contract.
Solid waste	<ul style="list-style-type: none"> Service delivery review – A Section 17A Review of the services was completed in 2022 prior to the existing contracts expiring. Strategic planning – A Waste Assessment was completed to establish the planning foundations for FNDC's review of its Waste Management and Minimisation Plan. The opening of a new recycling centre at Waitangi making it easier for residents to recycle and reduces solid waste going to landfill.

1.3. The Far North – the place we live

1.3.1. The Far North – our rich Māori history

The great explorer Kupe, who many iwi trace their lineage too, is said to have first set foot in New Zealand on the shores of the Hokianga Harbour. Many Māori believe that Kupe gave birth to the nation we know today.

Te Tai Tokerau Northland is rich in Māori culture, from the language to the legends, the kai (food) to traditional performances, and most importantly, the sacred and significant places. The Far North has a rich Māori history and significance nationally including the Waitangi Treaty Grounds, New Zealand's most important historic site.

Tāngata whenua have a long and rich association with the Far North. Council recognises this long settlement and therefore the special position of tāngata whenua within this district, and the significant and long-term role Māori have in Council's decision making.



1.3.2. Our district

The Far North District is the northernmost territorial local authority in New Zealand. The Far North ranks as the 14th largest district by land area compared to other districts. The land area and main townships are shown in the map below.

Around half of the population reside in small urban settlements located throughout the district. The largest townships are Kerikeri and Paihia on the east coast, Kaitiāia to the north and Kaikohe, located between the east and west coast. The rest of the population lives in rural or semi-rural settlements.

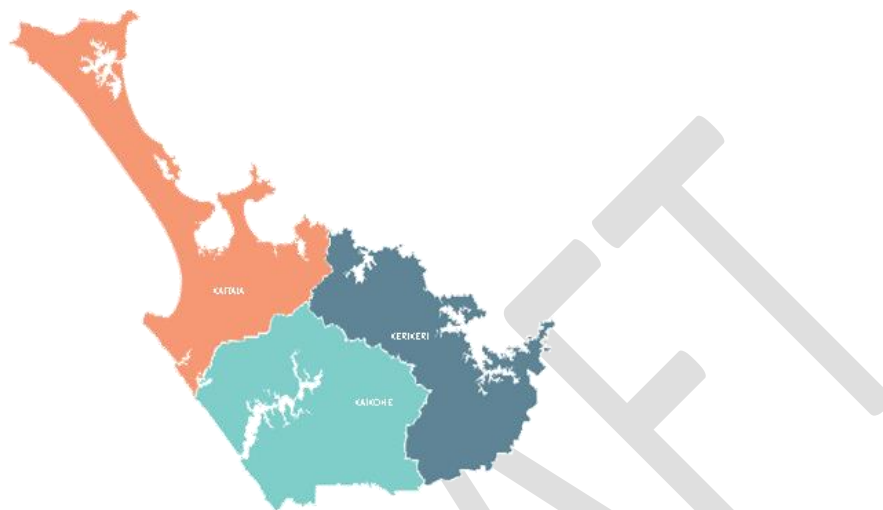


Figure 1 Map of Far North District









The coastline of the Far North is one of the district's defining geographic features - it is unique, diverse and extensive. We generally have high rainfall during spring, autumn and winter with prolonged dry spells during summer. This seasonal rainfall can lead to low flows in our smaller river catchments. Long periods without rain affect the amount of water that is available to supply communities and commercial and industrial activities. The Far North District has a diverse range of soils and rock strata, including highly productive soils, and much of our land is prone to erosion which affects our infrastructure.

The Far North District is part of the Te Tai Tokerau Northland Region and along with neighbouring Whangārei and Kaipara District Councils.

1.3.3. Assets at a glance

We own and manage \$3.1 billion (replacement value) of infrastructure assets (including three water assets) which can be summarised as follows.

Table 4 Asset summary

Activities	Description	Replacement value (\$)
 <p>Land transport</p>	<ul style="list-style-type: none"> 2,507km network length - 908km sealed and 1,598km unsealed 550 bridges 234km footpaths 24km cycleways 1 Hokianga Ferry 	<p>\$2,318,400,925 (as at 30 June 2023)</p>
 <p>Built spaces</p>	<ul style="list-style-type: none"> 73 community buildings 19 community halls Council offices - 3 hubs and 2 satellite offices 6 libraries, 1 mobile library and 1 museum at the Te Ahu centre Public toilets - 69 owned and 73 maintained 	<p>\$83,765,281 (as at October 2023)</p>
 <p>Maritime assets</p>	<ul style="list-style-type: none"> 31 wharfs / jetties 27 boat ramps 45 boat trailer carpark areas 	<p>\$28,977,200 (as at June 2023)</p>
 <p>Open spaces</p>	<ul style="list-style-type: none"> 500 hectares of parks and reserves (including sports fields) in over 30 locations 11 active cemeteries Waipapa Sports Hub 28 playgrounds 3 motor camps 	<p>\$43,310,532.35 (as at October 2023)</p>
 <p>Solid waste</p>	<ul style="list-style-type: none"> 1 Council Resource Recovery Centre at Kaitiāia and 1 private facility contracted at Waipapa 12 Community Recycling Centres 4 consented closed landfills 	<p>\$10,016,491 (as at June 2023 and excludes Council owned assets at the closed landfill sites)</p>
 <p>Water supply</p>	<ul style="list-style-type: none"> 376,391m of pipes 1,902 valves 1,249 hydrants 10,226 meters 23 treatment water storage 11 treatment plants 17 pump stations 11 water sources 	<p>\$169,965,718 (as at June 2022)</p>
 <p>Wastewater</p>	<ul style="list-style-type: none"> 290,005m gravity mains 155,266m pressure pipes 13,406 service connections 788 domestic pump stations 16 treatment plants 153 pump stations 16 treatment plants 12 wetlands 1 borefield 73 septic tanks 	<p>\$284,120,019 (as at June 2022)</p>
 <p>Stormwater</p>	<ul style="list-style-type: none"> 181,234m of line assets (culverts, channels, pipes) 5,077 point assets (catchpits, manholes, soak holes) 30 other assets (spillways, grills, inlets/outlet structures) 69 floodgates 1 pump station 31 ponds 	<p>\$174,871,228 (as at June 2023)</p>
		\$3,113,427,394



1.4. Strategic linkages

The partnership with tāngata whenua is embedded into the way FNDC works today although it is recognised this is evolving. The new Te Kuaka - Te Ao Māori Committee was established in late 2022 (refer to main Long Term Plan for details). Its membership includes all councillors and representatives from the 12 iwi (generally the chairs).

Te Pae o Uta - te Ao Māori Framework has been developed to guide FNDC staff to improve Council's responsiveness and inclusion of Te Ao Māori across the organisation. The Te Pae o Uta has three goals with supporting focus areas as shown in the following figure. These goals have been woven through this strategy. An Implementation Plan is being developed to support staff to use the framework in their day to day decision making process.



Figure 2 Te Pae o Uta - goals and focus areas

Council's vision and mission illustrates the connection between people and place. Council's vision is:

He Whenua Rangatira – A district of sustainable prosperity and wellbeing.

Council's mission is:

He Ara Tāmata – Creating Great Places Supporting our People.

Council is committed to working with tāngata whenua and supporting Māori contribution to decision making processes with special regard to the views of mana whenua in Far North District. The link between Council's vision, Mana Whenua, Community Outcomes, and asset management framework are shown in the figure below. Importantly, this link is in two directions. Our strategic documents direct our infrastructure planning, the nature and level of our asset management investment, and our asset management system provides key information and inputs that inform our strategic thinking.

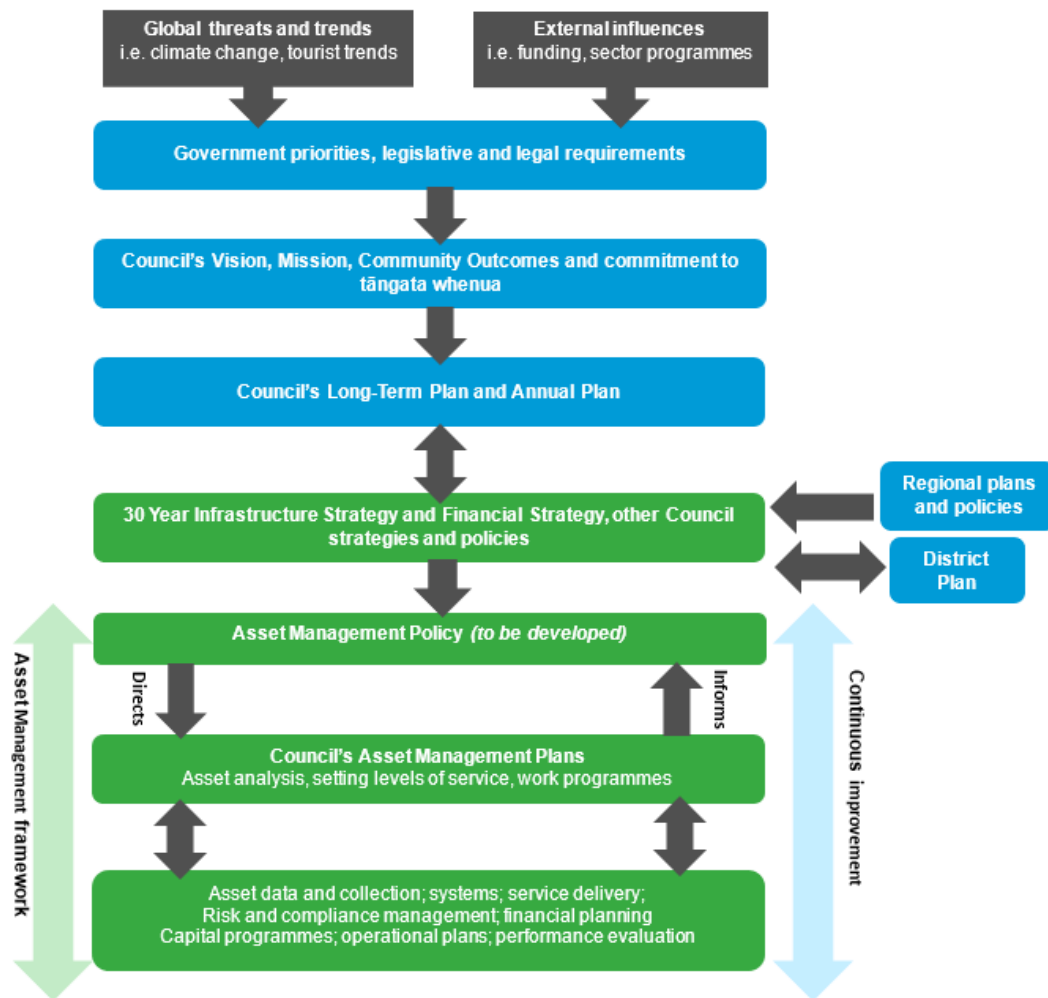


Figure 3 Relationship between strategic documents and asset management framework

The strategic priorities for the 2024 Long Term Plan are shown in the figure below. It shows the linkages between the four well beings and the Community Outcomes. Repairing Far North's transport network is high priority.



Figure 4 Strategic priorities for 2024 Long Term Plan



2. Strategic Context

2.1. National context

There are various sector changes that will impact long-term planning for Council's assets. These are described in the table below with the impacts at activity level discussed in later sections of this strategy.

Table 5 Summary of Government's reform programmes

Government reform programmes / legislative changes	Description
Government's three water proposals	The new Government is implementing its Local Water Done Well policies. This will be achieved through legislative amendments in a staged approach. A framework and transitional arrangements for the new water services system will be established. Alternative models include regional / sub regional Council Controlled Organisations. This strategy will be updated as required as the Government implements its repeals of the legislation and preferred model for three waters.
Resource management system reforms	The new Government intends to repeal the Resource management system reforms. The Natural and Built Environment Act 2023 is being repealed and the Government is now working on fast-track consenting.
Government's Emergency Management Trifecta Programme	This will impact how National Emergency Management Agency and Local Civil Defence Emergency Management Groups interact during emergencies.
Waste management changes	The Government released its new Te rautaki para Waste strategy in April 2023 along with changes to kerbside recycling services. The changes particularly impact local government as it sets national targets to be met by 2030. Minimum standards for diverting waste from landfill start in 2026.
Future for Local Government	The Future for Local Government Panel released its final report in June 2023. It has made 17 recommendations for the incoming government to decide after the general elections in October 2023. The report presents an opportunity for councils to better position themselves to deliver community aspirations.

2.2. The Far North - our context

2.2.1. Population trends

The Far North District is home to approximately 74,700 (based on Infometrics 2023 estimates). This is a 1.4% increase from the year earlier (2022). Our population is projected to continue to grow. It is projected to increase to 79,594 by 2032 (based on Infometrics 2022 estimates under the medium growth scenario). The annual growth rate reduces to about 0.8% per annum for the next ten years (2022 to 2032).



The key demographic factors that impact the district and used for infrastructure planning purposes are:

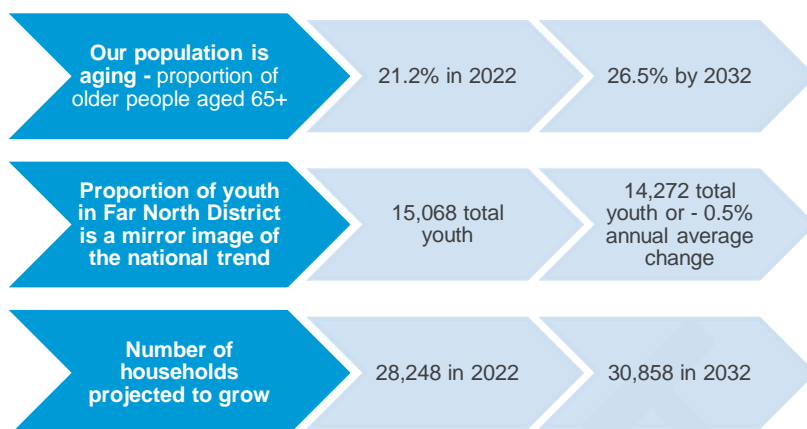


Figure 5 Key demographic factors

Source: Infometrics, 2022 estimates, medium growth scenario

Greenfield development is predicted in the following six areas over the next ten years (2022 to 2032):

- Kerikeri
- Kaitaia
- Kaikohe
- Taipa – East Coast Bays
- Paihia
- Kawakawa.

There are also communities with non-growth / declining populations and are mainly located on the west coast. These are rural communities with a higher proportion of Māori population.

2.2.2. Economic trends

Economic statistics - The Far North economy continued to expand at 1.2% pa against a decline for the region at -0.6%pa and more subdued economic expansion nationally at 1.7%, as shown in the figure below. Solid employment growth in the Far North District at 3.6%pa helped achieve this economic growth, slightly higher than regional and national rates at 3.0%pa each. This economic growth has been limited from more restrained population growth, spending, and primary sector earnings.

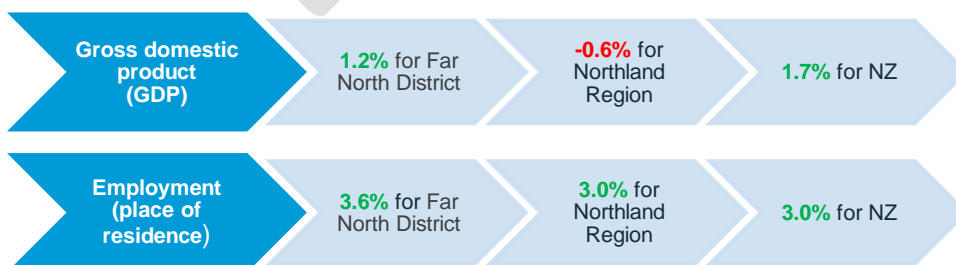


Figure 6 GDP and employment growth (September 2022 to September 2023)

Source: Infometrics (September 2023)



The top four district's main industries (as percentage of GDP) are:

- Agriculture, forestry and fishing at 12.4%.
- Property operations at 11.1%.
- Rental, hiring and Real Estate Services at 9.5%.
- Construction at 7.4%.

Economic innovation - The new leading edge Ngawha Innovation and Enterprise Park (Park) at Kaikohe (opened in June 2023) is transforming the traditional economies of Far North District and the wider Te Tai Tokerau Northland Region. It has been designed to create employment opportunities for one of the most deprived yet potentially successful communities. The Park provides modern facilities to encourage more collaboration between businesses and to co-locate research and development activity.

It also has an education and training precinct focused on working with providers to deliver skills needed by the businesses at the Park and wider district. The Park is seeking to provide pathways to work and further education by working together with local schools, the Ministry for Social Development, Department of Corrections and Probation Services.

Regional Economic Development Strategy Te Rerenga Strategy (draft) - The four Northland councils (including the Regional Council) have prepared the draft Te Rerenga – Tai Tokerau Northland Economic Wellbeing Pathway. It set a vision for a sustainable, innovative, and prosperous economy. It focuses on the wellbeing of people and the planet alongside traditional economic measures. The draft Regional Economic Development Strategy Te Rerenga has not been endorsed by the Joint Regional Economic Development Committee or FNDC.

2.2.3. Tourism trends

Tourism trends is considered in terms of visitor numbers and peak season:

Visitor numbers – There were 1.75m visitors to the Te Tai Tokerau Northland Region in the 12 months to 1 July 2023. Visitor numbers have rebound post COVID but are not necessarily at the same level. They were also impacted by bad weather and multiple road closures. There are 92 cruise ships expected for the 2023/24 season to the Bay of Islands against the pre COVID height of 83 in the 2019/20 season. This has a significant impact to region's economy.

Seasonal peaks - Parts of the Far North District experiences volatility in the number of people in the district including:

- Seasonal workers for the horticulture industry.
- Domestic and international tourists.
- Summer season with holiday makers using their holiday homes or short term rental accommodation, camp grounds etc.

There is higher demand from the domestic than international visitors as shown in the figure below (for the Northland Region). Russell and Pahia attract the international tourists by vehicles and / or cruise ships.

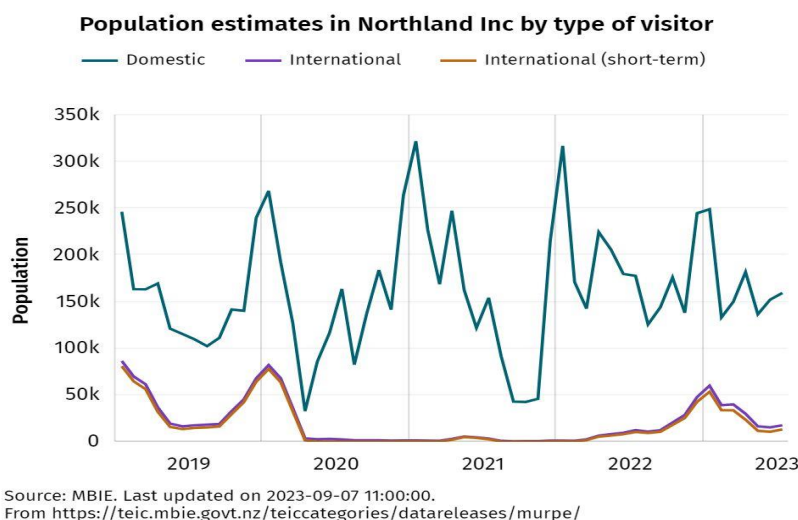


Figure 7 Visitor numbers to Northland Region
Source: Monthly unique local and visitor populations, MBIE (October 2023)

2.2.4. Natural hazards

The Far North District is subject to several natural hazards including:

- Inundation including both storm-related coastal events and tsunamis as well as high intensity rainfall events.
- Other weather hazards, earthquakes, landslides, fire and volcanic activity.

Slippage and flooding are the main hazard areas of effect:

- Slippage - The significant weather events since July 2022 and the impact on the road network is covered below.
- Flooding - There is a high flood risk for many settlements, infrastructural assets and primary production activities due to Northland's weather systems, coupled with a history of widespread development on flood-prone land. The major settlements at significant risk from flooding include Kaitiāia, and Kerikeri-Waipapa. There are also many other smaller settlements at risk, such as Kaeo, several settlements throughout the Hokianga and several east coast communities.
- Primary productivity is impacted through inundation and loss of stock and damage to pasture. Inundation of flood waters for greater than 72 hours can result in pasture die-off and impacts productivity.

Council is preparing and adapting for the impact of natural hazards with a multi-faceted approach. This includes our District Plan with objectives to ensure that development is discouraged in potentially hazardous areas such as flood prone areas. We have GIS maps which identify hazards and suspect ground conditions. Northland Regional Council also identifies hazard areas such as coastal hazard, indicative areas of flooding and erosion prone.

2.3. Flood recovery

There have been at least ten different significant weather events since July 2022 impacting the Te Tai Tokerau Northland Region. Specifically, storm flooding and Cyclone Gabrielle caused considerable damage to roads across the Far North District. Cyclone Gabrielle caused the highest road damage on record for a single event.

There were 487 slips caused by back-to-back storms and cyclones since July 2022. Most slips (312 as at November 2023) have already been repaired. The remaining sites are complex and have required detailed inspections by engineers to confirm repair options. The 38 most complex slips will require specialised engineering and formal procurement processes to be undertaken due to the cost and risk before contracts can be let. Some of these repairs may take up to three years to complete.

FNDC is requesting Government Funding Support for the estimated \$7.8 million local share component of the total repair estimate of \$29.1 million.

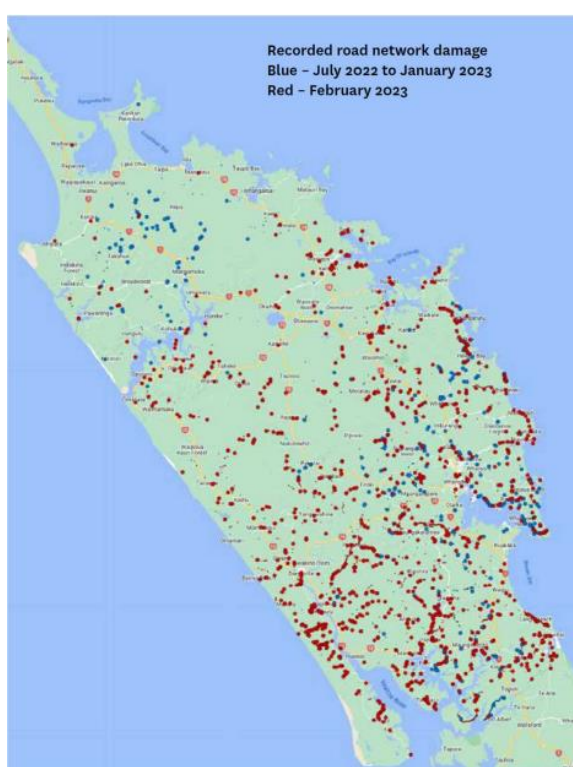


Figure 8 Damage to the road network due to Cyclone Gabrielle

2.4. Strategic Challenges for Non-Core Assets

2.4.1. Overview of non-core assets

The provision of the built spaces, open spaces, maritime assets is important as they contribute to the liveability and wellbeing of our communities. The solid waste assets and services provide public health protection with the safe removal of refuse. It also promotes waste minimisation and diversion from landfills to protect the environment and address carbon emissions from the waste sector.

Council's asset management maturity for the non-core assets is still evolving. FNDC is not required to cover the non-core assets in the 2024 Infrastructure Strategy as part of the 2024 Long Term Plan Lite process. However, it wishes to put in place the right planning blocks for the 2027 Infrastructure Strategy, particularly for the non-core activities.

2.4.2. Strategic challenges - community activities

Council wishes to lift its asset management practices for built spaces, open spaces and maritime assets including having the right data and information to inform the strategy. It is recognised that this will take time to build internal people capability, set up appropriate processes, collect asset data and store it in an asset management system. There is currently no asset management system for managing the non-core assets. The selection and implementation of a preferred system is a high priority improvement action.






Overall, there is reasonably reliable data for maritime assets compared with built and open spaces assets. FNHL in partnership with FNDC undertakes regular inspections and condition assessments of the maritime assets.

Coupled with improving its asset management practices, FNDC also wishes to understand community's aspirations and how built spaces, open spaces and maritime assets support this. As a first step, strategic documents are proposed to be developed to guide future decision making to ensure appropriate asset provision at the right time and in the right location. These are:

- Community Facilities Strategic Approach.
- Housing Strategy.
- Open Spaces Strategy (under development).

The key issues in managing the built spaces, open spaces and maritime assets are summarised in the table below:

Table 6 Key issues – built spaces, open spaces and maritime assets

Focus areas	Activity	Key issues
 Management	Built spaces, open spaces	There is a lack of strategic documents to guide elected members to make sound decisions for built and open spaces assets. This results in fragmented decision making.
	Built spaces	There is a mixed model of ownership for Council buildings. The current ownership model needs to be reviewed before any new buildings are built to ensure they are aligned to FNDC's strategic direction.
	Open spaces	Asset ownership of three water assets located in parks and reserves requires clarification including maintenance responsibilities. There are also legacy asset ownership issues with sea walls, stop banks and carparks.
	Maritimes assets, open spaces	The impacts of climate change will impact open space assets (such as walking tracks along coastlines) and maritime assets (particularly the coastlines such as wharves and boat ramps). Far North 2100 considers infrastructure retreat.
	Maritimes assets	Changes in demographic and population particularly in eastern areas with high growth. This results in high demand for maritime assets and services including parking and can cause safety issues.
 People	All	There has been loss of people capability and capacity with the various management structure changes.
 Process	Built spaces, open spaces	Deferred maintenance and renewals, the need to minimise rate increases and a historic underinvestment in this activity has resulted in poor quality assets.
 Data	Built spaces, open spaces	There is limited utilisation data available for built and open spaces assets. Understanding current demand is important to plan for future growth.
		Asset data is not always used to inform asset management planning. Condition data has been collected for most asset groups but not always stored in a system.
 System	All	There is currently no asset management system for managing the built spaces There have been various system reviews completed but no preferred system has been agreed corporately to date.








2.4.3. Strategic challenges - solid waste activity

The solid waste activity in the Far North, and across the country, is currently undergoing significant change, triggered by:

- National waste sector disruption from the Government releasing its Te rautaki para | Waste strategy in early 2023, along with announced changes to standardise kerbside collection services and introduce national targets for the amount of household waste diverted away from landfill. As part of this, there is a new requirement for kerbside recycling services to be provided by Council before 2027 and kerbside food collection services by 2030 (although timing may change by the new Government).
- The recommendations from the Section 17A review of the Solid Waste Service, completed in late 2022, have been modified to incorporate the direction set by the central Government.
- Council's 2017 Waste Management and Minimisation Plan was reviewed at the end of 2023 and the decision was made to update the plan to set new objectives and targets for the next six years, in line with central Government's Waste Strategy and the Far North's broader values.
- Contracts for the operation of Council's network of Refuse Transfer Stations and Community Recycling Centres will expire towards the end of 2024 and replacement contracts are in the process of being procured so these services remain available. In light of the changes described above, pricing for additional services has been included and the replacement contracts will include options for including kerbside collection services in the future.

The key issues in managing the solid waste activity are summarised in the table below:

Table 7 Key issues – solid waste activity

Focus areas	Key issues
 Management	Historically FNDC has let the private market provide kerbside collection services. Mandated changes mean FNDC in the future will need to provide kerbside recycling and food collection services as a minimum and community engagement to encourage behaviour change to support circular economy and waste minimisation. The proposed kerbside collection services are being investigated including the timing.
 People	There is only one dedicated person for the solid waste activity, with no back up and increasing demands with additional services and community engagement expected.
 Process	There is no proactive management of the leachate systems at the closed landfills.
 Data	There is general uncertainty in the extent and quality of solid waste data from kerbside and commercial sources due to these being private services. There is also a lack of transparency in solid waste volumes which makes setting appropriate reduction and diversion targets a challenge.
 System	There is currently no formal asset register for the solid waste activity. Finance's Fixed Asset Register is the default asset inventory list.

2.5. Land drainage activity

Council also owns four land drainage schemes - Kaitaia, Kaikino, Motutangi and Waiharara. These are mostly managed by the separate land drainage committees including setting works programmes and setting targeted rates. The land drainage network consists of open channels and some floodgates. The primary purpose of the land drainage network is to allow landowners to drain their land for pastoral use.



There was limited existing land drainage data and information to develop an activity management plan to inform the 2024 strategy. It is intended that this be improved to inform the 2027 strategy and included as an activity.

2.6. Regional collaboration

2.6.1. Northland context

As a remote district, regional collaboration and maintaining relationships are essential for FNDC in responding to legislative changes as well as connecting with Government agencies such as the Department of Internal Affairs and Waka Kotahi.

We regularly collaborate with neighbouring Whangārei and Kaipara District Councils at management level with various activity specific forums. To a lesser extent, the three district councils collaborate with Northland Regional Council for a regional integrated planning approach. This will increase with the development of the long-term Regional Spatial Plan as required by the new Spatial Planning Act 2023.

There have been regional strategic documents prepared jointly including:

- Regional Economic Development Strategy Te Rerenga (draft) (refer to Section 2.2.4).
- Regional Accessibility Strategy (draft and still to endorsed by Northland Forward Together and FNDC).

Historically, there has been limited regional collaboration for solid waste assets and services. This is partly due to FNDC letting the private market provide kerbside collection services. However, there is opportunity for greater regional collaboration with disruption in the waste sector and the Government's mandated requirements.

2.6.2. Management of Far North's assets

There are various custodial arrangements for managing FNDC's core infrastructure and maritime assets as summarised in the table below.

Table 8 Summary of asset custodial arrangements

Activity	Asset custodian	Responsibility	Description
Land transport	Northland Transportation Alliance (NTA)	Operational and maintenance, renewal and capital planning, Activity Management Plan development, road corridor access approvals.	NTA was established in 2016 and is a collaborative alliance between FNDC, Whangārei and Kaipara District Councils, Northland Regional Council, and Waka Kotahi. It combines and co-locates the individual council staff and resources.
Three waters	Far North Waters Alliance	Operational and maintenance, renewal and capital planning, Asset Management Plan development, consent monitoring compliance, drinking water compliance.	This is an alliance between FNDC and Ventia for managing the three water assets. Council and contractor's staff co locate and work as one team.
Maritime assets	FNHL	Operational and maintenance, renewal and capital planning, user fees administration, condition inspection reports, operating consents.	FNHL provides the day to day operational management of the maritime assets as well as technical asset management functions.



2.6.3. Long term and integrated planning

We will need to work with Far North Waters Alliance and NTA particularly for long term planning. The functional roles and responsibilities are relatively straight forward for the technical asset planning and service delivery elements. However, there are areas of overlaps in responsibility, particularly in strategic and growth planning, and relationships with iwi and key stakeholders. Essentially, FNDC is the *plan maker* and the entities are the *plan takers*.

The functional roles and responsibility aspects are defined in the table below and highlights the shared areas of responsibility (shown as shaded). There are areas where responsibilities are shared due to the nature of the work, complex issues, and understanding existing relationships.

Table 9 Functional roles and responsibilities

Key functions	Core activities	FNDC role	Entity role
Strategy	Identifies Community Outcomes for district	R	I
	Establishes long term policy and strategy for district	R	C
	Prepares Long Term Plan	R	C
	Prepares 30 Year Infrastructure Strategy	R	R
	Updates growth model for district	R	R
	Manage growth planning to identify the expected location, timing, and sequence of future development capacity	R	R
	Aligns three waters bulk infrastructure with district's growth maps and Infrastructure Schedule	I	R
	Establish service level outcomes for all assets including three waters and land transport	R	C
	Relationship with iwi and key stakeholders for three water assets	R	R
Technical asset management	Prepares Three Waters Asset Management Plan and Land Transport Activity Management Plan	I	R
	Collects and analyses asset data		R
	Integrates three waters and land transport asset management with Long Term Plan and 30 Year Infrastructure Strategy	R	C
Investment planning and prioritisation	Integrates planning processes	R	I
	Capital works prioritisation for three waters	C	R
	Uses the Te Ao Māori framework in growth planning decision making	R	I
Plans and manages network	Develops three waters and land transport forward works programmes	I	R
	Develops asset management delivery plans		R
	Monitors compliance and performance of three water and land transport assets	I	R
Service delivery	Delivers three waters and land transport capital works programme	C	R
	Delivers three waters and land transport operations and maintenance		R

Key for functional roles:

- R – Responsible
- C – Consult
- I – Informed.



Planning for infrastructure will be an iterative process particularly with information flows, data gaps, aligning strategic priorities and building relationships. The mechanisms for managing the integrated planning process and functional roles are:

- FNDC/NTA – Have developed an Integrated Transport Strategy (ITS) to address key transport issues faced by the district. A series of workshop developed the ITP Recommended programme of works.
- Far North Waters Alliance – annually through the Alliance Agreement.

The effectiveness of the integrated planning framework will be formally reviewed every three years sequenced with the Long Term Plan.

2.7. Growth planning

2.7.1. Where we are at

Council recognises its growth planning practices need to improve. FNDC is a reasonably sized district council based on population and geographic spread coupled with steady population growth. It needs to lift its practices and work towards planning for growth long term.

Significant work is underway / completed to improve the robustness of FNDC's strategic growth planning framework. These are:

- **Growth Planning Assessment** – Reviewed the current growth planning process and identified the required evidence base to support a Development Contributions Policy, Infrastructure Strategy and Spatial Plan. The draft Growth Planning Review (April 2023) included mapping data in GIS.
- **Development Contributions Policy Gap Analysis** – A stocktake of the existing evidence base to assist with a project plan for the preparation of a Development Contributions Policy. The Development Contributions Policy Gap Analysis (May 2023) identified required information for the different activities.
- **Spatial Plan** – FNDC is undertaking spatial planning to provide for growth and changes in the district. The Kerikeri-Waipapa Spatial Plan is the first spatial planning project being undertaken as part of the implementation of Far North 2100. FNDC will commence a project to develop a District Wide Spatial Strategy in 2024 that will inform long term growth and spatial planning objectives for the district.

The following activity specific tools have also been built to help with infrastructure planning including running scenarios:

- Transport network planning model.
- Water supply, wastewater, and stormwater hydraulic network models.

2.7.2. How do we get there

FNDC wishes to plan long term for growth with a 30-year horizon and understand where bulk infrastructure is required to service development. The outputs from the planning tools will inform our strategic planning and investment decisions.

We will achieve these desired growth planning outcomes through the multi-faceted approach. However, it will take time to lift our growth planning practices. In the interim, we will undertake various initiatives to build our growth planning capability and capacity. The future and interim growth outcomes and the alignment with Te Pae o Uta - te Ao Māori Framework are described in the following table.



Table 10 Future and interim growth outcomes

Focus areas	Alignment with Te Pae o Uta – Te Ao Māori framework	Interim growth outcomes – <i>transition</i>	Future growth outcomes – <i>aspirational</i>
People	Whaingā (Goal) 2 – Create enablers across staff to respond more effectively to Māori – people	<ul style="list-style-type: none"> Recruit to build an internal growth team including planning engineer. Work across Council teams to build sound evidence for infrastructure planning. Start to build cultural competency and capability for growth planning to strengthen awareness internally. 	<ul style="list-style-type: none"> Capable and fully resourced internal growth team to proactively plan long term and build relationships internally and externally.
Relationships	Whaingā (Goal) 1 - Increased Participation In council structures and decision-making processes - relationships	<ul style="list-style-type: none"> Build relationships with tangata whenua to understand growth / non-growth communities with Te Ao Māori view. Continue to foster the relationships with NTA and Far North Waters Alliance so infrastructure planning is integrated. Both entities are informed of FNDC's planning timeframes so there is alignment. 	<ul style="list-style-type: none"> We will develop long term growth plans to inform NTA and Far North Waters Alliance on providing bulk infrastructure to service development areas. We will collaborate with neighbouring Whangārei and Kaipara District Councils and be guided by Northland Regional Council's Regional Spatial Plan for regional integrated planning approach.
Planning tools	Whaingā (Goal) 2 – Create enablers across staff to respond more effectively to Māori – process	<ul style="list-style-type: none"> Continue to use the Proposed District Plan to inform growth planning until spatial planning tools are developed and ready to use. Develop and implement the prioritised work programme including the completion of a Far North District Wide Spatial Strategy. The process to develop the various growth planning tools are inclusive of Māori needs and issues. Develop sub district area plans (as detailed chapters of the District Wide Spatial Strategy) so identified growth areas are ready to go live in accordance with the Proposed District Plan 	<ul style="list-style-type: none"> We will have accurate and fit for purpose spatial planning tools available to run scenarios to inform investment decisions. We will have useful outputs from the spatial planning tools, sub district area plans and network planning models (land transport and three waters) to inform bulk infrastructure size, location, and timing. The planning outputs identify the expected location, timing, sequence of future development capacity in the growth areas and benefit areas. Continually review the process effectiveness and any new legislative, national or regional requirements such as regional spatial plans.
Decision making	Whaingā (Goal) 3 - Kōkiri Tahī – Empowered communities, working collaboratively – engagement	<ul style="list-style-type: none"> Identify the growth driven capital projects at FNDC, NTA and Far North Waters Alliance for the 10 year horizon. FNDC's proposed approach to growth planning is described in the Long Term Plan and Infrastructure Strategy documents. Start to use the Te Ao Māori framework in growth planning decision making internally. 	<ul style="list-style-type: none"> We will have 30 year horizon of infrastructure requirements including major capital projects that will inform our Long Term Plan, Financial Strategy and Infrastructure Strategy processes. The Te Ao Māori framework is used in growth planning decision making internally with FNDC staff.



