



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

**He Whenua Rangatira**  
*A District of Sustainable Prosperity and Well-being*

*Pohutukawa tree at Mangonui*

# Annual Plan

## 2016 – 2017

## What is the 2016/17 Annual Plan?

An Annual Plan sets out the budget and explains how Council intends to finance the activities and services it provides for the next financial year. It is a focused snapshot of year two (2016/17) of the 2015-2025 LTP, in which we provide you, the community, with details of our planned service levels for the year ahead and projected financial information to support them.

An Annual Plan cannot be used to make major changes to the LTP, to add or remove significant projects or activities or significantly increase or decrease levels of service. Instead, an Annual Plan focuses on any adjustments a local authority may wish to make in light of the previous year's financial performance, updated financial figures, cost increases and feedback from the community. It allows for Council to take into account any new issues and to review progress towards its 10-year objectives.

An Annual Plan must also document the levels of service to be delivered by each group of activities, with results reported in our Annual Report.

This Annual Plan begins with a message from our Mayor and CEO and continues with a summary of the key decisions that were made as a result of consultation. The remaining sections contain the financial and non-financial details that together create a detailed picture of what we plan to achieve in the coming year in each of our groups of activities.



	Page
<b>Vision, Mission, Principles and Strategic Direction .....</b>	<b>1</b>
<b>Welcome .....</b>	<b>5</b>
<b>Governance Structure.....</b>	<b>6</b>
<b>Summary of Key Decisions .....</b>	<b>10</b>
<b>Activity Groups .....</b>	<b>13</b>
<i>Roading and Footpaths.....</i>	<i>14</i>
<i>Stormwater .....</i>	<i>22</i>
<i>Water Supply.....</i>	<i>26</i>
<i>Wastewater .....</i>	<i>33</i>
<i>Waste Management.....</i>	<i>40</i>
<i>District Facilities.....</i>	<i>44</i>
<i>Environmental Management.....</i>	<i>60</i>
<i>Strategic Planning.....</i>	<i>65</i>
<i>Governance and Strategic Administration .....</i>	<i>70</i>
<b>Far North Holdings Ltd .....</b>	<b>75</b>
<b>Forecast Financial Statements .....</b>	<b>77</b>
<i>Financial Statements.....</i>	<i>78</i>
<i>Corporate Assumptions .....</i>	<i>103</i>
<i>Funding Impact Statement.....</i>	<i>118</i>
<b>Glossary.....</b>	<b>160</b>

---

## District vision

**He Whenua Rangatira – A District of Sustainable Prosperity and Well-Being**

## Council's vision

"Council will be a capable, trusted and innovative civic leader, serving and inspiring people, maximizing opportunities to empower communities and meet their changing needs; while creating great places."

## Our mission

"To work together to deliver on our goals and commitments and enable culturally strong, healthy, vibrant, resilient, prosperous, connected people and communities."

We believe that the Vision, Mission, Principles, Community Outcomes and Strategic Direction we adopted as part of the LTP remain appropriate to the delivery of the 2016/17 Annual Plan and the District Vision "He Whenua Rangatira – A District of Sustainable Prosperity and Well-being" and Northland | Forward Together - Tai Tokerau | Kokiri Ngatahi, the collective plan of the Northland councils (see further detail later in this section).

When we adopted our 2015-2025 LTP we noted that a clear vision for our future is a key part of developing strategy and setting strategic direction. We believed that problems get solved when people combine their skills and energy and work together towards a common goal and that the Far North would never achieve its potential unless local and central government, iwi and hapū, the business sector and communities work together towards common goals.

The Far North District Vision "He Whenua Rangatira – A District of Sustainable Prosperity and Well-being" is a community-led vision for the Far North. It was developed under the banner of "Our Voices, Our Vision"; facilitated by Council and co-created with communities, community leaders and stakeholders. It is a vision we can all be proud of. The Vision is supported by Tikanga – Our Values and Tumanako – Our Expectations (which can be found on the next page).

He Whenua Rangatira – A District of Sustainable Prosperity and Well-being will lead to a sustainable district strategy and action plans that:

- Work alongside the many planning and development initiatives already in place at community, district, regional and national levels
- Get Far North communities working together and heading in the same direction
- Identify key priorities for delivering the vision.

The details of the development of the vision and supporting statements can be found at <http://ourvoicesourvision.co.nz>.

# Vision, Mission, Principles and Strategic Direction

---

## Tikanga - Our Values

Manawatapu	Unity of purpose and working together
Whanaungatanga	Family, community, connecting and caring
Tu tangata	Strong cultural identities
Mana tangata	Respect and fairness
Te Tiriti o Waitangi	Partnership
Kaitiakitanga	Environmental stewardship and sustainability

## Tumanako - Our Expectations

He wahi ataahua	Valuing the outstanding beauty of our District
Oranga taiao, oranga tangata	Nurturing the environment so it nourishes us
Oranga kainga	A thriving, sustainable local economy
Mana I te whenua	The role of tangata whenua is valued and respected
Te ira tangata	Rich heritage and diversity respected and celebrated
Whanau	A great place for our families to flourish
Tangata whai ora	Happy, healthy, safe and purposeful people
He waka hourua	Fit for purpose infrastructure underpinning success
Kokiri tahi	Empowered communities, working collaboratively

## Community Outcomes and Council Goals

### **Governance**

- Capable, credible, civic leadership that advocates for people and is trusted by the communities we serve
- Our residents and ratepayers engage with us, understand and have confidence in our decision making.
- Prudent financial management within long term strategic planning
- Strong partnerships with Māori, communities, businesses, government, Northland councils, non-profit, voluntary groups and communities that improve quality of life and maximise community benefit.

### **Prosperous people, communities and businesses in sustainable places**

- Our environment is protected, enhanced and wisely managed
- Sustainable development of our local economy through partnerships, innovation, quality infrastructure and planning
- Sustainable, affordable, equitable infrastructure that contributes to the economic progress and social wellbeing of the District.

### **Māori development and Māoritanga are an inherent part of decision making and the way we operate**

- Acknowledging Te Tiriti o Waitangi / The Treaty of Waitangi
- Enabling Māori Development.

## Northland | Forward Together - Tai Tokerau | Kokiri Ngatahi

The councils of Northland have agreed that working together will achieve more than we can alone. Northland | Forward Together - Tai Tokerau | Kokiri Ngatahi is the collective plan of the Northland councils for creating, over time, a region where everyone can thrive. There is much to do to achieve this; it happens only through determined effort and working collaboratively, and requires time, passion and commitment over a sustained period of time.

The vision for Northland | Forward Together - Tai Tokerau | Kokiri Ngatahi is:

*"Together lifting the overall wellbeing of our people and our place - Kokiri ngatahi, kia piki te oranga whenua, oranga tangata"*

There are two goals:

1. That the potential of the people and resources of Northland are optimised; and
2. That participation in education, work and community is increased.

Council believes that this strategic collaboration reinforces the Far North District's vision, along with the strategic direction and Community Outcomes we have set in place.

# Vision, Mission, Principles and Strategic Direction

## Our strategic priorities

As we move into 2016/17 we will build on the foundations set in 2015/16 and we will continue to develop the strategies, policies, action and asset management plans that ensure Council is playing its part and contributing to the achievement of the District Vision, Northland | Forward Together - Tai Tokerau | Kokiri Ngatahi, and the Vision, Mission, Community Outcomes and Strategic Direction we have set for the long term road to recovery for council and for the prosperity and well-being of the district.

### **Catch up on core infrastructure**

In past years as a result of the global financial crisis Council restricted new borrowing and used rates to pay down debt. While this was a prudent response to that situation, it has left us with a backlog of renewals and new capital works that now need to be addressed. The LTP set in motion a capital works programme to address this. The Annual Plan for 2016/17 aims to continue along that path.

### **Address affordability**

Affordability is a key issue in our District, and in addressing the problems faced by many we plan to continue with the following initiatives in 2016/17:

- Staging investment in infrastructure and services to ensure delivery is affordable to ratepayers.
- Reviewing our rating policies to better balance the impacts on affordability.
- Service delivery reviews for roading, water, wastewater, drainage, flood risk, i-sites, libraries, information technology and back-office functions to ensure the most affordable solutions are in place.

### **Maintain levels of service**

We still plan to maintain the levels of service committed to in the LTP. However, if service delivery changes as a result of current service delivery reviews or through strategic collaboration either the same level of service will be delivered for less cost or the level of service will be improved.

### **Undertake new capital projects**

During 2016/17 we will continue to improve our business case development and decision making for new capital projects as well as improving our programming and project management, to ensure we achieve affordability and timely delivery.

### **Address Council capacity and capability**

While the majority of the work was done in 2015/16, we think the major benefits will be felt during 2016/17 as we fill our current vacancies, invest in our people and systems, improve customer service and rely less on consultants to deliver our plan.

### **Empower Communities**

We continue to focus on:

- Increasing opportunities for communities to determine the things they care about – through our community and district planning and the development of the strategy and action to underpin the District Vision
- Giving people the opportunity for meaningful engagement and participation;
- Empowering communities to design, prioritise and deliver local initiatives;
- Supporting community groups to lead their communities;
- Joining up to maximise each other's potential to contribute to improved community wellbeing;
- Empowering Maori to participate in and influence local community development.

# Welcome

---

Kia ora koutou,

The 10-year plan we adopted last year set a bold and visionary direction for the Far North District Council. In building that plan we discovered critical gaps in our infrastructure and proposed an extensive works programme to address them. We also recognised that the District would achieve more if everyone worked towards a shared vision, so we facilitated a community-led visioning exercise.

The road to recovery is not short and designing the future isn't a quick or simple exercise. However, our progress during 2015/16 shows we are now on track to achieving these and other outcomes in our Long Term Plan. We are delivering more infrastructure projects than ever, while also rebuilding our organisational capacity and maintaining service levels. We completed emergency repairs to roads damaged by storms in 2014 ahead of schedule and we expect to complete the Twin Coast Cycle Trail – Pou Herenga Tai before November. We have bought land for a new Kerikeri wastewater treatment plant and hope to begin this project, which includes connecting more properties to the plant, in October. This is a big step forward for this town where some businesses in the CBD still rely on septic tanks. We have obtained a subsidy to upgrade our water supply at Omanaia where residents have been asking for a treated water supply for years.

We are also more strategic and are committed to supporting a new District vision which the community developed last year. There is also an unprecedented level of cooperation between the four Northland councils. We adopted a Strategic Plan in February and are implementing a Northland Transport Alliance which could save \$18 million in roading costs over next 10 years. These initiatives are part of a programme of work designed to improve local government services in Northland and make the region a better place to live. We plan to continue this strategic direction in 2016/17.

We will also continue to stage our investment in infrastructure while investing in the staff and resources needed to deliver these projects. We will keep working with communities to find affordable solutions for their infrastructure issues. Most Te Kao residents, who made submissions to our Annual Plan, said they wanted us to improve their water supply quickly. However, three-quarters of the community were not prepared to pay more than \$750 a year for water that meets New Zealand Drinking Water Standards. We will continue to explore affordable potable water options with the Te Kao Water Supply Working Group and this community in 2016/17. We will also work with residents at Opononi-Omapere where there are differing views on how to make our water supply there more drought-resilient. We are also planning a number of other minor changes to the Long Term Plan. These include an innovative proposal to strengthen unsealed roads and at the same time reduce the dust nuisance caused by forestry traffic.

We are also proposing to contribute funds to a Northland LiDAR survey that will provide an evidence base for decision-making about infrastructure and resource management. We have brought forward funding for improvements at Mangonui waterfront and flagged delays to the development of sports grounds in Kaitaia and Kerikeri. However, we still expect to complete these facilities within forecast timeframes. We also retain our commitment to a Hundertwasser Visitor Centre for Kawakawa and plan to become an anchor tenant in the centre if it goes ahead. This is an exciting time to be living in the Far North. We are committed to developing strong relationships with the community, iwi and hapu, Government agencies and the large number of community organisations working so hard for the people.

We encourage you to read this document for a fuller picture of the work we are planning to improve the District and the well-being of our people.

Ka kite ano

Far North Mayor  
**Hon John Carter QSO**

Chief Executive (Acting)  
**Colin Dale CNZM, JP**

# Governance Structure

---



**Mayor John Carter QSO**



**Deputy Mayor Tania McInnes**

Bay of Islands-Whangaroa Ward



**Councillor Sally Macauley QSM, JP**

Kaikohe-Hokianga Ward



**Councillor Willow-Jean Prime**

Bay of Islands-Whangaroa Ward

Bay of Islands-Whangaroa Community Board



**Councillor John Vujcich**

Kaikohe-Hokianga Ward

Kaikohe-Hokianga Community Board



**Councillor Ann Court**

Bay of Islands-Whangaroa Ward



**Councillor Colin (Toss) Kitchen MNZM**

Te Hiku Ward



**Councillor Di Maxwell**

Bay of Islands-Whangaroa Ward



**Councillor Mate Radich**

Te Hiku Ward

Te Hiku Community Board



**Councillor Dave Collard**

Te Hiku Ward

## Community Boards

### Bay of Islands – Whangaroa



**Chair**  
**Terry Greening**



**Deputy Chair**  
**Belinda Ward**



Florence  
Annison



Martin Robinson



Doug Turner



Bruce Mills



Kelly Stratford

### Kaikohe – Hokianga



**Chair**  
**Pauline Evans**



**Deputy Chair**  
**Garry Clarke**



Debbie Beadle



Win Stephens



John Schollum



Louis  
Toorenburg

### Te Hiku



**Chair**  
**Lawrie Atkinson**



**Deputy Chair**  
**David Senior**



Mike Ward



Ivan Alvarez



Adele Gardner



Melanie Dalziel

If you need to contact a Councillor or Community Board Member then either refer to the contact details listed at the end of this section, or [www.fnrc.govt.nz/contact-us](http://www.fnrc.govt.nz/contact-us).

## Committees

### Community Services and Development

**Chair**  
**Cr Sally Macauley**

Mayor  
John Carter QSO  
(Ex-officio member)

Cr Colin Kitchen

Cr Mate Radich

Lawrie Atkinson

Pauline Evans

Terry Greening

### Economic Development

**Chair**  
**Cr Di Maxwell**

Mayor  
John Carter QSO  
(Ex-officio member)

Cr Sally Macauley

Cr John Vujcich

Cr David Collard

### Infrastructure

**Chair**  
**Cr John Vujcich**

Mayor  
John Carter QSO  
(Ex-officio member)

Cr Ann Court

Cr David Collard

Cr Mate Radich

### Regulatory and Environment

**Chair**  
**Cr Ann Court**

Mayor John Carter QSO  
(Ex-officio member)

Cr Willow-Jean Prime

Cr John Vujcich

Cr David Collard

### Audit, Finance and Risk

**Chair**  
**Mayor John Carter QSO**

Cr Willow-Jean Prime

Cr Di Maxwell

Cr John Vujcich

Cr Colin Kitchen

Cr David Collard

### Strategy and Governance

**Chair**  
**Deputy Mayor**  
**Tania McInnes**

Mayor John Carter QSO  
(Ex-officio member)

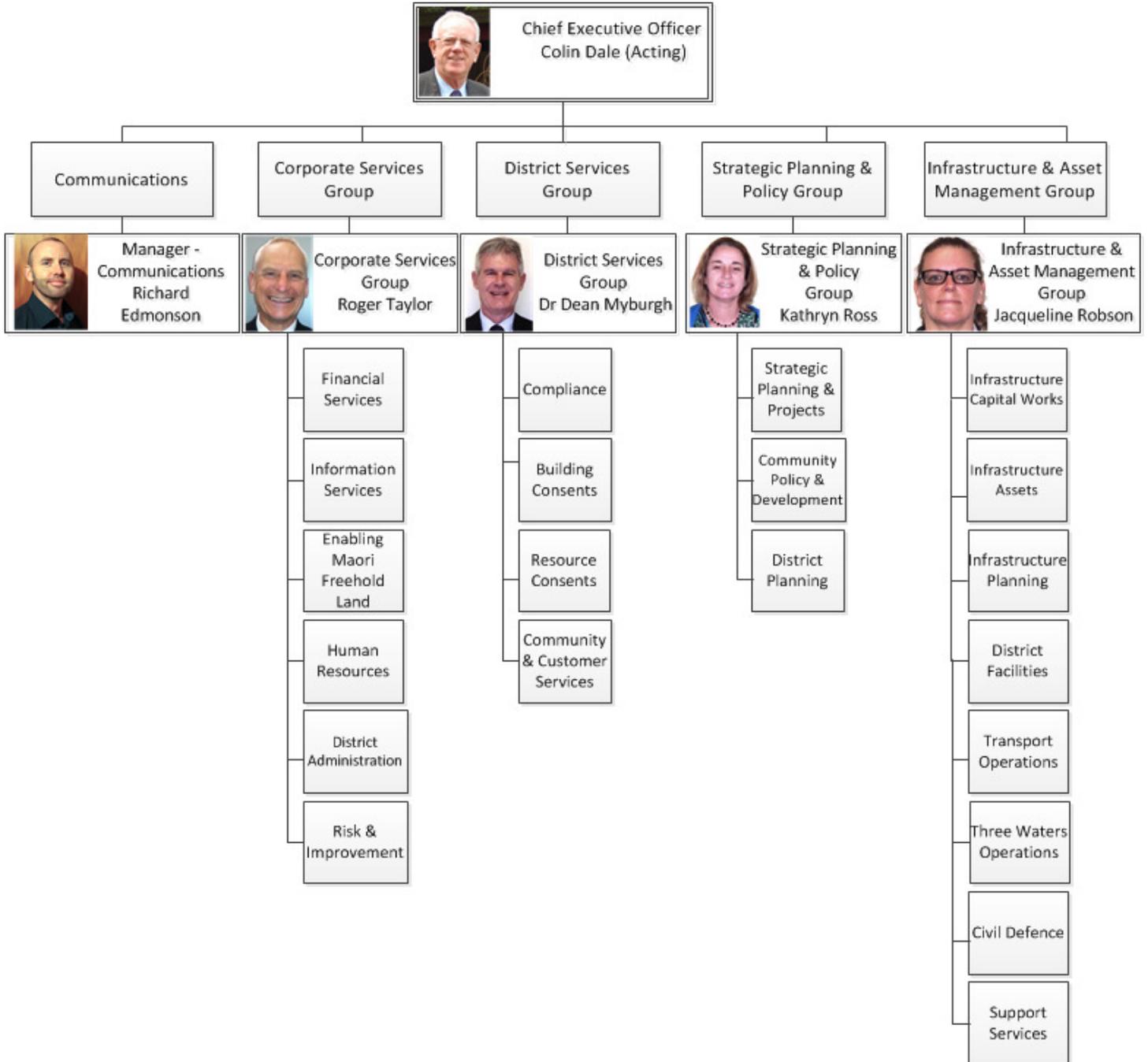
Cr Sally Macauley

Cr Ann Court

Cr Di Maxwell

Cr John Vujcich

## Management Structure



# Summary of Key Decisions

---

## Decisions and corrections

Earlier this year we consulted on four material differences between our proposed Annual Plan and year two (2016/17) of the 2015-25 Long Term Plan which was adopted last year. These proposals were:

- Delay improvements to Te Kao's water supply while we work with the affected ratepayers to find an affordable option.
- Delay drought-resilience work for the water supply at Opononi-Omapere to allow more time to investigate potential solutions and agree a path forward with the community.
- Delay reinstatement of the \$100,000 Community Assistance Funding to 2017/18.
- Restore Community Grants funding that was reduced last year to its full amount.

The community's feedback through submissions and meetings with the general public and specific stakeholders gave Council a clear steer on each of those proposals, making it relatively easy for final decisions to be made.

Alongside feedback on the four proposals, the community also gave us feedback on other elements of Council business, and although these topics were outside the scope of the Annual Plan consultation, Elected Members have taken them on board and will consider them again during planning for the 2017/18 year and the upcoming 2018-28 Long Term Plan.

In addition to considering feedback on the four key proposals Council also deliberated on a number of items recommended by staff brought about by recent events.

Council's decisions as a result of consultation and staff recommended changes are set out below.

## The key decisions

### **Te Kao water supply**

A private water company supplies approximately 65 homes and a number of farms at Te Kao with untreated water from Lake Wahakari using infrastructure Council divested in 2002. The water is not potable. Understandably, the Te Kao community would like this situation rectified so they no longer need to boil or buy water. \$2.2 million of funding was therefore set aside in years one, two and three of the Long Term Plan on the assumption that a Ministry of Health subsidy application would pay a substantial portion of the cost, leaving the affected ratepayers covering the remaining cost through a targeted rate. Unfortunately the application was declined and without it the Te Kao community cannot afford to pay the cost for a new water supply and treatment scheme. Feedback from this community supported Council's proposal to defer the funding again while further work is carried out to find an affordable solution. A working group continues to work on resolving this issue and will report back to Council in due course. In the meantime the funding of \$2.2 million has been deferred to 2017/18.

### **Opononi-Omapere Water**

The residents of Opononi-Omapere draw water from sources that are sensitive to dry weather conditions and for which resource consent conditions apply preventing over-draw of water. Council has been working with the community to identify options to resolve this issue and allow for sufficient water when it is needed. A subsidy application from the Ministry of Health for part funding was declined, so we are actively working through potential options to land on a plan that works for both the community and Council. We proposed deferring the funding of \$1.32m to 2018/19 to give us time to reach a conclusion, and the community supported this proposal. Council's decision was to defer the project as proposed but if a solution is found earlier Council will consider bringing the funding forward again.

# Summary of Key Decisions

---

## Community Assistance Funding

Council introduced and rated for a \$200,000 Community Assistance Fund when it adopted its 2014-15 Annual Plan. It established the fund to support cultural, sporting and recreational initiatives, but suspended the fund with it adopted its Long Term Plan to free up money for core infrastructure renewals and to keep rates down. At the time Council resolved to reinstate the fund to \$100,000 in 2016/17. In the Consultation Document we proposed delaying the reinstatement of the fund at this time because we are still working on renewals and it is unlikely that potential applicants would be in a position to enter a contestable funding round until late in the 2016/17 financial year.

Support for reinstating the fund was strong, with a number of projects suggested as worthy recipients but at this stage they are unformed ideas that need to be formed into proposals supplemented by confirmation that 50% of funding has been secured by the applicant. For this reason, Council feels the reinstatement of the fund should wait until 2017/18, and in the meantime have directed staff to work with Community Boards and those who have signalled their interest in funding to ensure they are in a position to submit proposals that meet the criteria for funding.

## Community Grants Scheme

In 2014/15 Council allocated \$357,176 of ward rates to the three community boards to allocate in grants under the Community Funds Policy 3209. However, Council needed to free up money for essential renewals of core infrastructure during the Long Term Plan process and reduced this funding by 25% to \$267,881 in 2015/16. The plan was to restore this funding in 2016/17. Although Council is still trying to balance the need to fund core infrastructure renewals with the need to keep rates increases low, the proposal was made to restore the fund as planned to 100%. With the support of the community Council agreed to formalise this decision and allocate \$357,176 to the Community Grants Scheme.