Focus areas	Alignment with Te Pae o Uta – Te Ao Māori framework	Interim growth outcomes – <i>transition</i>	Future growth outcomes – <i>aspirational</i>
		<ul style="list-style-type: none"> FNDC starts to develop an anticipated timetable of development by areas so sequenced and scheduled by decades and populate in the Infrastructure Schedule. FNDC communicates the final Infrastructure Schedule internally and externally with infrastructure providers (including NTA, Far North Waters Alliance and Waka Kotahi). 	<ul style="list-style-type: none"> Undertake effective communication with Māori communities with growth planning particularly for non – growth / declining areas. Design the infrastructure alongside the hapu and within the communities. We will plan for growth based on sound evidence to ensure urban sustainability and affordable infrastructure. FNDC formally documents the district's growth planning approach and Infrastructure Schedule in a Future Development Strategy (or similar). We will identify and implement an appropriate mechanism for funding investment in the infrastructure that is required to support growth in our district.



3. Our Direction

3.1. Our significant challenges

In preparing this strategy, four strategic district infrastructure issues have been identified that are at the forefront of infrastructure planning and decision making. These are:

1. Sufficient evidence to make sound infrastructure decisions.
2. Lack of integrated planning particularly for growth planning.
3. Climate change impacts on the district and resilience of critical infrastructure.
4. Wellbeing of our community for healthy and sustainable outcomes.

3.2. Our management response

The key strategic issues, implications and Council's management response, and the alignment with Te Pae o Uta - te Ao Māori Framework are summarised in the following table.

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Table 11 Strategic district issues

Strategic issue	Alignment with Te Pae o Uta – Te Ao Māori framework	Implications	Council's management response
1. Sufficient evidence to make sound infrastructure decisions.	Whaingā (Goal) 2 – Create enablers across staff to respond more effectively to Māori – process	<ul style="list-style-type: none"> We know that we need to continue to invest in our infrastructure assets. We need to keep ahead so there is not an unsustainable deficit that is unaffordable for our current and future ratepayers. Investment is also required to ensure that our assets meet the levels of service to our communities, predicted growth, meets legislative requirements, and resilient to any disruption. We know that our underlying asset data to make good decisions need improving particularly for the non-core activities. We need to lift our AM capability to enable sound infrastructure decisions. 	<ul style="list-style-type: none"> Identify the missing asset data gaps through the 2024 AMP development including the Improvement Programmes with prioritised actions. Set up adequate processes and systems as well as people capability to ensure asset data is kept up to date, accurate and complete. Continue to implement the various transport asset data improvements identified with the Te Ringa Maimoa Data Quality Reports (Waka Kotahi partnership programme to lift AM capability). The process to improve the robustness of underlying data is inclusive of Māori needs and issues.
2. Lack of integrated planning particularly for growth planning.	Whaingā (Goal) 3 - Kōkiri Tahī – Empowered communities, working collaboratively – engagement	<ul style="list-style-type: none"> Far North's resident population has been steadily growing and is predicted to continue to grow. Greenfield development is predicted in specific areas including Waipapa, Haruru and Kerikeri South. We need to plan for growth based on sound evidence to ensure urban sustainability and affordable infrastructure. It will be a challenge to plan for growth with the core infrastructure effectively managed outside of FNDC at NTA and Far North Waters Alliance. 	<ul style="list-style-type: none"> Continue with our growth planning processes and fit for purpose tool development (refer to Section 2.4.3 for management response for growth planning). Test the introduction of a Development Contributions Policy in the 2024 LTP. Start to use the Te Ao Māori framework in growth planning decision making internally. We will work collaboratively with Far North Waters Alliance and NTA on planning for growth long term. FNDC will be the plan maker and the entities will be the plan takers.
3. Climate change impacts on the district and resilience of critical infrastructure.	Whaingā (Goal) 3 - Kōkiri Tahī – Empowered communities, working collaboratively – engagement	<ul style="list-style-type: none"> We are already experiencing impacts such as cyclones and record flood events. The Far North District is particularly susceptible to weather related events with our communities being cut off for long periods due to the state highways and our local roads being flood damaged. Food supplies were unable to come into our district as well as agricultural produce unable to leave. Tourist numbers were impacted with the State Highways cut off including cancelled cruise ships to the Bay of Islands. 	<ul style="list-style-type: none"> We will implement our prioritised work programme for climate change adaptation planning and implement across our activities (refer to Section 5.5.2 for strategic response to climate change). Renewals planning – Our critical assets are the priority for our renewal programmes. Noncritical assets are managed on reactive repairs / replacement. We renew our assets with a risk-based approach. Proactively improve transport network resilience and reliability when undertaking capital and renewals works.



Strategic issue	Alignment with Te Pae o Uta – Te Ao Māori framework	Implications	Council's management response
		<ul style="list-style-type: none"> A key focus is strengthening the infrastructural resilience of our infrastructure assets. Infrastructure resilience is tested in the Far North District as it is exposed to a variety of natural hazards coupled with climate change including landslides, flooding, and storms. These natural disasters can cause considerable damage to infrastructure assets and affect delivery of service. 	<ul style="list-style-type: none"> Operational transport response – NTA will continue with its operational response including closed roads due to road slips or under slips. NTA will continue with road drainage maintenance including hotspots in urban areas and vulnerable sections of the rural network that are prone to blockages and cause flooding. Alternative transport routes – NTA will continue to accommodate emergency diversions from State Highway routes in collaboration with Waka Kotahi. We will invest in risk mitigation on vulnerable sections of the transport network. Remote communities - We will continue to utilise emergency planning for potentially isolated communities. We will explore capital investment options to strengthen resilience for the isolated communities where practical and affordable. We will develop Community Adoption Plans and undertake community education. We will work alongside the hapu and within the communities to understand the issues and design culturally useful solutions.
4. Wellbeing of our community for healthy and sustainable outcomes.	Whaingā (Goal) 3 - Kōkiri Tahī – Empowered communities, working collaboratively – well being	<ul style="list-style-type: none"> Far North District continues to experience higher levels of deprivation compared to other parts of the country when using the New Zealand Deprivation Index. On a scale of one to ten (least to most deprived scores), Far North District is assessed individually as having a score of 8.1. There is also a risk of increasing existing inequities and creating new and additional inequities particularly with housing in the Far North District. Identified housing issues include increasing waiting lists for social housing. Research has shown that housing often fails to meet the needs of diverse populations. A recent publication by the Royal Society Te Apārangi (2021) highlighted inequalities in housing, particularly for Māori. Inequities have grown in the Far North District with cost of 	<ul style="list-style-type: none"> Our community puts a high value on communal spaces for their wellbeing. We are strengthening our strategic planning framework including developing Open Space and Housing Strategies to improve inequities and liveability in our communities. We will work iwi and hapu to understand the issues in developing strategies that impacts their wellbeing. Continue to seek external funding where applicable to offset the large capital projects and impact on the general rates. Undertake sound activity management planning so capital expenditure can be forecast over the longer term to smooth any short-term spikes.



Strategic issue	Alignment with Te Pae o Uta – Te Ao Māori framework	Implications	Council's management response
		living pressures and significantly increase in demand for emergency housing.	

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4. How We Manage Our Infrastructure

4.1. Asset management approach

4.1.1. Overall asset management approach

Council is committed to providing good quality infrastructure assets that serve the needs of the community. The asset management approach is for the sustainable management of its assets and activities. Effective asset management requires the balance between levels of service, risk and cost as shown in the figure below.

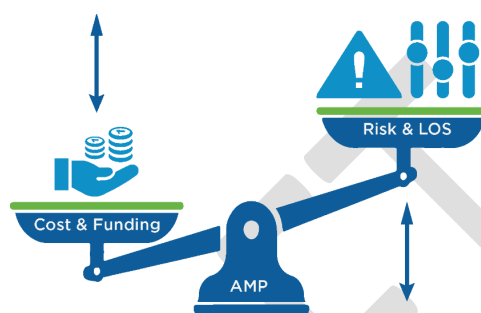


Figure 9 Asset management balancing act

An Asset Management Policy sets out the requirements for appropriate management of its assets and activities. It also defines the principles and responsibilities that an organisation applies when managing its infrastructure assets. FNDC currently does not have a documented Asset Management Policy. The development of an Asset Management Policy is recognised as a high priority improvement action as it will ensure consistency across the diverse range of infrastructure assets including those managed by various custodial arrangements.

4.1.2. Building asset management capability

We wish to lift our internal asset management capability and capacity, particularly for non-core assets. Council's asset management practices are still evolving and the focus is on getting the right building blocks in place. This will be through investing in people coupled with data, processes and systems. The technical 2024 Asset Management Plans (where developed) have identified improvements based on the opportunities identified through the plans' development consistent with good industry practice. Note that Asset Management Plans still need to be developed for the three water activities.

4.1.3. Capital works delivery

There have been significant underspends over the last two years mainly due to:

- Restrictions due to COVID lockdowns in the Northland Region. This was impacted again with Auckland Region's restrictions cutting the Northland Region off from the rest of the country.
- Inadequate internal resourcing to deliver the planned works.
- Various management restructures hampering activity resourcing and inconsistent, clear strategic direction.

Capital works delivery continues to be a focus for Council and has been identified as one of FNDC's top risks. We are building confidence in the delivery of the capital works programmes through the following practices:

- Increasing internal capability and capacity.
- Embedding the project management improvements as business-as-usual practices.
- Strengthening project management, reporting and governance controls so there is transparency for Far North's community, elected members and our funding partners.



There is a higher level of renewals increasing over the five year period. This is to repair the district's flood damaged road network and to be more proactive in three water assets.

As part of Council's strategic community wellbeing priority, gaining external funding is important for the Far North District. Our funding partners need to be assured that we have sound project management practices for delivering the capital works programmes.

4.1.4. Evidence base improvements

Asset condition and performance enables an assessment of the current asset state. Having knowledge of asset condition enables more accurate prediction of maintenance requirements and timing for renewals. Condition and performance are better indicators of current asset state rather than using age (as this tends to be theoretical, based on design lives, and is not always available).

Council is committed to improving its knowledge and understanding of the assets as this information is used to inform its investment decisions (refer to Section 4.3 Reliability of Information). Improving data reliability will take time and recognised as strategy improvements to inform the 2027 Infrastructure Strategy.

4.2. Levels of service

4.2.1. Levels of service framework

Levels of service describe the outputs Council is expected to deliver through the management of the physical assets from a customer, legislative or regulator point of view. The Levels of Service Framework is the structure to align the Council's Vision and Community Outcomes to delivery of the services and contractual performance measures. The Levels of Service Framework is shown in figure below.

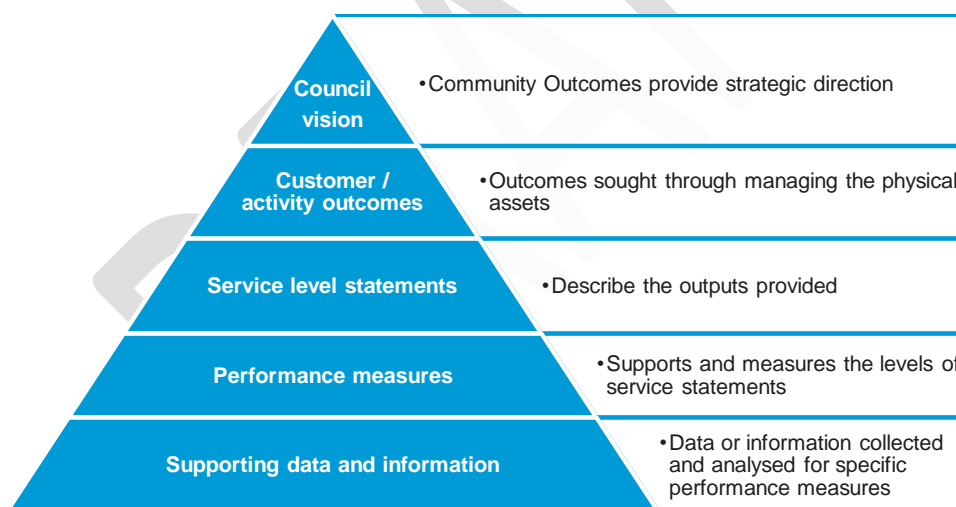





Figure 10 FNDC's Levels of Service Framework

4.2.2. Transport customer levels of service

The customer levels of service for the land transport activity are summarised in the table below including performance for 2022/23 based on the Annual Report. It is noted that many of the performance measures were not achieved in 2022/23 due to the high frequency of weather-related events.

The levels of service are based on the mandatory performance measures as set by the Department of Internal Affairs, Waka Kotahi's requirements and good industry practice. The Transport Activity Management Plan provides the supporting detail and technical levels of service, performance measures and past results against targets. Recent results on Smooth Travel Exposure and roughness performance measures are provided in Section 6.1 Land Transportation.

Table 12 Customer levels of service – land transport

Community Outcomes	Customer Outcomes	Customer Levels of Service	Achieved (2022/23 results)
Communities that are healthy, safe, connected, and sustainable 	Safety	To maintain the district's roading network in a satisfactory condition and in accordance with national safety and engineering standards – measured by fatalities and serious injury crashes.	Not achieved
	Quality	Measured by Smooth Travel Exposure.	Achieved
		Maintained to roading contract requirements.	Not achieved
	Condition	Measured by road resurfacing percentage.	Not achieved
		Measured by road rehabilitation percentage.	Not achieved
Connected communities that are prepared for the unexpected 	Responsiveness	Responding to customer service requests – urgent and non-urgent.	Not achieved
		Hokianga Ferry Service will run in accordance with advertised timetable.	Achieved
A wisely managed and treasured environment that recognises the role of tangata whenua as kaitiaki 	Environmental Sustainability	Effects of the natural environment are minimised	Proposed / Not measured

Key:

No data, new measure	Improvement/Achieved	Needs attention	Not achieved
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4.2.3. Three waters customer levels of service




The customer levels of service for the water supply, wastewater and stormwater activities are summarised in the table below including performance for 2022/23 based on the Annual Report. The levels of service are based on the mandatory performance measures as set by the Department of Internal Affairs and good industry practice.

Notes on compliance with drinking water requirements:

- Drinking water compliance was reported against two different requirements for 2022/23.
- Taumata Arowai introduced the Drinking Water Quality Assurance Rules that came into effect on 14 November 2022 and reporting was required from 1 January 2023.
- From 1 July to 31 December 2022, compliance was measured against Part 4 and Part 5 of the Drinking Water Standards 2005 (revised 2018).
- From 1 January to 30 June 2023, compliance was measured against Drinking Water Quality Assurance Rules (2022) with a target of 100% bacteria and protozoa compliance.

It is noted that the stormwater performance measure on system performance was not achieved in 2022/23 due to the high frequency of weather-related events, and as a result higher volume of Request for Service.

Table 13 Customer levels of service – three waters

Community Outcomes	Customer Outcomes	Water supply (2022/23)	Wastewater (2022/23)	Stormwater (2022/23)
Communities that are healthy, safe, connected, and sustainable 	Safety	To provide reliable and sustainable water supply, ensuring sustainable development and adequate water supply in times of emergency (<i>against both reporting requirements as noted above</i>)	Provide reliable wastewater infrastructure, protecting the environment and community (<i>dry weather overflows</i>)	To enable sustainable development through urban stormwater infrastructure (<i>number of flooding events</i>)
	Quality / condition	To provide reliable and sustainable water supply, ensuring sustainable development and adequate water supply in times of emergency (<i>customer complaints</i>)	Provide reliable wastewater infrastructure, protecting the environment and community (<i>total number of complaints received by the territorial authority</i>)	
Connected communities that are prepared for the unexpected 	Responsiveness	To provide reliable and sustainable water supply, ensuring sustainable development and adequate water supply in times of emergency (<i>median response times where the local authority attends a call-out in response to a fault or unplanned interruption to its networked reticulation system</i>)	Provide reliable wastewater infrastructure, protecting the environment and community (<i>median response times where the territorial authority attends to sewerage overflows resulting from a blockage or other fault in the territorial authority's sewerage system</i>)	To enable sustainable development through urban stormwater infrastructure (<i>median response time to attend a flooding event</i>)
A wisely managed and treasured environment that recognises the role of tangata whenua as kaitiaki 	Environmental Sustainability	To provide reliable and sustainable water supply, ensuring sustainable development and adequate water supply in times of emergency (<i>percentage of real water loss from the local authority's networked reticulation system</i>)	Provide reliable wastewater infrastructure, protecting the environment and community (<i>compliance with the territorial authority's resource consents for discharge from its sewerage system</i>)	To enable sustainable development through urban stormwater infrastructure (<i>compliance with the territorial authority's resource consents for discharge from its stormwater system</i>)
		To provide reliable and sustainable water supply, ensuring sustainable development and adequate water supply in times of		





Community Outcomes	Customer Outcomes	Water supply (2022/23)	Wastewater (2022/23)	Stormwater (2022/23)
		emergency (average water consumption is within accepted industry limits)		

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4.2.4. Proposed changes to levels of service

The service areas where Council wishes to improve its actual performance and / or changes to the levels of service are described in the table below. These are discussed further in Section 6 of the Infrastructure Strategy at the activity level.

Table 14 Proposed changes to levels of service

Activity	Proposed changes to levels of service
<p>Land transport</p> 	<ul style="list-style-type: none"> The mandatory levels of service as set by the Department of Internal Affairs will remain unchanged. The land transport sector is introducing a new framework called differential levels of service. This will enable a better understanding between levels of service, risk and cost. Council is introducing the differential levels of service with the with 2024 AMP / funding round in collaboration with NTA.
<p>Water supply, wastewater, stormwater</p> 	<ul style="list-style-type: none"> There are no proposed changes to the levels of service for the three water activities as it has been assumed that the mandatory levels of service will remain unchanged until the form of the three water services is determined by the new Government.









4.3. Reliability of information

Council is committed to improving its knowledge and understanding of the assets. It is important that the data and information used in renewal planning is sound. This provides assurance that the forward works plans represent good use of funds.

The data quality for the non-core assets need to improve and has been identified as a strategic challenge. Council wishes to improve its data collection and quality in relation to its non-assets.

The data confidence in the non-core and three water activities is summarised in the table below at major asset level with detail in each Asset Management Plan (based on asset management specialist knowledge). In particular, there is low confidence in the three waters asset data compared to the other activities. The data reliability of transport assets is covered in Section 6.1.

Table 15 Summary of data confidence

Activity	Major asset classes	Asset age	Asset condition	Inventory completeness	Overall
Built spaces 	Community buildings	A	C	C	C
	Community halls	A	C	C	C
	Housing for the Elderly	A	C	C	C
	Libraries	A	C	C	C
Maritime assets 	Boat ramps	C	B	B	B
	Wharves / jetties	C	B	B	B
Open spaces 	Cemeteries	C	B	C	C
	Parks and reserves	C	B	C	C
	Playgrounds	C	B	B	B
	Structures	C	C	C	C
Solid waste 	Resource Recovery Centre	B	B	B	B
	Consented Closed Landfills	D	C	C	C
Water supply 	Reticulation	C	D	B	C
	Plant	D	D	C	D
Wastewater 	Reticulation	C	D	B	C
	Plant	D	D	C	D
Stormwater 	Reticulation	D	C	C	D
	Plant	D	D	D	D
Land drainage 	Stopbanks	E	E	E	E
	Land drainage pump stations	D	D	D	D

Key:

- A: the data is accurate ($\pm 5\%$) and based on reliable documentation
- B: data is based on some supporting documentation but is less certain ($\pm 15\%$)
- C: uncertain data, fair amount of assumptions and local knowledge used to reach the conclusions ($\pm 30\%$)
- D: very uncertain data where there is no formal documentation to base an assessment on ($\pm 40\%$)
- E: Unknown.

5. Risk Management

5.1. Risk management approach

Council takes a comprehensive approach to risk management including:

- Policy - Council's Risk Management Policy (2019).
- Governance - Te Miromiro - Assurance, Risk and Finance Committee.

FNDC is committed to ensuring sustainable and effective management of risks at all levels. The approach for managing the infrastructure balances risk and performance while providing cost effective services. At an activity level, these infrastructure risks need to be considered holistically as part of the asset management planning approach including considering criticality in decision making.

FNDC's Strategic Leadership Team reviews the corporate risks on regular basis and closely monitor the top ten risks.

5.2. Climate change impacts and actions

5.2.1. Regional predictions and context

Climate change is a major issue facing all infrastructure providers and the built environment. Changes in climate such as rainfall, temperature and wind are already occurring and impacting regions differently. Climate change predictions for the Upper North Island include:

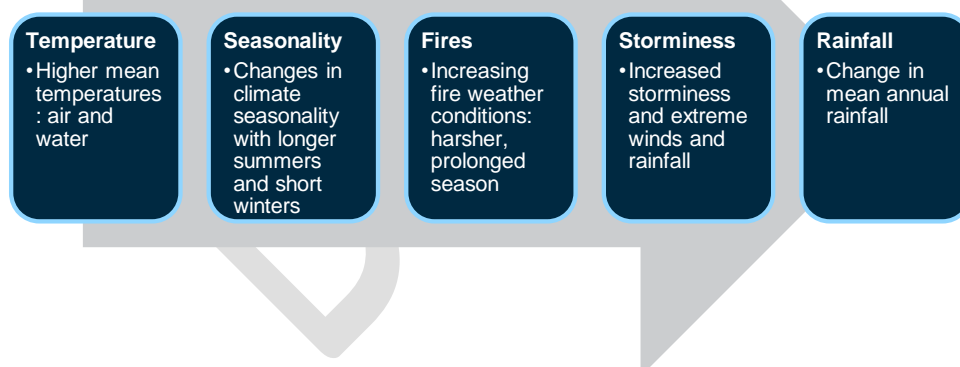


Figure 11 Climate change predictions for Upper North Island
Source: NIWA's snapshot for Zone 1

The Far North District's geographical attributes make it susceptible to climate change impacts and extreme weather events. The long and indented coastline is prone to coastal erosion. The top of the North Island in particular Far North is impacted by multiple and extreme weather systems. This results in communities being cut off when roads are damaged or submerged and houses are flooded. The entire district is effectively cut off when the critical state highways fail due to landslips.



These extreme weather events have direct impacts on the economy and the community. The movement of goods, services, residents, and visitors is restricted when the local road network and state highways are severed for long durations. Potential impacts on the state highways may also make the Far North unattractive to tourists. Cruise ships scheduled to dock at the Bay of Islands were cancelled in the 2002/23 season due to multiple road closures as international visitors were unable to go on planned day trips.

The impacts of extreme weather events on our district's infrastructure in the last three years has been significant. Our roading network has been particularly impacted with significant number of slip events over the last three years.

Climate change is impacting our district already, and we will need to change our approach to infrastructure management and planning to respond. The changes will require us to think about how to build resilience throughout our network, and to reconsider the ways that our infrastructure supports the wellbeing of our communities. It will require us to consider how we can ensure that our communities are able to continue to be connected through extreme weather events, and whether the current infrastructure solutions continue to be appropriate.

5.2.2. Management response to climate change

Council wishes to lift its management practices in responding to climate changes. Council's strategic response to climate change requires the creation of policies, plans and tools which will require community consultation and involvement. It will also require working alongside Māori to involve them on making resilient communities.

Our Māori community have strong cultural and ancestral connections with their whenua. Our infrastructure supports the connection of their kainga, marae, urupā and other culturally significant sites. As we consider our infrastructure and planning responses to climate risks and hazards, we will need to engage with local iwi and hapu to ensure our solutions are culturally appropriate.

Council's strategic response and the alignment with Te Pae o Uta - te Ao Māori Framework are summarised in the table below.



Table 16 Strategic response to climate change

Management category	Alignment with Te Pae o Uta – Te Ao Māori framework	Issues / risks	Council's strategic response / proposed actions
Policies	Whaingā (Goal) 2 – Create enablers across staff to respond more effectively to Māori – policy	<ul style="list-style-type: none"> There are no existing documented rules on how FNDC will respond to climate change in a consistent way across its infrastructure assets, and how it will be considered in decision making. 	<ul style="list-style-type: none"> Policy - A draft Climate Action Policy has been developed and it is expected to be endorsed / adopted in late 2023. Plan - A Climate Action Implementation Plan is being developed to put the Climate Action Policy into action and ultimately become part of business as usual. It will be applied across Council's staff and service providers. Governance - A Reference Group has been formed to provide oversight of implementing the Climate Action Policy. It includes representatives across FNDC's teams and NTA. The Reference Group will periodically report on progressing the Climate Action Implementation Plan.
Plans	Whaingā (Goal) 1 - Increased Participation In council structures and decision-making processes – relationships – decision making	<ul style="list-style-type: none"> The work programme covers many projects with competing priorities. 	<ul style="list-style-type: none"> Prioritisation - The proposed climate change projects have been prioritised using a quadrant to guide decision making on the climate risk levels against acceptable solutions.
Tools	Whaingā (Goal) 3 - Kōkiri Tahī – Empowered communities, working collaboratively – well being	<ul style="list-style-type: none"> Threat to Council infrastructure and the wider community due to natural disasters and climate change. Māori wellbeing may not have been incorporated into the community adaptation planning approach. 	<ul style="list-style-type: none"> Hazards - Strengthening resilience by identifying hazards better. A 3D map (online platform) has been prepared of the Far North District's hazards. It includes social and cultural factors. Vulnerability – A risk model has been developed to run scenarios and to test options for impacted communities as well as infrastructural solutions such as submerged road sections. This is similar to the model developed for Christchurch City Council with the impact of earthquakes on homes, roads and utilities. Community adaptation planning – We need to build community resilience by engaging with them to understand their area specific issues. The goal is for each community to develop a plan for how to adapt. We intend to start one macro level Community Adaptation Plan each calendar year that are area specific. These projects will be multiyear, and it is intended to work towards three projects running at any given time. <p>There will also be about 3 smaller / micro projects per year including marae based. We will work alongside the hapu and within the communities to understand the issues and design culturally useful solutions.</p> <ul style="list-style-type: none"> Community education – We intend to roll out tools and calculators suitable for community groups to learn about preparing for climate change and awareness on sustainability. The focus is on schools, libraries, maraes, and businesses.



5.2.3. Activity level actions

Our specific proposed actions at activity level are outlined in the table below with further detail in each Activity / Asset Management Plan.

Table 17 Activity response to climate change

Activity	Alignment with Te Pae o Uta – Te Ao Māori framework	Issues / risks	Council's strategic response / proposed actions
Land transport	Whaingā (Goal) 3 - Kōkiri Tahī – Empowered communities, working collaboratively – well being	<ul style="list-style-type: none"> Road slips / under slips. Erosion undermining road sections and bridges. No / limited access to communities with single roads. The Far North District is cut off due to damage to state highways and / or local roads isolating communities and stopping the movement of goods, services, and visitors. 	<ul style="list-style-type: none"> Identification of critical bridges and culverts and development of renewal management strategies. Increased frequent inspection / maintenance of road drainage systems. Identification of vulnerable road corridors to water erosion, slips, undermining. Working with Waka Kotahi, Whangārei and Kaipara District Councils to strengthen the critical routes into Far North District. Influencing Waka Kotahi to invest in the resilience of state highway routes to Far North District. Roll out the development of Community Adaptation Plans for each community with a focus at those most at risk, We will work alongside the hapu and within the communities particularly in remote areas to strengthen resilience and preparedness for natural disasters.
Built spaces	Whaingā (Goal) 2 – Create enablers across staff to respond more effectively to Māori – processes	<ul style="list-style-type: none"> Existing facilities designed to legacy standards that have not considered climate change impacts such as higher intensity and more frequent rainfall events, warmer temperatures. The energy efficiency of the existing buildings is not proactively monitored. 	<ul style="list-style-type: none"> Working towards a risk-based renewals and investment strategy. Explore applying for Energy Efficiency and Conservation Authority (EECA) funding to install monitors to improve building energy efficiency.
Open spaces	Whaingā (Goal) 3 - Kōkiri Tahī – Empowered communities, working collaboratively – engagement	<ul style="list-style-type: none"> Existing parks designed to legacy standards that have not considered climate change impacts such as higher intensity and more frequent rainfall events. The parks and tracks are vulnerable to slips, fallen trees and wash outs. 	<ul style="list-style-type: none"> Working towards a risk-based renewals and investment strategy. Build resilience into the repairs to the track and improved damage. Work with Māori to seek sustainable long term solution for at risk tracks.
Maritime assets	Whaingā (Goal) 3 - Kōkiri Tahī – Empowered communities, working collaboratively – engagement	<ul style="list-style-type: none"> Some boat ramps may be impacted by coastal inundation risk resulting in them being unusable. 	<ul style="list-style-type: none"> Review and monitor at risk boat ramps and potential infrastructure retreat. Discuss with hapu on the impact of some boat ramps not being available for use long term.










Activity	Alignment with Te Pae o Uta – Te Ao Māori framework	Issues / risks	Council's strategic response / proposed actions
		<ul style="list-style-type: none"> Scheduled cruise ships to the Bay of Islands due to severe weather events resulting in loss of visitors to the district and economic impact. 	
Solid waste	Whainga (Goal) 2 – Create enablers across staff to respond more effectively to Māori – processes	<ul style="list-style-type: none"> Erosion risk of closed landfills increases. 	<ul style="list-style-type: none"> The closed landfills are regularly monitored, and rock protection is used to mitigate the erosion risk where necessary.
Water supply	Whainga (Goal) 2 – Create enablers across staff to respond more effectively to Māori – processes	<ul style="list-style-type: none"> Prolonged droughts may result in restrictive consent conditions for water takes from streams and waterways. Vulnerability of critical pipelines to land slips. 	<ul style="list-style-type: none"> Upgrade treatment plants / reconfigure supply areas to address reduction in demand due to restrictive consent conditions for water takes from rivers and streams. Continue to use seismically resistant materials for critical assets.
Wastewater	Whainga (Goal) 2 – Create enablers across staff to respond more effectively to Māori – processes	<ul style="list-style-type: none"> Inflow and infiltration increase and reduces pipeline capacity during storm events resulting in more frequent wet weather overflows. Pump station vulnerability due to flooding inundation. 	<ul style="list-style-type: none"> Develop a cost effective infiltration and inflow programme to prioritise the catchments for remedial works.
Stormwater	Whainga (Goal) 3 - Kōkiri Tahī – Empowered communities, working collaboratively – well being	<ul style="list-style-type: none"> Increased flooding due to pipe capacity issues. Land stability issues causing increased sediment runoff into waterways. 	<ul style="list-style-type: none"> Continue to monitor flooding risk to residential properties with the more intense and frequent storms. Design new stormwater infrastructure in line with our engineering design manual. Continue to invest in flood mitigation projects to improve the resilience of flood prone urban areas.



5.3. Critical assets

A key element of Council's asset management planning approach is to define the critical and non-critical assets. This helps with the day-to-day operations of the infrastructure as well as the renewal strategies. An overarching principle is not to have any unforeseen critical asset failures.

Council's risk-based approach to renewing the assets gives priority to public health and safety issues first then critical assets. This ensures the provision of resilient infrastructure. We are still evolving in using criticality in our investment decision making. The most critical assets are shown in the table below at activity level (some are not owned by Council but shown for completeness).

Table 18 Summary of critical assets

Activity	Critical assets
Land transport 	<ul style="list-style-type: none"> • Rooding network and its bridge stock as lifelines for communities • Single access roads to communities • Assets along lifeline routes • State Highways 1, 10, 12 & 15 (owned by Waka Kotahi) are connectors between communities and freight routes • Hokianga Harbour Ferry
Built spaces 	<ul style="list-style-type: none"> • Housing for the Elderly • Animal shelters • Civil Defence building (EOC) – Kaikohe • Potable water supply to facilities (private systems)
Open spaces 	<ul style="list-style-type: none"> • Cemeteries • EV charging stations • Sport centre buildings • Significant structures (particularly bridges, high structures or structures over roads) • Seawalls, stopbanks, and floodgates • Playground structures
Maritime assets 	<ul style="list-style-type: none"> • For medical / community - Te Karaka, Opononi, Rawene, Narrows and Kohukohu • For fuel – Pukenui, Mangonui, Clansman, Totara North, Doves Bay, Russell and Opua • For tourism – Waitangi, Russell, Opua and Paihia
Solid waste 	<ul style="list-style-type: none"> • Refuse Transfer Station network • Resource Recovery Centre at Kaitiāia • Closed landfills including the leachate management systems • The transportation network for the continued execution of solid waste services • Contracted assets (for services mandated by public health requirements)
Water Supply 	<ul style="list-style-type: none"> • Raw watermains • Pipes greater than 250mm in diameter • Pipe intersects state highway carriageway • Pipe crossing aerial (simple support or no support) • Mains between water sources / head works and reservoirs • Rising mains, pump stations, treatment plants, reservoirs, and pressure control valves • Telemetry links • Generators – plants and pump stations
Wastewater 	<ul style="list-style-type: none"> • Pipe bridges • Pipe intersects state highway carriageway • Pipe crossing aerial (simple support or no support)

Activity	Critical assets
	<ul style="list-style-type: none"> • Trunk and rising mains • Pump stations • Treatment plants including inlet and outline lines • Telemetry links • Generators – plants and pumps stations
Stormwater 	<ul style="list-style-type: none"> • Pump stations • Culverts and ponds and detention dams • Pipe intersects state highway carriageway • Flume crossing aerial (simple support or no support)
Land drainage 	<ul style="list-style-type: none"> • Stopbanks • Floodgates • Pump stations • Land drains

6.1.1. Activity overview

The maintenance and management of the local roading network is a core function of Council. Transportation forms Council's largest asset group with roading and footpaths accounting for 81% of Council's core assets. FNDC's road network is mainly unsealed at 64%. It is one of the largest local roading network in New Zealand after Auckland Transport at 7,716km, Southland District Council at 4,961km and Clutha District Council at 2,903km.

[illegible]

Figure 12 Map showing State Highways in Far North District

6.1.2. Asset summary

Key transport assets include 2,507 km of roads 36% sealed and 64% are unsealed as shown in figure below, and a vehicle ferry service across the Hokianga Harbour.

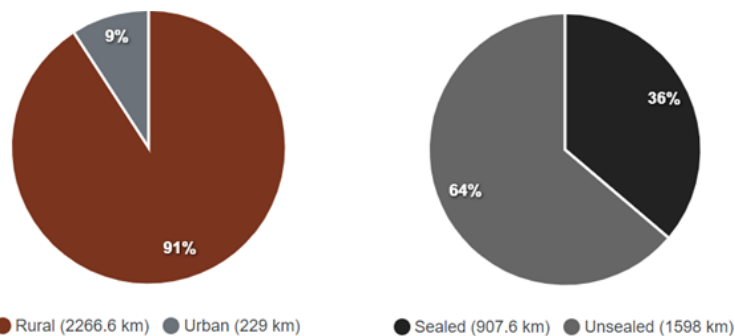


Figure 13 Network characteristics

Council owns and manages \$2.3 billion (replacement value as at June 2023) of transport assets including the Hokianga Ferry. The major transport asset classes are summarised in the table below.

Table 19 Transport asset summary

Far North District Council				
				
2,509km Total Road Network	910km of Sealed Roads	1,598km of Unsealed Roads	723 Bridges and Large Culverts	26,978 Drainage Systems
				
234km of Footpaths	87km of Cycleways	1,995 Streetlights	17,715 Signs	Hokianga Ferry Service

6.1.3. Asset age profiles

FNDC have a significant quantity of Primary and Secondary class roads in terms of resurfacing either beyond or approaching end of life. Due to impacts recognised with the problem statement these roads are being pushed. When surfacing does occur these roads are often beyond pre-seal and reseal and need to be manged into the pavement rehabilitation programme.

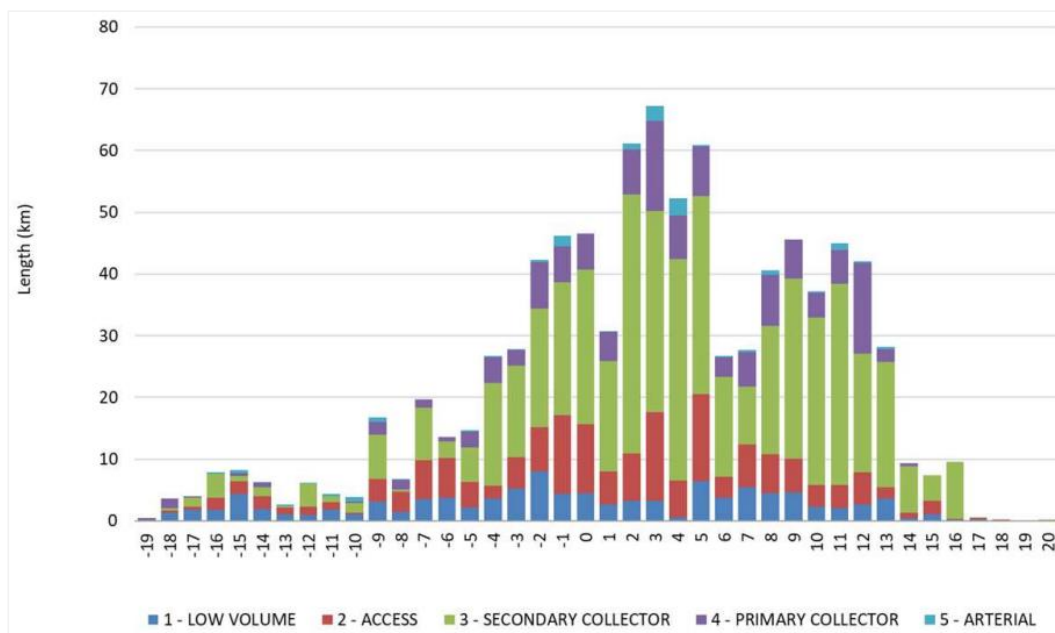


Figure 14 Surface remaining life profile (years) by road category.