## Other changes

**Mangonui improvements.** Council holds a resource consent authorising a boardwalk at Mangonui that includes a condition requiring a safety rail. The community has made it clear that they are not in favour of a rail, and therefore to date the boardwalk has remained non-compliant with the consent. During the consultation period a public meeting was held at Mangonui where a number of other issues were raised along with what to do about the boardwalk. Residents feel that the boardwalk needs to be extended to resolve a significant safety issue, and that the boardwalk would be safer with some lighting. Protection of the pohutukawa trees on the waterfront was also raised.

Council has since committed to continuing to work with the community to explore options for (and alternatives to) a safety rail. In addition new 2016/17 funding of \$18,000 has been allocated for safety lighting and \$25,000 for the protection of the pohutukawa trees. Funding to address the required safety rail (or alternative) is to be allocated to the 2017/18 year and funding for the boardwalk extension has been brought forward from 2024/25 to 2018/19.

Council also agreed to consult with the community on further 'place planning' ideas and may look at establishing a targeted rate to that community in order to fund any resulting plan.

**Capital works re-forecast.** Council's capital works programme is always ambitious, and there are a number of reasons why an item might be deferred from one year to the next. This year Council decided to re-forecast the 2016/17 capital programme, reviewing priorities, risk and our capacity to deliver with existing resources. This resulted in a revised and more realistic budget for capital projects, reducing the required capital funding from \$76 million to \$51 million. This volume of work is more in line with what we think we can achieve and also keeps our debt levels down further than we expected, but it has led to the retiming of a quite a few projects.

# Summary of Key Decisions

---

Throughout the review a few projects were elevated in priority and Council made a decision to re-time them as a result. These changes are:

- **Taipa Public Toilets.** Council has planned to renew the public toilets on the foreshore at Taipa for some time, and had allocated funds in 2015/16 to do that. However, in working through requirements with the public a decision has been made to build new public toilets at an alternate location to the current ones. Council has therefore committed to carrying forward the \$77,000 of funding in 2015/16 and bringing forward a further \$130,000 from later years in the LTP to 2016/17, providing a total of \$207,000 for the construction of toilets in the next year.
- **Russell wharf fuel pontoon.** In years one and two of the LTP funding was allocated to renewing and improving the Russell wharf fuel pontoon. The design phase highlighted issues accommodating particular weather and wave conditions, resulting in a higher cost of construction. Council has therefore allocated a further \$120,000 to 2016/17 to improve the fuel berth and allow a higher level of service and use.
- **Ward by ward amenity lighting.** In the first three years of the 2015-25 Long Term Plan Council had not allocated funding to amenity lighting projects across the District. However, feedback from the community indicates that the need for lighting improvements has not diminished and, from a safety perspective, has become more urgent. Council has budgeted new capital funding of \$15,000 per ward (a total of \$45,000 per annum) to 2016/17 and 2017/18, and has directed staff to agree priorities through the Community Boards.
- **Paua Wharf.** The Te Pua wharf (known as the Paua wharf) is in need of urgent renewal or replacement to improve safety, and has been the subject of discussion by the Te Hiku Community Board and those who use the wharf. The Board felt that the best way forward was to demolish the old unsafe structure and rebuild with future use in mind. The degree of investment required for redeveloping and consenting is estimated at \$72,000 with funding allocated to 2016/17.
- **Kaitaia Airport cross-wind runway.** The Kaitaia Aero Club has requested help from Council to rehabilitate an existing cross wind runway for the benefit of smaller aircraft landing in wind conditions that prohibit them using the main runway. The current facility has not been maintained for some time but continues to be used, sometimes by commercial entities. It is now becoming unsafe and preventing use is not an option as facilities for landing in cross-wind situations are necessary. Council has therefore agreed to allocate capital budget of \$108,000 to fix the runway and an additional \$6,000 per annum to maintain it.

## Corrections

- **Motutangi Drainage Rate.** The drainage rate included in the supporting information for the Annual Plan 2016/17 Consultation Document was \$24,250. At a Motutangi Drainage Area Committee meeting held in March 2016 the decision was made to increase this rate by \$8,582 to \$32,832 in order to accommodate the works programme. Unfortunately it was too late to amend the documentation for the consultation process. This has been amended in the final Annual Plan.
- **Funding Impact Statement.** In the draft Funding Impact Statement included in supporting information to the Consultation Document was a revised definition of a 'Separately Used or Inhabited Part' of a rating unit that would have no impact on our rating practices. However, Council decided to revert back to the original definition as per the 2015-25 Long Term Plan as it felt the definition could change again as a result of a rating review that is currently underway.

# **Council Activities**

## What we do

For full details on this activity please see pages 183 to 200 of the LTP 2015-25.

Council operates and maintains a network of 2,543 km of roads and footpaths, including:

- 891 km of sealed roads and 1,652 km of unsealed roads
- 716 bridges and large culverts
- 1,619 streetlights
- 637 minor structures (retaining and sea walls)
- The vehicular ferry, 'Kohu Ra Tuarua', on the Hokianga Harbour
- Ownership of seven inactive quarries
- Opuā to Kawakawa 11 km (4 km Taumarere to Kawakawa to be completed; currently a vintage rail experience)
- Kawakawa to Kaikohe 33.2 km (14.7 km under construction)
- Kaikohe to Okaihau 13.8 km (completed)
- Okaihau to Horeke 26 km (14 km under construction).

We receive an average of 260 'requests for service' each month regarding the road network.

## What has changed?

(From Year Two of the 2015-25 Long Term Plan)

**Emergency Repairs.** Council has made better progress than initially anticipated. Following the destructive storm events that occurred in July 2014, extending into August and September 2014, the Infrastructure Group undertook to document all slip damage resulting from these events. The damage ranged from fallen trees, small dropouts and culvert erosion to slips, subsidence and major dropouts that required road closures at numerous locations.

The remaining sites could also be remediated through a Resilience Budget allocation provided by NZTA.

The initial programme of the 342 slip repairs was expected to be completed over a three year period 2014-2017. However, based on the progress made to date, about 85% of the entire programme will be completed by the end of the 2015/16 financial year.

Parts of the repairs may need to be carried forward into 2016/17 because of the current work load of the maintenance contractors and slips that still need to be designed.

For 2016/17 and future years, the New Zealand Transport Agency (NZTA) has allocated an annual budget of \$2m. To access this funding, Council will need to prepare and submit a business case to NZTA.

**Mangakahia Road.** The Board of the New Zealand Transport Agency (NZTA) announced that it proposed to designate Mangakahia Road and Te Pua Road as State Highway in 1 July 2016.

The councils of Northland and NZTA are working together to make Mangakahia Road a State Highway (State Highway 15), transferring responsibility for the road from Whangarei and Far North District Council to NZTA.

We anticipate that any savings Council makes from not having to maintain Mangakahia Road (which costs us approx. \$206,000 p/a), will be available for other roading projects.

# Roading and Footpaths Group

---

The Asset Management Plan and asset database (RAMM) will be updated once the roads and underlying land are transferred.

**Unsealed road strengthening and dust mitigation.** When the 2015-25 LTP was put together we included funding for dust mitigation on the unsealed road network that we anticipated NZTA would subsidise. Our share of the funding was \$500,000 per year for the four years spanning 2015 through to 2019. The budget for 2015/16 was not spent because the NZTA did not agree to subsidise the dust suppression proposal.

As an alternative option, research on new technology, such as polymers or glues that provide road strengthening (and may also provide dust suppression as a side benefit) is underway. If it works we may be able to get 70-80% of the dust suppression benefit that would have been achieved if the road was sealed, and the cost, which is significantly less than sealing, would allow us to treat up to five times more roads.

If we conclude that the technology not only reduces the dust nuisance but also strengthens the road we may be able to attract NZTA subsidy and establish a priority-based programme of treatment and a business case. The \$500,000 carried forward from 2015/16 will be used to further the research and trials. The 2016/17 budget will support the strengthening program if the business case for subsidy is successful, or otherwise it can be applied to working with communities that agree to raise contributory funding in line with existing policy to do a limited amount of sealing work.

**Bridge Renewal Programme.** The 2015/16 programme is on track for completion (including two projects carried over from 2014/15), and one repair arising from traffic damage. The one area where there may be a retiming into 2016/17 is for Matawherohia Road 148 - where landowner issues must be resolved to complete the work. Design work for 2016/17's bridge programme will be completed before the 2016/17 year.

**State Highway 11 Haruru Falls Footpath.** Construction work has been re-timed from 2015/16 to 2016/17 to ensure the design is fully approved by NZTA. This may provide an opportunity to gain a subsidy for the work, which fits with our strategic direction and community outcomes – i.e. using subsidies where possible.

**Ward by ward amenity lighting.** Council as budgeted new capital funding of \$15,000 per ward (a total of \$45,000 per annum) to 2016/17 and 2017/18, and has directed staff to agree priorities through the Community Boards.

# Roading and Footpaths Group

## Activity Performance Indicators

<b>Level of Service – Roading &amp; Footpaths</b>			
Maintain an effective, sustainable and integrated transport network.			
<b>Performance Measure</b>	<b>Target 2016/17</b>	<b>Target 2017/18</b>	<b>Target 2018-25</b>
The Hokianga Ferry Service will run in accordance with advertised timetable, seven days per week and 365 days a year.	≥95%	≥95%	≥95%
A minimum of 9%, approx. 80 km, of the sealed network is resurfaced per annum.	80kms (9%)	80kms (9%)	80kms (9%)
Where Council attends a call-out in response to a fault or unplanned interruption to its road network (roading and footpaths) system, the following median response times are measured: 3 hours for Emergency/Public Safety Information; Urgent responses within 7 days; Non Urgent responses within 14 days.	≥95%	≥95%	≥95%
The average quality of ride on a sealed local road network, measured by smooth travel exposure.	≥87%	≥87%	≥87%
Our sealed and unsealed network will meet the agreed FNDC levels of service specified in our roading contracts and that the network is at least 95% compliant at any time.	≥95%	≥95%	≥95%

<b>Level of Service - Roading &amp; Footpaths</b>			
Safe and well maintained roading network.			
<b>Performance Measure</b>	<b>Target 2016/17</b>	<b>Target 2017/18</b>	<b>Target 2018-25</b>
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.	0 (11 serious injuries and fatalities)	0 (11 serious injuries and fatalities)	0 (11 serious injuries and fatalities)

<b>Level of Service - Roading &amp; Footpaths</b>			
Overall satisfaction with roading network.			
<b>Performance Measure</b>	<b>Target 2016/17</b>	<b>Target 2017/18</b>	<b>Target 2018-25</b>
The percentage of respondents indicating they are very satisfied / satisfied with the roading network.	≥57%	≥57%	≥57%

# Roading and Footpaths Group

<b>Level of Service - Roading &amp; Footpaths</b>			
Overall satisfaction with pavement network.			
<b>Performance Measure</b>	<b>Target 2016/17</b>	<b>Target 2017/18</b>	<b>Target 2018-25</b>
The percentage of respondents indicating they are very satisfied/satisfied with the footpath network	≥62%	≥62%	≥62%