Source: NTA AMP

6.1.4. Asset condition and performance

This section provides an overview of the current state of the transport assets as measured by condition and performance. Road quality is covered in the following section, Transport Levels of Service. The table below illustrates the condition distribution of the main asset groups.

Table 20 Condition distribution

	Excellent	Good	Average	Poor	Very Poor	Unknown
Bridges	7%	45%	39%	8%	2%	0%
Culverts	15%	49%	25%	9%	1%	1%
Retaining Walls	45%	22%	18%	1%	2%	11%
Footpath	52%	37%	9%	2%	0.3%	0%

Source: NTA AMP

FNDC length of rutting greater than 20mm in depth, reaching terminal pavement failure, is generally static and declining. The last plan has managed to arrest the rutting issues. However, the length of network greater than 20mm rutting is still concerning and represent a large quantity and requires continued delivery of this plan as proposed.

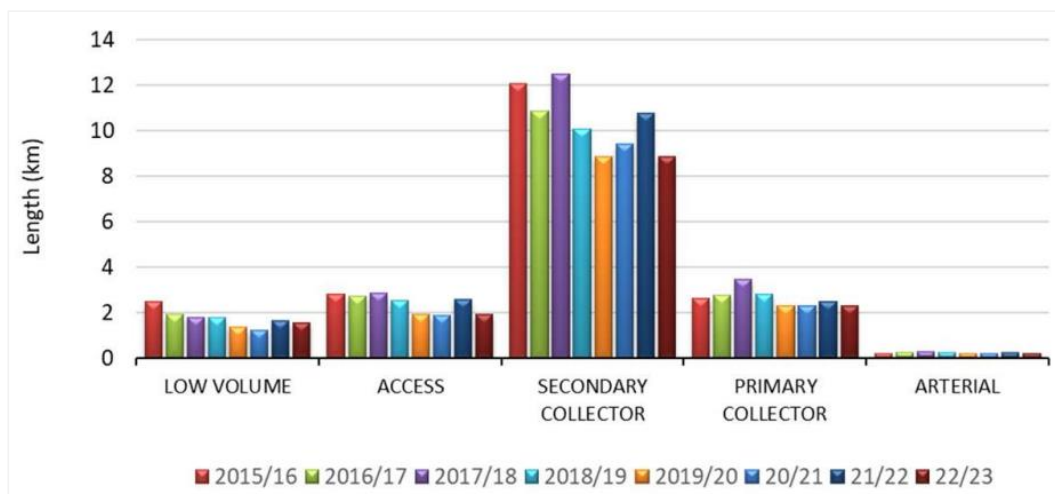


Figure 15 Length of rutting >20mm depth

The Kohu Ra Tuarua – Hokianga Ferry was built in 1999 and has a design life of 30 years. The vessel is maintained under the Maritime Operator Safety Systems (MOSS) and has a Certificate of Survey in compliance with Maritime New Zealand Rules. The Ferry has various servicing schedules based on hours used and during these periods planned maintenance works are undertaken to ensure the Ferry is safe and seaworthy. The Ferry will need to be replaced within 5-7 years.

6.1.5. Te Ringa Maimoa – Data Quality

Confidence of the land transport asset data is measured via Te Ringa Maimoa Data Quality reports. FNDC scored low in asset inventory and condition categories and below the national average as shown below.

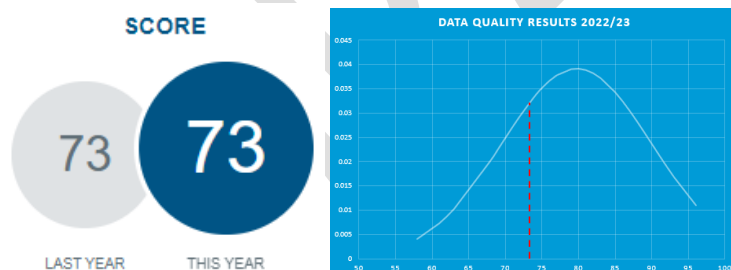


Figure 16 Te Ringa Maimoa Data Quality results & National benchmarking

6.1.6. Road safety

Road safety is the most important measure of the network performance. The road safety trends for the last 5 years are shown in the figure below. This shows that the overall number of crashes have been increasing, with the rural connectors category still showing the highest quantity of crashes.

Counts by year

This chart shows the cumulative deaths and serious injuries counts for the last five years, for the categories that are selected. Select Urban or Rural or specific categories to see the combined counts for those categories.

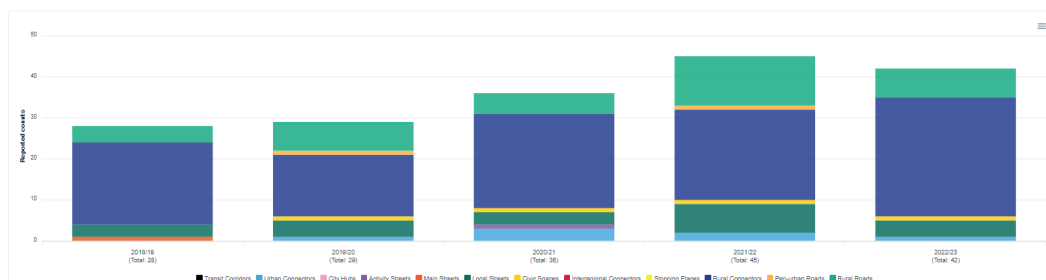


Figure 17 Road safety trends by years

6.1.7. Road quality

The average quality of roads is measured in terms of Smooth Travel Exposure (STE). The STE results for 2023 distributed over the road categories of the One Network Framework are shown in the figure below. This shows that average quality of roads is improving (the arrows on top of each bar graph show the trend direction for that road category).

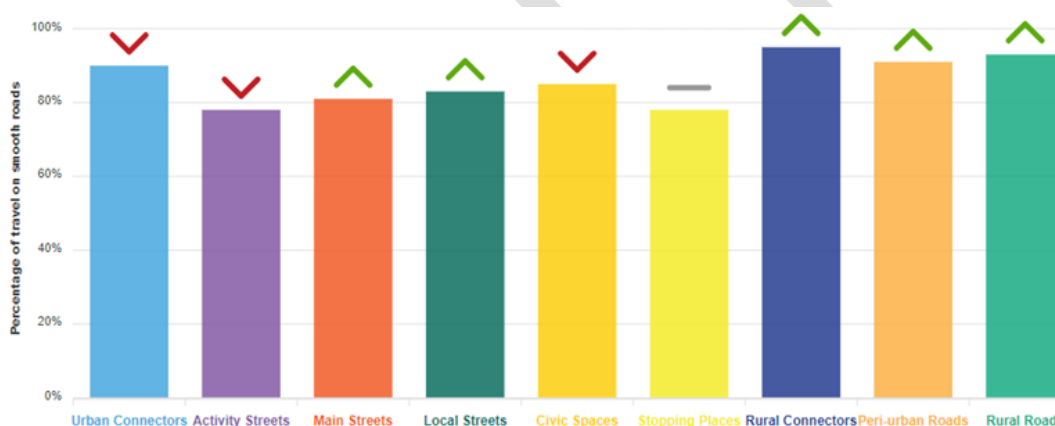


Figure 18 STE results and trends for 2023

6.1.8. Key challenges – land transport

The key challenges for the land transport activity are summarised in the table below with further detail in the Activity Management Plan.

Table 21 Key challenges for land transport activity

District infrastructure issues	Key challenges	Discussion / management response
Sealed Roads	Backlog of works, cost escalations and deterioration of the pavements.	<p>Carryout an adequate programme of pavement renewals that will enable the sealed pavement to be maintained in a fit for purpose condition while optimizing the long-term maintenance costs.</p> <p>Ensure our sealed roads are suitable for the traffic demands, particularly freight, while optimizing the long-term maintenance costs.</p>
Drainage	Backlog of works, cost escalations and associated deterioration of the pavements.	<p>Adopt the NTA's Drainage Plan and Maintenance Intervention Strategy to identify water-tables in areas that are high risk for water ingress, flooding, and scour.</p> <p>Continue to inspect culverts annually to address blocked culverts.</p> <p>Carry out an adequate programme of drainage repairs that enable proactive treatment of these high-risk areas which should prolong the life of the pavement and surfacing and will reduce the amount of water flooding across roads.</p>
Network Resilience	FNDC have few transport options and the network is also vulnerable to slips and flooding during storm events.	<p>Adopt the NTA's Resilience Plan and Maintenance Intervention Strategy to identify retaining walls and slip repairs and flood mitigation measures.</p> <p>Inspect existing retaining walls and flood protection structures.</p> <p>Carry out an adequate programme of retaining wall renewals and slip repairs that enable proactive treatment of high-risk areas which should minimise delay and disruption on key roads, tourist routes and will provide security of access for isolated communities.</p>
Unsealed Roads	FNDC has a large proportion of unsealed roads which results in high levels of community dissatisfaction due to dust, poor road condition and adverse health impacts to residents.	<p>Adopt the Centre of Excellence (CoE) recommendation to strengthen structural pavement layer and place a Paige- Green compliant material over the pavement.</p> <p>Develop a proactive programme of works.</p>
Structures	The condition of structures including retaining walls and bridges, is limited. FNDC has a large number of aging, poor condition and weight restricted bridges that are unable to carry 50MAX traffic impacting on freight movements.	<p>Implement an annual inspection programme.</p> <p>Implement a strategy that creates a forward works programme.</p> <p>Fund the forward works programme.</p>
Road Safety	Trends in deaths and serious injury crashes are increasing	<p>Minor safety improvements, intersection improvements, pedestrian and cycling facilities, geometry improvements, road safety programmes.</p>

6.1.9. Significant issues and options

Significant issues and options for the land transport activity and alignment with the alignment with Te Pae o Uta - te Ao Māori Framework are summarised in the table below. The highlighted option is preferred as the most likely scenario and when Council expects significant decisions will be required. Note that risk is assessed with the option undertaken. Indicative cost estimates are provided for evaluating wide range of options only and not part of Long Term Plan budgets (this applies to water supply, wastewater and stormwater).

Table 22 Significant issues and options for land transport activity

District infrastructure issues	Significant land transport issue	Alignment with Te Pae o Uta – Te Ao Māori framework	Options	Implications of the options	Preferred option	Years 1 to 5	Risk (L/M/H)
Wellbeing of our community for healthy and sustainable outcomes	Sealed Roads - Due to the combination of significant cost escalation due to the COVID pandemic, the limited construction season due to the Climatic storm events through 2021-23 and the moderation of the optimised programme for the last LTP, the backlog of renewals has increased, and the road pavements are evidencing accelerated deterioration increasing maintenance costs and renewal requirements.	Whaingā (Goal) 3 - Kōkiri Tahī – Empowered communities, working collaboratively – well being	1. Do nothing.	<ul style="list-style-type: none"> Worsening of pavement condition over time (e.g. more potholes and failures) and an increase in long-term maintenance costs, slower travel times and potential safety issues. Greater cost and work required to bring network back into specification / maintain levels of service. 	3	\$0	H
			2. Moderate programme to viable budget increases.	<ul style="list-style-type: none"> Continuation of a moderated programme of pavement renewals do not reduce the backlog of required works and will increase the maintenance needs and costs of the network. Address the poor condition thin asphaltic (TAC) surfacing as these surfaces allow water ingress and premature (and expensive) pavement failure. 		\$45m	H
			3. Continue with proposed programme of works to bring the desired levels of service to the network and reduce any backlogs to build resilience into our network.	<ul style="list-style-type: none"> Most long-term cost-effective programme for sealed roads. Maintaining freight routes to a higher standard will make these roads better able to cope with the increasing freight loads over time, reduce continual disruptive maintenance patching and more resilient to adverse weather events. 		\$99m	M
Wellbeing of our community for healthy and sustainable outcomes	Drainage - Due to the combination of significant cost escalation due to the COVID pandemic, the limited construction season due to the Climatic storm events through 2021-22 and the moderation of the optimised programme for the last LTP, the backlog of renewals has increased, and the road pavements are evidencing accelerated deterioration increasing maintenance costs and renewal requirements.	Whaingā (Goal) 3 - Kōkiri Tahī – Empowered communities, working collaboratively – well being	1. Do nothing, continue with ad-hoc reactive maintenance.	<ul style="list-style-type: none"> Inadequate control of water flows to keep pavements free of water ingress resulting in pavement failure, flooding and scour of roads, particularly on the unsealed network. 	2	\$0	H
			2. Adopt the NTA's Drainage Plan and Maintenance Intervention Strategy.	<ul style="list-style-type: none"> Able to identify inadequate water-tables in areas that are high risk for water ingress, flooding and scour. Proactive treatment of these high-risk areas which should prolong the life of the pavement and surfacing and will reduce the amount of water flooding across roads. 		\$14m	M
Climate change impacts on the district and resilience of critical infrastructure	Network Resilience – Far North roads are vulnerable to slips and flooding during heavy rain events, which is only expected to get worse over time due to the effects of climate change.	Whaingā (Goal) 1 - Increased Participation In council structures and decision-making processes – decision making	1. Do nothing.	<ul style="list-style-type: none"> Worsening of pavement condition over time (e.g. more potholes and slip failures) and an increase in long-term maintenance costs, slower travel times and potential safety issues including cutting access to communities 	2	\$0	H
			2. Implement the NTA's Resilience Plan and maintenance intervention strategy (MIS) to develop a prioritized programme of retaining wall & slip repairs and flood mitigation required on key arterial routes, tourist routes and on roads that form the only vehicle access to isolated communities.	<ul style="list-style-type: none"> Addressing slips and flood mitigation in a proactive manner will reduce the likelihood of catastrophic failure and will reduce ongoing maintenance costs. It will minimise delay and disruption on key arterials, tourist routes and will provide security of access for isolated coastal communities. Considering the impacts of climate change in low-lying coastal areas will help planning of new roads and coastal protection in these areas. This will help future proof the road network from potential sea level rise. 		\$33m	M
			3. Investigate alternative to expand the resilience strategy to a Corridor Network Resilience Analysis and FWP.	<ul style="list-style-type: none"> Improved and more focused programme for resilience works. Providing fit for purpose detour routes for the state highway network and key local arterials would enable traffic and freight flows to negotiate the detour efficiently and safely. 		\$50m	M
Wellbeing of our community for healthy and sustainable outcomes	Unsealed Roads – FNDC has a large proportion of unsealed roads which results in high levels of community dissatisfaction due to dust, poor road condition and adverse health impacts to residents.	Whaingā (Goal) 3 - Kōkiri Tahī – Empowered communities, working collaboratively – well being	1. Do nothing.	<ul style="list-style-type: none"> Continual worsening of pavement condition with increased potholing, corrugations, gravel loss and dust which is leading to high levels of customer dissatisfaction, and health concerns. 	3	\$0	H
			2. Continue with current programme of re-metalling roads on an ad-hoc basis.	<ul style="list-style-type: none"> Continual high maintenance costs. Continuing to maintain the unsealed network without knowing the pavement depth or condition will retain the current reactive approach to customer complaints which is likely to be suboptimal and result in more customer dissatisfaction. <p>Dust has become a significant concern for resident's health, particularly on freight routes, which is driving significant demand for dust suppression and sealing of roads.</p>		\$55m	H

District infrastructure issues	Significant land transport issue	Alignment with Te Pae o Uta – Te Ao Māori framework	Options	Implications of the options	Preferred option	Years 1 to 5	Risk (L/M/H)
			3. Adopt the Centre of Excellence (CoE) recommendation to use Paige-Green compliant materials as a wearing course on high and medium demand roads where additional pavement strengthening to provide the required strength and shape is undertaken.	<ul style="list-style-type: none"> Maintenance costs are reduced. With low demand routes dust is reduced, but with high demand routes the use of a dust coat seal may still be required to mitigate excessive dust. Development of a proactive programme of works. 		\$48m	M
Sufficient evidence to make sound infrastructure decisions	Structures – Asset information on condition of structures including retaining walls and bridges, is limited. FNDC has a large number of aging, poor condition and weight restricted bridges that are unable to carry 50MAX traffic impacting on freight movements.	Whaingā (Goal) 3 - Kōkiri Tahī – Empowered communities, working collaboratively – well being	1. Do nothing	<ul style="list-style-type: none"> Bridges will continue to deteriorate and as their structural integrity is impacted more will be added to the 50MAX register. Impacts on freight movement and economic growth. It also has health and safety implications if bridges and retaining walls are not maintained. Retaining walls will also deteriorate and potentially fail during storm events if inspections are not undertaken. 	3	\$0	H
			2. Annual inspection programme of critical bridge and coastal structures. Will enable maintenance work to be identified in a timely manner and potentially reduce more expensive repairs in the future. A retaining wall forward works plan is being developed for the first time and this is identifying demand for retaining wall renewals and replacement.	<ul style="list-style-type: none"> Programmes will enable maintenance work to be identified in a timely manner and potentially reduce more expensive repairs in the future and prevent further bridges being added to the 50MAX register. Reduce ongoing maintenance costs on bridges and retaining walls. 		\$15m	H
			3. Continue the annual inspection programme and implement a forward works programme for the replacement and upgrade for bridges and retaining walls.	<ul style="list-style-type: none"> The removal of bridges from the 50MAX restriction register will enable more use of these higher productivity vehicles and will reduce freight costs and improve opportunities for investment. Increased upgrades add resilience to the network enabling better freight routes and a safer network. 		\$32m	M
Wellbeing of our community for healthy and sustainable outcomes	Road Safety – Trends in deaths and serious injury crashes have increased in the Far North District over the last 5 to 10 years.	Whaingā (Goal) 3 - Kōkiri Tahī – Empowered communities, working collaboratively – well being	1. Maintain the level of safety works.	<ul style="list-style-type: none"> D&SI continue increase. Reputational risk to council. 	2	\$15m	H
			2. Continue to look for safety benefits and ways to reduce risks to road users.	<ul style="list-style-type: none"> Active risk management of the network to keep D&SI as low as possible. Works will continue to protect road users. Education programmes. 		\$27m	M
			2. Analyse network for vulnerabilities, develop a plan and proactively undertake resilience works.	<ul style="list-style-type: none"> Proactively build resilience into network to reduce risk. Planned network disruption (timing, budgets, designs) rather than unplanned. Schedule work with other activities where possible. Long term view of network taken. Work focuses on higher road criticalities first. 		\$40m	M

6.1.10. Transport expenditure forecasts

The five year expenditure forecast for the transport activity is shown below. Over the next 5 years, it is expected that Council's major capital expenditure items include:

- Unsealed road metalling (at about \$9.6 million pa).
- Sealed road rehabilitation (at about \$7.9 million pa).
- Thin asphaltic surfacing (at about \$2.7 million pa).
- Chip sealing (at \$5.6 million pa).
- Footpath renewals (at about \$3 million pa).
- Ferry renewal (at \$4.2 million in total).
- Bridges and structures (at \$6.3 million pa).
- Resilience projects including bridges and pavements pavement and bridge projects (at \$23.6 million in total).

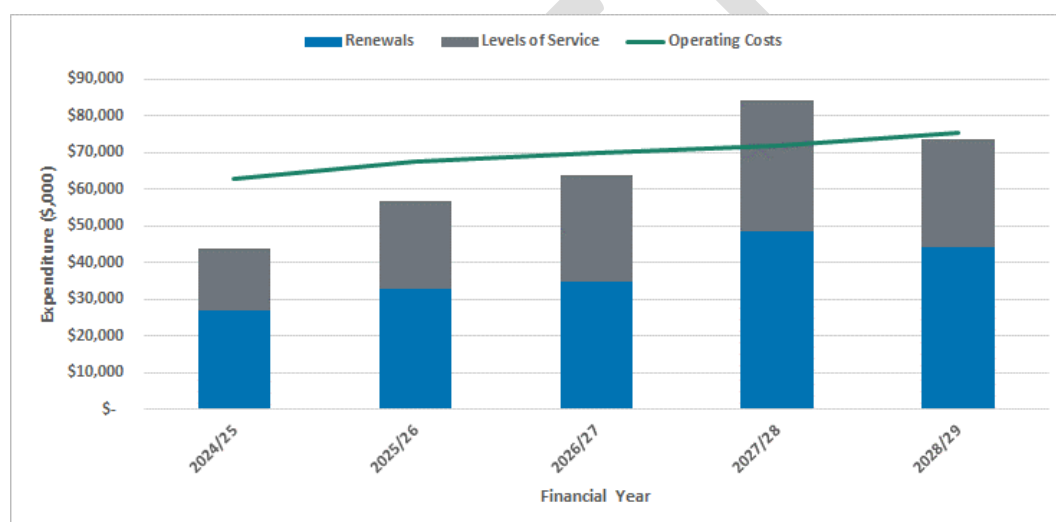


Figure 19 Transport financials (inflated)

Source: FNDC's draft LTP budget (9 February 2024)

6.1.11. Funding depreciation – transport

The annual renewals of \$35.5 million (\$178 million five year total uninflated) versus annual depreciation of \$30 million for the land transport assets is shown in the figure below. This shows that the forecast renewal expenditure for the land transport assets is higher than the depreciation over the 5 year period. This is to make up for the backlog of works and resilience projects needed on the network.

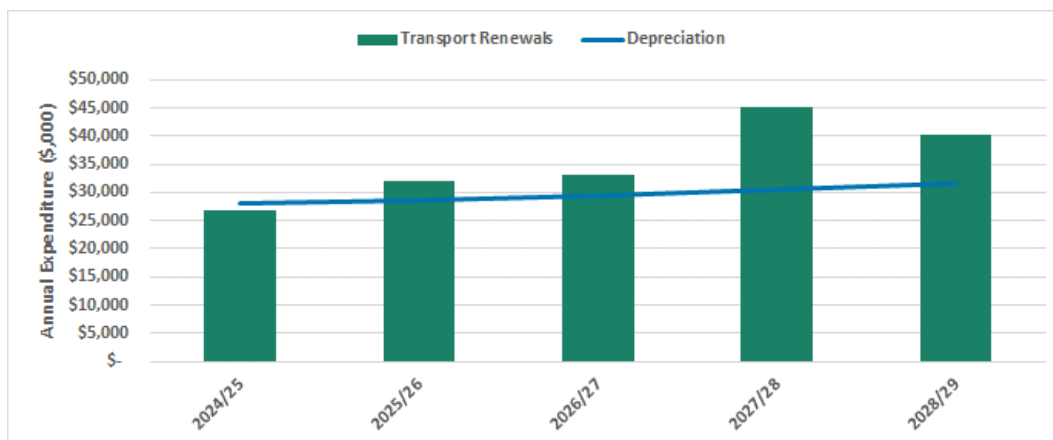


Figure 20 Transport renewals versus depreciation (uninflated)

Source: FNDC's draft LTP budget (23 February 2024)

6.1.12. Funding this activity – transport

We fund our land transport services from a range of sources:

- Waka Kotahi subsidies (FAR).
- Targeted rate based on land value.
- Fees and charges for road corridor access applications.
- Other funding sources.


6.2. Water Supply

6.2.1. Activity overview

Water supply is a core Council service. The water supply networks provide an essential service to the communities we serve, and they need to be reliable and sustainable. The networks we manage are capital-intensive and have long lives. Ours is a stewardship role that relies on effective and efficient long-term asset planning and investment.

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 within areas of benefit and supply commercial water operators who deliver to private water tanks.

6.2.2. Asset summary

<p>Water Supply</p> 	<ul style="list-style-type: none"> • 376km of pipes • 1,902 valves • 1,249 hydrants • 10,226 meters • 23 treatment water storage • 11 treatment plants • 17 pump stations • 11 water sources • 3 dams
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6.2.3. Asset condition and performance

There have been limited condition surveys completed of the water supply assets to assess the current asset state. Break analysis to identify water mains failing that likely need to be replaced is currently undertaken. The water structures are assessed on regular basis including dams and reservoirs to understand their seismic performance. Undertaking planned condition surveys of the above ground water supply assets particularly treatment plants is a high priority for FNDC as this will inform future renewals.

Asset performance of Council's water supply network is assessed in terms of water leakage and water quality as follows:

- Water leakage – Council assessed its water losses are measure against the mandatory performance measure and reported in the Annual Report. Water loss can happen for a range of reasons, including leaks and breaks in the network and this results in Council treating more water than is needed.

Our water loss results for the last three financial years has exceeded our target (<26%). Universal metering has been established which helps with identifying leaks on the private systems. There is a water leak detection team and new technology which has resulted in an increase in effective identification of leaks. However, there is currently only reactive renewals due to lack of data being supplied by the operator in a manner that enables planned renewals.

- Water quality – Council has a suite of plans and processes to provide assurance that it is providing safe drinking water. These include the Water Safety Plans, Water Source Risk Management Plans, operating procedures, and operations and maintenance manuals for the treatment plants.

Council's water quality is measured monthly against the mandatory performance measures and reported in the Annual Report. Only the Kerikeri Water Supply Treatment Plant was compliant in 2022/23 due to the changes in drinking water requirements (refer to Section 4.2 Levels of Service for description on rule changes).



6.2.4. Resource consents – three waters

There are 31 resource consents in total for the three water activities. All resource consents are current, monitored for compliance and reported on in accordance with the consent conditions. The decade bands that the resource consents are due to expire within the next 30 years are shown in the table below. Five of the six wastewater consents and 15 of 22 drinking water consents expire in the next ten years.

Table 23 Summary of resource consents expiring by decades

Activity - number of consents expiring	Decade 1 (2024 to 2033)	Decade 2 (2034-2043)	Decade 3 (2044-2054)	Total
Water supply	15	3	4	22
Wastewater	5	0	1	6
Stormwater	3			3
TOTAL	23	3	5	31

6.2.5. Key challenges – water supply

The key challenges for the water supply activity are summarised in the table below.

Table 24 Water supply key challenges

District infrastructure issues	Key challenges	Discussion / management response
Lack of integrated planning particularly for growth planning.	Major water treatment plant upgrades required – Four major plant upgrades required to meet new standards for providing safe drinking water, security of supply (with changes in water sources), meet current demand and to cater for increasing population. Existing plant equipment does not always meet new standards.	Major investment is required for plant upgrades serving the Kerikeri, Kaitāia, Paihia and Kawakawa townships. This is costly for the Far North communities. Investment needs to be staged so impact on ratepayers is minimised. Public communication needs to be managed and transparent.
	Hydraulic models – Models have been developed for the urban three water systems. However, they are based on dated asset data (2007) and therefore not functional for decision making purposes.	The hydraulic models need to be updated with the latest asset data and calibrated so fit for purpose. Operational budget has been allocated for the model updates.
Wellbeing of our community for healthy and sustainable outcomes.	Increasing new compliance requirements – Taumata Arowai is well established as the new water regulator and implementing new regulations nationally. There are multiple regulatory and compliance requirements to meet including the new Drinking Water Assurance Rules and duty to supply sufficient quantity of drinking water as defined in the Water Services Act.	Council continues to update its Water Safety Plans and Source Water Risk Management Plans and prepare Annual Compliance Reports in accordance with Taumata Arowai's requirements. The Ministry of Health are requiring FNDC to fluoride the public water supplies at Kerikeri and Kaitāia.
	Funding and resourcing constraints – There has been historic under investment in three waters assets and resourcing. Like many councils, attracting and retaining capable three water staff at all levels is a challenge. (This issue is common for 3 waters so not repeated).	This 2024 Strategy will identify the key infrastructure issues and investment required to close the gap. Consequences of budget constraints will be disclosed so it is transparent for decision makers.

District infrastructure issues	Key challenges	Discussion / management response
Climate change impacts on the district and resilience of critical infrastructure.	Lack of security of supply – We have struggled to supply enough water in some locations due to extremely dry weather, particularly for surface water sources. We also have constraints across the treatment system including plant processing, raw and treated water storage constraints. The resilience of our water sources is important.	<p>Council developed a bore site at Sweetwater near Kaitiā to permanently supplement supplies from the Awanui River. Securing a permanent supplementary water source for Kaitiā and improving its drought resilience has been a Council priority. The project opened in June 2022 but it is still in commissioning phase.</p> <p>We have other communities that do not have security of supply that need to be addressed (refer to the following significant issues table). Many only have single supply source. This includes Paihia Water Treatment Plant which is exacerbated being an old plant coupled with high seasonal demand.</p> <p>It is industry good practice to have 3 days storage for resilience. Currently no FNDC treated water reservoirs achieve this standard.</p>
	Demand management – It is important that the water supply network is managed sustainably so that wastage is minimised. This is exacerbated with extreme dry weather. Leakage has been managed reactively and we know we need to be more proactive.	<p>Our water loss result for 2022/23 exceeded our target (28.6% actual versus <26% target). We also have universal metering established which helps with identifying leaks on the private systems.</p> <p>We now have a water leak detection team and new technology. This has resulted in an increase in effective identification of leaks.</p>
Sufficient evidence to make sound infrastructure decisions.	Watermain renewals – Watermain renewals is generally undertaken reactively due to lack of evidence. Asset performance data is held in spreadsheets so there no single source of the truth.	There is good data on pipe materials, but asset performance data is not currently consolidated (refer to system challenge below). This makes renewal planning difficult.
	Aging water assets – Like many councils our water supply assets are aging.	<p>There has been limited condition surveys completed recently to assess our current asset state. We assess our water structures on regular basis including dams and reservoirs to understand their seismic performance.</p> <p>We do undertake break analysis to identify watermain failing that likely need to be replaced. This will ensure service continuity to our communities and customers. However, funding is only provided for reactive renewals due to limitations of asset condition to support planned renewals.</p>
	Limited data management – There is limited asset data to inform asset management planning and it is not always proactively managed. (This issue is common for 3 waters so not repeated. This also applies to the system issue below).	It was expected that the new Water Services Entity would take over the data management function. FNDC now needs to set up sound data management practices and embed these so they are enduring.
	No formal system – There is currently no asset management system for managing three water assets. Asset data changes are currently entered into a FNDC spreadsheet.	A single national asset management system was to be rolled out with the setup of the Water Services Entities, similar to above. A preferred system will need to be agreed corporately, potentially with other activities such as built and open spaces.



6.2.6. Significant issues and options

Significant issues and options for the water supply activity and alignment with the alignment with Te Pae o Uta - te Ao Māori Framework are summarised in the table below.

Table 25 Water supply option

District infrastructure issues	Significant water supply issues	Alignment with Te Pae o Uta – Te Ao Māori framework	Options	Implications of the options	Preferr ed option	Years 1 to 5	Risk (L/M/H)
Lack of integrated planning particularly for growth planning.	Major water treatment plant upgrades - Required to meet new standards for providing safe drinking water, security of supply, current demand and to cater for increasing population.	Whaingā (Goal) 2 – Create enablers across staff to respond more effectively to Māori – process	1. Utilise an ad hoc planning approach for water provision in growth areas and to meet new standards.	<ul style="list-style-type: none"> Funds for any significant capital expenditure may not be available due to Council borrowing limits. Treatment plant capacity is not planned to meet current or future demand or sequenced. Some townships may not fully meet Taumata Arowai's requirements for providing safe drinking water. 	2	Capital budgets known (\$143m inflated 5 year total)	H
			2. Use the Spatial Plan and Proposed District Plan to guide long term planning and to address current and future demand for enabling sustainable development and to meet new standards.	<ul style="list-style-type: none"> Treatment plant upgrades are planned adequately and financial provision made in the ten year budgets. Funds for any significant capital expenditure may not be available due to Council borrowing limits. Based on realistic forecast of development, where it will likely occur and when. Provides assurance to Taumata Arowai that FNDC is committed to providing safe drinking water. 		Growth driven projects currently not categorised	M
Wellbeing of our community for healthy and sustainable outcomes.	Increasing new compliance requirements - There are multiple regulatory and compliance requirements to meet including the new Drinking Water Assurance Rules.	Whaingā (Goal) 2 – Create enablers across staff to respond more effectively to Māori – people	1. Continue with current compliance approach by responding to new requirements reactively.	<ul style="list-style-type: none"> Additional cost of establishment and the increased ongoing operational costs for meeting new rules. Council's internal resources may be inadequate and reactive responses may take priority over planned activities. Gaps in operational resourcing coverage if key staff leave. 	2	New works budgets known (\$70.8m inflated 5 year total)	H



District infrastructure issues	Significant water supply issues	Alignment with Te Pae o Uta – Te Ao Māori framework	Options	Implications of the options	Preferr ed option	Years 1 to 5	Risk (L/M/H)
			2. Review current operational resourcing numbers to meet increasing new compliance requirements.	<ul style="list-style-type: none"> – Able to respond proactively to new requirements and set up suitable systems and processes to support this. – Unable to fill operational staff positions despite structure set up to cater for meeting compliance requirements. – Explore regional arrangements to share operational resources to fill staffing gaps. 		Operational budgets known includes staff costs (\$87.6m inflated 5 year total)	M
Climate change impacts on the district and resilience of critical infrastructure.	Lack of security of supply. Strengthening our infrastructural resilience is important.	Whaingā (Goal) 1 - Increased Participation In council structures and decision-making processes – relationships – decision making	1. Continue with strengthening the resilience of our water supply schemes progressively as infrastructure issues are identified.	<ul style="list-style-type: none"> – Capital investment takes time to gain FNDC budget approval and to implement physical works. – Significant water restrictions may occur from time to time. – Some townships may run out of water in extreme dry events. 	2	New works budgets known (\$70.8m inflated 5 year total)	M
			2. Investigate increasing water sources that are not dependent on surface water including the ability to draw from dams. Strengthen the resilience of treatment plant system including storage.	<ul style="list-style-type: none"> – Need for water restrictions may be reduced. – Security of supply is improved and meets industry good practice. – The water companies that will manage the schemes (including the dams) are shareholder owned so complex governance arrangements. 		Budget impacts expected to be significant	H

6.2.7. Water supply expenditure forecasts

The five year expenditure forecast for the water supply activity is shown below. Over the next 5 years it is expected that our major capital expenditure items include:

- Renewals increases from an average of \$3.5 million pa in the first two years to an average of \$21.2 million in the last three years. This is to support moving from a reactive to proactive renewal approach and ensure service continuity for our customers.
- Levels of service projects also increases to meet the new drinking water requirements from about \$11.2 million pa to \$23.3 million.
- Kerikeri Water Network Upgrade, to Heritage Bypass (at \$12.1m in total over two years).
- Waipapa Water Treatment Plant development (at \$10.9m in total over two years).
- Kaikohe water network reticulation renewals(as \$10.7m in total over 3 years).
- Kawakawa water network planned renewals (at \$15.0m in total over 3 years).
- Pahia Water Treatment Plant relocation (at \$18.7m in total over 4 years).

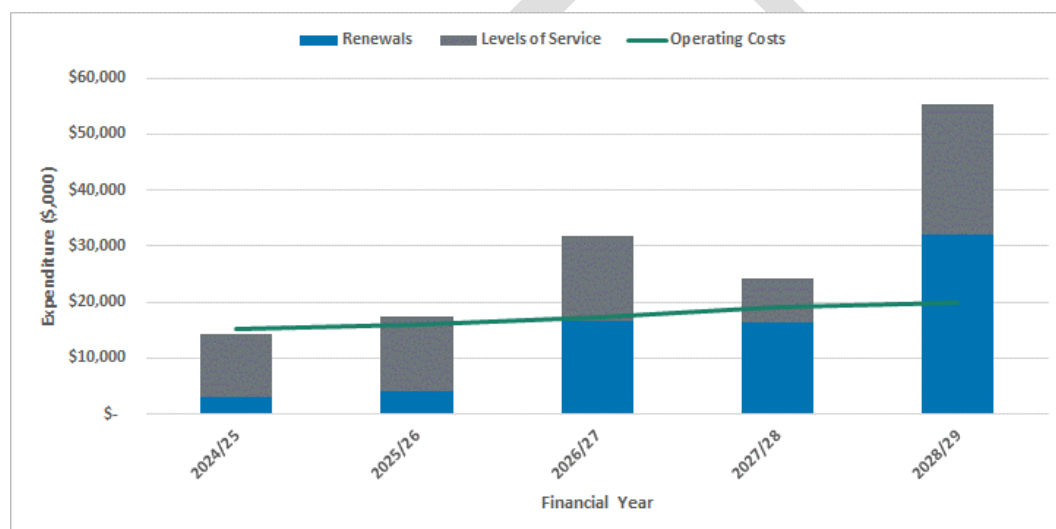


Figure 21 Water supply financials (inflated)

Source: FNDC's draft LTP budget (22 February 2024)

Note that growth projects have not been identified as they are currently not classified where they are growth driven due to legacy financial system and processes. Typically, growth projects are reported as *improved LOS*. It is recognised that this is important and needs to be amended Council wide and across all infrastructure activities. This should be addressed prior to the 2027 LTP so capital projects can be correctly categorised.

6.2.8. Funding depreciation – water supply

The annual renewals of \$13.5 million (\$67 million 5 year total uninflated) versus annual depreciation of \$4.7 million for the water supply assets is shown in the figure below. This shows that the forecast renewal expenditure picks up from year 3 onwards to address the backlog in planned renewals.

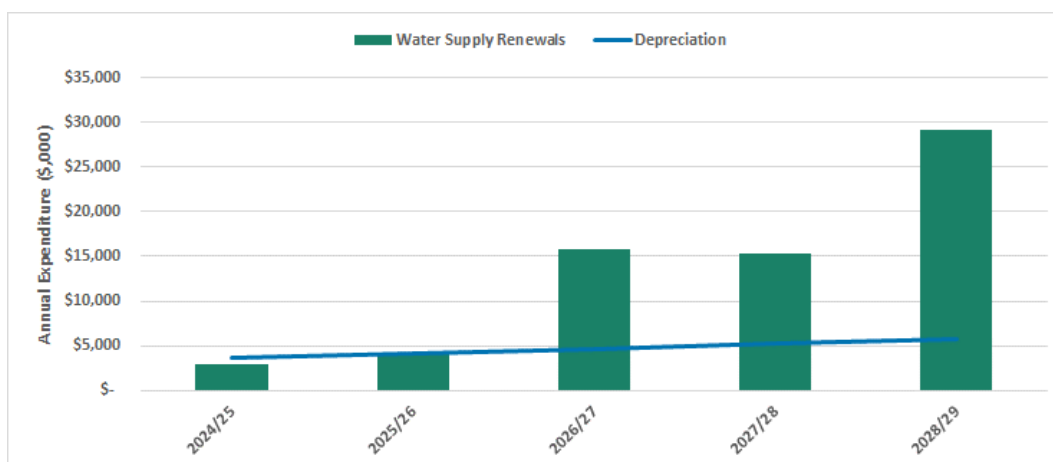


Figure 22 Water supply renewals versus depreciation (uninflated)

Source: FNDC's draft LTP budget (23 February 2024)

6.2.9. Funding this activity – water supply

Council funds its water supply activity through:

- Targeted rates and fees and charges for the operational programme. This includes volume charge for metered properties based on the actual volume of water consumed.
- Loans for the capital programme.


6.3. Wastewater

6.3.1. Activity overview

Wastewater is a core Council service. Our wastewater networks provide an essential service to the communities we serve, and they need to be reliable and sustainable. The networks we manage are capital-intensive and have long lives. Ours is a stewardship role that relies on effective and efficient long-term asset planning and investment.

The appropriate collection, treatment and disposal of wastewater is 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.

6.3.2. Asset summary

 <p>Wastewater</p>	<ul style="list-style-type: none"> • 290 km gravity mains • 155 km pressure pipes • 13,406 service connections • 788 domestic pump stations • 16 treatment plants • 153 pump stations • 16 treatment plants • 12 wetlands • 1 borefield • 73 septic tanks
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6.3.3. Asset condition and performance

There have been limited condition surveys completed of the wastewater assets to assess the current asset state. The wastewater network was previously surveyed but the data was never analysed. Undertaking planned condition surveys of the above and below ground wastewater assets is a high priority for FNDC as this will inform future renewals.

Asset performance of Council's wastewater network is assessed in terms of overflows and inflow and infiltration as follows:

- **Dry weather overflows.** A dry weather overflow is an uncontrolled wastewater discharge that is not associated with a rain event. Dry weather overflows are reported on as a mandatory performance measure and to the Northland Regional Council. Blockage incidents occur from time to time but our asset performance for dry weather overflow events meet the industry accepted benchmarks.
- **Inflow and infiltration.** We know operationally that some of our catchments are leaky. This is the term used to describe groundwater and stormwater entering into dedicated wastewater system resulting in the system becoming overloaded and overflows occurring. As part of improving the network resilience, we intend to assess inflow and infiltration across the catchments to prioritise our efforts and develop a cost effective and targeted programme. An inflow and infiltration programme has not been developed as it was expected that FNDC's 3 water assets were being transferred to the new Water Services Entity.

6.3.4. Key challenges- wastewater

Table 26 Wastewater challenges

District infrastructure issues	Key challenges	Discussion / management response
Sufficient evidence to make sound infrastructure decisions.	Limited improvement in wastewater practices – There has been limited improvement since 2021 particularly for the wastewater activity. It was expected that FNDC's 3 water assets were being transferred to the new Water Services Entity.	<ul style="list-style-type: none"> We need to understand the current state of the wastewater assets. We will also need to rebuild sound practices including capable people, data, processes, and systems so the wastewater activity is managed wisely going forward. We also need to identify the expenditure requirements to bring the wastewater assets up to a sustainable condition. We also need to seek external funding where possible to reduce the debt impact on our customers.
Wellbeing of our community for healthy and sustainable outcomes.	Poor capital delivery – The delivery of the wastewater capital programme has been poor due to major wet weather events, resourcing and supply chain issues, and cost escalation. Community engagement about the wastewater upgrade projects has also been poor.	There is a focus on increasing internal resourcing to deliver the planned works. We are also improving community engagement for wastewater capital projects. We know that wastewater overflows into waterways is not acceptable to iwi and our communities. We will work alongside hapu and communities to understand the existing wastewater issues and design culturally useful solutions.
Wellbeing of our community for healthy and sustainable outcomes.	Poor environmental compliance – FNDC has been issued with various abatement and infringement notices for wastewater treatment plant performance and discharges.	The Ahipara Wastewater Treatment Plant is the subject of two current abatement notices and an infringement notice due to faecal coliforms. Most of the wastewater schemes have ongoing compliance issues.
	Respecting cultural values – Discharging treated wastewater to waterways is unacceptable to iwi. It can take considerable time and cost to ensure our capital projects are culturally appropriate and supported by our community.	<p>In some cases, we need to explore alternative wastewater options and stage culturally appropriate solutions overtime. The objective is to investigate the practicality / viability to discharge the treated wastewater to land.</p> <p>Some soil types are not suitable for receiving treated wastewater. We have limited data on land suitability for receiving treated wastewater at district wide level. We need this data to make decisions on future treatment plant locations (new and upgrades).</p> <p>Te Mana o te Wai draws on a te ao Māori perspective to recognise the whole-of-system approach to wai, from maunga to moana, or ki uta ki tai. FNDC is to give effect to Te Mana o te Wai while performing functions or duties. There is not always adequate resourcing for running the community liaison groups.</p>
	Resource consents expiring – Many of the resource consents for the wastewater assets are expiring in the short to medium term.	It is expected that future consent requirements will require higher level of investment and will be more restrictive. Expectations from stakeholders and iwi will be higher. The plants will require upgrades in the 30 years as consents expire. There is budget allocated to support consenting work two years prior to the expiry date.
	Leachate impact on plants – Leachate from FNDC's closed landfills discharge to the wastewater treatment plants.	The leachate is classified as trade waste and the composition may adversely impact the plant's treatment processes. There are four closed landfills that FNDC are actively managing.



District infrastructure issues	Key challenges	Discussion / management response
Sufficient evidence to make sound infrastructure decisions.	Aging wastewater assets – Like many councils our wastewater assets are aging.	There has been limited condition surveys completed recently to assess our current asset state. We have previously surveyed our underground wastewater network but the data is yet to be analysed.

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6.3.5. Significant issues and options

Significant issues and options for the wastewater activity and alignment with the alignment with Te Pae o Uta - te Ao Māori Framework are summarised in the table below.

Table 27 Wastewater option

District infrastructure issues	Significant wastewater issues	Alignment with Te Pae o Uta – Te Ao Māori framework	Options	Implications of the options	Preferred option	Years 1 to 5	Risk (L/M/H)
Wellbeing of our community for healthy and sustainable outcomes.	Poor environmental compliance – FNDC has been issued with various abatement and infringement notices for long-standing issues at wastewater treatment plant performance and discharges.	Whaingā (Goal) 1 - Increased Participation In council structures and decision-making processes – relationships – decision making	1. Continue with operating existing plants and be at risk of receiving more abatement and infringement notices.	<ul style="list-style-type: none"> Will not always meet current minimum resource consent requirements. The regulator will get frustrated at FNDC's lack of commitment and action to address the long-standing wastewater issues. FNDC will receive abatement and infringement notices and potentially be prosecuted. May result in substantial degraded environment over time. 	2	Operational budgets known (\$144.6m inflated 5 year total)	H
			2. Develop and implement a long term investment plan to guide decisions on addressing the long-standing wastewater issues. Interrelated issues to consider include growth, freshwater management and a higher degree of treatment required for resource consents to meet iwi's concerns.	<ul style="list-style-type: none"> Will take time to develop robust long term investment plan for wastewater. Improves the freshwater quality of the receiving environment. Seek external funding to help with the major upgrade capital costs to lessen the burden on ratepayers. Better alignment with Māori values and community aspirations. Some communities may not be able to afford the required upgrades. 		Budget impacts expected to be significant	H



District infrastructure issues	Significant wastewater issues	Alignment with Te Pae o Uta – Te Ao Māori framework	Options	Implications of the options	Preferred option	Years 1 to 5	Risk (L/M/H)
	Respecting cultural values – Discharging treated wastewater to waterways is unacceptable to iwi. It can take considerable time and cost to ensure our capital projects are culturally appropriate and supported by our community.	Whaingā (Goal) 3 - Kōkiri Tahī – Empowered communities, working collaboratively – engagement	1. Continue operating plants that discharge treated wastewater to waterways.	<ul style="list-style-type: none"> The current approach to water quality of the waterways will not contribute to te Mana o te Wai. The environment may degrade overtime. The capital and operational costs for managing the wastewater treatment plants are known. 	2	Operational budgets known (\$144.6m inflated 5 year total)	H
			2. Continue to work with iwi on finding acceptable solutions with a focus on the poor performing treatment plants.	<ul style="list-style-type: none"> It will take time to work in partnership with iwi to find acceptable and culturally acceptable solutions. The soil type is not always suitable for receiving treated wastewater so not a practical solution in some cases. Costs are mostly unknown and may be greater than operating the existing plants i.e. pumping costs to land rather than gravity discharge pipe. Delivers on long term and positive outcome for the environment. 		Covered by existing operational budgets	H
Sufficient evidence to make sound infrastructure decisions.	Aging wastewater assets - Like many councils our wastewater assets are aging. This is exacerbated with a reactive maintenance approach resulting in service failures such as blockages.	Whaingā (Goal) 2 – Create enablers across staff to respond more effectively to Māori – process	1. Continue with managing the wastewater assets reactively with minor renewals.	<ul style="list-style-type: none"> Service failures will increase and result in more overflows (uncontrolled wet weather and dry weather). Maintenance costs increase and exceed approved budgets. Reactive renewals are unbudgeted so impacts the targeted rate calculation. Hard to set the targeted rates as have limited asset data to base it on. 	2	Renewal budget known (\$51m inflated 5 year total)	H
			2. Develop and implement operational programme to proactively manage the wastewater networks.	<ul style="list-style-type: none"> The asset performance of the wastewater network is understood with operational evidence stored in an asset management system and actively managed. The balance between reactive and proactive maintenance is optimised, and costs are controlled. 		Budget impacts expected to be moderate	M

6.3.6. Wastewater expenditure forecasts

The five year expenditure forecast for the wastewater activity is shown below. Over the next 5 years it is expected that our major capital expenditure items include:

- Renewals increases from about \$4.3 million in 2024/25 to \$19.7 million in 2028/29. This is to support moving from a reactive to proactive renewal approach and ensure service continuity for our customers and environmental protection.
- Levels of service projects also increases to meet the environmental standards from \$17.8 million in 2024/25 to a peak of \$63.3 million in 2027/28.
- Kaikohe Wastewater Treatment Plant upgrades (at \$32.8m in total over 4 years).
- Kaitia Wastewater Treatment Plant development (at \$8.7m in total over 3 years).
- Kerikeri Wastewater Treatment and network scheme expansion Stages 2 and 3 (at \$68m in total over 2 years).
- Kaikohe wastewater network scheduled renewals (at \$9.2m in total over 3 years).
- Kaitia wastewater network renewals (at \$9.5m in total over 3 years).

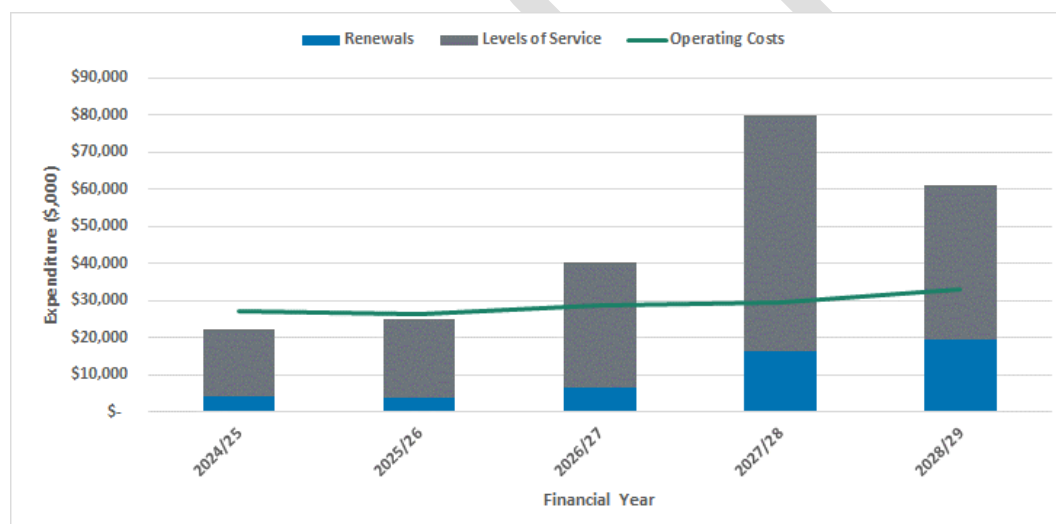


Figure 23 Wastewater financials (inflated)

Source: FNDC's draft LTP budget (22 February 2024)

6.3.7. Funding depreciation – wastewater

The annual renewals of \$9.6 million (\$47.8 million five year total uninflated) versus annual depreciation of \$8 million for the wastewater supply assets is shown in the figure below. This shows that the forecast renewal expenditure significantly increases in years 4 and 5 to address the backlog in planned renewals.

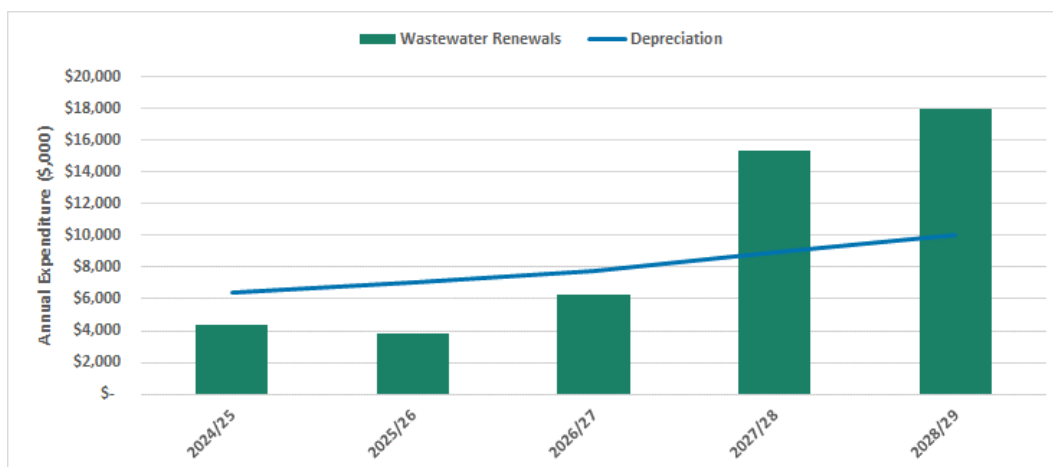


Figure 24 Wastewater renewals versus depreciation (uninflated)

Source: FNDC's draft LTP budget (23 February 2024)

6.3.8. Funding this activity – wastewater

Council funds its wastewater activity through:

- Targeted rate for sewerage disposal based on a per pan charge in urban serviced areas.
- Fees and charges.
- Loans for the capital programme.


6.4. Stormwater

6.4.1. Activity overview

Stormwater is a core Council service. Our stormwater networks provide an essential service to the communities we serve, and they need to be reliable and sustainable. The networks we manage are capital-intensive and have long lives. Ours is a stewardship role that relies on effective and efficient long-term asset planning and investment.

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.

6.4.2. Asset summary

<p>Stormwater</p> 	<ul style="list-style-type: none"> • 181 km of line assets (culverts, channels, pipes) • 5,077 point assets (catchpits, manholes, soak holes) • 30 other assets (spillways, grills, inlets/outlet structures) • 69 floodgates • 1 pump station • 31 ponds
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6.4.3. Asset condition and performance

Asset condition has not been formally assessed for the stormwater network to date. The stormwater network has generally been surveyed in response to an operational incident. We intend to move to a programme of planned condition surveys to help us better understand the state of our stormwater assets.

Asset performance of our stormwater network is assessed in terms of capacity constraints (flood protection) and stormwater quality. There were no habitable floors flooded reported in 2022/23 as a mandatory performance measure.

6.4.4. Key challenges- stormwater

Table 28 Stormwater challenges

District infrastructure issues	Key challenges	Discussion / management response
Lack of integrated planning particularly for growth planning.	Lack of integrated planning for stormwater management – Lack of integrated planning framework for stormwater management results in disjointed decision making. This may impact land developments with some unable to proceed due to stormwater management constraints.	Stormwater management is land use based compared with water supply and wastewater activities. Integrated planning is essential as it intersects with open spaces and land transport activities. FNDC is currently developing an Open Space Strategy which will consider stormwater management.
	Lack of Trade Waste Bylaw – There is currently no Trade Waste Bylaw to enforce preventing containments being discharged into the public stormwater system.	Contaminants entering the public stormwater system may breach FNDC's resource consent conditions. FNDC has limited planning tools including the Proposed District Plan to manage the quality and quantity of the discharges into the public stormwater system.
Sufficient evidence to make sound infrastructure decisions	Private stormwater issues – Many of the stormwater complaints reported to Council (about 60%) are private rather than public issues.	It takes time to investigate the stormwater issues reported to Council to identify the asset owner. Many are related to private stormwater assets including overland flow paths. These can cause erosion issues impacting other properties.



District infrastructure issues	Key challenges	Discussion / management response
Climate change impacts on the district and resilience of critical infrastructure	Severe weather events impacts – Severe weather events impact on the public stormwater infrastructure ability to cope with capacity.	Habitable floors may flood in the future with projected climatic variations. Council has major capital projects underway to increase stormwater network capacity, particularly in the Kaitia area.
	Stormwater treatment – There is increased pressure to treat stormwater from Council's stormwater public networks.	Northland Regional Council is reviewing their Regional Freshwater Management Plans and the Northland Regional Policy Statement to give effect to the National Policy Statement for Freshwater Management (NPS-FM) 2020. This will direct the territorial authorities including FNDC through Plan Changes. This will require Council to be more proactive in stormwater quality management than our current practices, particularly for existing stormwater networks.



6.4.5. Significant issues and options

Significant issues and options for the stormwater activity and alignment with the alignment with Te Pae o Uta – te Ao Māori Framework are summarised in the table below.

Table 29 Stormwater options

District infrastructure issues	Significant stormwater issues	Alignment with Te Pae o Uta – Te Ao Māori framework	Options	Implications of the options	Preferred option	Years 1 to 5	Risk (L/M/H)
Lack of integrated planning particularly for growth planning	Lack of integrated planning for stormwater management – Lack of integrated planning framework for stormwater management results in disjointed decision making.	Whaingā (Goal) 2 – Create enablers across staff to respond more effectively to Māori – process	1. Status quo – Continue with utilising current planning approach for stormwater provision.	<ul style="list-style-type: none"> Opportunities are identified progressively as assets fail or upgraded. Funds for any significant capital expenditure may not be available due to Council borrowing limits. Development occurs progressively and some may not be able to proceed due to stormwater constraints not identified earlier. 	2	Renewal budgets known (\$13m inflated 5 year total)	H
			2. Develop and implement formal strategic documents to guide long term planning and the capital works programme to address current and future demand for enabling sustainable development, and to allow for climate change adaptation.	<ul style="list-style-type: none"> An Open Space Strategy will consider stormwater management. Stormwater infrastructure is planned holistically. Funds for any significant capital expenditure may not be available due to Council borrowing limits. Based on realistic forecast of development, where it will likely occur and when. Allowance made for climate change adaptation. 		Budget impacts expected to be significant (as current level of investment for new works is low)	M
Climate change impacts on the district and resilience of critical infrastructure	Severe weather events impacts – Severe weather events impact on the public stormwater infrastructure ability to cope with capacity.	Whaingā (Goal) 1 – Increased Participation in council structures and decision-making processes – relationships – decision making	1. Continue to allow for increase in rainfall intensity when we design new or upgrade stormwater infrastructure.	<ul style="list-style-type: none"> Pipes will be increased in capacity to cope with projected climatic variations as they are replaced or new infrastructure is installed. Existing stormwater networks may not cope in severe weather events resulting in habitable floor flooding until upgrades undertaken. Upgrades are undertaken progressively. 	1	New works budget known (\$26m inflated 5 year total)	M



District infrastructure issues	Significant stormwater issues	Alignment with Te Pae o Uta – Te Ao Māori framework	Options	Implications of the options	Preferred option	Years 1 to 5	Risk (L/M/H)
			2. Develop and implement Catchment Management Plans to help better understand predicted habitable floor flooding.	<ul style="list-style-type: none"> Identify likely habitable floors that may flood in future and how Council will mitigate this (may not necessarily be large pipe solution). Budget will need to be allocated for Catchment Management Plan development. Requires internal capability and capacity to manage the Catchment Management Plan programme which FNDC does not currently have. This should be considered as a medium term goal. 		Budget impacts expected to be significant (as current level of investment for new works is low)	H

6.4.1. Stormwater expenditure forecasts

The five year expenditure forecast for the stormwater activity is shown below. Over the next 5 years it is expected that our major capital expenditure items include:

- Renewals increases from \$647k in 2024/25 to a peak of \$4.8 million in 2027/28. This is to support moving from a reactive to proactive renewal approach and ensure the stormwater network is in good condition and resilient.
- Levels of service projects are about \$5 million pa (average) to address capacity issues and improve stormwater quality.
- Kaikohe stormwater network improvements, Station Road (at \$5.4m in total over 3 years).
- Kaitia stormwater network Lake Rd pipe renewal (at \$5.3m in total over two years)
- Moerewa stormwater improvements (at \$3.4m in total over 1 year)
- District wide stormwater network renewals (at \$5.4m in total over, over 2 years)

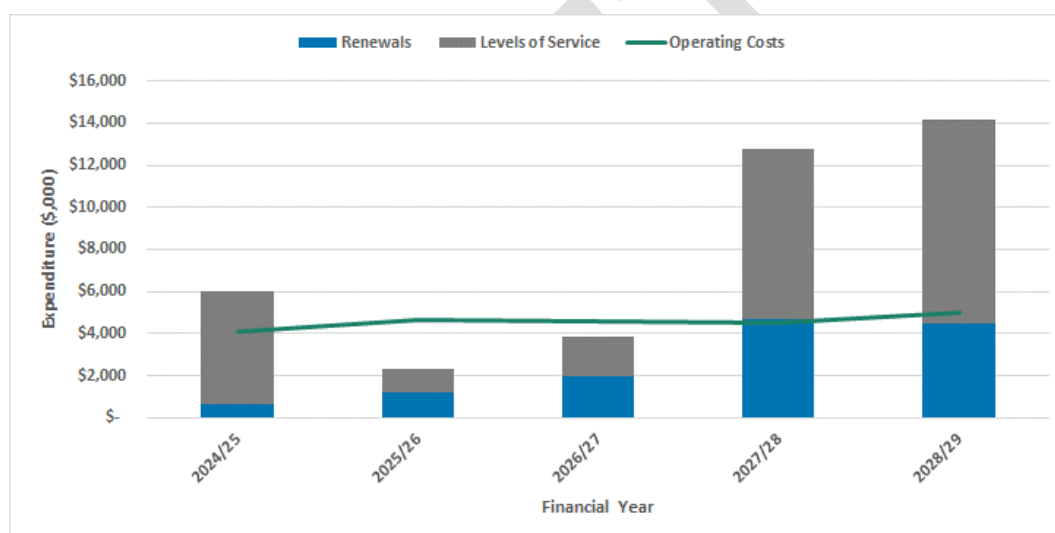


Figure 25 Stormwater financials (inflated)

Source: FNDC's draft LTP budget (22 February 2024)

6.4.2. Funding depreciation – stormwater

The annual renewals of \$2.4 million (\$12.1 million five-year total uninflated) versus annual depreciation of \$2.5 million for the stormwater supply assets is shown in the figure below. This shows that the forecast renewal expenditure is overall on par with asset depreciation.

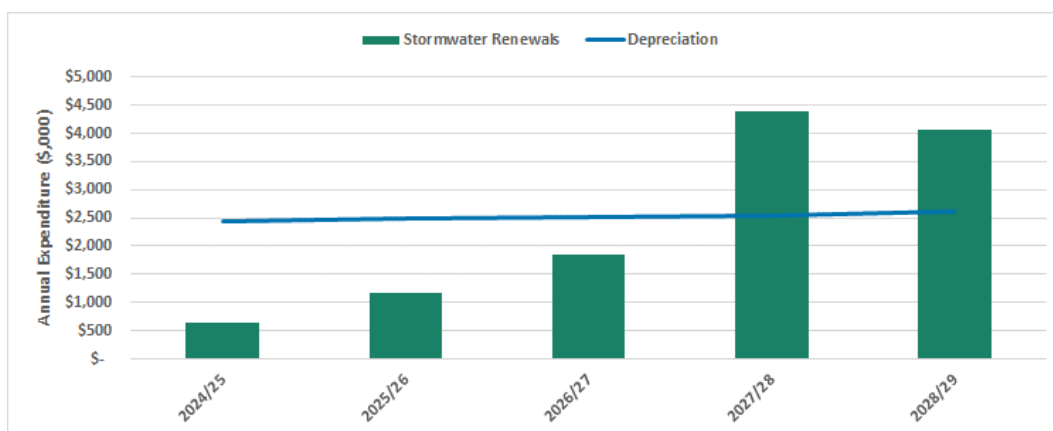


Figure 26 Stormwater renewals versus depreciation (uninflated)

Source: FNDC's draft LTP budget (23 February 2024)

6.4.3. Funding this activity

We fund our stormwater services through:

- General rates (as a uniform annual general charge) and targeted rates for operational programme.
- Loans for the capital programme.

7. Financial Summary

7.1. Key decisions we expect to make

We will need to make key decisions over the duration of our strategy. Some of these decisions will be significant to the district and some will not. Key decisions and actions that will need to be made by elected members over the next 5 years include:

Table 30 Summary of key decisions

Activity	Key decisions
All	Continuing to gather evidence, particularly the condition of the critical three water assets, in the next three to ten years to help develop robust and risk-based renewal programmes.
	Council must make a decision on the most appropriate mechanism to fund growth related infrastructure, and gather the evidence required to support any future development or financial contributions policy. This may include implementing development contributions, financial contributions through the district plan, or some combination of both.
Land transport	Prioritisation of resilience, funding for resurfacing and rehabilitation works. Strengthening / replacement of aging structures.
	Replacement of the Hokianga Ferry within 5 years.
Three waters	Moving from reactive to proactive renewals for three water assets to ensure these assets are managed sustainably long term.
	Rebuilding sound practices for managing the three water assets including capable people, data, processes, and systems so these assets are managed wisely going forward.

7.2. Funding depreciation

Over the 5 years, the combined renewals equate to a five year total \$305 million versus a total of \$225 million in depreciation (uninflated). With an average of \$61 million of renewals forecast each year, this keeps above the average annual depreciation of \$45 million. However, most of the renewals occur in year 3 onwards for the three water activities.

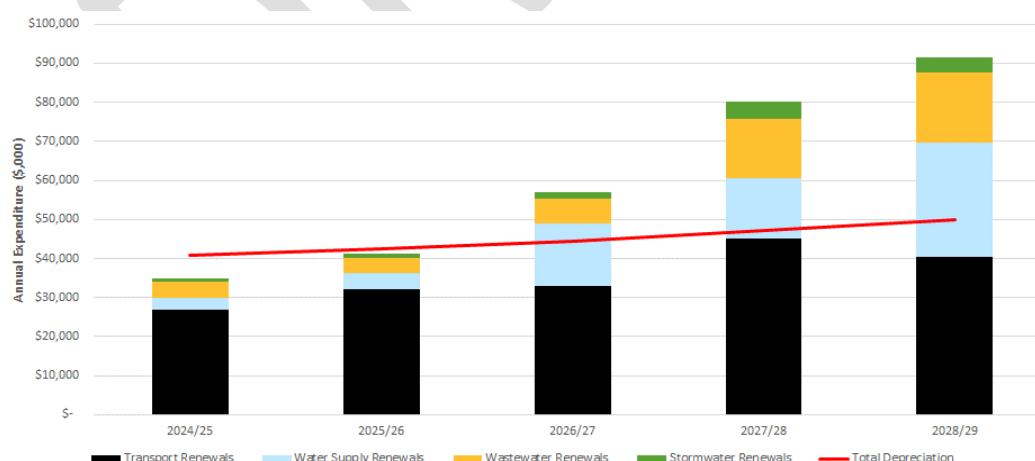


Figure 27 Total renewals versus depreciation (uninflated)

Source: FNDC's draft LTP budget (23 February 2024)

7.3. Financial forecasts

The total expected capital and operational expenditure for each infrastructure activity over the 5-year period is shown in the table and figure below. A combined capital expenditure of \$732 million over the 5 year period is made up of 44% renewals and 56% levels of service.

Table 31 Combined expenditure summary (inflated)

Activity	Capital Expenditure (\$,000)		Operational Expenditure (\$,000)	Total (\$,000)
	Renewals	Levels of Service		
Transport	\$186,870	\$135,460	\$347,368	\$668,609
Water Supply	\$72,043	\$70,810	\$87,620	\$230,473
Stormwater	\$12,941	\$26,146	\$22,883	\$61,969
Wastewater	\$50,945	\$117,288	\$144,625	\$370,705
Sub Total 1	\$322,709	\$409,705	\$602,497	\$1,334,910
Sub Total 2	\$732,413		\$602,497	
Total	\$1,334,910			

Source: FNDC's draft LTP budget (22 February 2024)

Note that growth projects have not been identified as they are currently not classified where they are growth driven due to legacy financial system and processes.

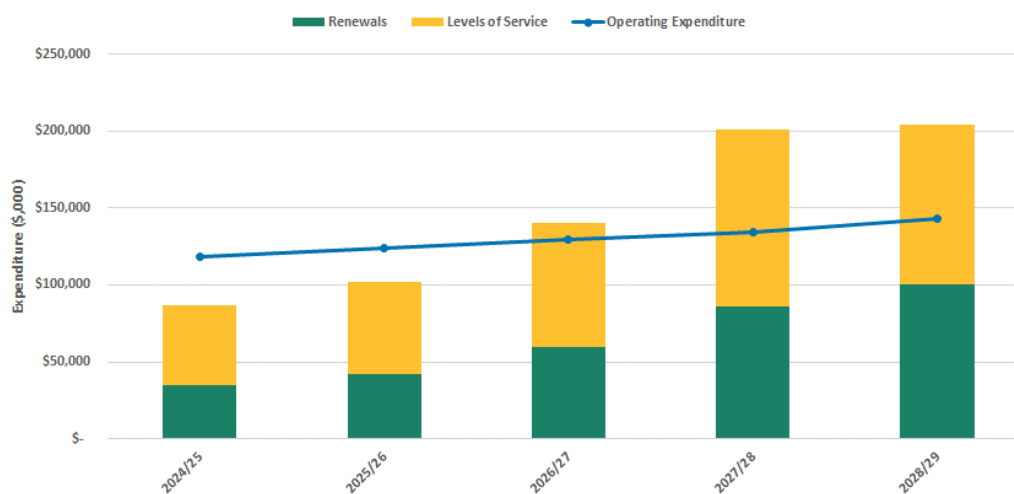


Figure 28 Total capital versus operating expenditure (inflated)

Source: FNDC's draft LTP budget (22 February 2024)



7.4. Funding implications

There are funding implications from significant capital expenditure to:

- Ensure our land transport network is preserved.
- Upgrade water supply treatment plants to meet new drinking water requirements.
- Upgrade wastewater treatment plants to meet higher environmental standards.
- Investment in stormwater capacity to address flooding issues.
- Ensure our networks are resilient.
- Move from reactive to planned renewals for three water assets to ensure service continuity.

This is discussed in more detail in our Financial Strategy.

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8. Financial Assumptions and Uncertainty

8.1. Significant planning assumptions

This strategy is based on the following planning assumptions.

Table 32 Summary of key planning assumptions

Significant planning assumptions	Level of uncertainty	Impacts	Mitigation
District population – The district population is projected to continue to grow. It will also become more diverse and aging.	Medium	Population growth is significantly higher than forecast in a localised area, putting pressure on infrastructure.	Council will continue to monitor population change in the district. We will undertake spatial planning to provide for growth and changes in the district. We will communicate and plan for non-growth communities / declining areas, particularly Māori.
Service levels - Levels of service are defined in the Activity Management Plans for each activity, to meet legislative requirements and agreed to or accepted by the community. Service levels remain unchanged although these may be tested with budget constraints.	Medium	Some asset classes or in different locations or in smaller townships may deteriorate / service failure due to reduced budgets.	Council regularly monitors existing service provision within its operation on a day-to-day basis. These have been formally established for through the Activity Management Plans. Monitor levels of service for some asset classes where higher risk level been adopted due to trade off with budget reductions.
Climate change - Climate change will affect our District over the medium to long term in line with projections provided by the Ministry for the Environment.	High	The effects of climate change arise more quickly than expected, resulting in additional costs to mitigate impacts and increasing damage to Council infrastructure, particularly the roading network.	FNDC's response to climate change is focused on lifting its management practices in including the creation of policies, plans and tools. This will require community consultation and involvement. Council will also require working alongside Māori to involve them on making resilient communities.
Tourism – Tourism levels of expenditure will continue to increase post COVID-19.	Medium	That projected tourism rates are significantly higher than expected including cruise ship arrivals to the Bay of Islands. This may result in greater number of tourists in popular areas. This may increase demand on FNDC's infrastructure including public toilets, waste collection and road congestion.	Council will continue to monitor tourism growth and economic indicators provided by external agencies such as Infometrics. Council will work with other agencies to determine proactive engagement with key stakeholders to mitigate negative economic impacts and to diversify tourist offerings. This may include alternative tourist attractions in other areas using immersive visitor experience centres with leading edge technology.

Significant planning assumptions	Level of uncertainty	Impacts	Mitigation
Regional collaboration – Council will continue to collaborate with neighbouring councils on specific programmes.	Medium	Programmes will not be successful without all Northland councils participating. Council will not meet its legislative requirements working by itself.	This relies on effective relationships at senior management level and by elected members.
Asset data - There are various levels of reliability of information across the infrastructure activities. Gaps have been identified as part of this strategy and Asset Management Plan development.	Medium	Difficult to make renewals decisions with gaps in information. Some assets may need to be closed for use if assessed as unsafe due to deterioration.	Strengthening the process related gaps to improve asset data reliability for the non-core assets has been identified as strategy improvement.
Asset lives – Council will maximise the useful and economic lives of its assets.	Medium	This will impact on the timing of replacements and the amount of rates collected for funding depreciation.	Continue to analyse the useful lives of the major asset classes as new information becomes available, with focus on the critical assets.

8.2. Significant financial assumptions

In developing this Strategy, financial areas of uncertainty have been identified specific to infrastructure assets. The full areas of uncertainty that are financial related are detailed in the Financial Strategy including inflation factors. The identified areas of uncertainty are in the table below.

Table 33 Financials areas of uncertainty

Significant financial assumptions	Level of uncertainty	Impacts	Mitigation
Funding sources - Funding sources (including external funding sources) do not materially change over the life of this Infrastructure Strategy. Council will continue to seek external Government funding and other sources as it becomes available.	Medium	Funding from third parties (including grants and NZTA contributions) is not available resulting in the need to defer or cancel significant projects or seek additional funding from ratepayers.	Funding for projects and assets is considered before the commencement of each project or asset. A significant impact from changes in funding or funding sources may result in revised capital works programme with less projects undertaken. FNDC will need to closely monitor the asset state to ensure that
Three water assets - Three water assets have been included with the draft strategy to align with the Government's new direction for water services. Supporting legislative amendments are being implemented in staged approach as the Government implements its Local Water Done Well policies.	High	The future management structure of the three waters is uncertain with the new Government. Retention of the three waters activity will impact Council's ability to borrow, and future rates affordability.	The 5 year financial requirements to manage the three water assets sustainably will now need to be included as part of FNDC's 2024 Long Term Plan.