<b>Level of Service - Roading &amp; Footpaths</b>			
Maintain an effective, sustainable and integrated transport network.			
<b>Performance Measure</b>	<b>Target 2016/17</b>	<b>Target 2017/18</b>	<b>Target 2018-25</b>
Extend and renew the footpath network by 1.6% (3km) per annum in accordance with prioritised programme.	1.6% per annum	1.6% per annum	1.6% per annum
Where Council is contacted and needs to respond to a customer regarding a fault or unplanned interruption to the footpath network system, the following median response times are measured:  3 hours for Emergency/Public Safety information Urgent responses within 7 days Non-urgent responses within 14 days.	≥95%	≥95%	≥95%

# Roading and Footpaths Group

## Forecast Financial Statements

<b>PROSPECTIVE STATEMENT OF FINANCIAL PERFORMANCE</b>			
<b>LTP</b>		<b>LTP</b>	<b>Annual Plan</b>
<b>2015/16</b>		<b>2016/17</b>	<b>2016/17</b>
<b>\$'000s</b>		<b>\$'000s</b>	<b>\$'000s</b>
	<b>Revenue</b>		
11,727	Rates - General	12,738	11,840
5,166	Rates - Targeted	5,153	5,116
461	Rates - Penalties	461	461
722	Fees & Charges	752	735
6,924	Subsidies Operational	7,037	6,948
18,648	Subsidies Capital	20,491	12,419
0	Other Contributions	0	0
704	Other Income	754	627
<b>44,352</b>	<b>Total Comprehensive Revenue</b>	<b>47,386</b>	<b>38,144</b>
	<b>Direct Costs</b>		
15,460	Direct Costs	15,913	15,829
934	Interest	1,144	968
16,225	Depreciation	17,092	17,217
<b>32,619</b>	<b>Total Direct Operating Expenditure</b>	<b>34,149</b>	<b>34,014</b>
1,073	Indirect Costs	1,091	1,157
<b>1,073</b>	<b>Total Indirect Costs</b>	<b>1,091</b>	<b>1,157</b>
<b>33,692</b>	<b>Total Operating Expenditure</b>	<b>35,240</b>	<b>35,171</b>
<b>10,660</b>	<b>NET SURPLUS/(DEFICIT)</b>	<b>12,146</b>	<b>2,973</b>

<b>STATEMENT OF SOURCE AND APPLICATION OF FUNDS</b>			
<b>LTP</b>		<b>LTP</b>	<b>Annual Plan</b>
<b>2015/16</b>		<b>2016/17</b>	<b>2016/17</b>
<b>\$'000s</b>		<b>\$'000s</b>	<b>\$'000s</b>
	<b>CAPITAL STATEMENT</b>		
10,660	Net Surplus/(Deficit)	12,146	2,973
0	Loan	0	0
15,495	Appropriations from Reserves	20,887	18,472
4,994	Notional Loans Raised	4,056	3,157
(823)	Appropriation to Reserves	(823)	(823)
<b>30,326</b>	<b>Total Funding</b>	<b>36,265</b>	<b>23,778</b>
	<b>Capital Expenditure</b>		
29,152	Capital Projects	34,841	22,492
1,174	Debt Repayment	1,424	1,286
<b>30,326</b>	<b>Total Capital Expenditure</b>	<b>36,265</b>	<b>23,778</b>
<b>0</b>	<b>NET SURPLUS/(DEFICIT)</b>	<b>0</b>	<b>0</b>

# Roading and Footpaths Group

CAPITAL PROJECTS BY WARD			
LTP Roding and Footpaths 2015/16 Project Name \$'000s		LTP 2016/17 \$'000s	Annual Plan 2016/17 \$'000s
<b>LEVEL OF SERVICE WORKS</b>			
<b>Bay of Islands - Whangaroa</b>			
<b>Footpaths</b>			
0 State Hwy11 Haruru Falls Footpath		0	871
<b>0 Footpaths Total</b>		<b>0</b>	<b>871</b>
<b>Roding Network</b>			
20 Kerikeri Waipapa rd left turn slip lane onto SH10		255	0
<b>20 Roding Network Total</b>		<b>255</b>	<b>0</b>
<b>Roding Unsubsidised Work</b>			
500 Footpath SH11 Haruru to Paihia		0	0
<b>500 Roding Unsubsidised Work Total</b>		<b>0</b>	<b>0</b>
<b>520 Bay of Islands - Whangaroa Total</b>		<b>255</b>	<b>871</b>
<b>District</b>			
<b>Cycleway Network</b>			
1,115 Cycleway Network		0	0
2,100 Kawakawa-Kaikohe Track Construction		0	0
60 Lewis Bridge		0	0
359 Taumarere to Kawakawa Extension		0	0
275 Wihongi Realignment		0	0
<b>3,909 Cycleway Network Total</b>		<b>0</b>	<b>0</b>
<b>Emergency Works</b>			
2,768 Storm event emergency works		0	0
2,400 WC241 - Resilience Improvements		2,434	0
<b>5,168 Emergency Works Total</b>		<b>2,434</b>	<b>0</b>
<b>Roding Minor Safety</b>			
4,000 WC12 - Minor Improvements		3,200	2,720
0 WC241 - Resilience Improvements		0	1,200
<b>4,000 Roding Minor Safety Total</b>		<b>3,200</b>	<b>3,920</b>
<b>Roding Network</b>			
0 Bridge Replacements		1,000	100
1,200 WC12 - Dust Mitigation		1,224	0
400 WC12 - LED Streetlight Extension		204	400
750 WC3 - Cycleways construction		1,020	0
450 WC3 - Walking Facilities		459	0
<b>2,800 Roding Network Total</b>		<b>3,907</b>	<b>500</b>
<b>Roding Unsubsidised Work</b>			
0 WC12 - Dust Mitigation		0	500
<b>0 Roding Unsubsidised Work Total</b>		<b>0</b>	<b>500</b>
<b>15,876 District Total</b>		<b>9,541</b>	<b>4,920</b>

# Roading and Footpaths Group

CAPITAL PROJECTS BY WARD (continued)			
LTP Roding and Footpaths		LTP	Annual Plan
2015/16	Project Name	2016/17	2016/17
\$'000s		\$'000s	\$'000s
<b>LEVEL OF SERVICE WORKS</b>			
<b>Te Hiku</b>			
<b>Footpaths</b>			
0	Pukenui Footpaths	0	18
<b>0</b>	<b>Footpaths Total</b>	<b>0</b>	<b>18</b>
<b>0</b>	<b>Te Hiku Total</b>	<b>0</b>	<b>18</b>
<b>16,396</b>	<b>LEVEL OF SERVICE WORKS TOTAL</b>	<b>9,796</b>	<b>5,809</b>
<b>RENEWAL WORKS</b>			
<b>Bay of Islands - Whangaroa</b>			
<b>Footpaths</b>			
0	Albert Street Kawakawa Footpath	0	28
0	Eastern Footpath Reactive Renewals	48	0
0	Harry's Place Kawakawa Footpath	0	8
0	Kaeo Footpath Renewals	93	0
0	Kawakawa-Paihia SH11 Footpath	0	4
69	Kerikeri Footpath Renewals	0	0
0	Mason Avenue Moerewa Footpath	0	20
0	Mawson Avenue Waipapa Footpath	0	50
0	Mill Lane Kerikeri Footpath	0	2
0	Seaview Road SH11 Paihia Footpath	0	14
0	SH10 Kaeo Northern	0	102
0	Skudders Beach Road Footpath	0	4
0	Waipapa Footpath Renewals	50	0
<b>69</b>	<b>Footpaths Total</b>	<b>191</b>	<b>232</b>
<b>69</b>	<b>Bay of Islands - Whangaroa Total</b>	<b>191</b>	<b>232</b>
<b>District</b>			
<b>Ferries</b>			
96	Engine Rebuild Renewals	98	98
0	Ferry Equipment Renewals	0	100
<b>96</b>	<b>Ferries Total</b>	<b>98</b>	<b>198</b>
<b>Roding Minor Safety</b>			
0	Bridge Replacements	1,014	0
<b>0</b>	<b>Roding Minor Safety Total</b>	<b>1,014</b>	<b>0</b>

# Roading and Footpaths Group

CAPITAL PROJECTS BY WARD (continued)		
LTP Roothing and Footpaths 2015/16 Project Name \$'000s	LTP 2016/17 \$'000s	Annual Plan 2016/17 \$'000s
<b>RENEWAL WORKS</b>		
<b>District</b>		
<b>Roothing Network</b>		
0 WC151 - Network & Asset Management	0	4,000
4,687 WC211 - Unsealed Road metalling and rehabilitation	13,621	4,687
2,475 WC212 - Reseals - Chip Sealing	2,525	2,475
600 WC213 - Drainage Renewals - Culverts	612	600
100 WC213 - Drainage Renewals - Kerbs & Channels	102	100
3,238 WC214 - Sealed Road Rehabilitaion	5,513	3,238
368 WC215 - Structures Components - Bridges	375	368
100 WC215 - Structures Components - Other Structural Components	102	100
100 WC215 - Structures Components - Retaining Walls	102	0
5 WC221 - Pakaraka Stock Effluent Station Submersible Pump Replacement	0	2
511 WC222 - Traffic Services Renewals	522	510
<b>12,184 Roothing Network Total</b>	<b>23,473</b>	<b>16,079</b>
<b>12,280 District Total</b>	<b>24,585</b>	<b>16,278</b>
<b>Kaikohe - Hokianga</b>		
<b>Footpaths</b>		
34 Ohaeawai Footpath Renewals	0	0
0 Okaihau Footpath Renewals	28	0
0 Opononi Footpath Renewals	90	0
0 Settlers Way Okaihau Footpath	0	28
0 SH12 Opononi Footpath	0	91
0 Western Footpath Reactive Renewals	22	0
<b>34 Footpaths Total</b>	<b>140</b>	<b>119</b>
<b>34 Kaikohe - Hokianga Total</b>	<b>140</b>	<b>119</b>
<b>Te Hiku</b>		
<b>Footpaths</b>		
175 Ahipara Footpath Renewals	85	0
0 Beach Road Mangonui Footpath	0	9
0 Colonel Mould Drive Mangonui Footpath	0	5
0 Commerce Street Footpath	0	18
0 Driftwood Lane Hihi Footpath	0	12
9 East Coast Footpath Renewals	0	0
0 Kaitaia -Awaroa Road Footpath	0	11
0 Kaitaia Footpath Renewals	9	0
0 Northern Footpath Reactive Renewals	35	0
189 Taipa Footpath Renewals	0	0
<b>373 Footpaths Total</b>	<b>129</b>	<b>55</b>
<b>373 Te Hiku Total</b>	<b>129</b>	<b>55</b>
<b>12,756 RENEWAL WORKS TOTAL</b>	<b>25,046</b>	<b>16,683</b>
<b>29,152 GRAND TOTAL Roothing &amp; Footpaths</b>	<b>34,841</b>	<b>22,492</b>

## What we do

For full details on this activity please see pages 155 to 166 of the LTP 2015-25.

Council operates and maintains:

- 126 km of pipes
- 39.4 km of lined and unlined channels
- 2,884 manholes
- 18 retention dams
- 50 floodgates
- 1,901 inlets and outlets
- One pump station.

Council also receives an average of 32 requests for service each month in regard to the stormwater network, manages stormwater network improvement projects and develop stormwater catchment management plans for defined urban areas.

## What has changed?

(From Year Two of the 2015-25 Long Term Plan)

**Reactive responses for stormwater system failure.** The full budget planned for 2015/16 was not required so the remainder of the funds have been re-timed for 2016/17.

**Delivery of Ahipara stormwater improvements.** Due to the complexity of the range of issues contributing to this problem, the analysis and development of the potential options for the ideal solution is taking longer than expected so the delivery of the solution has been re-timed for 2016/17.