Significant financial assumptions	Level of uncertainty	Impacts	Mitigation
Waka Kotahi funding - Waka Kotahi will continue to provide subsidised funding to the Council for the road network over the next 30 years at the current level.	Medium	There is risk that sufficient funds will not be available to pay for planned capital projects. The community cannot afford to fund the unsubsidised work programmes not approved by Waka Kotahi as facing significant general rate rise.	Continue to negotiate with Waka Kotahi to increase the approved work programmes.
Construction costs - Capital expenditure estimated costs are based on Council's best estimates and known planned expenditure. Materials and labour costs have increased significantly higher than consumers price index.	High	Capital expenditure varies from approved project budget resulting less projects delivered and increased borrowing costs.	Council will review its budget annually through the Long-Term Plan and Annual Planning process and adjust work programmes and budgets where necessary. Bundle the capital works programmes into work packages to provide certainty for contractors. Council has identified that delivery of the capital programmes needs to improve
Operational costs – Costs with operational contracts have increased significantly higher than consumers price index due to higher fuel, material and labour costs.	Medium	Annual costs with operational and maintenance contracts increased greater than original contract award amount. Planned maintenance programmes may need to be reduced and focus on reactive maintenance.	Council will assess the variation and impact of service provision to customers and meeting legislative requirements. Budgets may need to be adjusted through the Long-Term Plan / Annual Planning process.
Weather related costs – Significant operational costs to remediate weather damaged assets, particularly roads.	High	Planned budgets will not cover major asset failures due to weather events, particularly land transport.	Apply to Waka Kotahi for emergency funding with flood damaged roads. For other activities, budgets may need to be adjusted through the Long-Term Plan and Annual Planning process to prioritise damaged asset replacement ahead of programmed works.

9. Strategy Improvement

The key improvement tasks identified through the development of Council's 2024 Infrastructure Strategy are summarised in the table below. This is part of continuous improvement process and will ensure that Council is best prepared for the 2027 Infrastructure Strategy. These actions should be read in conjunction with the technical improvement tasks provided in the Asset Management Plans.

Table 34 Strategy improvement actions

Strategy element	Improvement actions	Activity	Timeframe	Priority
Policy	Develop an Asset Management Policy to ensure consistency across the diverse range of infrastructure assets managed by various custodial arrangements.	All	2024/25 to 2025/26	H
Asset Management Plans	Develop technical Asset Management Plans for the three water activities as a high priority.	Three waters	2024/25 to 2025/26	H
Regional collaboration	Work towards greater regional collaboration with solid waste assets and services to achieve operational efficiencies and long term waste minimisation goals.	Solid waste	2024/25 to 2033/34	M
Integrated planning	Formally review the effectiveness of the integrated planning framework with NTA and Far North Waters Alliance every three years.	Land transport, three waters	2027/28	M
Growth planning	Develop and implement the prioritised work programme for lifting growth planning practices.	All	2024/25 to 2025/26	H
	Start to use the Te Ao Māori framework in growth planning decision making internally.	All	2024/25 to 2025/26	H
	Identify and implement an appropriate mechanism for funding investment in the infrastructure that is required to support growth in our district. Ensure that the appropriate data is held to support the implementation of this.	All	2024/25 to 2030/31	M
Growth planning / cultural values	Collect and consolidate data on land suitability for receiving treated wastewater at district wide level. This data will help make decisions on future treatment plant locations (new and upgrades).	Wastewater	2025/26 to 2026/27	M
Adaptation planning for climate change	Roll out the Climate Action Implementation Plan to put the Climate Action Policy into action.	All	2024/25 to 2026/27	H
	Develop the scheduled Community Adaptation Plans each year. Work alongside the hapu and within the communities to understand the issues and design culturally appropriate solutions.	All	2024/25 to 2033/34	H
Financial Planning	Categorise the capital projects by the correct driver including growth. Set up the processes and systems to implement Council wide and across all infrastructure activities.	All	2025/26 to 2026/27	H
Asset data	Improve the data quality for the non-core assets to enable better renewal planning and decision making.	Built spaces, open spaces, maritime assets, and solid waste	2024/25 to 2033/34	M



Strategy element	Improvement actions	Activity	Timeframe	Priority
	Improve land drainage data and information to develop an activity management plan to inform the 2027 strategy.	Land drainage	2024/25 to 2033/34	H
	Improve the completeness of three water data including age and material type so basic asset management analysis can be undertaken.	Three waters	2024/25 to 2033/34	H
Asset condition	Undertake planned condition surveys of the above ground water supply assets to understand current asset state and inform future renewals.	Water supply	2024/25 to 2026/27	H
	Undertake planned condition surveys of the above and below ground wastewater assets to understand current asset state and inform future renewals.	Wastewater	2024/25 to 2026/27	H
	Undertake planned condition surveys of the below ground stormwater assets to understand current asset state and inform future renewals.	Stormwater	2026/27 to 2030/31	M

**NORTHLAND
INC
PROPOSED
ACTIVITIES
2024-27**

Overview

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).

A joint committee has been established to co-ordinate the responsibilities, duties and powers of councils as shareholders of Northland Inc. Furthermore, all three councils have committed to an annual level of funding for economic development in their Long Term Plans 2021–31, which will be transferred into, and subsequently allocated from, Northland Regional Council's Investment and Growth Reserve.

Northland Inc is primarily funded by an operational contribution from the Investment and Growth Reserve. It is project-funded through other public and private agencies, with central government being the next largest contributor. The organisation has a governance board of professional directors, each appointed on a fixed-term basis by the shareholder councils. Operational activity is led by a chief executive officer.

Proposed changes to shareholding

Whangarei District Council are consulting on becoming a joint shareholder of Northland Inc as part of their Long Term Plan 2024-2034. This includes becoming a member of the joint committee and making a funding contribution into the Investment and Growth Reserve. This eventuality is provided for in the shareholders' agreement between the three current owners.

Our contribution to Northland Inc - by way of the Investment and Growth Reserve - will remain the same whether Whangarei District Council's opt to join or not, so there's no impact on Northland Regional Council budgets as a result of this proposal. If Whangarei District Council chooses to become a joint owner, then its contributions will add more to the economic development pot.

Objectives and activities

The draft mission of Northland Inc Limited is to make a purposeful economic development impact that builds resilience and improves the prosperity, wellness and equity of Te Tai Tokerau Northland. To achieve this, three priority areas and six enabling activities are proposed. These six enablers are part of the 'BAU' of Northland Inc and support ('enable') their activities over a range of sectors and initiatives.

Strategic priorities	Objectives	Activities
1 Investment and Infrastructure	Grow investment and business support services such that regional economic activity improves consistently year on year. Prioritise activities and business ideas/proposals, with a view to applying our resources on focused impactful projects reflecting the organisational capacity at any time.	Credible and proactive in the region linking projects with private investment, Councils and Government & assisting to de-risk key projects • Leverage the Investment and Growth Reserve to increase investment into Te Tai Tokerau Northland • Actively support and facilitate investment in strategic sectors (Aquaculture, Agriculture and Horticulture, Digital, Tourism, Ship and

Strategic priorities	Objectives	Activities
	<p>Strategically focus on attracting, nurturing, and evaluating a pipeline of promising investment opportunities that align with an impact framework.</p> <p>Actively engage in advocating for and securing substantial investments for the region, in collaboration with a range of different investment and delivery partners.</p>	<p>Boat Building and Repair Services) in Te Tai Tokerau Northland</p> <ul style="list-style-type: none"> • Support and facilitate the development of new and enabling infrastructure such as renewable Energy, digital Connectivity, roads, rail, and water • Connected with investment providers into the Region to help direct investment to the most impactful projects • Credible and proactive voice for the region that is informing Government funding options and influencing priorities • Well informed on infrastructure challenges and opportunities in Te Tai Tokerau • Strongly connected at both regional and national levels, joining the dots to ensure equitable investment in infrastructure.
2 Tuputupu Grow Northland	<p>Support and facilitate adaptation and innovation in Northland's primary and associated manufacturing sectors to ensure the people and environment of Tai Tokerau can thrive into the future.</p>	<ul style="list-style-type: none"> • Facilitate adaptation and innovation in Northland's primary sector around land use optimisation through to commercialising new agri-business opportunities for domestic and export markets. • Facilitate and enable proposals for commercialisation and value-added manufacturing investment locally • Support the Ngawha Innovation and Enterprise Park • Collaborative engagements across - central and local government, national and regionally based sector organisations; landowners and supply chain enablers • Advocate for world class food and fibre businesses to be based in and grow out of Te Tai Tokerau.
3 Tourism and Destination Management	<p>Deliver destination management and marketing activity to support a visitor economy that aims to enhance the distribution of benefits across the region, environmental sustainability, heritage, and culture.</p> <p>Position Te Tai Tokerau Northland within target markets as a desirable place to visit.</p>	<ul style="list-style-type: none"> • Lead the Destination Management Plan (DMP) in partnership with relevant stakeholders, industry, iwi and hapū. • Facilitate regional investment through sector collaboration groups, marketing the region nationally and internationally, and providing targeted business support for tourism operators.

Strategic priorities	Objectives	Activities
		<ul style="list-style-type: none"> • Play a key role in attracting direct investment into the region for infrastructure to support tourism and support the development of sustainable pathways for businesses operating in the region. • Honour dual heritage and Māori story telling traditions by supporting stories told by those who have the right to tell them. A strong partnership approach with iwi, hapu, Māori tourism operators and landowners are the basis for growing this portion of the market. • Improve regional dispersal, length of stay, expenditure, and the appeal of off-peak travel particularly through leverage of the Twin Coast Discovery programme as a region wide development framework for tourism • Co-ordinate, and where appropriate, lead the implementation of an Annual Regional Tactical Marketing Plan for destination marketing, in alignment with the direction of national tourism organisations and in partnership with the Te Tai Tokerau Northland tourism sector.

Enablers	Objectives	Activities
1 Innovation and Enterprise	<p>Support SME's and Start Ups who want to start or grow their business in Northland.</p> <p>As well as helping owners and entrepreneurs to identify their next move, we also provide a front door for them into the many central government programmes, services and funding available to them.</p> <p>Seek to partner with others to deliver this service most effectively.</p>	<ul style="list-style-type: none"> • Support SME's and Start Ups on their business growth journey • Work with Government and other Stakeholders to deliver funding, innovation, R&D and business support programmes into Tai Tokerau • Contribute towards Tai Tokerau Northland's journey towards a more innovative, digital and technologically advanced environment that supports our core and developing industries • Deliver business advice effectively across the region to support innovation, capacity and capability development through incubation services and the Regional Business Partnership, New Zealand Trade & Enterprise, Callaghan Innovation and Business Mentors New Zealand • Develop clusters, business networks or associations to take advantage of market development opportunities

Enablers	Objectives	Activities
		<p>that leverage Te Tai Tokerau Northland's key sectors and comparative advantages.</p> <ul style="list-style-type: none"> • Build and sharing specialist knowledge through a business events programme and providing opportunities to access a range of capital support mechanisms for Te Tai Tokerau Northland businesses.
2 Advocacy and Brand	<p>Advocate for Te Tai Tokerau Northland to improve the economic well-being of the region to help support strong communities and environmental sustainability.</p> <p>Develop and improve the profile of economic development and of Northland Inc to ensure that Te Tai Tokerau Northland understands and values the efforts of Northland Inc.</p>	<ul style="list-style-type: none"> • Northland Inc is proactive and well informed on both the challenges and opportunities in Te Tai Tokerau and is acknowledged as regional leader in impactful economic development. • A respected voice for the region and a credible source for central and local government to understand the regional context and to prioritise investment, policy settings and decisions on key economic opportunities. • Uses powerful communications and a well-connected network to improve the reputation and visibility of the region while advocating for its needs. • Leads the implementation of the regions long-term Economic Development Strategy for Te Tai Tokerau (Te Rerenga) • Facilitates the Tai Tokerau Economic Action Plan (TTNEAP) for the region • Provides economic development intelligence and insights • Assists with project management and delivery of economic response activities
3 Māori Economic Development ("Āe Mārika")	<p>Assist strategic partners in the Māori Economic Development economy with their high impact Māori economic development projects across all levels, with a specific focus on improving capacity and capability of those with whom we partner with for delivery.</p> <p>Respect and implement the principals of Te Tiriti O Waitangi, which support meaningful partnership with Māori.</p> <p>Implement of our internal capability pathway – He Korowai Manawanui – a two-year programme working on our</p>	<ul style="list-style-type: none"> • Support tangata whenua to develop and implement their own visions and economic development plans. • Partner with Māori organisations to deliver services to Māori businesses • Connect into existing local and national Māori Economic Development activity and strategies that will support Te Tai Tokerau. • Engage and partner with iwi, hapū, marae and the Māori community, central government agencies and other entities supporting Māori Economic Development to advance their aspirations in economic development and enable investment,

Enablers	Objectives	Activities
	organisational culture towards elevating the importance of Māori Economic Development and becoming a better partner for Māori with a genuine understanding of Tikanga and Te Ao Māori.	business growth and completion of economic development projects <ul style="list-style-type: none"> • Work with, advocate for and support Māori businesses, trusts and entities with their aspirations for growth • Build a competent team (Northland Inc and partners) that operates as Te Tiriti based partners to support iwi, hapu, whānau and pakihi in achieving their economic development goals. • Engage with MBIE on the continual improvement of the RBP delivery into the Māori economy.
4 Environmental Sustainability	Help prepare Northland businesses to reduce their emissions by partnering to provide support and practical programmes; and take an environmental sustainability focus when assessing all active projects.	<ul style="list-style-type: none"> • Support Northland businesses to meet climate adaptation targets set by Central Government through access to appropriate information and tools • Partner to provide support to Northland businesses with practical programmes • Use an environmental sustainability focus for all active projects • Assessing the environmental aspirations of businesses and projects • Utilise Te Ao Māori/Mātauranga Māori in environment/sustainability Kaupapa. • Have environmentally sustainable business practices within Northland Inc.
5 Partnerships	Develop and nurture high trust partnerships across the region with those who have the capability to positively impact economic development outcomes across Te Tai Tokerau. Northland Inc is a trusted and valuable organisation to partner with that develops initiatives that have visible and measurable impact and generates positive economic development outcomes. Expand these partnerships leading to increased opportunities and resilience, creating a stronger, interconnected region.	<ul style="list-style-type: none"> • Develop and maintain high trust partnerships with stakeholders who impact economic development outcomes across Te Tai Tokerau. • Northland Inc is embedded within a network of relationships that bring capabilities and contributions to key projects with shared interests • Partnership activity spread across Central Government, Local Government, business communities, investors and other stakeholders.
6 Organisational Culture and Capability	Uphold an internal culture where our team are respectful and supportive of one another;	<ul style="list-style-type: none"> • Have quality resource that supports capability uplift in staff skills.

Enablers	Objectives	Activities
	<p>our histories, our whānau, and our aspirations.</p> <p>Our culture is supportive, encouraging and positive - supporting our people and their livelihoods.</p> <p>Our capability is performance focused, fit for purpose and within resource available.</p>	<ul style="list-style-type: none"> • Capability to deploy impact or surge capacity in times of crisis or emergency response and have a strong network of operational partners that can activate as opportunity or needs arise. • Well-connected across the region; understands our local economy and employs highly skilled networked people. • Attract, retain and grow appropriate talent aligned to our culture and capability needs. <p>14</p> <ul style="list-style-type: none"> • Culture of being performance and outcome driven, encouraging professional development, and personal wellbeing.

Proposed key performance measures¹

Strategic priority 1 – Investment and Infrastructure

How we will measure	2024/25	2025/26	2026/27
Number of inward delegations hosted	3	3	3
Number of projects actively managed within the investment pipeline	10	10	10
Number of potential revenue generation opportunities fully investigated	1	1	1
Number of high impact projects that are implemented (reporting by regional strategic sectors)	4	4	4

Strategic priority 2 – Tuputupu Grow Northland

How we will measure	2024/25	2025/26	2026/27
Projects assisted through stages of growth	6	6	6
Number of meaningful engagements and relationships with landowners, businesses, stakeholder that lead to and support positive outcomes	80	80	80
Number of engagements or established relationships with iwi/hapu groups and other organisations that lead to a positive outcome	8	8	8
Projects supported to project implementation	3	3	3
Number of businesses and landowners that as a result of engagement are exploring, developing, leading and delivering on change activity	20	20	20
Number of Māori organisations that as a result of engagement are exploring, developing leading and delivering on change activity	4	4	4

¹ Key performance measures are not specifically set for Enablers 5 and 6 as these are covered by KPIS for other areas .

Strategic priority 3 – Tourism and Destination Management

How we will measure	2024/25	2025/26	2026/27
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	1	1
Number of actions under implementation from the Destination Management Plan	6	7	8
Number of engagements or established relationships with iwi/hapu groups and other organisations that lead to a positive outcome	8	8	8

Enabler 1 – Innovation and Enterprise

How we will measure	2024/25	2025/26	2026/27
Number of unique businesses assisted (reporting by TA and industry)	250	250	250
Proportion of those businesses assisted that are Māori (by TA and industry)	35%	40%	45%
Client satisfaction with businesses assistance provided by Northland Inc as measured by Net Promotor Score	NPS>50	NPS>50	NPS>50
Value of grant funding and investment facilitated for Māori businesses	\$130k	\$140k	\$150k

Enabler 2 – Advocacy and Brand

How we will measure	2024/25	2025/26	2026/27
Number of regional economic development updates or reports released	6	6	6
Number of media features that profile the region	24	24	24
Number of media activity that references Northland Inc	52	52	52

Enabler 3 - Māori Economic Development (“Āe Mārika”!)

How we will measure	2024/25	2025/26	2026/27
Number of iwi/hapū groups and other Māori organisations, e.g. marae, land trusts, etc. actively supported	18	20	22
Proportion of Māori organisations that are satisfied with Northland Inc support	>80%	>85%	>90%

Enabler 4 – Environmental Sustainability

How we will measure	2024/25	2025/26	2026/27
Number of businesses and organisations supported to improve their climate resilience journey	20	30	40
Proportion of projects funded through Project Development that have identified their pathway to low emissions	80%	100%	100%
Change in carbon footprint relative to revenue of Northland Inc	-10%	-10%	-10%



RATING RELIEF POLICIES 2024

Contents

Introduction.....	1
Making an application? This is what you need to know:	2
Definitions	3
R21/01 – Remission of Penalties	5
R21/02 - Unusable Land	6
R21/04 - Community, Sports and Not-for-profit Organisations	7
R21/05 - Properties Spanning Multiple Districts.....	8
R21/06 - Common-Use Properties	9
R21/07 - Remission of School Sewerage Charges	11
R21/08 - Excess Water Charges	12
R21/13 - Incentivising Māori Economic Development.....	12
R21/14 - Treaty Settlement Lands	14
R23/15 - Enabling Housing Development on Māori Freehold Land.....	15
P21/01 - Land Subject to Protection for Outstanding Natural Landscape, Cultural, Historic or Ecological Purposes	16
P21/03 - Landlocked Land	18
P21/04 - Transitional policy for the postponement of rates on farmland	19
P21/05 – Residential Rates for Senior Citizens.....	22
ML21/01 - Māori Freehold Land Not Used	24
ML21/02 - Māori Freehold Land used for the purposes of Papakainga or other housing purposes subject to occupation licenses or other informal arrangements	25

Introduction

Section 102 (2e) of the LGA 02 requires councils to adopt a policy for the remission and postponement of rates on Māori Freehold Land. In the development of these policies, Council has considered Schedule 11 of the LGA 02 and recognises that the nature of Māori land is different to General Title Land.

Section 102(3) of the Local Government Act 2002 (LGA 02) provides that a council may adopt a rates remission policy and a postponement policy. This policy addresses both the remission and postponement of rates.

The objectives of Council's rating relief policies are to:

1. To provide a fair and equitable collection of rates from all sectors of the community.
2. Provide an equitable system of rating remission and postponement for all sectors of the community;
3. To recognise that there is a community benefit in providing assistance through rating relief to certain charitable and community organisations.
4. Provide ratepayers with financial assistance where they might otherwise have difficulty meeting their obligations to pay rates;
5. Align with Council's community outcomes and strategic priorities;
6. Recognise that certain unoccupied Māori Freehold Land not used may have particular conditions, ownership structures, or other circumstances which make it appropriate to remit or postpone rates for defined periods of time; and
7. Ensure consideration of Schedule 11 of the LGA 02 (matters relating to rates relief on Māori Freehold Land).

Making an application? This is what you need to know:

1. All applications under these policies must be made in writing, signed by the owner/ratepayer or relevant approved person, and accompanied by any required supporting documentation. After an application has been submitted, further documentation may be requested. In that event, the applicant will be notified accordingly.
2. As provided for in section 88 of the Local Government (Rating) Act 2002 (LGRA 02), a postponement fee may be calculated and added to the postponed rates.
3. The basis of calculating the postponement fee is included in each year's Funding Impact Statement, which can be found in the Long Term or Annual Plan for that year.
4. The owner(s) of the property must provide proof of eligibility which will be confirmed with relevant Council information.
5. Where a property or part of that property is sold within the period of remission or postponement, Council has the right to recover the rates remitted or postponed for the applicable period. This may apply to the whole property or only to that portion of the portion that has been sold.
6. Council may require further information from the applicant if deemed necessary to process the application.
7. Council reserves the right to inspect the use of a property, where appropriate, for application assessment and to confirm compliance with policy criteria from time to time.
8. Any decision made by Council under this policy is final. Remissions or postponements granted under previous policies will remain in force as per those policies.
9. Applications may be made for a remission or postponement of rates in circumstances which are not included in the separate policy category sections set out below. These are known as "outside of policy" applications. Council's authority is restricted by the provisions of the LGRA 02. For that reason, all such applications "outside of policy" must be in writing, and accompanied by sufficient detail and documentation to support a decision by Council.
10. Council is under no obligation to approve any applications that do not comply with the established policies and Council's decision on the matter is final.
11. Council's decision whether to grant or deny an application for remission or postponement of rates will be based upon:
 - a. The application itself; and,
 - b. All supporting documents submitted by the applicant; and,
 - c. Any relevant information and/or documentation held in Council's records.
12. Except where otherwise indicated, Council reserves the right to grant or deny any and all applications for remission or postponement of rates under these policies.

Definitions

For the purpose of these policies, words used in the singular include the plural, and words used in the plural include the singular.

ARREARS means unpaid rates as at 30 June of the rating year prior to application.

COMMERCIAL is defined by the land use code attributed to the property, the property has a liquor licence or by the fact that the entity buys and sells goods and services on a for profit basis.

COUNCIL means the Far North District Council and includes any person or agent authorised by the Far North District Council.

FARM BLOCK means the definition attributed to the land by the Valuer General, with an area of 20 hectares up to 50 hectares, by the valuer and not the standard definition of a farming block.

INTERNAL RETICULATION means all pipe reticulation from the meter to the house or property (known as the “private side of the meter”)

LANDLOCKED LAND means a piece of land to which there is no reasonable access

LIFESTYLE BLOCK means the definition attributed to the land by the Valuer General, with an area of 1 hectare up to 20 hectares, by the valuer and not the standard definition of a lifestyle block.

MĀORI FREEHOLD LAND has the same meaning as defined in Te Ture Whenua Māori Act 1993 Part VI section 129(2)(a).

NATURAL DISASTER has the same meaning as in the Earthquake Commission Act 1993.

NEW USER is a person that has not been previously identified in Council's Rates Information Database as being responsible for the rates on the land.

OCCUPIED means a formal right by occupation order or informal right by licence to occupy Māori Freehold Land, or other arrangements are in place and are exercised.

OCCUPIER means a person, persons, organisation, or business entity that is using a rating unit or portion of a rating unit under a lease, license or other formal agreement for a specified period of time.

OUTSTANDING NATURAL LANDSCAPE refers to any largely unmodified landscape with characteristics and qualities that amount to being conspicuous, eminent or remarkable. These landscapes are afforded protection through the Resource Management Act 1991 as a matter of national importance.

PAPAKĀINGA means the use of Maori multiple owned land, Maori ancestral land or land within the meaning of Te Ture Whenua Maori Act 1993 by a (the) shareholder(s) for (a) dwelling place(s).

POSTPONEMENT means an agreed delay in the payment of rates for a certain time, or until certain defined events occur.

PRIVATE FINANCIAL PROFIT means that the owner or ratepayer receives direct financial benefit from any profit generated by the entity. Profit that is directed to charitable purposes rather than to an individual or individuals is not deemed to be private financial benefit.

RATEPAYER includes, under the Local Government (Rating) Act 2002, either the owner of the rating unit or a lessee under a registered lease of not less than 10 years, which provides that the lessee is required to be entered into the Rating Information Database as the ratepayer.

REASONABLE ACCESS in relation to land, means physical access for persons or services of a nature and quality that is reasonably necessary to enable the owner or occupier of the land to use and enjoy the land for any purpose for which it may be used in accordance with any right, permission, authority, consent, approval, or dispensation enjoyed or granted under the Resource Management Act 1991.

REMISSION means that the requirement to pay the rate levied for a particular financial year is forgiven in whole or in part.

STATUTORY LAND CHARGE means a charge registered against a Certificate of Title of a property by someone who has a financial interest in the property, such as debt or part ownership.

TREATY SETTLEMENT LANDS means any land which has been returned to Māori ownership in a Treaty Claims Settlement, or land which may have been purchased from Treaty settlement monies to replace land which could not be returned because it is in private ownership.

UNIFORM ANNUAL GENERAL CHARGE (UAGC) is a type of rate levied by Council. It is a fixed charge, or an amount that stays the same regardless of the value of the property. The UAGC is the same amount for all ratepayers across the District.

USED includes use for the purposes of any residential occupation of the land, or any activity for business or commercial purposes, including lease agreements, or storage of equipment, stock or livestock.

R21/01 – Remission of Penalties

Background

Penalties are charged where rates instalments are not paid by the due date. Council recognises the economic hardship faced by some ratepayers. This policy provides for the remission of rates penalties on the grounds of financial hardship.

Policy Objective

To allow for the remission of penalties where the ratepayer has entered into repayment arrangements or there are reasonable grounds to remove the penalty.

Scope

This policy applies to both General Title and Māori Freehold Land.

Policy Statement

Council may remit rates penalties where the application provides a reasonable reason for remission.

Conditions and Criteria

1. Applications will be considered if:
 - a. The applicant has a previous good record of payment and on-time payments of all rate instalments within the last two years; or
 - b. The rating unit has a new owner who has not received notice of the current invoice due date; or
 - c. A request is made on compassionate grounds; or
 - d. The ratepayer has entered into a Rates Easy Pay agreement and has maintained the arrangement to clear their outstanding rates for a period of 6 months.
2. If there is no cost to Council i.e. where, as an action of Council's revenue recovery process, the remission of penalty results in immediate full payment of arrears.

R21/02 - Unusable Land

Background

Natural disasters can cause land to become unusable for a long period of time. This policy addresses the issue of land that had been made unusable by a natural disaster.

Policy Objective

To provide rating relief to the owners of properties that have become unusable as a result of a natural disaster, and where the loss of the use of the property will result in financial hardship to the owner.

Scope

This policy applies to both General Title and Māori Freehold Land.

Policy Statement

Council may grant a remission of rates on land that has become indefinitely unusable as a result of a natural disaster.

Conditions and Criteria

1. The applicant must set out in detail the nature of the natural disaster that has caused the land to be unusable.
2. The application must outline the steps that the owner has taken, or will take, to return the land to a usable state. If this is not possible, the application must state why.
3. The application must be supported by a report from a Registered Engineer or other similarly qualified expert setting out the reasons why the land has become, and will remain, unusable.
4. The maximum term for the remission of rates will be 5 years. At the end of that period, if the land remains unusable a further application will be required, including a statutory declaration that confirms that the conditions of the original expert's report remain unchanged, this must be confirmed in writing by the expert.
5. The applicant will be required to sign an agreement that any remission will be cancelled immediately if the land is returned to a usable state.

R21/04 - Community, Sports and Not-for-profit Organisations

Background

Community and voluntary groups provide facilities to enhance and contribute to the wellbeing of the residents of the Far North. This policy provides rating relief for those organisations that operate for the benefit of the community.

It is of note that the Local Government (Rating) Act 2002 provides for a 100% non-rateability of land owned or used by certain categories of charitable and community organisations. In addition, a 50% non-rateability is provided in respect of land owned or used by organisations for sports or any branch of the arts, except where these organisations operate a club licence under the Sale of Liquor Act. For more details on the rateability of this type of land refer to the Local Government (Rating) Act 2002, 1st schedule, Parts 1 and 2.

Policy Objectives

1. To assist in the ongoing provision of community services and recreational opportunities that benefit Far North residents.
2. To recognise that there is a community benefit in providing assistance through rating relief to certain charitable and community organisations.

persons, to run a camping ground for the purpose of recreation, health, education or instruction, for the benefit of residents of the district.

2. This policy will apply for a period of three years unless the applicant's circumstances change. At the end of the three-year period, a new application will be required.

Scope

This policy applies to both General Title and Māori Freehold Land.

Policy Statements

1. Council may remit up to 100% of the rates, providing the entity does not qualify for other financial support, payable on land owned or used by any entity which has, as its principal purpose and function, the provision of social housing, free access to family counselling, or, assessment, counselling and in-patient treatment for people with alcohol, drug and mental health related problems and that is a Registered Charitable Organisations or IRD approved donee organisation. Council may remit 50% of the rates payable on land owned or used by an entity, (society or association or persons, whether incorporated or not) for the purpose of providing benefit to Far North residents through:
 - a. the promotion of recreation, health, education, or instruction for the benefit of residents or any group of residents of the district; or
 - b. land that is owned or used by, or in trust of any society or association or

Conditions and Criteria

1. Relevant financial information must accompany all applications. This includes:
 - a. statement of organisation objectives
 - b. full financial accounts
 - c. information on activities and programmes
 - d. details of membership or clients.
2. No remission will be given on land on which a licence under the Sale of Liquor Act is held.
3. No remission will be given on land where any person or entity receives private financial profit from the activities carried out on the land. All income earned by ratepayers and entities receiving a remission under this policy must be spent on reasonable salaries, wages and other costs reasonably related to its community, sports, or not-for-profit purposes.
4. Land used for an activity which is commercial in nature does not qualify for rates remission. For example an "op-shop" does not qualify for rating relief under this policy.

R21/05 - Properties Spanning Multiple Districts

Background

There are a small number of rating units situated across the boundary line between the Far North District and other districts. These properties incur rates from both councils. This policy provides an equitable method of assessing rates for those properties.

Policy Objective

To recognise that some properties span multiple districts, and to ensure that only the portion of property within the Far North District is rated by the Far North District Council.

Scope

This policy applies to both General Title and Māori Freehold Land.

Policy Statement

Rates will be remitted on any portion of a property outside of the Far North District.

Conditions and Criteria

If there is a dwelling on the portion of the property within the Far North District:

- no portion of the Uniform Annual General Charge will be remitted; and
- the land value-based rate will continue to be remitted on the portion outside of the Far North District.

R21/06 - Common-Use Properties

Background

Section 20 of the LGRA 02 requires that multiple rating units be treated as one rating unit if they are:

1. Owned by the same person or persons; and,
2. Used jointly as a single unit; and,
3. Contiguous or separated only by a road, railway, drain, water race, river or stream.

This policy expands on the provisions of the Act and provides for commercial operations to be treated as one rating unit to assist economic development in the district.

The circumstances where an application for a remission of charges will be considered are:

- A residential dwelling and associated garden and ancillary buildings where the property occupies at least two rating units and those rating units are used jointly as a single property
- A farm that consists of a number of separate rating units that are either contiguous or are located within a 2 kilometre radius
- A commercial, retail, or industrial business that operates from more than 1 rating unit where those rating units are contiguous and are used jointly as a single property
- A subdivision for the period that the individual lots continue to be in the ownership of the original developer and remain vacant. This provision has a maximum term of 3 years in respect of all charges excluding those that are set to fund utility services such as stormwater, wastewater and water supplies.

Policy Objectives

1. To enable Council to act fairly and equitably with respect to the imposition of the UAGC and applicable targeted rates on 2 or more separate rating units that are contiguous, separately owned and used jointly for a single residential, commercial or farming use.
2. To deal equitably with the imposition of the UAGC and applicable targeted rates on 2 or more separate rating units that have resulted from a subdivision to facilitate the development of the district.

2. The rating units must:

- a. In the case of a residential/lifestyle property, be owned by the same ratepayer who uses the rating units jointly as a single residential property. In the case of residential rating units where two or more separately owned rating units are owned by an individual and/or trust and are contiguous but the ownership is not an exact match, the rating units will be considered as one. For this to apply one unit must have a dwelling and the other unit(s) considerable development which proves that the rating units are being used as one. E.g. House/dwelling on one rating unit and or garden and garage on the other rating unit.
- b. In the case of a farm/lifestyle property, be owned by the same owner, or be leased for a term of not less than 10 years, to the same ratepayer who uses the rating units jointly as a single farm. The owners of each of the individual rating units must confirm in writing that their unit/s is being jointly used as a single farming operation

Scope

This policy applies to both General Title and Māori Freehold Land.

Conditions and Criteria

Applications under this policy must be in writing, signed by the ratepayer and must comply with the conditions and criteria set out below.

1. The rating units must be contiguous, or in the case of a farm, must be situated within a radius of 2 kilometers from the primary property.

- c. In the case of a subdivision, commercial or residential development, be owned by the original developer who is holding the individual rating units pending their sale or lease to subsequent purchasers or lessees and is vacant. This remission is limited for a term of 3 years for all charges and will be calculated from 1 July in the year that the rates were first remitted.

It should be further noted that the remission under this clause does not extend to subsequent purchasers.

1. The applicant must provide sufficient evidence as is necessary to prove that the properties are being jointly used as a single property and Council's decision on the matter is final.
2. Council reserves the right to determine that any specific targeted charge will be excluded from this policy.

R21/07 - Remission of School Sewerage Charges

Background

The Council recognises that schools may be disproportionately charged for sewerage services where there are a higher number of toilets in relation to the actual number of students enrolled in schools. This policy ensures that schools are equitably charged for sewerage services.

Policy Objective

To ensure equitable rating of educational establishments by providing relief for sewerage charges.

Scope

This policy applies to both General Title and Māori Freehold Land.

Policy Statements

Where the nominal number of pans is less than the actual number of pans, sewage charges will be remitted on those pans that make up the difference between the two.

Conditions and Criteria

1. This policy applies to those educational establishments specified in Schedule 1, clause 6 of the Local Government (Rating) Act 2002.
2. The nominal pan number will be calculated as one pan per 20 students/staff members or part thereof.
3. The policy does not apply to schoolhouses occupied by a caretaker, principal or staff
4. The number of students in an educational establishment is the number of students on its roll on 1 March of the year immediately before the year to which the charge relates.
5. The number of staff in an educational establishment is the number of full time teaching equivalent (FTTE) staff and full time equivalent (FTE) administration staff employed by that educational establishment on 1 March of the year immediately preceding the year to which the charge relates.

R21/08 - Excess Water Charges

Background

From time to time water consumers experience a loss as a result of leaks or damage to their water supply system. It is the normal practice for the consumer to be responsible for the maintenance of the reticulation from the water meter to the property and to account for any consumption of water supplied through the meter.

Council has taken the view that some consumers may experience an occasional water leak without them being aware of the problem. Therefore, they have decided that it would be reasonable to allow for a reduction in charges to these consumers in certain circumstances.

Policy Objectives

To standardise procedures to assist ratepayers who have excessive water rates due to a fault (leak) in the internal reticulation serving their rating unit

To incentivise ratepayers to regularly check their water meter and maintain their internal water reticulation ensuring that consumers retain responsibility for the maintenance of their private reticulation.

Scope

This policy applies to both General Title and Māori Freehold Land.

Policy Statements

Council may provide a full remission of excess water charges to the ratepayer once every 10 years where a leak in the internal reticulation of that property has resulted in water loss.

Council may provide a 50% remission of excess water charges to the ratepayer in the case of a separate leak on that property within 10 years following the grant of a first application.

The 10 year period will restart at zero if the property is sold and there is a new owner/ratepayer.

Conditions and Criteria

1. All applications must be made in writing and signed by the owner(s) of the

property. Where a property is managed by a property management company (agent), instructions to act on behalf of the owner must be in place for the agent to act.

2. Applications made under this policy must be received by Council within six months of the first notification to the ratepayer by Council of a possible leak.
3. Meter readings will be taken after the application has been received to ensure all leaks have been repaired.
4. Proof of repairs to the internal reticulation must accompany the application. This may be in the form of a detailed written report or an invoice for repairs from a currently registered plumber, or a report from Council's service contractor.
5. Repairs carried out by the ratepayer must be peer reviewed by a currently registered plumber and a report provided to confirm that the repair is suitable and to current standards.
6. Excess water charges resulting from any other leaks within the 10 year period are not eligible for remission.
7. The maximum relief that will be provided will be the difference between the normal consumption and the actual water consumption for that period.

NOTE: The "normal consumption" will be calculated from three meter readings outside of the leak period for the property concerned.

R21/13 - Incentivising Māori Economic Development

Far North District Council | Te Pae Tawhiti | Long Term Plan 2024-27 | Supporting Information

12

Background

Council recognises that there is a need to incentivise economic development on Māori Freehold Land. Enabling and incentivising Māori economic development through the remission of rates may see direct economic and social benefits to landowners generating a return on the land, as well as to Council from future rates contributions, as the venture grows and becomes sustainable.

Policy Objectives

1. To provide incentives for Māori land owners to develop Māori Freehold Land for economic use.
2. To enable owners to develop an economic base and to assist with the subsequent payment of rates.

Scope

This policy applies to Māori Freehold Land only.

Policy Statement

Council will remit rates on Māori Freehold Land for the purposes of incentivising economic development.

Conditions and Criteria

1. Council will remit rates under this policy on an eight-year sliding scale as follows:
 - Years 1-3 - 100% remitted
 - Year 4 - 90% remitted
 - Year 5 - 80% remitted
 - Year 6 - 60% remitted
 - Year 7 - 40% remitted
 - Year 8 - 20% remitted; and
 - Year 9 - 0% remitted

Remission will apply from 1 July in the year of application.
2. The land, or portion of the land, for which relief is sought must be considered suitable for development and confirmed as currently not used or economically viable in its current state.

3. Applications must be accompanied by a business case which must include a cashflow analysis for at least 3 years.
4. A meeting with Council staff will be required to determine any other necessary documentation.
5. Key considerations by Council will include:
 - a. suitable professional advice has been obtained;
 - b. there is a suitable management structure in place;
 - c. appropriate financial arrangements for the development of the land have been made;
 - d. suitable monitoring and reporting systems have or will be established; and
 - e. realistic financial projections and cash flows have been provided.
6. Each application will be submitted to Council for review and assessment. The decision of Council to approve or not approve is final.
7. Upon approval, an annual report and financial statements on the development must be submitted to Council within 3 months of the end of the entity's financial year.
8. If the development on which the remission is based does not proceed or is unable to meet the requirements to achieve a viable economic return, the remission will cease at the end of the rating year in which this is identified.

R21/14 - Treaty Settlement Lands

Background

Council recognises that post-settlement governance entities (PSGEs), which are formed to receive properties returned as a part of Treaty of Waitangi settlements, will require time to develop strategic plans, restore protections, and complete necessary works for cultural and commercial redress properties. These properties can be classed as General Title, which means that the rating relief policies for Māori Freehold Land do not apply to all of these properties. This policy has been developed in recognition of these circumstances.

Policy Objective

To recognise that lands acquired as part of a Treaty settlement process may have particular conditions or other circumstances which make it appropriate to remit rates.

Scope

This policy applies only to Treaty Settlement Lands and will retrospectively apply to any settlements prior to 1 July 2018.

Policy Statement

Council will agree to remit rates on Treaty Settlement Lands subject to the criteria set out below.

Conditions and Criteria

1. Before remission of rates may come into effect, Council must receive an appropriate and satisfactory application supported by sufficient documentation.
2. The applicant must provide proof that the land which is the subject of the application is Treaty Settlement Land.
3. Returned lands that were non-rateable under the previous ownership will receive a full rates remission for a period of three years.
4. Where returned lands are commercial redress properties and are not used, Council will grant a 50% remission for a period three years.
5. Where the returned lands are commercial redress properties and meet the criteria as outlined in the Incentivising Māori Economic Development Policy, Council will remit rates on an eight-year sliding scale as follows:
 - Years 1-3 - 100% remitted
 - Year 4 - 90% remitted
 - Year 5 - 80% remitted
 - Year 6 - 60% remitted
 - Year 7 - 40% remitted
 - Year 8 - 20% remitted; and
 - Year 9 - 0% remitted

R23/15 - Enabling Housing Development on Māori Freehold Land

Background

The Local Government (Rating) Act 2002 S114A requires Council to recognise that there is a need to enable housing development on Māori Freehold Land. Enabling housing development through the remission of rates will see direct social benefits to landowners, as well as to Council from future rates contributions.

Policy Objective

To provide a remission for Māori landowners to enable the development of housing opportunities on Māori Freehold Land.

Scope

This policy applies to Māori Freehold Land only and can be applied to any number of dwellings on a site. It will not apply to service connections, which will remain payable if the property is connected to Council reticulation.

Policy Statement

Council will remit rates on Māori Freehold Land for the purposes of enabling housing development.

Conditions and Criteria

1. Council will remit rates under this policy on an eight-year sliding scale as follows:
 - Years 1 - 3 - 100% remitted
 - Years 4 - 5 - 75% remitted
 - Year 6 - 50% remitted
 - Year 7 - 25% remitted
 - Year 8 - 0% remitted

Remission will apply from 1 July in the year of application.

2. The land, or portion of the land, for which relief is sought must be considered suitable for development and apply and be granted a resource consent.
3. Applications must apply for and be granted a building consent and a code of compliance certificate upon completion.
4. Notification of the above consents and certifications must be made to the Council rates team to ensure the continuation of the remission.
5. A meeting with Council staff will be required to determine any other necessary documentation.

6. Key considerations by Council will include:
 - a. Suitable professional advice has been obtained.
 - b. Appropriate financial arrangements for the development of the land have been made.
7. Each application will be submitted to Council for review and assessment. The decision of Council to approve or not approve is final.
8. If the development on which the remission is based does not proceed or is unable to meet the requirements to be compliant with the Resource Management Act 1991 and the Building Act 2004, the remission will cease at the end of the rating year in which this is identified.

P21/01 - Land Subject to Protection for Outstanding Natural Landscape, Cultural, Historic or Ecological Purposes

Background

The Far North District Council recognises that certain rateable land within the District is protected for outstanding natural landscape, cultural, heritage, or ecological purposes.

Policy Objectives

To provide rating relief to landowners who have reserved lands that have particular outstanding natural landscape, cultural, historic or ecological values for future generations.

Scope

This policy applies to both General Title and Māori Freehold Land.

Policy Statements

1. Council may remit rates on land subject to protection for outstanding natural landscape, cultural, historic or ecological purposes under the formal protection agreements listed in 2 a) through 2 g) of the conditions and criteria of this policy.
2. Council may postpone rates on land subject to protection for outstanding natural landscape, cultural, historic or ecological purposes under the formal protection listed in 2 h and i) of the conditions and criteria of this policy.

Conditions and Criteria

1. Applications must be supported by a copy of the formal protection agreement and a Management Plan detailing how the values of the land are to be maintained, restored, and/or enhanced.
2. The land must be subject to a formal protection agreement as set out below:
 - a. An open space covenant under section 22 of the Queen Elizabeth the Second National Trust Act 1977; or
 - b. A conservation covenant under section 77 of the Reserves Act 1977; or
 - c. A Nga Whenua Rahui kawenata under section 77A of the Reserves Act 1977; or

- d. A declaration of protected private land under section 76 of the Reserves Act 1977; or
 - e. A management agreement for conservation purposes under section 38 of the Reserves Act 1977; or
 - f. A management agreement for conservation purposes under section 29 of the Conservation Act 1987; or
 - g. A Māori reservation for natural, historic, or cultural conservation purposes under sections 338 to 341 of the Te Ture Whenua Māori Act 1993 (Māori Land Act 1993); or
 - h. A covenant for conservation purposes under section 27 of the Conservation Act 1987.
 - i. A covenant for conservation purposes approved under the Heritage New Zealand Pouhere Taonga Act 2014 (or Historic Places Act 1993)
3. The rating unit or portion of the rating unit that is the subject of the application must not be in use. For the purposes of this Policy, the definition of person actually using land is taken from the Local Government (Rating) Act 2002. It means a person who, alone or with others: –
 - a. Leases the land; or
 - b. Does 1 or more of the following things on the land for profit or other benefit:
 - i. Resides on the land
 - ii. Depastures or maintains livestock on the land
 - iii. Stores anything on the land
 - iv. Uses the land in any other way.

NOTES:

Notwithstanding the above, work undertaken to pre-serve or enhance the features covenanted on the land, including weed control, will not impact the "unused" status of the land

The removal of traditional medicinal tree and plant material by tangata whenua for personal use will not constitute actual use of the land.

6. Where the entire rating unit is the subject of the application, the remission or postponement of rates will apply to all rates levied on the property.
7. The protected and unprotected portions of the rating unit will be separately valued and assessed as separate parts pursuant to Section 45 (3) of the Local Government (Rating) Act 2002. In these instances, the remission or postponement of rates will only apply to the protected portion of the rating unit. It should be noted that these separate parts will not constitute separately used or inhabited parts for rating purposes and a full set of UAGC and other charges will be assessed against the part of the rating unit that is being used
8. Any remission or postponement granted under this policy will become effective on 1 July in the rating year following the submission of the application.
9. Any remission or postponement of rates on the land will be cancelled immediately in the event that the land ceases to be protected under a formal protection agreement. Postponed rates that have not been remitted will be repayable in the event that the covenant conditions and the Management Plan objectives are breached in the sole opinion of the Council, whose decision is final.

Specific Conditions and Criteria for Postponement of Rates

1. After a term of ten years, the postponed rates for the first year of the covenant period will be remitted. After this, one additional year of the postponed rates will be remitted each year, so that a maximum of ten years of postponed

rates are held against the land at any given time.

2. Upon expiration of the covenant or other agreement, any rates that are postponed against the land at that time, which have not been remitted under paragraph 1 above, will become due.
3. The repayment of postponed rates will not be required as a result of a change of ownership, provided that the land continues to comply with all criteria.
4. Council will not seek repayment of postponed rates where future postponement is revoked due to Council changing its criteria for postponement.

P21/03 - Landlocked Land

Background

The Property Law Act 2007 enables owners of landlocked properties to take legal action in order to gain reasonable access to their property.

landlocked land means a piece of land to which there is no reasonable access.

reasonable access, in relation to land, means physical access for persons or services of a nature and quality that is reasonably necessary to enable the owner or occupier of the land to use and enjoy the land for any purpose for which it may be used in accordance with any right, permission, authority, consent, approval, or dispensation enjoyed or granted under the Resource Management Act 1991.

Ratepayers may be unable to take action under these provisions of the Property Law Act due to their financial circumstances.

This policy has been prepared to cover the exceptional circumstances and will only be applied after all other avenues for access have been explored by the owner.

Policy Objectives

To provide rating relief to ratepayers where their land has no reasonable access and the ratepayer cannot afford to take action through the Property Law Act 2007.

Scope

This policy applies to both General Title land and Maori Freehold Land.

Policy Statement

Any owner who has purchased land knowing that it is land locked and no access is possible will not qualify for remission under this policy.

Council may postpone rates on landlocked land where there is no reasonable access as defined in the Property Law Act 2007.

Conditions and Criteria

1. The land must be landlocked as defined in Section 326 of the Property Law Act 2007. The application must state why access cannot be obtained through procedures set forth in Part 6, Subpart 3, of the Property Law Act 2007.
2. The application must include a legal assessment that details how the land meets the definition in the Property Law Act 2007 and why access cannot be obtained through the legal channels identified in that Act.
3. The maximum term for the postponement of rates for landlocked property is three years. If the land remains landlocked at the end of that period, postponed rates will be remitted, and a new application will be required.
4. The owner must advise Council if the status of the land changes, if access is obtained, or if any person commences to use the land. If the land ceases to be landlocked during the period of the postponement, any rates postponed will be remitted at the end of the three-year period, provided that the owner keeps the rates up to date for the remainder of the three-year period.
5. The owner must agree to a statutory land charge being entered on the Certificate of Title, in relation to Maori Freehold land, this will be an agreement in the form of a statutory declaration only.
6. As provided for in the legislation, a postponement fee will be added to the postponed rates.
7. The repayment of postponed rates will not be required merely because of a change of ownership of the land provided that the change has not arisen from the sale of the property and provided that the land continues to comply with the criteria of this policy.

P21/04 - Transitional policy for the postponement of rates on farmland

Background

This transitional policy statement has been prepared to address the rating of farmland that previously received a rates-postponement value pursuant to Section 22 of the Rating Valuations Act.

That section of LGA, which has now been repealed, provided for rates relief for the owners of farmland whose values were increased beyond that of other farmland in the district because of the potential use to which the land could be put for residential, commercial, industrial, or other non-farming development.

A number of proper ties in the Far North received these farmland postponement values because their values were significantly enhanced because of their proximity to high valued urban or coastal areas.

This transitional policy provides Council with the ability to continue to provide rating relief to certain proper ties that were receiving a postponement of rates prior to the introduction of the Local Government (Rating) Act 2002, and that qualified after that date under policy P04/04, which has now been repealed.

This Transitional Policy is restricted to those farms which are owner operated, where the owner is a natural person and/ or is a company where the owners live on and operate the farm as a personal business. The policy specifically excludes those farms which are held as investment properties where the owners, corporate or otherwise, live outside the district.

Effect of rates postponement values

The postponed portion of the rates for any rating period shall be the amount equal to the difference between the amount of the rates for that period calculated according to the postponement value of the rating unit an amount of the rates that would be payable for that period if the rates were calculated on the basis of its actual value.

The amount of the rates for any rating period so postponed shall be entered in the rate records and will be included in or with the rates assessment issued by Council in respect of the rating unit.

Any rates so postponed will, so long as the property continues to qualify for rates postponement, be remitted at the expiration of 10 years from the date at which the postponement was granted.

Each year a postponement fee will be added to the outstanding balance and will become part of the rates postponed on the rating unit pursuant to Section 88(3) of the Local Government (Rating) Act 2002.

Policy Objective

To afford rating relief to farmers who had previously been receiving this form of rating relief under the provisions of repealed legislation and/or previous versions of this policy, where Council believes that it is in the interest of the district to maintain a postponement of rates to reduce the incidence of coastal development.

Scope

This policy applies to both General Title and Māori Freehold Land.

Council will not accept any new applications under this policy.

Conditions and Criteria

1. This policy provision only applies to those rating units which previously qualified for a postponement of rates under policy P04/04, which was repealed on 30 June 2006, and which continues to be owned by the same ratepayer/s who owned it at that date.
2. For the purposes of this transitional policy, the definition of qualifying farmland has been revised as follows:

- a. Farmland means land which is used principally or exclusively for agricultural, horticultural, or pastoral purposes but excludes land that is used for forestry, lifestyle, or farm park type purposes.
 - b. The farming operation must provide the principal source of revenue for the owner of the land, who must be the actual operator of the farm and who must reside on the land.
 - c. The area of the land that is the subject of the application must be not less than 50 hectares.
3. The proper ties that are the subject of this policy will be identified and the rates postponement values determined by Council's Valuation Service Provider and will:
 - exclude any potential value, at the date of valuation, that the land may have for residential use or for commercial, industrial, or other non-farming use; and will preserve uniformity and equitable relativity with comparable parcels of farmland, the valuations of which do not contain any such potential value.
 4. No objection to the amount of any rates postponement value determined under this policy will be accepted by Council (other than where the objector proves that the rates postponement value does not preserve uniformity with existing roll values of comparable parcels of land having no potential value for residential use, or for commercial, industrial, or other non-farming use).
 5. The Postponement Value will be reviewed after each triennial revaluation and the revised value will be advised to the ratepayer. At that time Council will seek the advice of its valuation service provider as to whether they believe that the land continues to be actively farmed and qualifies under the terms of this policy provision. Council reserves the right to ask the owner to provide evidence showing that the land continues to operate as a farm.
 6. The owner must agree to a statutory land charge being entered on the Certificate of Title of the farmland before receiving a postponement of rates.

Termination and repayment of postponed rates

All rates that have been postponed under this policy and have not been remitted become due and payable immediately on:

1. The land ceasing to be farmland;
2. The interest of the owner is passed over to, or becomes vested in, some person or other party other than:
 - a. the owner's spouse, son or daughter; or
 - b. the executor or administrator of the owner's estate.
3. Where only part of the land is disposed of then only part of the postponed rates will become immediately repayable. The amount repayable will be calculated in accordance with the following formula:

$$\frac{A \times C}{B}$$

Where:

A – is the difference between the rateable value and rates special value of the balance of the land retained by the person who was the occupier on the date on which the rates postponement value was entered on the valuation roll; and

B – is the difference between the rateable value and the special value of the whole of the land immediately before the date of the vesting of that interest in that other person.

That special value shall be specially redetermined if, because of a general revaluation of the district in which the land is situated, the special value appearing on the valuation roll is no longer directly related to the rateable value on the date of the vesting; and

C – is the total amount of the rates postponed immediately before the date of vesting. In all cases the amount of the rates to be repaid will be not less than 20% of the value of the total amount of rates currently postponed.

4. Subject to the land continuing to qualify for the special postponement value, any rates postponed under this policy will be remitted at the expiration of 10 years from the date on which they were assessed.

P21/05 – Residential Rates for Senior Citizens

Background

The payment of rates for senior citizens on a limited income can affect their quality of life. This policy provides senior citizens with the option of postponing their rates to be paid until a sale of the rating unit takes place, or, in the event that they pass away, until the settlement of their estate. This will relieve elderly people of potential financial hardship, and enhance the quality of their lives, including the ability to remain in their home longer with limited income.

Policy Objective

To positively contribute to the quality of life for senior citizens by postponing rates payable.

Scope

This policy applies to General Title Land. Council does not consider the application of this policy appropriate for Māori Freehold Land; because of the nature of Māori Freehold Land, Council does not consider it appropriate to charge postponed rates to the land.

Policy Statements

Council may postpone rates for ratepayers whose primary income is the New Zealand Superannuation Scheme. Any postponed rates will be postponed until:

- a. The settlement of the ratepayer's estate following their death; or
- b. The ratepayer ceases to be the owner or occupier of the rating unit; or
- c. The ratepayer ceases to use the property as their primary residence; or
- d. The accrued charges exceed 80% of the rateable value of the property (postponed rates will remain due for payment only on death, sale, or the date specified by Council); or
- e. A date specified by the Council.

Conditions and Criteria

1. Postponement under this policy will only apply to ratepayers who are:
 - a. eligible to receive the New Zealand Superannuation Scheme, which is, or will be, their primary income; or
 - b. on a fixed income. This is defined as "an income from a pension or investment that is set at a particular

figure and does not vary like a dividend or rise with the rate of inflation".

2. The rating unit must be used by the ratepayer as their primary residence. This includes, in the case of a family trust owned property, use by a named individual or couple.
3. The ratepayer must not own any property that may be used:
 - a. as a holiday home or rental property; or
 - b. for commercial activities, such as farming or business.
4. People occupying a unit in a retirement village under a licence to occupy must have the agreement of the owner of the retirement village before applying for postponement of the rates payable on their unit.
5. If a property is still under a mortgage, a written and signed approval must be obtained from the Mortgagee as part of the application. This is because the payment of postponed rates will have priority over mortgage payments.
6. Properties that are the subject of a reverse mortgage are not eligible for rating relief under this policy.
7. Council has the right to decline rates postponement for a property that is in a known hazard zone. This is to minimise any risk of loss to Council.
8. Postponed rates will be registered as a statutory land charge on the rating unit title, meaning that Council will have first claim on the proceeds of any revenue from the sale or lease of the rating unit.
9. If rates are postponed, the ratepayer will still be responsible for the amount of rates equal to the maximum rebate available under the central government Rates Rebate Scheme for the current

rating year. Council is able to assist applicants for the Rates Rebate Scheme. If the ratepayer is not eligible for a rates rebate, they will still be responsible for paying this amount, and will be required to enter into a payment arrangement to cover this portion.

10. Council will charge an annual administrative fee on postponed rates.
11. The postponed rates or any part thereof may be paid to Council at any time.
12. The property must be insured at the time the application is granted and must be kept insured. Evidence of this must be produced annually.
13. Senior citizens for whom rates are being postponed under this policy must promptly inform Council of any substantial change in their financial status which might affect their eligibility for such postponement.

ML21/01 - Māori Freehold Land Not Used

Background

Following amendments to the Local Government (Rating) Act 2002 that come into force 1 July 2021 this policy will apply only to land that remains unused/unoccupied following the granting of a licence to occupy from the Maori Land Court or recognition of an informal arrangement to occupy. The creation of a licence to occupy or an informal arrangement does not create a separate rating unit therefore any unused /unoccupied land remaining (referred to as “the balance of land”) does not automatically fall under the amendment to the Local Government (Rating) Act 2002 to make unused/unoccupied land “non-rateable”.

Occupation licenses are generally used to define a specific area of Māori Freehold Land that the licensee can occupy for the purposes establishing a dwelling. At the termination of the license, the dwelling has to be removed or transferred to the owners of the land.

Informal arrangements are where a person occupies an area of Māori Freehold Land for a period of time; however, has no formal agreement and no rights to permanent occupation.

Policy Objectives

To provide the ability to grant remission for the portions of land not occupied or used that result from the granting of a licence to occupy or an informal arrangement for use on part of the rating unit.

d. stores anything on the land

e. uses the land in any other way.

2. Council will have the sole judgment on whether or not to grant the application and may seek such additional information as they may require before making their final decision.

3. If the land comes under use at any point, it will no longer receive remission of rates under this policy.

Scope

This policy applies only to Māori Freehold Land and will apply from 1 July in the year of application.

Policy Statement

Council may, upon application from the owners, authorised agents of the owners, or Council itself acting for the owners, agree to remit the rates relating to the balance of land created by a licence to occupy or informal arrangement for a period not exceeding three years.

Conditions and Criteria

1. The balance of land must not be used by any person – for the purposes of this policy land will be defined as “used” if any person, alone or with others carries out any of the following activities on the land as set out in section 96 of the Local Government (Rating) Act 2002 -
 - a. leases the land; or does one or more of the following things on the land for profit or other benefit:
 - b. resides on the land
 - c. depastures or maintains livestock on the land

ML21/02 - Māori Freehold Land used for the purposes of Papakainga or other housing purposes subject to occupation licenses or other informal arrangements

Background

The Far North District Council recognises that occupation licenses, or other informal arrangements, only provide an interim or temporary right to occupy part or all of an area of Māori Freehold Land. This right is only available to the licensee, or informal occupier and does not create an interest that can be transferred or bequeathed as part of an estate.

This form of occupation is different to an occupation order, which provides a permanent right to occupy an area of land and can be passed on to future generations.

Occupation licenses are generally used to define a specific area of Māori Freehold Land that the licensee can occupy for the purposes establishing a dwelling. At the termination of the license, the dwelling has to be removed or transferred to the owners of the land.

Informal arrangements are where a person occupies an area of Māori Freehold Land for a period of time; however, has no formal agreement and no rights to permanent occupation.

The occupier of land that is the subject of an occupation license or informal agreement is generally not required to pay any rental to the owners of the land, i.e. it is not a commercial arrangement.

There is a willingness of occupiers of land that is the subject of these types of arrangements to pay rates in respect of the area of land that they occupy. However, there is a concern that these "parts" may become liable for the UAGC and other non-service-related charges assessed on the basis of a separately used or inhabited part of a rating unit.

This policy statement has been prepared to address these issues. It recognises that papakainga and similar housing on Māori Freehold Land are generally occupied by members of owner's families and no rentals are payable.

The policy is consistent in effect to the treatment of multiple housing on general title land, where the separate parts are occupied on a rent-free basis by members of the owner's family.

To assist the occupiers pay the rates of the parts of a rating unit that are the subject of occupation licenses, Council will issue a separate rate assessment for each part as set out in Section 45 (3) and (4) of the Local Government (Rating) Act 2002.

Policy Objectives

1. To put in place processes to allow the residents with occupation licenses or other informal arrangements to pay their portion of rates in respect of the land that they occupy.
2. To assist Māori to establish papakāinga or other housing on Māori Freehold Land.
3. To assist Māori to establish an economic base for future development.

Scope

This policy applies only to Māori Freehold Land.

Policy Statement

The Far North District Council recognises that the imposition of multiple UAGCs or other non-service-related charges might act as a disincentive to Māori seeking to occupy Māori Freehold Land for housing purposes.

Council will consider applications for the remission of multiple UAGCs and other charges, with the exception of those that are set for the provision of utilities such as water, sewerage etc., in respect of separately used or inhabited parts of a rating unit where these are covered by occupation licenses, or other informal arrangements.

Conditions and Criteria

1. The part of the land concerned must be the subject of a licence to occupy or other informal arrangement for the purposes of providing residential housing for the occupier on a rent-free basis.
2. The area of land covered by each arrangement must have a separate valuation issued by Council's valuation service providers and will be issued with a separate rate assessment pursuant to Local Government (Rating) Act 2002 Section 45 (3).
3. The occupier must agree to pay any rates assessed in respect of the part or division of the rating unit that is the subject of the application.
4. No portion of the service charges for utilities will be remitted.
5. Council reserves the right to cancel the remission on the portion of a rating unit upon which rates remain unpaid for a period of more than one month after the due date (due date can apply to the instalment date or an agreed payment plan).
6. Uniform Annual General Charges and other charges on the land will remain in remission so long as the occupation continues to comply with the conditions and criteria of this policy.



PROPOSED REVENUE AND FINANCING POLICY

Contents

Overview	1
How has Council developed its Policy?.....	1
Funding principles	1
Funding needs analysis	7
Appendix A Funding arrangements	8
Appendix B: Community Outcomes	19
Appendix C: Factors considered in assessing s101(3) matters	20

Overview

The Local Government Act 2002 (LGA) requires all councils to adopt a Revenue and Financing Policy showing how they propose to fund operating and capital expenditures, and more importantly, who will pay these and why.

Council must decide, in accordance with s101(3) of the LGA, how each activity will be funded, taking into consideration:

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

This Revenue and Financing Policy sets out how the Far North District Council plans to fund its operating and capital expenditure, over the life of the Long-Term Plan.

The Policy discusses all available potential revenue and funding sources and outlines how and when it will use these. In considering funding arrangements Council has taken the following factors into account:

- The community outcomes to which each activity primarily contributes
- Who benefits from the activity
- The period over which the benefits are delivered
- Whether the activity is needed in response to the action(s) (or lack of action(s)) of some person or group
- Whether it would be more prudent for the activity to be funded separately or included with other activities
- The overall impact of any allocation of liability for revenue needs on the community.

How has Council developed its Policy?

Every activity has been analysed using the factors discussed above. This analysis was then used to develop a set of funding decisions about the use of rates, both general and targeted, user charges, and other funding sources to arrive at what Council considers is an optimal funding arrangement for the activity.

Council then considered the overall effects of each separate funding proposal on the District as a whole.

The ultimate objective of this analysis was to find ways of funding Council's activities that are, as far as possible, affordable, transparent, and accountable.

Funding principles

After considering the above factors, Council agreed the following basic principles to guide the assessment of fairness and equity in choosing funding sources:

- Each generation of ratepayers should pay for the services they receive
- User charges are preferred whenever a private benefit can be identified, and it is efficient to collect the revenue
- Council will use any other funding sources before rates
- Capital expenditure to replace assets will be funded from rates in the form of funded depreciation
- Capital expenditure to upgrade or build new assets will be funded through borrowings
- Rate increases will be within the limits set in the financial strategy
- Borrowing will be within the limits set in the financial strategy.

Complying with these principles can at times be challenging. Council must apply judgment in assessing options to determine fairness in the development of budgets or the acquisition of assets along with the choice of funding sources.

Operating costs

Operating costs are the day-to-day outgoings used to maintain the services delivered by Council, including a contribution to the wear and tear on assets used (referred to as depreciation). Council generally operates a balanced budget, meaning that all operating costs are met from operating income. This ensures that those who pay for Council services are those who use them.

Operating cost funding sources:

- User charges
- User charges are levied for services where there is a benefit to an individual or group. The price of the service is set, taking account of several factors, including:
 - The cost of providing the service
 - An estimate of the private benefit derived from the use of the service
 - The impact of cost in encouraging/discouraging behaviours
 - The impact of cost on the demand for the service
 - The cost and efficiency of fee collection mechanisms
 - The impact of affordability on users
 - Other matters as determined by Council.

Grants, sponsorship, and subsidies

Grants, sponsorship, and subsidies are leveraged when available. Council expects to continue receiving substantial subsidies for roading and footpath activities from the New Zealand Transport Agency (NZTA).

Investment income, dividends, and interest

Income from dividends and interest is used to offset the overall costs of Council.

Other revenue

Council receives other operating income from:

- Petrol tax
- Property rentals
- Other minor sources.

Rates

Having identified all other potential funding sources, Council funds operating expenses from rates as follows:

General Rates

Council sets its General Rates on the basis of Land Value.

The General Rate is set using two differentials, general and commercial. This reflects Council's view that the general rate is a form of property-based tax, where different benefits are received by general and commercial ratepayers.

Uniform Annual General Charge (UAGC)

Council sets a UAGC. The UAGC is applied to each Separately Used or Inhabited Parts (SUIP) of a Rating Unit.

Targeted Rates

Council sets targeted rates where it believes that the cost of the service should be paid for by the group that benefits most or exclusively from the activity. Targeted rates may be set on a uniform basis or differentially for different categories of rateable land.

Some targeted rates can be considered proxies for user charges, particularly for services such as water and sewerage. They are referred to as 'proxies' because they are generally fixed amounts payable by the different category of ratepayer, rather than an amount based on the level of usage.

An example of the difference between a proxy and a user charge is the way that Council charges for sewerage. Council charges a fixed amount to the rating unit based on the number of users (SUIPS) and/or the number of pans. If that rate were a true user charge, Council might charge on the basis of the amount of sewerage being discharged. Although the community regularly requests that form of rating, that mechanism is currently not permitted by law. The only legal volumetric charge a council can impose is water by meter charges.

Council's targeted rates are:

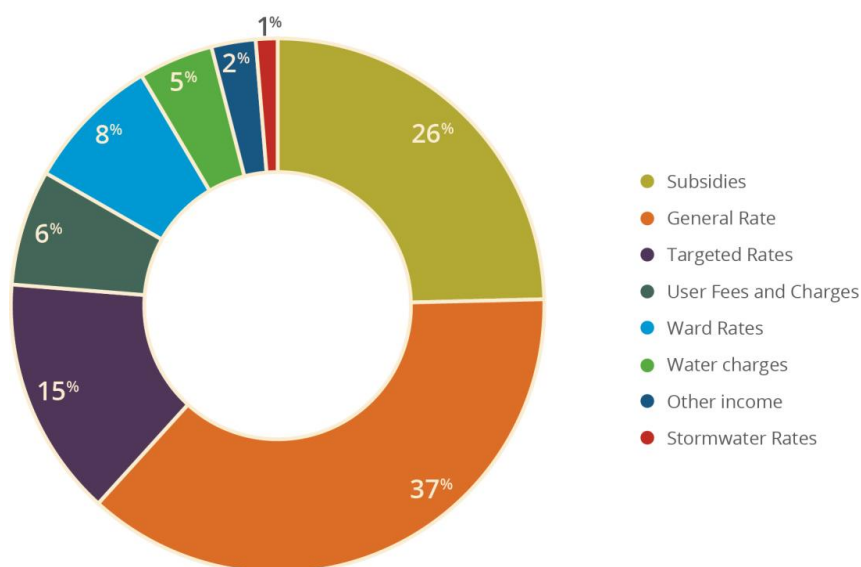
- Ward rates for the Bay of Islands-Whangaroa, Kaikohe-Hokianga and Te Hiku wards
- The Urban Stormwater rate
- Drainage rates for Kaitiāia, Kaikino, Motutangi, Waiharara
- Sewerage capital rates for each Council wastewater scheme
- Sewerage operating rates for each Council wastewater scheme
- Water capital rates for each Council water scheme
- Community Development rates for Paihia and Kaitiāia Commercial Business Districts (CBDs)
- The Bay of Islands Recreation Centre rate
- The roading uniform rate
- A differential roading rate
- Water by meter charges
- Private roading sealing rate for Hupara Road
- A \$15 public good rate for water and for wastewater, charged to each rating unit
- Non-metered water rate per connection

Details of all rates charged are included in the Funding Impact Statement published in the Long-Term Plan and each year's Annual Plan.

Operating funding sources for 2024/25

Operating costs are the day-to-day spending that maintains the services delivered by Council. This includes a contribution to the wear and tear on assets used (depreciation), interest charged on borrowing for capital projects and a contribution to corporate overheads.

Figure 1 – Summary of operating income



Note: Operating funding sources may change from year to year; this summary shows funding arrangements for 2024/25 to 2026/27.

Capital costs

Capital costs are those relating to the purchase, development or acquisition of long-term assets.

Capital cost funding sources

As shown in figure 2, funding of capital costs may come from a variety of sources including:

Borrowings

Funds for assets that will provide long term benefits to the community will be borrowed to ensure the achievement of inter-generational equity.

Council reserves

Reserves include financial contributions collected under the Resource Management Act 1991 and development contributions collected under the Local Government Act 2002.

While Council has resolved to continue to suspend the charging of development contributions for this LTP, contributions will continue to be received with respect to consents granted prior to the suspension of the policy in 2015.

Capital contributions

Capital contributions are made by ratepayers or other parties in support of specific capital projects.

Lump sum contributions

Lump sum contributions are made by ratepayers where they choose this method of payment towards specified capital works.

Grants, subsidies and other income

Contributions towards capital expenditure from other parties such as the New Zealand Transport Agency (NZTA) in relation to certain roading projects, and the Crown in relation to certain wastewater projects and MBIE for Economic Stimulus and Employment Opportunities.

Revenue collected to fund renewals

Renewal projects are primarily funded from depreciation reserves where those funds are available.

Council has approved the following:

Accounting treatment – funding depreciation

A. All depreciation on assets will be funded from rates except for:

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

B. Asset groups where depreciation will not be fully funded from depreciation:

- All strategic assets, as per our Significance and Engagement Policy, will have depreciation funded at 76% until 30 June 2027 followed by a phased return to 100% over the next 10 years. This does not apply to the items identified in (A).
- Depreciation will be funded at a rate of 50% for community buildings/centres, halls and museums.
- Depreciation will not be funded from rates for Civil Defence (alarms), car parks, maritime assets, motor camps, parks and reserves minor structures (e.g. boardwalks / park benches etc) and solid waste assets.

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

Proceeds from the sale of assets

From time-to-time Council sells assets and may use the proceeds (after paying for the cost of the sale) to repay any debt attached to the asset.

Rates

Rates are primarily used to fund Council's day-to-day expenses. This includes funding an annual amount toward the ongoing renewal of existing assets, and the funding of financing costs on debt incurred to purchase or develop assets.

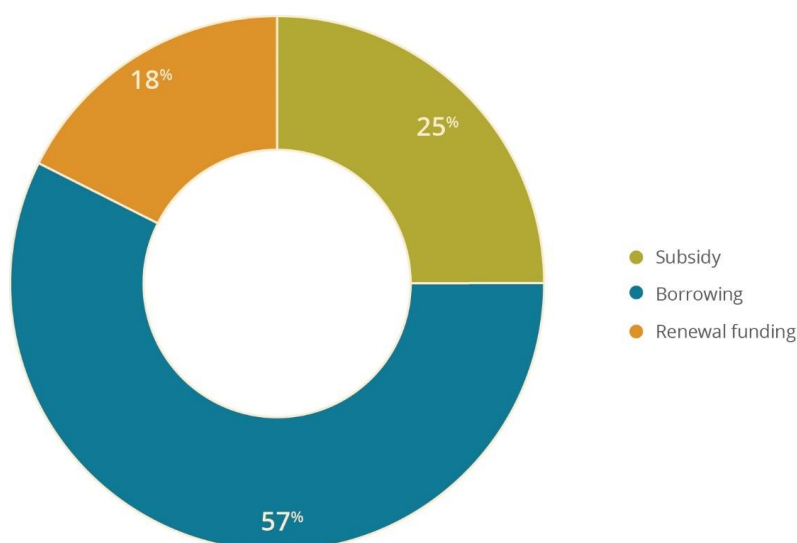
From time-to-time Council may undertake specific capital works funded by borrowings, where the debt repayment is sourced from targeted rates, usually for specific community projects.

Operating surpluses

Operating surpluses may be used to fund capital expenditure.

Capital Funding Sources 2024/25

Figure 2 – Summary of capital funding



Note: Capital funding sources may change from year to year. This summary shows funding arrangements for 2024/25

Balanced budget

Section 100 of the LGA requires that Council's projected operating revenues match its projected operating expenditures. Despite this, Council may choose not to fully fund operating expenditure in any particular year if it can show that it is financially prudent to do so and where the deficit can be funded from operating surpluses in the immediately preceding or subsequent years. An operating deficit will only be budgeted when it would be beneficial to avoid significant fluctuations in rates, fees, or charges.

Council may choose to fund from the above sources more than is necessary to meet the operating expenditure in any particular year. Council will only budget for such an operating surplus if necessary, to fund an operating deficit in the immediately preceding or following years, or to repay debt. Council will have regard to forecast future debt levels when ascertaining whether it is prudent to budget for an operating surplus for debt repayment.

Council has determined the proportion of operating expenditure to be funded from each of the sources listed above, and the method for apportioning rates and other charges. The details of

the funding apportionment are set out in the Funding Sources Summary that is included in this Policy.

The LGA requires Council to produce Funding Impact Statements (FIS), which provide details of the funding mechanisms to be used for each group of activities for each year covered by the LTP. These FIS show how Council intends to implement the Revenue and Financing Policy. It also shows the amounts to be collected from each available source for each group and how various rates are to be applied.

Funding needs analysis

This section sets out how Council proposes to fund each of its activities. It has been prepared in accordance with the provisions of Section 101(3) of the Local Government Act 2002 (the Act).

Note that throughout this section references are made to legislative provisions. Unless stated otherwise, these references refer to the Local Government Act 2002.

This analysis document is designed to show how Council has considered each of these requirements and how they relate to the final Revenue and Financing Policy.

Analysis identifies the arrangements Council proposes to apply when budgeting for each activity. Frequently there is a mix of funding mechanisms including both general and targeted rates together with a range of fees and charges. In many instances the final funding mix depends on the level of activity and Council's ability to recover costs from user charges.

Section 101(3) analysis of operating expenditure by activity

Council has reviewed the funding for each of its individual activities using the methodologies set out in s101(3) of the LGA. The method used for this process was to consider each activity individually and reach a conclusion on each of the required factors.

Once this was completed, Council was then able to then decide how much of the activity should be funded by direct user charges and how much by rates. In this context, rates include the General Rate, Targeted Rates and Water by Meter charges, while user charges include all other forms of fees and charges.