## Activity Performance Indicators

Level of Service Maintain compliance with resource consents.			
Performance Measure	Target 2016/17	Target 2017/18	Target 2018-25
Compliance with the Regional Council's resource consents for discharge from its stormwater system, measured by the number of:			
a) abatement notices	1 or less	1 or less	1 or less
b) infringement notices	0	0	0
c) enforcement orders	0	0	0
d) convictions, received by Council in relation those resource consents.	0	0	0

<b>Level of Service</b> Provision of adequate urban stormwater systems.			
<b>Performance Measure</b>	<b>Target 2016/17</b>	<b>Target 2017/18</b>	<b>Target 2018-25</b>
The number of flooding events that occur in the Far North District (The definition of a "flooding event" is the inundation of habitable floor in urban areas)	0	0	0
For each flooding event, the number of habitable floors affected. (Expressed per 1000 properties connected to the Council's stormwater system)	0	0	0

<b>Level of Service</b> Response to stormwater system issues.			
<b>Performance Measure</b>	<b>Target 2016/17</b>	<b>Target 2017/18</b>	<b>Target 2018-25</b>
The median response time to attend a flooding event, measured from the time that the Council receives notification to the time that service personnel reach the site.	<48 hours	<48 hours	<48 hours

<b>Level of Service</b> Customer satisfaction with stormwater services.			
<b>Performance Measure</b>	<b>Target 2016/17</b>	<b>Target 2017/18</b>	<b>Target 2018-25</b>
The number of complaints received by Council about the performance of its stormwater system, expressed per 1000 properties connected to the territorial authority's stormwater system.	<10	<10	<10
Percentage of residents satisfied / very satisfied with urban stormwater services.	≥60%	≥60%	≥60%

## Financial Forecast and Statements

<b>PROSPECTIVE STATEMENT OF FINANCIAL PERFORMANCE</b>			
<b>LTP</b>		<b>LTP Annual Plan</b>	
<b>2015/16</b>		<b>2016/17</b>	<b>2016/17</b>
<b>\$'000s</b>		<b>\$'000s</b>	<b>\$'000s</b>
	<b>Revenue</b>		
2,097	Rates - General	2,140	2,305
653	Rates - Targeted	655	669
63	Rates - Penalties	63	63
0	Other Contributions	0	0
<b>2,812</b>	<b>Total Comprehensive Revenue</b>	<b>2,858</b>	<b>3,037</b>
	<b>Direct Costs</b>		
1,182	Direct Costs	1,220	1,312
210	Interest	196	170
682	Depreciation	702	773
<b>2,074</b>	<b>Total Direct Operating Expenditure</b>	<b>2,118</b>	<b>2,254</b>
205	Indirect Costs	208	237
<b>205</b>	<b>Total Indirect Costs</b>	<b>208</b>	<b>237</b>
<b>2,280</b>	<b>Total Operating Expenditure</b>	<b>2,326</b>	<b>2,492</b>
<b>532</b>	<b>NET SURPLUS/(DEFICIT)</b>	<b>532</b>	<b>545</b>

<b>STATEMENT OF SOURCE AND APPLICATION OF FUNDS</b>			
<b>LTP</b>		<b>LTP Annual Plan</b>	
<b>2015/16</b>		<b>2016/17</b>	<b>2016/17</b>
<b>\$'000s</b>		<b>\$'000s</b>	<b>\$'000s</b>
	<b>CAPITAL STATEMENT</b>		
532	Net Surplus/(Deficit)	532	545
0	Loan	0	0
351	Appropriations from Reserves	356	635
250	Notional Loans Raised	256	927
(545)	Appropriation to Reserves	(545)	(545)
<b>589</b>	<b>Total Funding</b>	<b>600</b>	<b>1,562</b>
	<b>Capital Expenditure</b>		
258	Capital Projects	256	1,287
331	Debt Repayment	343	275
<b>589</b>	<b>Total Capital Expenditure</b>	<b>600</b>	<b>1,562</b>
<b>0</b>	<b>NET SURPLUS/(DEFICIT)</b>	<b>0</b>	<b>0</b>

# Stormwater Group

CAPITAL PROJECTS BY WARD			
LTP 2015/16 \$'000s	Stormwater Project Name	LTP 2016/17 \$'000s	Annual Plan 2016/17 \$'000s
	<b>LEVEL OF SERVICE WORKS</b>		
	<b>District</b>		
	<b>Urban Stormwater</b>		
250	Stormwater Reactive Works	256	256
<b>250</b>	<b>Urban Stormwater Total</b>	<b>256</b>	<b>256</b>
<b>250</b>	<b>District Total</b>	<b>256</b>	<b>256</b>
	<b>Te Hiku</b>		
	<b>Urban Stormwater</b>		
0	Ahipara Tasman Heights Stormwater Line	0	600
<b>0</b>	<b>Urban Stormwater Total</b>	<b>0</b>	<b>600</b>
<b>0</b>	<b>Te Hiku Total</b>	<b>0</b>	<b>600</b>
<b>250</b>	<b>LEVEL OF SERVICE WORKS TOTAL</b>	<b>256</b>	<b>856</b>
	<b>RENEWAL WORKS</b>		
	<b>District</b>		
	<b>Urban Stormwater</b>		
0	Floodgates Renewals	0	6
0	LiDAR Renewal	0	185
8	Urban Stormwater Renewals	0	0
<b>8</b>	<b>Urban Stormwater Total</b>	<b>0</b>	<b>191</b>
<b>8</b>	<b>District Total</b>	<b>0</b>	<b>191</b>
	<b>Te Hiku</b>		
	<b>Urban Stormwater</b>		
0	Kaitaia Bank Street Stormwater Line	0	90
0	Kaitaia Commerce Street Stormwater Line	0	150
<b>0</b>	<b>Urban Stormwater Total</b>	<b>0</b>	<b>240</b>
<b>0</b>	<b>Te Hiku Total</b>	<b>0</b>	<b>240</b>
<b>8</b>	<b>RENEWAL WORKS TOTAL</b>	<b>0</b>	<b>431</b>
<b>258</b>	<b>GRAND TOTAL Stormwater</b>	<b>256</b>	<b>1,287</b>

## What we do

For full details on this activity please see pages 167 to 182 of the LTP 2015-25.

Council operates and maintains:

- Eight potable (drinkable) water schemes that incorporate:
  - Three non potable supply areas
  - Nine water treatment plants
- Water is sourced from:
  - Three dams
  - Four bore fields
  - Eight stream intakes.
- 36 treated water reservoirs
- 333 km of water mains
- 18 booster pump stations
- 9,859 properties are connected to Council water systems
- All schemes have universal water metering.
- Promotes and develops water conservation programmes
- Provides drinking water accessibility for commercial operators who service private rainwater tank owners.

## What has changed?

(From Year Two of the 2015-25 Long Term Plan)

Council consulted on and confirmed deferrals (delays) to the following projects:

**Development of Opononi Raw Water Source.** This project did not receive Ministry of Health (MoH) subsidy funding.

Based on community feedback, Council decided more time is needed to find a suitable and affordable solution.

Funding will be deferred for these works has been deferred as follows:

	2016/17	2017/18	2018/19
<b>Previous</b>	\$1,121,000		
<b>Proposed</b>	\$ 175,000	\$250,000	\$871,000
<b>Carry forward</b>	\$ 120,000		

**Te Kao Water.** This project did not receive Ministry of Health funding.

As a result of consultation, Council has deferred the planned start dates and funding of the projects to allow for further consultation with the Te Kao community, a review of options, and consideration of the affordability of those options. The working party will report back to Council in due course.

**Rawene/Omanaia Water.** Council has decided to continue this project with a view to ensuring that the Omanaia community does not continue to be exposed to an unacceptable level of risk of water-borne disease for an indefinite period. We will work with the community to find an affordable solution, including the use of the Ministry of Health subsidy already obtained.

**District-wide Water Minor Capital Works.** Not all of the 2015/16 funds budgeted for reactive response to water assets were needed during 2015/16 and these have been reallocated to 2016/17.

# Water Supply Group

**Water and Wastewater Telemetry System Upgrade.** Investigative work occurred during 2015/16, but did not progress as fast as we would have liked. The project has therefore been re-timed to 2016/17 to allow for the upgrade to occur based on a better understanding of the issues and the analysis of options that occurred during 2015/16.

**Kawakawa Water Treatment Plant and Resource Consent Renewal.** A number of sub-projects for the Kawakawa WTP have been re-timed to 2016/17 from 2015/16. E.g. consent renewal (based on the length of consultation required) and structural refurbishment (to get the scope right).

## Activity Performance Indicators

<b>Level of Service</b>			
Safety of drinking water – the extent to which the local authority's drinking water supply complies with the Drinking Water Standard of New Zealand.			
<b>Performance Measure</b>	<b>Target 2016/17</b>	<b>Target 2017/18</b>	<b>Target 2018-25</b>
a) Part 4 of the drinking-water standards (bacteria compliance criteria); and b) Part 5 of the drinking-water standards (protozoa compliance criteria).	All schemes compliant	All schemes compliant	All schemes compliant

<b>Level of Service</b>			
Maintenance of the reticulation network.			
<b>Performance Measure</b>	<b>Target 2016/17</b>	<b>Target 2017/18</b>	<b>Target 2018-25</b>
The percentage of real water loss from Council's networked reticulation system (including a description of the methodology used to calculate this).	<26%	<26%	<26%

<b>Level of Service</b>			
Demand management of supply			
<b>Performance Measure</b>	<b>Target 2016/17</b>	<b>Target 2017/18</b>	<b>Target 2018-25</b>
The average consumption of drinking water per day per resident within the Far North District.	≤350L/person/day	≤350L/person/day	≤350L/person/day

# Water Supply Group

<b>Level of Service</b> Customer satisfaction with water services.			
Performance Measure	Target 2016/17	Target 2017/18	Target 2018-25
The total number of complaints received by the District Council about the reticulated water supply with respect to: a) drinking water clarity b) drinking water taste c) drinking water odour d) drinking water pressure or flow e) continuity of supply; and Council's response to any of these issues, expressed per 1000 connections to the Council's networked reticulation system.	<100	<100	<100
The percentage of respondents indicating they are very satisfied / satisfied with urban water.	≥85%	≥85%	≥85%

<b>Level of Service</b> Response to water system issues.			
Performance Measure	Target 2016/17	Target 2017/18	Target 2018-25
Where the Council attends a call-out in response to a fault or unplanned interruption to its networked reticulation system, the following median response times are measured:			
a) attendance for urgent (loss of supply) call-outs: from the time that the Council receives notification to the time that service personnel reach the site.	<2 hours	<2 hours	<2 hours
b) resolution of urgent (loss of supply) call-outs: from the time that Council receives notification to the time that service personnel confirm resolution of the fault or interruption.	<4 hours	<4 hours	<4 hours
c) attendance for non-urgent (all other) call-outs: from the time that Council receives notification to the time that service personnel reach the site.	<2 working s days	<2 working days	<2 working days
d) resolution of non-urgent (all other) call-outs: from the time that Council receives notification to the time that service personnel confirm resolution of the fault or interruption.	<3 working days	<3 working days	<3 working days