Appendix A shows the results of this analysis and outlines the different funding arrangements. To add clarity the splits between Rates and User Charges are presented in 10% bands.

Section 101(3) analysis of capital expenditure by activity

Council will fund the cost of borrowing on the same basis as operating costs unless it resolves otherwise.

It is not practical to create separate funding policies for every capital project, so Council will only do this when a project is particularly large, affects a particular group or does not fit with an existing funding policy or activity. Whenever Council resolves to consider a separate funding policy Council will consider the sources of funds outlined above, the Revenue and Financing Policy and complete a s101(3) assessment to determine a fair funding and equitable arrangement for the project.

Generally, Council will resolve the funding policy at the time the project is proposed in an Annual or Long-Term Plan.

Appendix A Funding arrangements

Activity	Community outcomes - refer Appendix B	Who benefits	Period of benefit	Whose actions creates a need	Separate funding	Rationale
Notes: 1. The Funding Source relates to Council costs only. It excludes any subsidies that may be received 2. The split between public (rate) and private (user) funding is an approximation and is arranged in 10% bands 3. Refer to Appendix C for a description of these headings						
Funding source – Rates 100% (approx. may include other minor funding sources)						
Customer Services	Sustainable Development	Individuals, groups and community	Ongoing	Community	Most of the costs of this activity relate to its public benefits so it is fully funded by general rates.	The community as a whole benefits from this activity. Whilst there are opportunities to recover some costs by way of fees and charges, these are very limited.
Economic Development	Sustainable Development	Individuals, businesses	Ongoing	Individuals, businesses, Community	High level of public benefit so the activity is fully funded by general rates.	This activity benefits the whole district but in particular the commercial and industrial sectors recognised through the General Rate differentials.
Governance	Leadership	Community	Ongoing	Community	This activity is core to Council's democratic operations, so it is fully general rate funded.	This activity supports Council's democratic process it is therefore fully funded from General Rates.
Land Drainage	Sustainable Infrastructure	Individuals, Groups	Ongoing	Landowners in areas of benefit	Fully funded by benefiting property owners using separate targeted rates.	This activity provides a private benefit for the landowners located within the defined drainage areas. It is therefore fully funded by local targeted rates.

Activity	Community outcomes - refer Appendix B	Who benefits	Period of benefit	Whose actions creates a need	Separate funding	Rationale
Māori Engagement	Partnerships	Community	Ongoing	Community	High level of public benefit so it is fully general rate funded.	This is a public good activity core to the District's planning and governance functions therefore it is fully funded from General Rates.
Museum	Sustainable Development	Individuals, groups and community	Ongoing	Individuals, Groups	High level of private benefit, but with a limited ability to apply user charges. Primarily general rate funded.	By their nature museums are a public benefit provided to the community. Museums are important facility providing sources knowledge, local history and providing educational opportunities in the district. For these reasons they are primarily funded from General Rates.
Public Safety	Safety	Individuals, Groups	Ongoing	Individuals, Groups	Most of the costs of this activity relate to its public benefits so it is fully general rate funded.	Council provides for 100% emergency management from rates to ensure that the Community is safeguarded. Where possible recovery is sought from exacerbaters to reduce public funding which is provided from General Rates.
Recreation	Sustainable Development	Individuals, groups and community	Ongoing	Individuals	Some private benefits but limited or no opportunities to charge so it is fully funded from general and ward rates.	Most of Council's recreational activities are non-excludable. That means that Council cannot exclude people from using the facilities. For that reason, the activity is fully funded from General and Ward Rates.

Activity	Community outcomes - refer Appendix B	Who benefits	Period of benefit	Whose actions creates a need	Separate funding	Rationale
Stormwater	Safety	Ongoing	Individuals	Some private benefits but limited or no opportunities to charge so it is fully funded from general and ward rates.	Most of Council's recreational activities are non-excludable.	Despite the private benefit received from the provision of stormwater, Council is of the view that the overall benefit to the community supports the continuation of the funding from the general rate with a smaller stormwater rate over urban communities.
Integrated planning	Sustainable Development	Community	Ongoing	Community	This is a core planning function, so it is fully general rate funded.	This activity supports Council's democratic process which benefits all ratepayers therefore it is fully funded from general rates.
Placemaking	Sustainable Development	Community	Ongoing	Community	This is a core planning function, so it is fully general rate funded.	This activity supports Council's democratic process which benefits all ratepayers therefore it is fully funded from general rates.
Spatial planning	Sustainable Development	Community	Ongoing	Community	This is a core planning function, so it is fully general rate funded.	This activity supports Council's democratic process which benefits all ratepayers therefore it is fully funded from general rates.
Bylaws, policies etc	Sustainable Development	Community	Ongoing	Community	This is a core planning function, so it is fully general rate funded.	This activity supports Council's democratic process which benefits all ratepayers therefore it is fully funded from general rates.

Activity	Community outcomes - refer Appendix B	Who benefits	Period of benefit	Whose actions creates a need	Separate funding	Rationale
Stakeholder Engagement	Partnerships	Community	Ongoing	Community	High level of public benefit so it is fully general rate funded.	This is a public good activity core to the District's planning and governance functions therefore it is fully funded from General Rates.
Te Hono	Partnerships	Community	Ongoing	Community	High level of public benefit so it is fully general rate funded.	This is a public good activity core to the District's planning and governance functions therefore it is fully funded from General Rates.
Town Maintenance	Sustainable Development	Individuals, groups and community	Ongoing	Community	Most of the costs of this activity relate to its public benefits so it is funded by ward and general rates.	Council needs to balance maintenance and up-grade costs against what the communities want and can afford. Most town maintenance activities benefit the communities at large so it is fully rate funded.
Sewerage Treatment and Disposal	Safety Environmental Protection	Individuals, groups	Ongoing	Landowners in areas of benefit	Separately funded with a mix of targeted rates - scheme based capital rates and a district-wide operating rate.	The activity is primarily undertaken for the benefit of the ratepayers connected to the schemes however there is a small public benefit arising from wastewater treatment protecting the environment. For this reason, a small general rate contribution provided.

Activity	Community outcomes - refer Appendix B	Who benefits	Period of benefit	Whose actions creates a need	Separate funding	Rationale
Roading legalisation, cycleway and core administration	Safety Sustainable infrastructure	Individuals, groups	Ongoing	Users	This is a core function, so it is fully general rate funded.	This is a public good activity core to the District's planning and governance functions. Therefore it is fully funded from General Rates.
Funding source – Rates 90% - 99% User Charges 1% - 10% The mix of district-wide and scheme-based rates balances the individual benefits with affordability						
Roading emergency works	Safety	Community	Ongoing	Users	Council recognised that different categories of ratepayers receive different benefits. When an emergency event occurs Council can access additional subsidy from NZTA	Emergency works are hard to predict and often costly therefore additional subsidy support is required
Footpaths	Safety Sustainable Infrastructure	Community	Ongoing	Users	Most of the costs of this activity relate to its public benefits so is fully general rate funded.	The provision of footpaths is one of the core Council activities and is therefore fully funded from General and Ward Rates.
Monitoring and Enforcement	Safety	Individuals, groups and community	Ongoing	Individuals, Groups	This activity relates to the control of negative effects but the ability to recover these is limited by statute. Unrecovered costs are funded from general rates.	Most of the work carried out under this activity is for public good and it is primarily funded from General Rates. The only individual or private good relates to the bylaw licensing aspect of the role where these costs are recovered by fees.

Activity	Community outcomes - refer Appendix B	Who benefits	Period of benefit	Whose actions creates a need	Separate funding	Rationale
Libraries	Sustainable Development	Individuals, groups and community	Ongoing	Individuals, Groups	High level of private benefit, but with a limited ability to apply user charges. Primarily general rate funded.	By their nature libraries are a public benefit provided to the community. Given the remote nature of many of the district's communities and the relatively low-level internet access, libraries are important facility providing sources knowledge and supporting and improving educational opportunities in the district. For these reasons they are primarily funded from General Rates.
Swimming Pools	Sustainable Development Sustainable Infrastructure	Individuals, groups and community	Ongoing	Individuals, Community	High level of private benefit, but with a limited ability to apply user charges. Primarily general rate funded.	Swimming pools are used by the public therefore user charges are applied but they do not necessarily cover all costs.
Water Supply	Safety Sustainable Infrastructure	Individuals, Groups	Ongoing	Landowners in areas of benefit	Separately funded with a mix of targeted rates - scheme based capital rates and a district-wide meter operating rate.	The activity is primarily undertaken for the benefit of the consumers, so no public funding is provided. The mix of district-wide and scheme-based rates balances the individual benefits with affordability.
Funding source – Rates 80% - 89% User Charges 11% - 20%						

Activity	Community outcomes - refer Appendix B	Who benefits	Period of benefit	Whose actions creates a need	Separate funding	Rationale
Parking Enforcement	Safety Sustainable Development	Individuals, groups and community	Ongoing	Individuals, Groups	Council's view is that whilst parking control is primarily required because of the actions of individuals, the control of parking also provides a significant community benefit.	Most of the costs of this activity are funded by fines and user charges. The balance is seen as a public good contribution and is funded by rates.
Civic Buildings	Sustainable Infrastructure	Community	Ongoing	Community	Some private benefits which general some fees but because of the limited opportunities to charge the unrecovered costs are funded from general rates.	Whist Council believes that the users of these facilities should contribute towards their costs; it needs to balance the maintenance and up-grade costs against what the community can afford so it is primarily rate funded.
Funding source – Rates 70% - 79% User Charges 21% - 30%						
Building Compliance Management	Safety Environmental Protection	Community	Ongoing	Community	This activity is predominantly carried out for the public good, and whilst there is some fee income this is limited. Unrecovered costs are funded from general rates.	This activity is primarily about Council ensuring that it meets its legislative requirements as a consent authority therefore much of the costs are not recoverable. The cost of issuing compliance and other certificates are borne by applicants which the shortfall funded by general rates.
Strategic property management	Sustainable Development Sustainable Infrastructure	Individuals and groups	Ongoing	Individuals, Community	Some private benefits which general comes fees but because of the limited opportunities to charge the unrecovered costs are funded from general rates.	Whist Council is the main use of these facilities; it is primarily general rate funded.

Activity	Community outcomes - refer Appendix B	Who benefits	Period of benefit	Whose actions creates a need	Separate funding	Rationale
Animal Control	Safety	Individuals, groups and community	Ongoing	Individuals	Majority of funding is received from fees and charges but there is an overall benefit to the community. Unrecovered costs are funded from general rates.	Animal Control includes both dog and other animal and stock control. Most dog owners register their dogs in the required time and rarely call upon the service beyond the registration or micro-chipping requirements. The majority of responses to incidents or complaints come from the general public and whilst there are mechanisms to recover some costs, these are limited, and the fee income rarely covers this expense.
Funding source – Rates 70% - 89% User Charges 11% - 30%						
Information Centres / isites	Sustainable Development Sustainable Infrastructure	Individuals, groups	Ongoing	Individuals	This activity is primarily provided for visitors to the district but there are limited user charging opportunities. Unrecovered costs funded from general rates.	Some fee income received but this is quite limited. Council's confirmed intention is for isites to be fully self-funding but, given that they also act as service centres, this is unlikely to be achieved.
Funding source – Rates 60% - 79% User Charges 21% - 40%						







Activity	Community outcomes - refer Appendix B	Who benefits	Period of benefit	Whose actions creates a need	Separate funding	Rationale
Cemeteries	Safety Sustainable Infrastructure	Community Individuals	Ongoing	Individuals	High level of private benefit reflected in user charges but there is a need for indefinite maintenance requiring significant general rate funding.	Cemeteries are important to the community for cultural and social and environmental reasons. Whilst they do provide a private benefit there is a long term need to maintain them for an indefinite period of years.
Funding source – Rates 50% - 59% User Charges 41% - 50%						
Solid Waste Management	Safety Sustainable Infrastructure	Community	Ongoing	Community	Council has previously considered whether to separately fund this activity but has retained the current general rate funding.	This activity is about the management of the waste stream for the district therefore it is appropriate for it to be primarily funded from general rates with some user charges. The collection and management of refuse within the communities is carried out by independent operators who charge directly for the service.
Solid Waste Management - Recycling*	Safety Sustainable Infrastructure	Community	Ongoing	Community	Council has previously considered whether to separately fund this activity but has retained the current general rate funding.	This activity is about reducing the amount of waste to landfill which benefits the district therefore it is appropriate for it to be primarily funded from general rates with some user charges.
Funding source – Rates 40% - 60% User charges 60% - 40%						
Building Consent Management	Safety Environmental Protection	Individuals, groups and community	Ongoing	Individuals, groups	This activity is primarily funded by separate fees – some costs arise from the provision of 'public good' activities such as giving information and advice, this is funded by general rates.	The full costs of the consent process should be borne by the applicants, but it is currently not practical to identify and charge all those who receive advice, these costs are funded from general rates.
Resource Consent Management	Safety Environmental Protection	Individuals, groups and community	Ongoing	Individuals, Groups	Primarily fee funded but some public good costs	This activity is primarily to support developers and

Activity	Community outcomes - refer Appendix B	Who benefits	Period of benefit	Whose actions creates a need	Separate funding	Rationale
					cannot be recovered. Unrecovered costs are funded from general rates.	provides a high level of private good. There is, however, a significant investment in providing advice to the public on a no-fee basis and in responding to and defending consent appeals because the courts rarely award full costs.
Roading	Safety Sustainable Infrastructure	Community	Ongoing	Users	Council recognised that different categories of ratepayers receive different benefits. There is a small contribution from other fees and charges.	Council considered separately funding the whole of the roading activity with differentiated targeted rates but because of community engagement agreed to primarily fund it from General Rates with a relatively small contribution from Targeted Rates and fees and charges. Council believes that this arrangement provides clarity and affordability for funding the roading activity.
Environmental Health	Safety Environmental Protection	Individuals, groups and community	Ongoing	Individuals, Groups	User charges are based on the level of private benefit but the ability to recover these is restricted because fees are limited by statute. Unrecovered costs are funded from general rates.	Many of the costs arising from this activity relate to private benefits and the control of negative effects. The ability to recover those costs is governed by statute or a need to remain affordable to avoid the risk of reduced compliance. There is an overall benefit to the community from increased safety and health which is reflected in the general rate funding.
Housing for the Elderly	Safety	Individuals	Ongoing	Individuals	High level of private benefit paid for in	Primarily funded by rentals paid by the occupiers but Council

Activity	Community outcomes - refer Appendix B	Who benefits	Period of benefit	Whose actions creates a need	Separate funding	Rationale
	Sustainable Infrastructure				rental income, but some costs cannot be recovered. Unrecovered costs funded from general rates.	recognises that at times this activity may not be self-funding. This can be caused by several factors such as unexpected vacancies, market conditions etc. In that event the additional funding will be provided from General Rates.
Funding source – Rates 20% - 39% User Charges 61% - 80%						
Ferry	Safe and connected	Individuals, groups	Ongoing	Individuals, groups	User pay charges and subsidy from NZTA contribute to the funding of the service.	This is a key transport link that supports community access to medical services.

Appendix B: Community Outcomes

Our community outcomes were reviewed as part of the Long-Term Plan 2024-27 with slight adjustments made to the wording.

	Proud, vibrant communities	Whakatauki Te pā harakeke. A community of harakeke plants.
	Communities that are healthy, safe, connected, and sustainable	Whakatauki He tina ki runga, he tāmore ki raro. Contentment above, firmly rooted below.
	Resilient communities that are prepared for the unexpected	Whakatauki Te toka tū moana. The boulder standing in the ocean.
	Prosperous communities supported by a sustainable economy	Whakatauki He kūaka marangaranga, kōtahi te manu i tau ki te tāhuna, ka tau, ka tau, tau atu e. Godwits rise and flock together in the air, one bird comes down to land on the sandbank to feed, then another, then another and another.
	A wisely managed environment that recognises the role of tangata whenua as kaitiaki	Whakatauki Whatungarongaro te tangata, toitu te whenua. As man disappears, the land remains.
	We celebrate our unique culture and history	Whakatauki Ahakoa he iti he pounamu. Although it is small, it is greenstone.

Appendix C: Factors considered in assessing s101(3) matters

LGA Section	Description from table	Factors considered
S101(3)(a)(i)	Community outcomes	Information drawn from Council's Outcomes adopted 28 February 2018 and updated for Council decisions on 24 May 2018.
S101(3)(a)(ii)	Who benefits	Council has grouped the beneficiaries of every activity according to the following criteria: Individuals: where there is a direct benefit to a user. Groups: where a particular group in the community benefits. For example, a group could be identified by proximity to a service or by association. Community: where there is a benefit to the majority of persons or properties in the community.
S101(3)(a)(iii)	Period of benefit	For operating costs, the period of benefit is ongoing as Council regularly provides the service. For the purpose of user charges, the benefit is restricted to the period of use, and user charges recognise this. For capital projects Council will consider the period of benefit to be the current and future generations who will benefit from the activity and will distribute the funding accordingly.
S101(3)(a)(iv)	Whose act creates a need	Council considered whether the action or inaction of individuals or groups contribute to the need to undertake the activity. This assessment may help Council determine whether user charges or targeted rates may be a funding option to modify the behaviour of those whose action or inaction causes cost to Council
S101(3)(a)(v)	Separate funding and Funding source	In the first instance Council considered whether individual user charges were the best method to attribute transparent and accountable charges to beneficiaries of the service. In considering the feasibility of this, Council considered the cost of and efficiency of collecting the separate revenues. Council believes that the current mix of general and targeted rates provides a transparent funding arrangement whilst, at the same time does not create an excessive complex system to maintain.
S101(3)(b)	Rationale	In considering the overall impact of the liability to pay rates, Council is of the view that it is not possible or fair to allocate the cost solely on individuals' benefits (as if rates replicated user pays). It is through the collective contribution of the whole community that the wellbeing of the district is best improved. Council does, however, operate a range of differentials which are designed to allocate the funding requirements to recognise the different demands that different ratepayer groups make on the services that Council provides.

Price level adjustors

	Source	Year 1 2024/25	Year 2 2025/26	Year 3 2026/27
Capital expenditure				
All activities	LGCI -CAPEX	2.6%	2.7%	2.6%
Specific operating				
Roading and Footpaths	BERL - Roothing	2.9%	2.9%	2.9%
Water Supply	BERL - Water and Environmental	2.7%	2.9%	2.8%
Wastewater	BERL - Water and Environmental	2.7%	2.9%	2.8%
Stormwater	BERL - Water and Environmental	2.7%	2.9%	2.8%
Solid Waste Management	BERL - Water and Environmental	2.7%	2.9%	2.8%
District Facilities	BERL - Community Activities	2.4%	2.5%	2.4%
Customer Services	BERL - Community Activities	2.4%	2.5%	2.4%
Environmental Management	BERL - Planning and Regulation	2.2%	2.2%	2.2%
Others	BERL - Planning and Regulation	2.2%	2.2%	2.2%

Interest rate projection

	Year 1 2024/25	Year 2 2025/26	Year 3 2026/27
Interest rates used	4.83%	4.92%	4.75%



PROPOSED SIGNIFICANT FORECAST ASSUMPTIONS

Significant forecast assumptions

Assumption	Level of financial risk	Impact for high risk assumptions	Level of uncertainty	Financial impact for assumption with high level of uncertainty
General assumption				
District growth Population statistics have been sourced from Statistics New Zealand. The population of the Far North is estimated at 2020 at 71,000 and is projected to increase at a rate of 0.5% per annum between now and 2043 to an estimated population of 78,000. Growth is expected to be isolated to larger urban areas, particularly Kaitiāia, Kaikohe, Kerikeri and Paihia, and the Doubtless Bay area. The population structure of the Far North is likely to change over the next 30 years, with the over 65 age group becoming a dominant demographic. This is likely to be the result of longer life expectancy and the baby boom generation reaching retirement. Demographic changes will occur slowly over time, so we are unlikely to see any great change in expectation from our communities within the next 10 years as a result. Deprivation levels throughout the District are expected to remain unchanged from current levels. Council has used .id as a basis for deprivation mapping across our District. For a description of how deprivation is measured go to www.profile.idnz.co.nz/far-north/deprivation-index . The map of deprivation in the Far North is at www.atlas.idnz.co.nz/far-north . From Map Selector choose income and well-being then deprivation index.	Medium	Not applicable	Medium	Not applicable
COVID-19 Ongoing infections continue in the region and across New Zealand. The government has now lifted all remaining mandatory COVID-19 restrictions.	Low	Not applicable	Low	Not applicable
Security of water supply: Water shortages due to drought conditions over the past two summers will continue to be addressed in collaboration with the Government. Projects to establish secure water storage assets are advanced, and Council assumes ongoing governmental funding assistance.	Medium	Not applicable	Medium	Not applicable
Building activity	Medium	Not applicable	Low	Not applicable

Assumption	Level of financial risk	Impact for high risk assumptions	Level of uncertainty	Financial impact for assumption with high level of uncertainty
Council estimates building activity will fall due to the reduction in lower house prices, sales and with interest rates predicted to remain high until at least 2025. It is assumed that residential consents will amount to approximately 360 new dwellings being expected to be constructed each year, while non-residential consents values remaining high for the next three years.				
Climate change The severe climate events of 2023 highlight the urgency to build resilience to the effects of ongoing climate change in council and in Tai Tokerau communities. The Ministry for the Environment (MfE) climate change scenarios align with IPCC's Sixth Assessment Report (AR6) March 2023. Northland assumes the following climate change effects based on the MfE Report "Our atmosphere and climate 2023": <ul style="list-style-type: none"> • Extreme weather events will become increasingly severe and frequent, leaving less time for recovery between events. • Our taonga species, natural and rare ecosystems will be increasingly threatened. • Increased risk of new infectious diseases and pests will spread threatening our biodiversity, food security, health, and overall wellbeing. • Increased frequency, severity and spatial patterns of rainfall and drought with significant impacts on our primary industries. • Vulnerable people will be disproportionately affected through increased flooding, extreme weather events and sea level rise. Delay in implementing adaptation and emission reductions will impede climate resilient development, resulting in more costly climate impacts and greater scale of adjustments. Council is seeing significant impacts now and planning to build resilience in communities is accelerating and building momentum within Te Tai Tokerau. Council is implementing the Climate Change Roadmap adopted in 2020 and the Te Tai Tokerau Climate Action Strategy (TTCAS) adopted in 2022. Council continues to be an active member of the regional Climate Action Te Tai Tokerau (CATT) technical reference group, the regional Joint Climate Change Adaptation Committee (JCCAC) and national organisations Aotearoa Climate Action Network (ACAN) and Aotearoa Council Climate Network (ACCN).	Medium	Not applicable	Medium	Not applicable

Assumption	Level of financial risk	Impact for high risk assumptions	Level of uncertainty	Financial impact for assumption with high level of uncertainty
<p>Subdivisions and Land Use Consents</p> <p>The assumption has been made that ongoing subdivisions in the Far North District will cause additional pressures on 3 waters infrastructure resulting in Council not being able to provide infrastructure for some developments. It is worth noting that significant developments can be managed through developer agreements but most developments are not of a scale which warrants private funding of infrastructure upgrades.</p> <p>Significant negative effects on environmental wellbeing can result in the form of environmental issues associated with increased development. The Council mitigates these effects through a sustainable development approach to regulation and planning. Council's District Plan and Resource Management Act functions help ensure that new development meets the required environmental standards for sustainable development.</p> <p>Emerging Issues and Expected Legislative Changes</p> <p>The challenges for this Activity are centred on the need to adequately respond to legislative and other changes whilst meeting statutory timeframes for the processing of consents and providing a fair, cost effective and consistent service to the community. As a geographically large territorial authority, the Council is responsible for processing a constantly fluctuating work flow, including a number of applications of a complicated nature, particularly those involving large housing developments.</p> <p>The reform of New Zealand's resource management system will bring significant changes to Council's responsibilities for resource management. The repeal of the Resource Management Act and the replacement of new legislation proposed may require different roles and responsibilities for Council and other agencies involved in the resource management area.</p> <p>The number of applications being processed by the team has risen consistently since 2017. Reaching a peak in 2022 of 1545 RMA applications. For the 2023 financial year the number dropped to 1147. The number of applications spiked in 2022 with notification of the Proposed Far North District Plan on 26 June 2023.</p>	High	Medium	Medium	High

Assumption	Level of financial risk	Impact for high risk assumptions	Level of uncertainty	Financial impact for assumption with high level of uncertainty						
The last few years have shown that reliance on consultants is tenuous and that the council should expect additional staffing costs as we seek to reduce this load to reliable levels.										
Rating base The number of properties we receive rates from is conservatively expected to increase by approximately 0.5% in year 2 and 3. The total number of units over the 3 years is predicted to increase by 383 units <table><tr><td>Area</td><td>2024/25</td><td>2026/27</td></tr><tr><td>District</td><td>38,128</td><td>38,511</td></tr></table>	Area	2024/25	2026/27	District	38,128	38,511	Medium	Not applicable	Medium	Not applicable
Area	2024/25	2026/27								
District	38,128	38,511								
Levels of service: Levels of service will remain static for the period of the LTP. Council is investing in work that maintains its ability to deliver the level of service to the Community (for example, meeting local government standards or creating resilience) and this work is deemed not to be renewal related investment.	Low	Not applicable	Low	Not applicable						
Inflation Future cost increases align with BERL forecasts published in October 2023, retrieved from Business and Economic Research Limited (BERL)	Medium	Not applicable	High	If inflation is higher than forecast, the cost of goods and services will rise accordingly.						
Expenditure assumptions										
Unfunded depreciation Council does not fund depreciation on transportation assets to the extent that Waka Kotahi NZ Transport Agency funds renewals. The current subsidy rate is 69%. Council has decided to not fund 24% of strategic asset depreciation for the first three years of the plan and then to scale back to 100% over the next 10 years.	Low	Not applicable	Low	Not applicable						
Capital borrowings Borrowings for capital expenditure are assumed to be repaid over 20 years.	Medium	Not applicable	Low	Not applicable						
Capital achievability The capital works programme is considered to be achievable in the timeframe stated. Usual delays, such as consenting and weather, have been factored into timeframes and phasing. Wherever possible, works are based on known asset condition and have been prioritised to ensure critical assets are renewed on time. Where asset condition is uncertain the best information available has been used. Timing of renewals programmes reflects the expected delivery of asset condition assessment (i.e. increased certainty of condition	Medium	Not applicable	High							

Assumption	Level of financial risk	Impact for high risk assumptions	Level of uncertainty	Financial impact for assumption with high level of uncertainty
information over time). Council expects a minimal amount of projects carried forward due to delays.				
Waka Kotahi NZ Transport Agency funding: Waka Kotahi NZ Transport Agency requirements and specifications for the performance of subsidised work will not alter to the extent that they impact adversely on operating costs.	High	The recent change in Government will result in a Government Policy Statement that reduces the amount of subsidy provided.	High	Variations in subsidy rates will increase / decrease Council subsidy revenue. This may necessitate Council to review and amend its roading programme.
Revenue assumptions				
Subsidies Council will apply for and receive Government subsidies for applicable projects. Indicative allocations for the first three years of the plan are \$17m less than the original bid and this has been adjusted against renewal work as Waka Kotahi NZ Transport Agency is unable to provide work class detail until after the LTP has been adopted. Any further shortfall in funding from what was applied for would see a reduction/ reprioritisation in the capital projects and subsequent reduction in Council's subsidy funding.	High	Council may not receive the funding or receive a lesser amount resulting in Council being unable to deliver the project as planned, including the requirement of additional consultation with affected stakeholders.	High	If external funds are not received, Council will consider rescheduling other projects to allow the original project to proceed without the subsidy, or explore alternative cost-effective and affordable options. Costs to the ratepayer will be subject to consultation as required.
Funding sources Future replacement of significant assets is assumed to be funded in line with the Revenue and Financing Policy.	Low	Not applicable	Low	Not applicable
User fees Increases are based on expected cost increases (inflation). This is expected to be sufficient for funding purposes.	Low	Not applicable	Low	Not applicable
Far North Holdings Limited (FNHL) It is assumed that Council will receive dividends from FNHL throughout the term of the plan and that the business of FNHL will not significantly change.	Medium	Council may not receive the level of dividend expected due to unforeseen	Medium	If an economic shock, such as COVID-19, occurs then FNHL will amend the dividend payment to council. This could result in reduced income in the year and

Assumption	Level of financial risk	Impact for high risk assumptions	Level of uncertainty	Financial impact for assumption with high level of uncertainty
		economic impacts		may require an amendment to future year plans
Development contributions In 2015 Council resolved to suspend Development Contribution charges in light of the economic downturn. No decision has been made to re-commence the charging of Development Contributions for the term of this LTP, and therefore no income from source is assumed.	Low	Not applicable	Low	Not applicable
Asset assumptions				
Useful lives Depreciation rates for each asset group have been calculated using rates included in the Accounting Policies. Depreciation rates are based on the expected useful life analysis performed by registered valuers in line with the requirements of Accounting Standards. Renewal of assets is based on a mixture of condition and operational indicators, being maintenance and repair data, and Council has confidence that it will achieve the renewal works in line with the timeframes in this plan.	Medium	Not applicable	Low	Not applicable
Asset lifecycle Lifecycles of significant assets, including underground assets, are optimised to strike the best balance between maintenance, operations and renewals costs.	Medium	Not applicable	Low	Not applicable
Asset age Council has previously used asset age as an effective proxy for the condition of an asset. In the current plan, condition information has been used alongside operational information from asset managers to determine a priority for renewal of assets. A programme of work is in place to increase the level of asset condition information to provide a basis for future planning.	Medium	Not applicable	Low	Not applicable
Infrastructure asset revaluations An assumption has been made that revaluation of infrastructure assets will continue to occur as follows: <ul style="list-style-type: none"> • roading and maritime assets - annually • remainder of assets – biannually, with water and wastewater one year and District Facilities the next. 	Medium	Not applicable	Low	Not applicable
Forestry assets An assumption has been made that forestry assets will be held for the duration of the plan and no harvesting will take place	Low	Not applicable	Low	Not applicable
Liability assumptions				

Assumption	Level of financial risk	Impact for high risk assumptions	Level of uncertainty	Financial impact for assumption with high level of uncertainty
Borrowings It is assumed that Council will have the facilities to secure funding as required throughout the term of this LTP.	Low	Not applicable	Low	Not applicable
Other assumptions				
Northern Transportation Alliance (NTA) A shared services agreement between all four council's within Northland (Kaipara, Far North, Northland Regional and Whangarei) and works collaboratively with NZTA (Waka Kotahi) which was established in 2016. The NTA is Council's Roding and Transport department covering local roads. Council has made provision for gaining subsidy for the NTA activities for the subsidised projects throughout the term of this LTP.	Low	Not applicable	Low	Not applicable
Strategic assets Council has not planned for the disposal or transfer of ownership of any strategic assets during the term of this LTP, although it is consulting the public on the divestment of its Housing for the Elderly portfolio.	Low	Not applicable	Low	Not applicable
Currency movement Council does not have any significant exposure to currency movements and consequently has not specifically taken them into account.	Low	Not applicable	Low	Not applicable
Emissions trading scheme (ETS) Council covers its liability for carbon emissions through fees and charges. Council has assumed no changes to carbon credit prices during the term of this LTP.	Low	Not applicable	Low	Not applicable
Local government reforms There will be no significant changes to the structure of Local Government in the Northland region, except for the repealing of the three waters reform legislation. Councils in the region continue to work together in a variety of shared services and will continue to explore opportunities in this area.	Medium	The future shape of local government could change, which may have consequences for how services are provided and by whom.	Medium	Not applicable
Repealing of three waters legislation This plan assumes that Council will continue to deliver these services for the foreseeable future.	High	That local authorities maintain exclusive responsibility for	High	Financial ramifications pertaining to these services would encompass various aspects, including but not confined to, operational revenues, direct

Assumption	Level of financial risk	Impact for high risk assumptions	Level of uncertainty	Financial impact for assumption with high level of uncertainty
		delivering these services.		operational expenses, and the accrued debt value utilized for funding these activities. Additionally, secondary impacts are anticipated, which the Council will evaluate as part of the proposal analysis in due course.



TREASURY, LIABILITY AND INVESTMENT POLICIES

Contents

Introduction	1
Liability Management Policy	4
Investment policy and limits.....	6
Risk recognition	10
Interest rate risk control limits	11
Liquidity risk / funding risk.....	12
Measuring Treasury performance.....	15
Policy review	16
LGFA Lending Policy.....	16

Introduction

This document includes the overarching Treasury, Liability Management and Investment Policies of the Council ("the Policy").

Policy purpose

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

As circumstances change, the Policy will be modified to ensure that treasury risks continue to be well managed. Council ensures there is periodic reviews of this policy by an appropriate external party.

The review will test the existing policy against the following criteria:

- Industry best practices for a council of similar size and type to the Far North District Council
- The risk bearing ability and tolerance levels of the underlying revenue and cost drivers
- The effectiveness and efficiency of the Treasury Policy and treasury management function to recognise, measure, control, manage, and report on Council's financial exposure to market interest rate risks, funding risk, liquidity, investment risks, counterparty credit risks, and other associated risks
- The operation of a pro-active treasury function in an environment of control and compliance
- The robustness of the policy's risk control limits and risk spreading mechanisms against normal and abnormal interest rate market movements and conditions.

This Policy version was reviewed by Earl White, from the Council's independent treasury advisor Bancorp Treasury Services Limited ("Bancorp") and has been confirmed by Bancorp as meeting market best practice.

Scope

- This Policy identifies the policies and procedures of Council in respect of treasury management activities
- The policy has not been prepared to cover other aspects of Council's operations, particularly transactional banking management, systems of internal control and financial management. Other Council policies and procedures cover these matters
- Planning tools and mechanisms are also outside of the scope of this policy.

Objectives

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

Statutory objectives and related controls

Council is governed by the following relevant legislation:

- a. LGA, in particular Part 6 including sections 101,102,104 and 105 and Subpart 4 Sections 112 to 122
- b. Trustee Act 1956. Details of relevant Sections can be found in the Trustee Act 1956 Part II Investments
- c. Public Bodies Lease Act 1969 and Property Law Act 2007.
 - All projected borrowings are to be approved by Council as part of the LTP or Annual Plan process, or by resolution of Council before the borrowing is undertaken
 - All legal documentation in respect to borrowing and financial instruments other than via the LGFA, which has its own legal review processes that Council can access, will be approved by Council's in-house solicitors prior to the transaction being executed
 - Council will not enter into any borrowings denominated in a foreign currency
 - Council will not transact with any Council Controlled Trading Organisation (CCTO) on terms more favourable than those achievable by Council itself
 - A resolution of Council is not required for hire purchase, credit or deferred purchase of goods if:
 - i. The period of indebtedness is less than 91 days
 - ii. (including rollovers)
 - iii. The goods or services are obtained in the ordinary course of operations on normal terms for durations not exceeding the economic life of the asset.

General objectives

- To manage debt to optimise the cost of funding in the long-term whilst balancing risk and cost considerations
- Monitor, evaluate and report on treasury performance
- Borrow funds and transact risk management instruments within an environment of control and compliance under Council approved Treasury Policy so as to protect Council's financial assets and costs
- Arrange and structure long-term funding for Council at the lowest achievable interest margin from debt lenders in line with Council's credit characteristics
- Optimise flexibility and spread of debt maturity within the funding risk limits established by this policy
- Monitor and report on financing/borrowing covenants and ratios under the obligations of Council's lending/ security arrangements
- Manage interest rate risk within the parameters detailed in this policy
- Comply with financial ratios and limits stated within this policy
- Monitor Council's return on investments

- Ensure Council, management and relevant staff are kept abreast of the latest treasury products, methodologies, and accounting treatments through training and in-house presentations
- Maintain appropriate liquidity levels and manage cash flows within Council to meet known and reasonable unforeseen funding requirements
- To manage investments to optimise returns in the long- term whilst balancing risk and return considerations
- To minimise exposure to credit risk by only dealing with approved credit worthy counterparties
- Ensure that all statutory requirements of a financial nature are adhered to
- To ensure adequate internal controls exist to protect council's financial assets and to prevent unauthorised transactions
- Develop and maintain relationships with financial institutions, investors, and investment counterparties.

Overview of management structure

The treasury responsibilities of the Council and Chief Executive are detailed below. Other management responsibilities are outlined in the Treasury Procedures Manual ("TPM").

Council

Council has ultimate responsibility for ensuring that there is an effective policy for the management of its risks. In this respect, Council decides the level and nature of risks that are acceptable, given the underlying objectives of Council.

Council is responsible for approving this Policy. While the policy can be reviewed and changes recommended by other persons, the authority to make or change policy cannot be delegated. Council should also ensure that:

It receives regular information from management on treasury risk exposures and financial instrument usage in a form that is understood, and that enables it to make informed judgements as to the level of risk accepted; issues raised by auditors (both internal and external) in respect of any significant weaknesses in the treasury function are resolved in a timely manner;

Submissions are received from management requesting approval for any treasury transactions falling outside the controls detailed in this policy.

Chief Executive Officer (CEO)

While Council has ultimate responsibility for the policy governing the management of Council's risks, including treasury risks, it delegates overall responsibility for the management of treasury risks to the CEO. The CEO can sub-delegate these responsibilities to members of the executive team.

Delegations are detailed in the TPM.