## Financial Forecast and Statements

<b>PROSPECTIVE STATEMENT OF FINANCIAL PERFORMANCE</b>			
<b>LTP</b>		<b>LTP Annual Plan</b>	
<b>2015/16</b>		<b>2016/17</b>	<b>2016/17</b>
<b>\$'000s</b>		<b>\$'000s</b>	<b>\$'000s</b>
	<b>Revenue</b>		
2,057	Rates - Targeted	2,408	2,064
225	Rates - Penalties	225	225
6,254	Fees & Charges	6,254	6,234
0	Subsidies Operational	0	0
640	Subsidies Capital	800	0
0	Other Contributions	0	0
0	Other Income	0	0
<b>9,177</b>	<b>Total Comprehensive Revenue</b>	<b>9,688</b>	<b>8,523</b>
	<b>Direct Costs</b>		
4,575	Direct Costs	4,728	4,427
595	Interest	623	547
2,238	Depreciation	2,398	2,269
<b>7,408</b>	<b>Total Direct Operating Expenditure</b>	<b>7,749</b>	<b>7,242</b>
843	Indirect Costs	854	995
<b>843</b>	<b>Total Indirect Costs</b>	<b>854</b>	<b>995</b>
<b>8,251</b>	<b>Total Operating Expenditure</b>	<b>8,603</b>	<b>8,238</b>
<b>925</b>	<b>NET SURPLUS/(DEFICIT)</b>	<b>1,085</b>	<b>285</b>

<b>STATEMENT OF SOURCE AND APPLICATION OF FUNDS</b>			
<b>LTP</b>		<b>LTP Annual Plan</b>	
<b>2015/16</b>		<b>2016/17</b>	<b>2016/17</b>
<b>\$'000s</b>		<b>\$'000s</b>	<b>\$'000s</b>
	<b>CAPITAL STATEMENT</b>		
925	Net Surplus/(Deficit)	1,085	285
0	Loan	0	0
2,001	Appropriations from Reserves	2,978	1,973
1,428	Notional Loans Raised	4,411	2,737
(570)	Appropriation to Reserves	(570)	(570)
<b>3,783</b>	<b>Total Funding</b>	<b>7,905</b>	<b>4,424</b>
	<b>Capital Expenditure</b>		
2,859	Capital Projects	6,927	3,487
924	Debt Repayment	977	937
<b>3,783</b>	<b>Total Capital Expenditure</b>	<b>7,905</b>	<b>4,424</b>
<b>0</b>	<b>NET SURPLUS/(DEFICIT)</b>	<b>0</b>	<b>0</b>

# Water Supply Group

<b>CAPITAL PROJECTS BY WARD</b>			
<b>LTP 2015/16 \$'000s</b>	<b>Water Supply Project Name</b>	<b>LTP 2016/17 \$'000s</b>	<b>Annual Plan 2016/17 \$'000s</b>
<b>LEVEL OF SERVICE WORKS</b>			
<b>Bay of Islands - Whangaroa</b>			
<b>Water Schemes</b>			
0	Kawakawa Resource Consent	0	53
0	Kawakawa Tirohanga Bore Controls	0	20
0	Kawakawa WTP Chemical Storage Seismic Constraints	0	8
0	Kawakawa WTP Structural Works	0	108
0	Kerikeri WTP Bulk Chlorine	0	35
0	Kerikeri WTP Chemical Storage Seismic Constraints	0	5
0	Paihia WTP Chemical Storage Seismic Constraints	0	5
<b>0</b>	<b>Water Schemes Total</b>	<b>0</b>	<b>234</b>
<b>0</b>	<b>Bay of Islands - Whangaroa Total</b>	<b>0</b>	<b>234</b>
<b>District</b>			
<b>Water Schemes</b>			
0	Assetfinda hardware and Software	0	40
0	District Wide Duplicate Telemetry Servers	0	100
0	Minor Capital Works	0	275
0	Water Minor Capital Works	0	85
0	Water Telemetry Servers	0	64
<b>0</b>	<b>Water Schemes Total</b>	<b>0</b>	<b>564</b>
<b>0</b>	<b>District Total</b>	<b>0</b>	<b>564</b>
<b>Kaikohe - Hokianga</b>			
<b>Water Schemes</b>			
265	Minor Capital Reactive Works	275	0
200	Opononi New Source	1,121	0
0	Opononi New Water Source	0	24
0	Opononi Water Main Adjacent to School	0	60
0	Opononi WTP Chemical Storage Seismic Constraints	0	2
50	Rawene New Source	320	192
50	Rawene Omanaia Treated Water	1,920	1,152
0	Rawene Resource Consent for Petaka Intake	0	52
<b>565</b>	<b>Water Schemes Total</b>	<b>3,636</b>	<b>1,482</b>
<b>565</b>	<b>Kaikohe - Hokianga Total</b>	<b>3,636</b>	<b>1,482</b>

# Water Supply Group

CAPITAL PROJECTS BY WARD (continued)			
LTP 2015/16 \$'000s	Water Supply Project Name	LTP 2016/17 \$'000s	Annual Plan 2016/17 \$'000s
<b>LEVEL OF SERVICE WORKS</b>			
<b>Te Hiku</b>			
<b>Water Schemes</b>			
0	Kaitaia Awanui Intake Improvements Generator	0	3
0	Kaitaia Awanui River Water Take Consent	0	26
0	Kaitaia Kauri Dam Replace Scour Valve	0	45
0	Kaitaia WTP Chemical Storage Seismic Constraints	0	2
800	Te Kao Subsidised Potable Water Supply	1,000	0
<b>800</b>	<b>Water Schemes Total</b>	<b>1,000</b>	<b>76</b>
<b>800</b>	<b>Te Hiku Total</b>	<b>1,000</b>	<b>76</b>
<b>1,365</b>	<b>LEVEL OF SERVICE WORKS TOTAL</b>	<b>4,636</b>	<b>2,356</b>
<b>RENEWAL WORKS</b>			
<b>Bay of Islands - Whangaroa</b>			
<b>Water Schemes</b>			
70	Kawakawa Discharge Consent	0	0
50	Kawakawa Mains Replacement	52	52
0	Kawakawa Moerewa Reservoir Valves	0	15
0	Kawakawa Structural Works	0	43
250	Kawakawa Treatment Plant Structural Works	0	0
40	Kawakawa Water Meter Replacement	42	42
13	Kawakawa Water Renewals	80	0
100	Kerikeri High Pressure Zones	0	0
50	Kerikeri Mains Replacement	52	52
0	Kerikeri Treatment Plant Structural Works	156	0
50	Kerikeri Water Meter Replacement	52	52
28	Kerikeri Water Renewals	37	0
0	Kerikeri WTP Structural Work on Clarifier	0	156
30	Paihia Discharge Consent	0	0
0	Paihia Haruru Falls Booster Pump Station	0	10
50	Paihia Mains Replacement	52	52
200	Paihia Switchboard Rebuild	0	0
50	Paihia Water Meter Replacement	52	52
0	Paihia Water Renewals	39	0
10	Russell Tank Replacement	0	0
0	Russell Water Renewals	9	0
<b>991</b>	<b>Water Schemes Total</b>	<b>621</b>	<b>526</b>
<b>991</b>	<b>Bay of Islands - Whangaroa Total</b>	<b>621</b>	<b>526</b>

# Water Supply Group

CAPITAL PROJECTS BY WARD (continued)			
LTP 2015/16 \$'000s	Water Supply Project Name	LTP 2016/17 \$'000s	Annual Plan 2016/17 \$'000s
	<b>RENEWAL WORKS</b>		
	<b>District</b>		
	<b>Water Schemes</b>		
0	District Wide Telemetry Upgrade	0	53
0	District Wide Water Renewals	9	0
<b>0</b>	<b>Water Schemes Total</b>	<b>9</b>	<b>53</b>
<b>0</b>	<b>District Total</b>	<b>9</b>	<b>53</b>
	<b>Kaikohe - Hokianga</b>		
	<b>Water Schemes</b>		
0	District Wide Pipe Bridges Structural Works	260	0
0	District Wide Reservoirs Structural Works	260	0
0	District Wide Telemetry Upgrade	52	0
0	Kaikohe Mains Replacement	52	52
100	Kaikohe Membrane Replacement	0	0
50	Kaikohe Water Meter Replacement	52	52
0	Kaikohe Water Renewals	200	0
0	Kaikohe Water Scheduled Renewals	0	24
0	Okaihau Bore Installation	0	15
25	Okaihau Water Meter Replacement	0	0
0	Okaihau Water Renewals	31	0
10	Opononi Mains Replacement	10	0
35	Opononi Membrane Replacement	0	0
40	Opononi Water Meter Replacement	17	17
0	Opononi Water Renewals	13	0
0	Opononi WTP High Lift Pump	0	10
0	Rawene Discharge Consent	42	0
10	Rawene Mains Replacement	10	10
20	Rawene Water Meter Replacement	21	21
8	Rawene Water Renewals	24	0
<b>298</b>	<b>Water Schemes Total</b>	<b>1,043</b>	<b>201</b>
<b>298</b>	<b>Kaikohe - Hokianga Total</b>	<b>1,043</b>	<b>201</b>
	<b>Te Hiku</b>		
	<b>Water Schemes</b>		
0	Kaitaia Discharge Consent	26	0
0	Kaitaia Donald Road Reservoir Timber Roof	208	104
150	Kaitaia Mains Replacement	156	156
50	Kaitaia Water Meter Replacement	52	52
5	Kaitaia Water Renewals	176	0
0	Kaitaia WTP Replace Clarifier Roof	0	40
<b>205</b>	<b>Water Schemes Total</b>	<b>617</b>	<b>352</b>
<b>205</b>	<b>Te Hiku Total</b>	<b>617</b>	<b>352</b>
<b>1,494</b>	<b>RENEWAL WORKS TOTAL</b>	<b>2,291</b>	<b>1,131</b>
<b>2,859</b>	<b>GRAND TOTAL Water Supply</b>	<b>6,927</b>	<b>3,487</b>

## What we do

For full details on this activity please see pages 183 to 200 of the LTP 2015-25.

Council operates and maintains:

- 19 communities serviced with wastewater
- 16 wastewater treatment plants (11 pond systems, 5 mechanical plants)
- 392 km of sewer pipe
- 149 pumping stations
- 10,998 properties are connected to Council's systems.
- Installs new schemes in areas of need
- Provides new sewer connections to areas of development
- Monitors maintenance of on-site sewage disposal systems
- Provides facilities for the reception and treatment for on-site septage discharged by commercial operators.

## What has changed?

(From Year Two of the 2015-25 Long Term Plan)

**Paihia Wastewater Treatment Plant Power Supply.** There have been delays to the project so it has been re-timed to the 2016/17 year. The delays have stemmed from Council trying to find the best value option for ensuring adequate treatment of the effluent to meet the current resource consent. There are also issues around negotiating an extension to the Licence to Occupy (LtO). The Waitangi Forest forms part of a Treaty Settlement claim – ownership will pass from the Crown to a third party, which may mean that there are future access issues.

Other issues identified are the results from monitoring of the current arrangements (potentially leading to an application for a change to the discharge consent conditions), and issues to do with the reinstatement of the power supply to the site.

The re-timing of the project will allow Council to resolve these issues (around the LtO, power supply and final design of the the WWTP) as a matter of urgency to allow the project to proceed in 2016/17.

**Veronica Point (Opua) Sewerage Upgrade.** A section of gravity sewer servicing six properties adjacent to Veronica Point Road is located within a large land slide.

An independent assessment of this section of sewer found that there is a high probability of failure, especially during heavy rainfall. The assessment also considered options to make the sewer more secure. Stabilizing the land slide was considered impracticable. This left two other options, either designing the sewer for movement and failure, or relocating the sewer outside the area of the land slip.

Of the options, Council has decided that it will pursue relocating the sewer outside the landslip to provide the best security of service. This will require abandonment of the existing sewer and the installation of a new low pressure pump station system to service each of the properties.

Due to the complexity of the challenge, it was of critical importance to ensure the assessment was done thoroughly and that all potential solutions were identified. This process took longer than expected and thus the delivery of this project has been re-timed to 2016/17.

# Wastewater Group

**Ngawha Wastewater Intermediate Pump Station.** There are 71 properties connected to the Ngawha scheme. In one year they generated around 100 fault call outs which cost around \$70,000 to respond to and undertake the necessary repairs.

The inclusion of funds in 2016/17 for the interim pump station will have an immediate effect on the current cost of reactive responses until such time as all pump stations are converted to the more reliable option.

**East Coast (Taipa) WWTP Upgrade.** This project has been re-timed to 2016/17 as the project is dependent on completion of public consultation and resource consenting which was not possible during 2015/16.

**Kohukohu WWTP Resource Consent Renewal.** This has been re-timed to 2016/17 from 2015/16 due to lack of satisfactory progress with consultation in 2015/16.

**Kaitia Wastewater Basic Overflow Treatment.** This project has been re-timed to 2016/17 from 2015/16.

**Paihia Haruru Falls WW Pump Station Odour Control.** Council requested tenders for the design work (air extraction and odour treatment) in 2015/16. The actual works have been re-timed to 2017/18.

## Activity Performance Indicators

Level of Service The adequacy of the system.			
Performance Measure	Target 2016/17	Target 2017/18	Target 2018-25
The number of dry weather sewage overflows from Council's sewerage system, expressed per 1000 sewerage connections to that sewerage system.	<12 per 1000 connections	<12 per 1000 connections	<12 per 1000 connections

Level of Service The management of environmental impacts.			
Performance Measure	Target 2016/17	Target 2017/18	Target 2018-25
Compliance with the Regional Council's resource consents for discharge from its sewerage system measured by the number of:			
a) abatement notices;	1 or less	1 or less	1 or less
b) infringement notices;	0	0	0
c) enforcement orders; and	0	0	0
d) convictions received by Council in relation to those resource consents.	0	0	0

# Wastewater Group

<b>Level of Service</b> Response to sewerage system faults.			
<b>Performance Measure</b>	<b>Target 2016/17</b>	<b>Target 2017/18</b>	<b>Target 2018-25</b>
Where Council attends to sewerage overflows resulting from a blockage or other fault in the Council's sewerage system, the following median response times measured:			
a) attendance time: from the time that the Council receives notification to the time that service personnel reach the site.	≤1 hour	≤1 hour	≤1 hour
b) resolution time: from the time that Council receives notification to the time that service personnel confirm resolution of the blockage or other fault.	≤2 hours	≤2 hours	≤2 hours
c) attendance for non-urgent (all other) call-outs: from the time that Council receives notification to the time that service personnel reach the site.	<2 working days	<2 working days	<2 working days

<b>Level of Service</b> Customer satisfaction with wastewater services.			
<b>Performance Measure</b>	<b>Target 2016/17</b>	<b>Target 2017/18</b>	<b>Target 2018-25</b>
The total number of complaints received Council about the following: a) sewage odour; b) sewerage system faults; c) sewerage system blockages; and d) the District Council's response to issues with its sewerage system: expressed per 1000 connections to the Council's sewerage system.			
	<150	<150	<150
The percentage of respondents indicating they are very satisfied / satisfied with urban wastewater.	≥85%	≥85%	≥85%

# Wastewater Group

## Financial Forecast and Statements

<b>PROSPECTIVE STATEMENT OF FINANCIAL PERFORMANCE</b>			
<b>LTP</b>		<b>LTP</b>	<b>Annual Plan</b>
<b>2015/16</b>		<b>2016/17</b>	<b>2016/17</b>
<b>\$'000s</b>		<b>\$'000s</b>	<b>\$'000s</b>
	<b>Revenue</b>		
483	Rates - General	488	488
10,343	Rates - Targeted	11,171	10,558
320	Rates - Penalties	320	320
134	Fees & Charges	167	167
0	Subsidies Capital	0	0
0	Other Contributions	0	0
0	Other Income	0	0
<b>11,281</b>	<b>Total Comprehensive Revenue</b>	<b>12,147</b>	<b>11,534</b>
	<b>Direct Costs</b>		
8,033	Direct Costs	7,315	7,077
1,348	Interest	1,687	1,331
3,738	Depreciation	4,017	3,804
<b>13,119</b>	<b>Total Direct Operating Expenditure</b>	<b>13,019</b>	<b>12,212</b>
737	Indirect Costs	748	806
<b>737</b>	<b>Total Indirect Costs</b>	<b>748</b>	<b>806</b>
<b>13,856</b>	<b>Total Operating Expenditure</b>	<b>13,767</b>	<b>13,019</b>
<b>(2,574)</b>	<b>NET SURPLUS/(DEFICIT)</b>	<b>(1,620)</b>	<b>(1,485)</b>

<b>STATEMENT OF SOURCE AND APPLICATION OF FUNDS</b>			
<b>LTP</b>		<b>LTP</b>	<b>Annual Plan</b>
<b>2015/16</b>		<b>2016/17</b>	<b>2016/17</b>
<b>\$'000s</b>		<b>\$'000s</b>	<b>\$'000s</b>
	<b>CAPITAL STATEMENT</b>		
(2,574)	Net Surplus/(Deficit)	(1,620)	(1,485)
2,706	Loan	1,887	1,887
358	Appropriations from Reserves	4,629	2,349
5,738	Notional Loans Raised	6,117	12,313
2,496	Appropriation to Reserves	1,541	1,406
<b>8,723</b>	<b>Total Funding</b>	<b>12,554</b>	<b>16,470</b>
	<b>Capital Expenditure</b>		
6,700	Capital Projects	10,109	14,141
2,023	Debt Repayment	2,444	2,328
<b>8,723</b>	<b>Total Capital Expenditure</b>	<b>12,554</b>	<b>16,470</b>
<b>0</b>	<b>NET SURPLUS/(DEFICIT)</b>	<b>0</b>	<b>0</b>

# Wastewater Group

CAPITAL PROJECTS BY WARD			
LTP 2015/16 \$'000s	Wastewater Project Name	LTP 2016/17 \$'000s	Annual Plan 2016/17 \$'000s
<b>LEVEL OF SERVICE WORKS</b>			
<b>Bay of Islands - Whangaroa</b>			
<b>Wastewater Schemes</b>			
0	Kaeo Pump Station Upgrades PS 3 Fire Access Platform	0	2
0	Kerikeri Discharge Consent	0	10
975	Kerikeri Treatment & Reticulation Extensions	7,133	7,426
0	Kerikeri WWTP Consent	0	47
0	Kerikeri WWTP Odour Control	0	130
200	Paihia Odour Reduction from Pump Station at Haruru Falls	0	0
450	Paihia Power Supply Installation	0	480
0	Paihia Pump Station 18 Upgrade Smiths Motor Camp	0	10
0	Paihia Reticulation Veronica Point	0	150
3,200	Paihia Treatment Plant Improvement	0	3,192
0	Paihia Wastewater Treatment Plants	0	294
0	Whangaroa Pump Station 2 Upgrade Old WWTP	0	5
<b>4,825</b>	<b>Wastewater Schemes Total</b>	<b>7,133</b>	<b>11,744</b>
<b>4,825</b>	<b>Bay of Islands - Whangaroa Total</b>	<b>7,133</b>	<b>11,744</b>
<b>District</b>			
<b>Wastewater Schemes</b>			
100	Inflow Infiltration works C/fwd	100	0
250	Minor Capital Reactive Works	256	0
0	Minor Capital Works	0	256
<b>350</b>	<b>Wastewater Schemes Total</b>	<b>356</b>	<b>256</b>
<b>350</b>	<b>District Total</b>	<b>356</b>	<b>256</b>
<b>Kaikohe - Hokianga</b>			
<b>Wastewater Schemes</b>			
0	Kaikohe Ngawha Springs New Transfer PS and Storage	0	110
0	Kohukohu Discharge Consent	0	21
0	Kohukohu Resource Consent	0	40
0	Rawene Treatment Plant Grit Separator	0	6
<b>0</b>	<b>Wastewater Schemes Total</b>	<b>0</b>	<b>177</b>
<b>0</b>	<b>Kaikohe - Hokianga Total</b>	<b>0</b>	<b>177</b>

# Wastewater Group

CAPITAL PROJECTS BY WARD			
LTP 2015/16 \$'000s	Wastewater Project Name	LTP 2016/17 \$'000s	Annual Plan 2016/17 \$'000s
<b>LEVEL OF SERVICE WORKS</b>			
<b>Te Hiku</b>			
<b>Wastewater Schemes</b>			
0	East Coast Reticulation Overflows PS	0	30
0	East Coast Treatment Plant Upgrade	0	64
75	East Coast upgrade to meet consent	150	75
200	Hihi Inlet Screen Installation	0	0
0	Hihi Specified Works	0	50
250	Kaitaia Basic Treatment of Existing Overflows Option 4	250	150
100	Kaitaia Reduction of Wastewater Overflows Option 1	250	650
<b>625</b>	<b>Wastewater Schemes Total</b>	<b>650</b>	<b>1,019</b>
<b>625</b>	<b>Te Hiku Total</b>	<b>650</b>	<b>1,019</b>
<b>5,800</b>	<b>LEVEL OF SERVICE WORKS TOTAL</b>	<b>8,139</b>	<b>13,197</b>
<b>RENEWAL WORKS</b>			
<b>Bay of Islands - Whangaroa</b>			
<b>Wastewater Schemes</b>			
40	Kaeo Pump Station Upgrades	0	0
0	Kaeo Pump Stations Electrical Switchboards	0	32
0	Kaeo Wastewater Renewals	13	0
0	Kawakawa I/I Reduction Mill Road	51	0
100	Kawakawa Pipe Bridge Replacement Waiomio Stream	0	0
90	Kerikeri Discharge Consent	10	0
200	Paihia Pump Station 1 Upgrade Opua Marina	0	0
0	Paihia Pump Station 12 Upgrade Haruru Falls	205	0
0	Paihia Pump Station 17 Upgrade Orchard Road	77	77
0	Paihia Pump Station 4 Upgrade Wetwell Lonely Valley	0	50
8	Paihia Wastewater Renewals	4	0
13	Russell Wastewater Renewals	909	0
0	Russell WWTP Disposal Bores	308	0
<b>452</b>	<b>Wastewater Schemes Total</b>	<b>1,577</b>	<b>159</b>
<b>452</b>	<b>Bay of Islands - Whangaroa Total</b>	<b>1,577</b>	<b>159</b>
<b>District</b>			
<b>Wastewater Schemes</b>			
0	District Wide Telemetry Upgrades	205	215
<b>0</b>	<b>Wastewater Schemes Total</b>	<b>205</b>	<b>215</b>
<b>0</b>	<b>District Total</b>	<b>205</b>	<b>215</b>

# Wastewater Group

CAPITAL PROJECTS BY WARD (continued)			
LTP 2015/16 \$'000s	Wastewater Project Name	LTP 2016/17 \$'000s	Annual Plan 2016/17 \$'000s
<b>RENEWAL WORKS</b>			
<b>Kaikohe - Hokianga</b>			
<b>Wastewater Schemes</b>			
50	Kohukohu Discharge Consent	21	0
10	Opononi Tidal Outflow Controls	0	0
1	Opononi Wastewater Renewals	26	0
1	Rawene Wastewater Renewals	0	0
<b>61</b>	<b>Wastewater Schemes Total</b>	<b>47</b>	<b>0</b>
<b>61</b>	<b>Kaikohe - Hokianga Total</b>	<b>47</b>	<b>0</b>
<b>Te Hiku</b>			
<b>Wastewater Schemes</b>			
1	Ahipara Wastewater Renewals	6	0
0	East Coast Pump Station Upgrade PS5 Cable Bay	0	108
0	East Coast Pump Station Upgrade PS8 Odour System	0	30
6	East Coast Wastewater Renewals	4	0
0	East Coast WWTP Screen Replacement	0	43
0	Hihi Wastewater Renewals	6	0
0	Hihi Wastewater Scheduled Renewals	0	144
0	Hihi WWTP Upgrade	0	117
50	Kaitaia Pump Station 14 Upgrade South Road	0	0
0	Kaitaia Pump Station 17 Upgrade Treatment Plant	123	0
150	Kaitaia Pump Station 4 Upgrade Te Maire Avenue	0	0
180	Kaitaia Wastewater Renewals	3	0
0	Kaitaia WWTP Inlet Screen	0	130
<b>387</b>	<b>Wastewater Schemes Total</b>	<b>142</b>	<b>571</b>
<b>387</b>	<b>Te Hiku Total</b>	<b>142</b>	<b>571</b>
<b>900</b>	<b>RENEWAL WORKS TOTAL</b>	<b>1,970</b>	<b>945</b>
<b>6,700</b>	<b>GRAND TOTAL Wastewater</b>	<b>10,109</b>	<b>14,141</b>

## What we do

For full details on this activity please see pages 201 to 211 of the LTP 2015-25.