Delegation of authority and authority limits

Treasury transactions entered into without the proper authority are difficult to cancel given the legal doctrine of apparent authority. Also, insufficient authorities for a given bank account

or facility may prevent the execution of certain transactions (or at least cause unnecessary delays). Specific procedures are outlined in the TPM.

Liability Management Policy

Council's liabilities comprise borrowings and various other liabilities. Council maintains borrowings in order to:

- Raise specific debt associated with projects and capital expenditures
- Raise finance leases for fixed asset purchases
- Fund assets whose useful lives extend over several generations of ratepayers.

Borrowing limits

Debt will be managed within the following macro limits as shown in the following table.

Ratio	Target policy limits
Net debt as a percentage of equity	<10%
Net debt as a percentage of total revenue	<280%*
Net interest as a percentage of total revenue	<10%*
Net interest as a percentage of annual rates income (debt secured under debenture)	<25%
Liquidity (external term debt + committed loan facilities + liquid investments to existing external debt)	>110%
Excludes non-government capital contributions from revenue and government contributions netted from debt but excluded from revenues.	

Notes:

- Total revenue is defined as cash earnings from rates, government grants and subsidies, user charges, interest, dividends, financial, and other revenue and excludes non-government capital contributions (e.g. developer contributions and vested assets).
- Net debt is defined as total consolidated debt less liquid financial assets and investments.
- Liquidity is defined as external debt plus committed loan facilities plus liquid investments divided by external debt.
- Net interest is defined as the amount equal to all interest and financing costs less interest income for the relevant period.
- Annual rates income is defined as the amount equal to the total revenue from any funding mechanism authorised by the Local Government (Rating) Act 2002, together with any revenue received from other local authorities for services provided and for which the other local authorities rate.
- Financial covenants are measured on council only, not the consolidated group.
- Disaster recovery requirements are to be met through the liquidity ratio.

Asset Management Plans

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

Borrowing mechanisms

Council is able to borrow through a variety of market mechanisms including issuing stock/bonds, commercial paper (CP), debentures, direct bank borrowing, Local Government Funding Agency (LGFA), accessing the short and long-term wholesale/retail debt capital markets directly or indirectly, or internal borrowing of reserve and special funds.

When evaluating strategies for new borrowing (in relation to source, term, size and pricing) a number of factors are considered to ensure the overall debt management objectives are achieved.

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

Security

Council's external borrowings and interest rate risk management instruments will generally be secured by way of a charge over rates and rates revenue offered through a deed of charge, debenture or debenture trust deed. Under a deed of charge, debenture or debenture trust deed, Council's borrowing is secured by a floating charge over all council rates, levied under the Local Government (Rating) Act 2002. The security offered by council ranks equally or pari passu with other lenders.

From time to time, and with Council approval, security may be offered by providing a charge over 1 or more of Councils assets.

Physical assets will be charged only where:

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

Debt repayment

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

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

Council will manage debt on a net portfolio basis.

Contingent liabilities

Council may act as guarantor to financial institutions on loans or enter into incidental arrangements for organisations, clubs, trusts, or business units, when the purposes of the loan are in line with Council's strategic objectives.

Council is not allowed to guarantee loans to Council Controlled Trading Organisations under Section 62 of the LGA.

Financial arrangements include:

- Tenant contribution flats
- Advances to community organisations.
- Council will ensure that sufficient funds or lines of credit exist to meet amounts guaranteed. Guarantees given will not exceed NZ\$1 million in aggregate over and above the existing loan guarantee to the Kerikeri Civic Centre Trust (currently \$1.1 million).

New Zealand Local Government Funding Agency Limited investment

Despite anything earlier in this policy, Council may resolve to borrow from the New Zealand Local Government Funding Agency Limited ("LGFA") and, in connection with that borrowing, may enter into the following related transactions to the extent it considers necessary or desirable:

- Contribute a portion of its borrowing back to the LGFA as an equity contribution to the LGFA for example borrower notes
- Provide guarantees of the indebtedness of other local authorities to the LGFA and of the indebtedness of the LGFA itself
- Commit to contributing additional equity (or subordinated debt) to the LGFA if required
- Secure its borrowing from the LGFA and the performance of other obligations to the LGFA or its creditors with a charge over council's rates and rates revenue
- Subscribe for shares and uncalled capital in the LGFA.

Investment policy and limits**General policy**

Council generally holds investments for strategic reasons where there is some community, social, physical or economic benefit accruing from the investment activity. Generating a commercial return on strategic investments is considered a secondary objective. Investments and associated risks are monitored and managed, and regularly reported to Council. Specific purposes for maintaining investments include:

- For strategic purposes consistent with Council's Long-Term Plan
- To reduce the current ratepayer burden
- The retention of vested land
- Holding short-term investments for working capital requirements

- Holding investments that are necessary to carry out council operations consistent with annual plans
- Invest amounts allocated to accumulated surplus, council created restricted reserves and general reserves
- Invest proceeds from the sale of assets.
- Council recognises that as a responsible public authority, all investments held should be low risk. Council also recognises that low risk investments generally mean lower returns.

Objectives

In its financial investment activity, council's primary objective when investing is the protection of its investment capital and that a prudent approach to risk/return is always applied within the confines of this policy. Accordingly, only approved creditworthy counterparties are acceptable.

Council will act effectively and appropriately to:

- Protect council's investments by only transacting with counterparties and instruments that are detailed in this policy to ensure investments are risk averse and secure
- Ensure the investments benefit council's ratepayers
- Maintain a prudent level of liquidity and flexibility to meet both planned and unforeseen cash requirements.

Acquisition of new investments

With the exception of approved financial investments, new investments are acquired if an opportunity arises and approval is given by the appropriate Council committee, based on advice and recommendations from Council officers. Before approving any new investments, Council gives due consideration to the contribution the investment will make in fulfilling Council's strategic objectives, and the financial risks of owning the investment.

The authority to acquire financial investments is delegated to the GMCS.

Investment mix

Council may maintain investments in the following assets from time to time:

- Equity investments, including investments held in CCO/ CCTO and other shareholdings
- Property investments incorporating land, buildings, a portfolio of ground leases and land held for development
- Forestry investments
- Financial investments
- Other investments approved by Council.

Equity investments

Council maintains equity investments and other minor shareholdings.

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

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

Dividends received from Council Controlled Organisations (CCO's) and unlisted companies, not controlled by Council, are recognised when they are receivable in the Consolidated Statement of Financial Performance.

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

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

Unless otherwise directed by Council, the proceeds from the disposition of equity investments will be used firstly to repay any debt relating to the investment and then included in the relevant consolidated capital account.

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

Property investments

Council's overall objective is to only own property that is necessary to achieve its strategic objectives. As a general rule, council will not maintain a property investment where it is not essential to the delivery of relevant services, and property is only retained where it relates to a primary output of council. Council reviews property ownership through assessing the benefits of continued ownership in comparison to other arrangements which could deliver the same results. This assessment is based on the most financially viable method of achieving the delivery of council services. Generally, Council follows similar assessment criteria in relation to new property investments.

Council reviews the performance of its property investments on a regular basis. All income, including rentals and ground rent from property investments, is included in the Consolidated Statement of Financial Performance.

Forestry

Forestry assets are held as long-term investments on the basis of net positive discounted cash flows, factoring in projected market prices, and annual maintenance, and cutting costs.

All income from forestry is included in the Consolidated Statement of Financial Position.

Any disposition of these investments requires Council approval. Unless otherwise directed by Council, the proceeds from forestry disposition are used firstly to repay related borrowings and then included in the relevant consolidated capital account.

Financial investments

Council's investment portfolio will be arranged to provide sufficient funds for planned expenditures and allow for the payment of obligations as they fall due. Council prudently manages liquid financial investments as follows:

- Any liquid investments must be restricted to a term of no more than 12 months and must be with an approved counterparty
- Interest income from financial investments is credited to general funds, except for income from investments for special funds, reserve funds, and other funds where interest may be credited to the particular fund
- Internal borrowing will be used as appropriate to minimise external borrowing.

Financial investment objectives

Council's primary objectives when investing is the protection of its investment capital. Accordingly, Council may only invest in approved creditworthy counterparties. Creditworthy counterparties and investment restrictions are covered in Counterparty Credit Risk section. Credit ratings are monitored and any changes reported to Council.

Council may invest in approved financial instruments as set out in the approved financial instruments section. These investments are aligned with Council's objective of investing in high credit quality and highly liquid assets.

Special funds, reserve and endowment funds

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

Unless otherwise directed by Council, internal borrowing to/from reserves will be undertaken at the external cost of borrowing, or in accordance with the fund agreements.

Trust funds

Where Council hold funds as a Trustee, or manages funds for a Trust, then such funds must be invested on the terms provided within the Trust. If the Trusts' Investment Policy is not specified, then this policy should apply.

New Zealand Local Government Funding Agency Limited investment

Despite anything earlier in this policy, Council may invest in shares and other financial instruments of the LGFA and may borrow to fund that investment.

Council's objective in making any such investment will be to:

- Obtain a return on the investment
- Ensure that the LGFA has sufficient capital to become and remain viable, meaning that it continues as a source of debt funding for Council.

Because of these dual objectives, Council may resolve to invest in LGFA shares in circumstances in which the return on that investment is potentially lower than the return it could achieve with alternative investments. If required in connection with the investment, Council may subscribe for uncalled capital in the LGFA and be a guarantor.

Risk management

The definition and recognition of interest rate, liquidity, funding, investment, counterparty credit, market, operational and legal risk of council will be as detailed below and applies to both the Liability Management Policy and Investment Policy.

Risk recognition

Interest rate risk

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

The primary objective of interest rate risk management is to reduce uncertainty relating to interest rate movements through fixing of investment returns or funding costs.

Certainty around funding costs is to be achieved through pro-active management of underlying interest rate exposures.

Approved financial instruments

Dealing in interest rate products must be limited to financial instruments approved by Council. Approved financial instruments are as follows:

Category	Instrument
Cash management and borrowing	Bank overdraft
	Committed cash advance or similar LGFA provided facilities (short term and long-term loan facilities)
	Uncommitted money market facilities
	Retail and Wholesale Bond and Floating Rate Note (FRN) issuance and commercial paper ("CP")
Investments (term <12 months)	Call Deposits, Short-term bank deposits ("TDs")
Investments	LGFA borrower notes/CP/bills/bonds
Interest rate risk management	Interest rate swaps including:
	• Forward start swaps (start date <24 months)
	• Amortising swaps (whereby notional principal amount reduces)
	• Interest rate swap options (purchased swap options and 1 for 1 collars only)

Any other financial instrument must be specifically approved by Council on a case by case basis, and only be applied to the one single transaction being approved.

All investment securities must be senior in ranking. The following types of investment instruments are expressly excluded:

- Structured debt where issuing entities are not a primary borrower/issuer

- Subordinated debt, junior debt, perpetual notes and hybrid notes such as convertible notes.

Interest rate risk control limits

Net debt/borrowings

Fixed rate is defined as an interest rate re-pricing date (beyond 12 months forward) on a continuous rolling basis.

Floating rate is defined as an interest rate re-pricing within 12 months.

The percentages are calculated on the rolling 12 month projected net debt level calculated by management (signed off by the CEO, or equivalent). Net debt is the amount of total debt net of liquid financial assets/ investments, cash / cash equivalents. This allows for pre hedging in advance of projected physical drawdown of new debt.

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

Fixed rate maturity profile limit

Period	Minimum cover	Maximum cover
Year 1	40%	100%
Year 2 & 3	30%	80%
Year 4 & 5	10%	60%
Years 6 to 10	0%	40%
10 years plus	Council approval	Council approval

- Floating rate debt may be spread over any maturity out to 12 months. Bank advances may be for a maximum term of 12 months
- Any interest rate swaps with a maturity beyond 10 years, must be approved by Council
- Interest rate options must not be sold outright. However, 1:1 collar option structures are allowable, whereby the sold option is matched precisely by amount and maturity to the simultaneously purchased option. During the term of the option, only the sold side of the collar can be closed out (i.e. re-purchased); otherwise both sides must be closed simultaneously
- Purchased borrower swap options mature within 12 months
- Interest rate options with a maturity date beyond 12 months that have a strike rate (exercise rate) higher than 1% above the appropriate swap rate at inception, cannot be counted as part of the fixed rate cover percentage calculation
- Forward start period on swaps and collar strategies to be no more than 24 months, and the underlying cap or swap starts within this period.

Financial investment risk

Council manages short term cash investment risk ensuring availability and access to financial investments held. In order to manage short-term cash risk, financial investments are required to have a term to maturity of less than 12-months.

Liquidity risk / funding risk**Risk recognition**

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

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

- Local Government risk is priced to a higher fee and margin level
- Council's own credit standing or financial strength as a borrower deteriorates due to financial, regulatory or other reasons
- A large individual lender to council experiences financial/exposure difficulties, resulting in council not being able to manage their debt portfolio as optimally as desired
- New Zealand investment community experiences a substantial over supply of council investment assets.
- A key factor of funding risk management is to spread and control the risk to reduce the concentration of risk at a point in time so that if any of the above events occur, the overall borrowing cost is not unnecessarily increased and desired maturity profile compromised due to market conditions.

Liquidity/funding risk control limits

- External term loans and committed debt facilities together with available liquid investments must be maintained at an amount of 110% over existing external debt
- Council has the ability to prefund up to 12 months forecast debt requirements including re financings
- The GMCS has the discretionary authority to refinance existing debt on the same or more favourable terms if within current Annual Plan or LTP approved debt levels. .
- Such action is to be reported and ratified by Council at the earliest opportunity.
- No more than \$100 million of external debt can mature over the next 12 months or any rolling 12 month period thereafter.

Special and general reserve funds

Given that Council may require funding for capital expenditure cash shortfalls over the remaining life of the existing special and general reserve funds, where such funds are deemed necessary, they should be used for internal borrowing purposes when external borrowing is required. Accordingly, Council maintains its funds in short-term maturities, emphasising counterparty credit worthiness and liquidity. The interest rate yield achieved on the funds is therefore a secondary objective.

This will negate counterparty credit risk and any interest rate repricing risk that occurs when Council borrows at a higher rate compared to the investment rate achieved by Special/Reserve Funds.

Liquid assets will not be required to be held against special funds or reserve funds unless such funds are held within a trust requiring such, instead, Council will manage these funds using internal borrowing facilities.

Counterparty credit risk

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

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

Counterparties and limits can only be approved on the basis of either long-term credit ratings of A (Standard & Poor's or Fitch) and above or short-term rating of A 1 or above (Standard & Poor's).

Limits should be spread amongst a number of counter- parties to avoid concentrations of credit exposure.

The following matrix guide will determine limits:

Counterparty/Issuer	Minimum long-term/ short-term credit rating – stated and possible	Investments maximum per counterparty (\$m)	Interest rate risk management instrument maximum per counterparty (\$m)
NZ Government	N/A	500	none
Local Government Funding Agency (LGFA)	N/A	500	20
NZ Registered Bank	A/ A-1	30	20
Local Government Stock/ Bonds/FRN/ CP	A/ A-1 or rates as security	30	none
NZ Corporate CP*	A/ A-1	2	none

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

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

Operational procedures around the management and reporting of Counterparty Credit Risk are detailed in the TPM.

Risk management

To avoid undue concentration of exposures, financial instruments should be used with a range of approved counterparties. Maturities should be well spread. The approval process must take into account the liquidity of the market the instrument is traded in and repriced from.

Foreign currency

Council has minor foreign exchange exposure through the occasional purchase of foreign exchange denominated services, plant and equipment.

Generally, all significant (in excess of NZD100,000 equivalent) commitments for foreign exchange must be hedged using foreign exchange contracts, once expenditure is approved. Both spot and forward foreign exchange contracts can be used by council.

Council shall not borrow or enter into incidental arrangements, within or outside New Zealand, in currency other than New Zealand currency.

Operational risk

Operational risk is the risk of loss as a result of human error (or fraud), system failures, and inadequate procedures and controls.

Operational risk is very relevant when dealing with financial instruments given that:

- Financial instruments may not be fully understood
- Too much reliance is often placed on the specialised skills of 1 or 2 people
- Most treasury instruments are executed over the phone
- Operational risk is minimised through the adoption of all requirements of this policy
- The management of this risk is detailed in the TPM.

Dealing authorities and limits

Transactions will only be executed by those persons and within limits as detailed in the TPM.

Segregation of duties / procedures / reporting

As there are a small number of people involved in treasury activity, adequate segregation of duties among the core borrowing and investment functions of deal execution, confirmation, settling and accounting/reporting is not strictly achievable. The risk will be minimised by the following process:

- The CFO reports to the GMCS
- There is a documented approval process for borrowing, interest rate, and investment activity
- The TPM is prepared by the CFO and reviewed and approved by the GMCS as appropriate, but at least tri-annually in line with the review requirements of this policy document. This details the day-to-day operational requirements and activities undertaken by specific personnel and how appropriate segregation of duties is achieved
- Reporting requirements are reviewed by the GMCS in consultation with senior management and Council annually. Actual reporting requirements are detailed in the TPM.

Agreements

Financial instruments can only be entered into with banks that have in place an executed International Swap and Derivatives Association (ISDA) Master Agreement with Council.

Council's internal/appointed legal counsel must sign off on all documentation for new loan borrowings, refinancing, and investment structures.

Financial covenants and other obligations

Council must not enter into any transactions where it would cause a breach of financial covenants under existing contractual arrangements.

Council must comply with all obligations and reporting requirements under existing funding facilities and legislative requirements.

Measuring Treasury performance

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

Operational performance

All treasury limits must be complied with, including (but not limited to) counterparty credit limits, dealing limits, and control limits. All treasury deadlines are to be met, including reporting deadlines.

Management of debt and interest rate risk

The actual borrowing cost for Council (taking into consideration costs of entering into interest rate risk management transactions) is compared to budgeted borrowing costs in the current Annual and Long-Term plans.

Cash management

All cash inflows and outflows pass through bank accounts controlled by the finance function.

Accounting treatment of financial instruments

Council uses financial market instruments for the primary purpose of reducing its exposure to fluctuations in interest rates. The accounting treatment for such financial instruments is to follow IFRS accounting standards.

Valuation of treasury instruments

All treasury financial instruments must be revalued (marked to market) by an independent party annually for risk management purposes. This includes those instruments that are used only for hedging purposes.

Policy review

The Treasury Policy is to be formally reviewed on a triennial basis.

Council receives the report, approves policy changes and/or rejects recommendations for policy changes.

LGFA Lending Policy

When dealing with the LGFA the Council operates under the guidelines within the LGFA lending policy to the Local Government sector. These are detailed in the TPM and are updated as required. They are available for review on the LGFA website. www.lgfa.co.nz/for-investors/risk-management



SIGNIFICANCE AND ENGAGEMENT POLICY 2021

Purpose

This Policy explains how Council will determine the significance of decisions and when and how our communities can expect to participate in Council's decision-making processes.

Context

Genuine engagement is integral to high-quality Council planning, decision-making and operations. To be effective, we must be well acquainted with our community and their preferences, and our plans should have solid community backing.

Engagement is a process of dialogue between decision-makers, partners, communities and stakeholders for the purpose of making decisions, policies and strategies. Effective engagement serves to build trust in Council decision-making and increase Council's awareness of issues in the community.

This Policy provides guidance for assessing significance and the level of engagement suitable to the significance of the decision, along with guidance on the circumstances in which we would not consult. While our staff interact with community members, Māori partners and key stakeholders daily, some Council decisions require a more structured form of engagement due to the significance a matter has within the wider community, or for groups within the community. Conversely, it would not be appropriate for Council to take every decision to the community.

The goal is to give people a sense of ownership of decisions and ensure Council's work is relevant to the people who live in our district.

Objective

The objectives of this policy are to:

1. Ensure consistency when determining the significance of proposals, assets and decisions
2. Identify the extent and type of public engagement required before a decision is made
3. Provide clarity about how and when communities can expect to be engaged in decisions
4. Build genuine relationships with Māori, Treaty partners, key stakeholders and the wider community through a better understanding of their preferences, and encouraging co-operation, respect and mutual understanding of other points of view
5. To acknowledge the enduring presence, aspirations, and cultural obligations of mana whenua as kaitiaki of the Far North
6. Comply with section 76AA of the Local Government Act 2002.

Definitions

Consultation is a formal type of engagement, often prescribed by legislation and time bound. It generally involves seeking community feedback on a draft proposal, plan or document in order to inform Council's decision-making.

Engagement describes a broad range of activities, which might include consultation, designed to invite community participation in solving problems or making decisions related to Council's work. This means Council's work can better reflect or respond to the needs, views, preferences or aspirations of the community.

Hapū defines a cluster of families linked by the same whakapapa that may share the same land boundaries and same marae.

Levels of service refer to the targets Council aims to achieve for the various services and facilities it provides. These are reviewed every three years in the Long-Term Plan. An example of this is the percentage of the roading network we aim to reseal each year.

Mana whenua are Māori with authority over the land and kaitiaki status.

Mātāwaka are Māori for whom their place of residence is not their traditional home, and therefore are not described as mana whenua.

Memorandum of Understanding (MOU) in this policy refers to a Crown-Māori Relationship Instrument, which is a documented agreement or arrangement, signed by both parties, that establishes or recognises an ongoing collaborative relationship between Ministers, Government agencies or Crown entities (such as Local Government), and a whānau, hapū, iwi, Māori organisation or Māori communities.

Significance is the degree of importance of an issue, proposal, decision, or matter that concerns or is before Council.

Significance relates to the likely impact on:

1. the wellbeing of the district
2. people affected
3. the ability of Council to perform its role, and the financial and other costs of doing so.

A more detailed definition can be found in section 5 of the Local Government Act 2002.

Special consultative procedure is prescribed by legislation. It requires Council to prepare and adopt a statement of proposal and a summary of the information if needed to reduce or remove confusion, and to make this widely available for public consumption and feedback, within a timeframe of no less than one month. Council must also provide an opportunity for people to present their views orally, if they wish to do so. Further detail is set out in section 83 of the Local Government Act 2002.

Strategic assets are assets, such as infrastructure or properties, that Council needs in order to achieve outcomes it decides are important to the current or future well-being of the community. A more detailed definition can be found in section 5 of the Local Government Act 2002.

Tangata whenua refers to “people of the land”. It might relate to specific groups, or more broadly to Māori as a people.

Principles of engagement

1. Our principles for engagement are laid out in the Local Governance Statement and are guided by the Local Government Act 2002 sections 82 Principles of Consultation and section 81 Contributions to Decision Making Processes by Māori.
2. We clearly communicate how and to what extent those we are engaging with can influence outcomes and within these limits we are genuinely open to the feedback and ideas of our community.
3. We think about engagement at the beginning of any project or process so that it is planned and purposeful. This also means, where appropriate, stakeholders or the community can be involved from an early stage.
4. We consider who will be affected by or interested in the project or process, and we try to reach as many people as possible within that group.

5. We provide clear, easy-to-understand background information to those we are engaging with, so they are better equipped to discuss the project or process and provide informed feedback.
6. We consider the timing of our engagement activities so as not to overburden our community.
7. We thank community members for their contributions, provide them with a summary of feedback and explain our decisions.

Engaging with tangata whenua

1. Council acknowledges the unique perspective of Te Ao Māori and recognise that Māori are more than an interest group or stakeholder.
2. We will continue to build and strengthen our relationships with mana whenua representative entities and engage in a range of ways to ensure their views are appropriately represented in the decision-making process.
3. Council acknowledges that different approaches are needed for Māori who live in the Far North but do not have genealogical connections to mana whenua hapū.
4. When engaging with tāngata whenua and Māori, Council will:
5. Engage early in the decision-making process
6. Establish and maintain processes to provide opportunities for Māori to contribute to Council's decision-making, including partnership approaches where appropriate, and support Māori to fully engage with us
7. Ensure existing general and project-specific relationship processes between Council and tāngata whenua will, where working well, remain as a starting point for engagement
8. Recognise and empower existing formal relationships (i.e. MOUs) with iwi and hapū
9. Actively consider the recognition and protection of Māori rights and interests within the Far North and how we can contribute to the needs and aspirations of Māori
10. Ensure all Council reports identify any impacts on Māori
11. Build ongoing relationships with Māori through a range of approaches that enables Māori to guide how they want to engage with Council
12. Fulfil its obligations under any Treaty Settlement legislation.

Engaging with diverse communities

1. Council will consider those in our community with visual, hearing or literacy impairments, and those who speak English as a second language.
2. When undertaking engagement, Council will consider how to meet the needs of our diverse communities in respect of accessibility, language and cultural expectations to ensure engagement with Council is enabled as much as possible.
3. Council will consider the many demographics and interested parties across the District, including but not limited to youth, business, retirees and ratepayers that do not live in the district.

Determining significance

1. Significance is determined in the early stages of a proposal, before decision making occurs. If it becomes necessary to do so, the significance of a proposal may be re-assessed at any time.
2. In determining a proposal's degree of significance, Council will be guided by:
 - a. Legislative requirements including the Local Government Act 2002 (LGA), the Resource Management Act 1991 (RMA), and Treaty Settlement (TS) legislation including Memoranda of Understanding (MOU)

- b. Whether the decision is inconsistent with previous Council decisions or current policies, according to section 80 of the LGA
- c. Commitments made in relationship agreements such as any MOU and/or mana-enhancing agreement
- d. Historic levels of community impact or interest in the proposal
- e. The likely impact on iwi/hapū/whanau and their culture and traditions with their ancestral land, water, sites, wāhi tapu, valued flora and fauna, and other taonga.

Climate change

1. From 31 December 2021 the RMA requires councils to have regard to emissions plans and adaptation plans under the Climate Response Act 2002.
2. Council routinely considers the implications of its actions on climate change mitigation and adaption in its decision-making.
3. The criteria in section 10. Matters of Significance are considered sufficient to assess the significance of decisions that have a climate change element, cause or impact.

Matters of significance

1. A decision is of high significance if one of the following applies:
 - a. It involves the transfer of the ownership or control of a strategic asset (Schedule 1) or other important asset (Schedule 1a) to or from Council; or
 - b. It is inconsistent with Council plans or policies and meets one of the thresholds shown in the table below:

Criteria	Threshold
Transfer of a strategic asset	The proposal involves the transfer of the ownership or control of a strategic asset (Appendix A) to or from Council.
Unbudgeted financial impacts	The proposal will incur unbudgeted net operational expenditure exceeding 2.5% of total rates in the year commenced OR unbudgeted net capital expenditure exceeding 10% of total rates in the year commenced.
Of specific interest to Māori	The proposal has a major and long-term impact on the wellbeing of iwi/hapū/whanau and their culture and traditions with their ancestral land, water, sites, wāhi tapu, valued flora and fauna, and other taonga.
Level of public interest	The proposal is likely to generate considerable interest or community views render the community deeply divided.
Effect on the community and its demographics	The proposal is likely to have an impact on the social, economic, environmental or cultural wellbeing of the District or an aspect of the District (e.g. a particular ward, a community of interest, a geographic area, or demographic).
Level of service	The proposal is likely to result in a change in the level of service and that the change will be major and long-term.

Determining engagement

1. Council looks at the level of significance of a proposal when deciding what type of engagement is appropriate.

2. If a proposal is determined to be of high or medium significance, Council will conduct some form of engagement to inform the decision-making process.
3. If a proposal is determined to be of low significance, Council may inform the community once a decision has been made, or it may choose not to engage with the community at all (section 13).
4. Council applies the International Association of Public Participation (IAP2) spectrum to guide its approach to engagement.
5. Schedule 2 sets out the type of engagement the community can expect for proposals at different levels of significance.

Special consultative procedure

1. In some cases, the type of consultation required is set out in the legislation, i.e. the LGA. This is called a special consultative procedure and is prescribed in section 83 of the LGA, and is applied in the following situations:
2. Adoption or amendment of a Long Term Plan
3. Making, amending or revoking a bylaw that is considered of significant interest to the public or will likely cause significant impact on the public
4. When Council decides it is prudent to do so.
5. In these circumstances, the Special Consultative Procedure is a minimum requirement – Council may choose to conduct other engagement in addition to this process.

When Council may choose not to engage

Things Council will generally not engage on include, but are not limited to:

1. Operational matters that do not reduce a level of service
2. Emergency management activities
3. Those decisions made by delegation to Council staff
4. Commercially sensitive decisions (e.g. awarding contracts)
5. Decisions made to manage an urgent issue
6. Decisions where action is necessary to:
 - a. comply with the law
 - b. protect life, health, or amenity and infrastructure
 - c. prevent serious damage to property
 - d. avoid, remedy, or mitigate an adverse effect on the environment.

Schedule 1: Strategic Assets

The following is a list of assets that Council requires in order to achieve outcomes important to the current or future well-being of the community:


1. Council Headquarters
2. The roading network
3. The stormwater network
4. The wastewater network
5. The water supply network
6. The open space network, including parks, walkways
7. and sports fields under the Reserves Act 1977
8. Council-owned cemeteries
9. Libraries
10. Shares in Far North Holdings Limited
11. Housing for the elderly.

Schedule 1a: Other Assets of importance to the community

The following are non-strategic assets (i.e. not defined as a “strategic asset” under the Local Government Act Section 5 Interpretation), but are considered by Far North District Council to be important to the well-being of the community:

1. Council land that is subject to claim under Te Tiriti o Waitangi
2. Council land/assets that have been transferred to Council Controlled Organisations.

Schedule 2: Engagement assessment

Significance	LOW	MEDIUM	HIGH						
Expectation	MINIMUM	Local Government Act 2002 s82 and s83							
Level of engagement	INFORM	CONSULT	INVOLVE	COLLABORATE	EMPOWER				
Engagement Focus	This is what we are doing	Tell us what you think	Help us decide	Let's work together	You make the decision				
What does It Involve?	One-way communication providing balanced and objective information to assist understanding about something that is going to happen or has happened.	Two-way communications designed to obtain public feedback about Ideas on rationale, alternatives and proposals to inform decision-making.	Participatory process designed to help identify issues and views to ensure that concerns and aspirations are understood and considered prior to decision-making.	Working together to develop understanding of all issues and interests to work out alternatives and identify preferred solutions.	The final decision is in the hands of the public. Under the LGA, the Mayor and Councillors are elected to make decisions on behalf of their constituents.				
When the community can expect to be involved	Council would generally advise the community once a decision is made.	Council would advise the community once a draft decision is made by Council and would generally provide the community with up to four weeks to participate and respond. Where desirable to meet the needs of affected parties or groups, and possible within timeframes available, Council may consider extending this period.	Council would generally provide the community with a greater lead-in time to allow them time to be involved in the process.	Council would generally involve the community at the start to scope the issue, again after information has been collected, and again when options are being considered.	Council would generally provide the community with a greater lead-in time to allow them time to be involved in the process, e.g. typically a month or more.				
Tools Council can use	Website and publications Social media Media release	+	Surveys Focus groups Submissions	+	Formal Hearings Public meetings Drop-In Centres	+	External Working Groups MOUs	+	Referenda Elections Polls

Disclaimer

This Long Term Plan (LTP) Consultation Document and supporting information has been prepared in accordance with the Severe Weather Emergency Recovery Legislation Act 2023 and the Severe Weather Emergency Recovery (Local Government Act 2002—Long-term Plan) Order 2023 issued in October 2023. The Order simplifies the process for preparation of an LTP by certain councils affected by the severe weather events of 2023 and enables the Council to prepare an LTP Consultation Document and supporting information that has not been formally audited. While this Consultation Document and supporting information is not required to include a formal audit report, all due care has been exercised in the preparation of this Consultation Document and supporting information, having regard to the information available to Council at that time.

TE PAE O UTA



Mahitahi - Working with Māori

He Ara Tāmata - Creating Great Places, Supporting Our People

He Whenua Rangatira - A District of Sustainable Prosperity and Well-Being

Far North District Councils vision and mission illustrates the connection between people and place. This is especially so for tangata whenua who have a long and rich association with the Far North. Council recognises this long settlement and therefore the special position of tangata whenua within this District and the significant and long-term role Māori have to play in Council's decision-making.

As important are our values by which we operate.

- Manawatōpū: Unity of purpose and working together
- Kaitiakitanga: Environmental stewardship and sustainability
- Mana tangata: Respect and fairness
- Te Tiriti o Waitangi: Partnership
- Tū tangata: Strong cultural identities
- Whanaungatanga: Family, community, connecting and sharing

Council recognises it needs to establish meaningful and enduring relationships with Māori in order to enable effective participation in decision making while at the same time achieving mutually beneficial outcomes. Our values provide a vehicle for this to occur.

Translating our vision, mission and values into tangible outcomes for and with Māori, three key areas of work have been identified to help guide and underpin our work:

- **Increased Participation In council structures and decision-making processes**
- **Create enablers across staff to respond more effectively to Māori**
- **Kōkiri Tahi – Empowered communities, working collaboratively**

Understanding these goals and embedding them across all functions is crucial if Council is to be successful in building relationships with Māori founded on trust and mutual respect.



Increased participation In council structures and decision-making processes

The Far North has a rich and diverse history. We have one of the largest Māori populations in New Zealand with over half of the district identifying as Māori. The Far North is also home to the Te Tiriti o Waitangi / the Treaty of Waitangi, the founding document of Aotearoa New Zealand.

The Council acknowledges and respects the Crown's responsibility as Treaty partner and the requirement of local government to take into account the principles of Te Tiriti o Waitangi / the Treaty of Waitangi, specifically the obligations placed on Council

to provide opportunities for Māori to participate in decision-making and other council processes which is meaningful to both parties.

Council also recognises the requirement on local government to contribute to the Crown's broader relationship responsibilities by ensuring engagement with Māori is meaningful.

Council also recognises the Treaty of Waitangi settlement process and outcomes, and is committed to supporting the spirit and implementation of our District's Treaty settlements and assisting negotiations between the Crown and Māori when invited.

Council will:

- strengthening relationships with mātauranga and Te Ao Māori
- enabling Māori participation in council decision-making processes
- shared decision-making opportunities alongside Māori on matters of interest to them

We will do this by ensuring:

- FNDC staff are equipped to provide Te Ao Māori Governance direction and advice to better inform our Elected members
- FNDC are committed to developing robust systems that enable Māori participation in council decision-making
- FNDC are committed to developing systems to engage with hapū at hapū level
 - Formalising the implementation of Iwi Hapū Environmental Management Plans
 - Develop a hapū engagement framework
 - Review FNDC Significant and Engagement Policy to include hapū engagement and resourcing
- Review and Refresh our Memorandums of Understanding with Whanau, Hapu and Iwi



Create enablers across staff to respond more effectively to Māori

Council acknowledges the unique perspective of Māori and recognise that tangata whenua are more than an interest group or stakeholder.

Therefore, we need to ensure we are including the right people, at the right time - across all levels of Council - in order for Māori to make informed decisions about our processes and work. In doing so, we also need to ensure we maintain ongoing open discussions and interactions with Māori in order to provide relevant information to assist them to participate in our decision-making processes.

Council will:

- build organisational capability, capacity, and cultural competency
- Give effective consideration and understanding of Māori needs and issues in policy thinking and development
- improve processes and systems to maintain and enhance capability to give effect to roles in relation to Māori and to promote a responsive culture and working environment.
- FNDC leaders are capable of making informed decisions based on Te Pae o Uta goals, principles and values
- In-house training is developed and available so staff can develop the confidence and basic capability to identify and apply a Te Ao Māori lens across internal workstreams.
- People, policies and strategies are reflective of Te Pae o Uta goals, principles, and values
- Value and recognise staff cultural competency
- Review training competency measures
- Increased use of te reo across our services.
- Undertake a Cultural Audit for Far North District Council



Kōkiri Tahī – Empowered communities, working collaboratively

The Council recognises that having the capability and capacity to engage are issues for both Council and Māori. The Council will continue to provide opportunities for Māori to gain knowledge of Council processes and will actively assist Māori with developing their capacity to input into decision-making processes via hui and targeted training workshops and kanohi ki te kanohi learning alongside whanau, hapu and iwi (wānanga)

Council will:

- enable effective communication and engagement with Māori
- enable council's role in contributing to Māori wellbeing
- build Māori capability and capacity within the community in order to work in collaboration with council on mutual obligations and programmes We will do this by ensuring:
- FNDC will work in the following areas to achieve the outcomes noted above:
 - Papakāinga and Māori housing
 - Whānau and tamariki wellbeing
 - Marae development
 - Te reo Māori
 - Māori identity and culture
 - Māori business, tourism and employment
 - Realising rangatahi potential
 - Kaitiakitanga/te taiao

Looking forward

Council is looking to build a strong foundation from within and move towards long-term mutual relationships and partnering with Māori. We have started our journey by showing our intent for greater surety for Māori in our decision making and by approving Te Pae o Uta and the Te Reo and Tikanga Policy. We aim to grow from these recent decisions and are committed to do so.



Kokiri Tahī

The design shows manu flying in formation, ngā manu representing our hapori. Coming together to collaborate and empower one another.



Creating Enablers

The two taniwha, Āraiteuru and Niniwa are formed by the takarangi spiral. This ties back to the original artwork Te Pae o Uta. The spiral indicates whakaaro around consideration and understanding. Bringing focus to developing staff to enable the organisation's ability to respond more effectively to Māori.



Increased Participation

The icon and the elements within are to represent the bond and strength of our relationships, the poutama also giving reference to the further pursuit of mātauranga.

The mangōpare in the bottom being the strengthening foundation of those themes.

6 KARAKIA WHAKAMUTUNGA / CLOSING PRAYER

7 TE KAPINGA HUI / MEETING CLOSE