Council operates and maintains:

- 14 refuse transfer stations
- Landfills at Ahipara and Russell
- Resource Recovery Centre at Kaitiaia
- Eight Community Recycling Stations.

## What has changed?

(From Year Two of the 2015-25 Long Term Plan)

**Waste Management Contract was retendered in 2015/16.** The contract period had come to an end. In the process of retendering, Council managed to save \$543,534. A portion of this saving is reflected in the budget for 2016/17.

## Activity Performance Indicators

Level of Service			
Maintain or exceed proportion of waste that is recycled irrespective of growing demands.			
Performance Measure	Target 2016/17	Target 2017/18	Target 2018-25
Percentage by tonnage of waste from Refuse transfer Station that is recycled/ reused.	≥63%	≥63%	≥63% for the remaining years

Level of Service			
Reduce tonnage disposed of in landfills			
Performance Measure	Target 2016/17	Target 2017/18	Target 2018-25
Per capita kilograms of refuse from district disposed of at landfills.	<225	<200	≤200 for the remaining years

Level of Service			
Improve customer satisfaction with the recycling service.			
Performance Measure	Target 2016/17	Target 2017/18	Target 2018-25
Percentage of users satisfied with recycling station services.	≥82%	≥84%	≥84% for the remaining years
Percentage of users satisfied with Refuse Transfer Station services.	≥80%	≥83%	≥83% for the remaining years

# Waste Management Group

## Financial Forecast and Statements

<b>PROSPECTIVE STATEMENT OF FINANCIAL PERFORMANCE</b>			
<b>LTP</b>		<b>LTP Annual Plan</b>	
<b>2015/16</b>		<b>2016/17</b>	<b>2016/17</b>
<b>\$'000s</b>		<b>\$'000s</b>	<b>\$'000s</b>
	<b>Revenue</b>		
4,106	Rates - General	4,345	3,561
118	Rates - Penalties	118	118
760	Fees & Charges	727	931
175	Other Income	175	210
<b>5,159</b>	<b>Total Comprehensive Revenue</b>	<b>5,365</b>	<b>4,820</b>
	<b>Direct Costs</b>		
4,356	Direct Costs	4,558	3,858
181	Interest	165	156
308	Depreciation	324	456
<b>4,845</b>	<b>Total Direct Operating Expenditure</b>	<b>5,047</b>	<b>4,470</b>
314	Indirect Costs	319	350
<b>314</b>	<b>Total Indirect Costs</b>	<b>319</b>	<b>350</b>
<b>5,159</b>	<b>Total Operating Expenditure</b>	<b>5,365</b>	<b>4,820</b>
<b>0</b>	<b>NET SURPLUS/(DEFICIT)</b>	<b>0</b>	<b>0</b>

<b>STATEMENT OF SOURCE AND APPLICATION OF FUNDS</b>			
<b>LTP</b>		<b>LTP Annual Plan</b>	
<b>2015/16</b>		<b>2016/17</b>	<b>2016/17</b>
<b>\$'000s</b>		<b>\$'000s</b>	<b>\$'000s</b>
	<b>CAPITAL STATEMENT</b>		
0	Net Surplus/(Deficit)	0	0
0	Loan	0	0
391	Appropriations from Reserves	396	333
25	Notional Loans Raised	17	17
0	Appropriation to Reserves	0	0
<b>416</b>	<b>Total Funding</b>	<b>414</b>	<b>351</b>
	<b>Capital Expenditure</b>		
98	Capital Projects	94	31
318	Debt Repayment	319	319
<b>416</b>	<b>Total Capital Expenditure</b>	<b>414</b>	<b>351</b>
<b>0</b>	<b>NET SURPLUS/(DEFICIT)</b>	<b>0</b>	<b>0</b>

# Waste Management Group

CAPITAL PROJECTS BY WARD			
LTP 2015/16 \$'000s	Waste Management Project Name	LTP 2016/17 \$'000s	Annual Plan 2016/17 \$'000s
<b>LEVEL OF SERVICE WORKS</b>			
<b>District</b>			
<b>Transfer Stations</b>			
5	District Wide Health & Safety & Security	2	2
<b>5</b>	<b>Transfer Stations Total</b>	<b>2</b>	<b>2</b>
<b>5</b>	<b>District Total</b>	<b>2</b>	<b>2</b>
<b>Te Hiku</b>			
<b>Landfills</b>			
20	Ahipara Landfill	15	15
<b>20</b>	<b>Landfills Total</b>	<b>15</b>	<b>15</b>
<b>20</b>	<b>Te Hiku Total</b>	<b>15</b>	<b>15</b>
<b>25</b>	<b>LEVEL OF SERVICE WORKS TOTAL</b>	<b>17</b>	<b>17</b>
<b>RENEWAL WORKS</b>			
<b>Bay of Islands - Whangaroa</b>			
<b>Landfills</b>			
0	Russell Landfill - Open Leachate Pump Electrical Controls	0	8
0	Russell Landfill - Open Russell Landfill - Access way - 180m2 Unsealed graveled area Surface	0	1
9	Russell Landfill Renewals	36	0
<b>9</b>	<b>Landfills Total</b>	<b>36</b>	<b>9</b>
<b>Transfer Stations</b>			
1	Whitehills Transfer Station Renewals	1	0
12	Russell Transfer Station Renewals	0	0
0	Whangae Transfer Station Renewals	14	0
<b>13</b>	<b>Transfer Stations Total</b>	<b>15</b>	<b>0</b>
<b>23</b>	<b>Bay of Islands - Whangaroa Total</b>	<b>51</b>	<b>9</b>
<b>District</b>			
<b>Transfer Stations</b>			
0	CCTV Cameras for Illegal Dumping	0	4
0	Corflute Signs x 10 Tyre Charges	0	0
0	District Wide Transfer Station Renewals	5	0
<b>0</b>	<b>Transfer Stations Total</b>	<b>5</b>	<b>5</b>
<b>0</b>	<b>District Total</b>	<b>5</b>	<b>5</b>

# Waste Management Group

<b>CAPITAL PROJECTS BY WARD (continued)</b>			
<b>LTP Waste Management</b>		<b>LTP</b>	<b>Annual Plan</b>
<b>2015/16</b>	<b>Project Name</b>	<b>2016/17</b>	<b>2016/17</b>
<b>\$'000s</b>		<b>\$'000s</b>	<b>\$'000s</b>
<b>RENEWAL WORKS</b>			
<b>Kaikohe - Hokianga</b>			
<b>Transfer Stations</b>			
23	Kaikohe Transfer Station Renewals	0	0
0	Kohukohu Transfer Station Renewals	1	0
0	Panguru Transfer Station Renewals	0	0
<b>23</b>	<b>Transfer Stations Total</b>	<b>1</b>	<b>0</b>
<b>23</b>	<b>Kaikohe - Hokianga Total</b>	<b>1</b>	<b>0</b>
<b>Te Hiku</b>			
<b>Landfills</b>			
0	Ahipara Landfill Renewals	1	0
<b>0</b>	<b>Landfills Total</b>	<b>1</b>	<b>0</b>
<b>Transfer Stations</b>			
14	Ahipara Transfer Station Renewals	1	0
4	Awanui Transfer Station Renewals	5	0
1	Houhora Transfer Station Renewals	1	0
0	Kaitaia Transfer Station Renewals	2	0
0	Te Kao Transfer Station Renewals	0	0
1	Whatuwhiwhi Transfer Station Renewals	1	0
0	Herekino Transfer Station Renewals	0	0
9	Taipa Transfer Station Renewals	8	0
<b>28</b>	<b>Transfer Stations Total</b>	<b>19</b>	<b>0</b>
<b>28</b>	<b>Te Hiku Total</b>	<b>20</b>	<b>0</b>
<b>73</b>	<b>RENEWAL WORKS TOTAL</b>	<b>77</b>	<b>14</b>
<b>98</b>	<b>GRAND TOTAL Waste Management</b>	<b>94</b>	<b>31</b>

## What we do

For full details on this activity please see pages 213 to 277 of the LTP 2015-25.

### **Cemeteries**

Council operates and maintains 11 cemeteries. Another 15 cemeteries are run by committees. Council also provides burial services.

### **Civic & Community Buildings**

Council maintains the following civic and community buildings:

- 3 Library buildings (Kerikeri, Kaikohe, and Paihia)
- District office, archives and publications buildings in Kaikohe
- 20 community halls
- 18 community buildings.

Council also supports the Turner Centre, Kerikeri, Te Ahu, Kaitaia, Heritage Kaikohe and Far North Regional Museum Trust.

### **Housing for the Elderly**

Council owns and maintains 147 housing units for the elderly in 12 separate locations.

### **Recreation**

Council maintains:

- 23 playgrounds and 3 skate parks
- 154ha of open space which is mown to a variety of grades to support public use
- Courts at three netball centres (six in Kaitaia, eight in Kaikohe and nine in Kerikeri) as well as a number of single courts throughout the district
- 67 community leases that include sports clubs, grazing licenses and community spaces
- Three swimming pools at Kaitaia, Kerikeri and Kawakawa (heated)
- Maritime assets including 20 boat ramps, 13 jetties, 12 pontoons, 10 wharves, and one tidal grid
- The Kaikohe recreational airport.

### **Town Maintenance, Public Toilets, Car Parks and Amenity Lighting**

Council operates and maintains:

- 64 public toilets located at 43 locations throughout the district
- 20 Car parks located in 9 towns
- Amenity lighting in 23 locations and two town centres.

### **Customer Services**

Council maintains Service Centres in the following locations:

- Opononi
- Kaeo
- Kaikohe
- Kaitaia
- Kawakawa
- Kerikeri
- Rawene (2 days a week).

### **i-Sites**

Council operates and maintains three visitor information centres (i-SITES) in the following locations:

- Hokianga, located in Opononi
- Far North, located in Kaitaia
- Bay of Islands, located in Paihia.

## What has changed?

(From Year Two of the 2015-25 Long Term Plan)

**Kohukohu Hall, Oruru Hall (Swamp Palace) and Horeke hall.** Renewal works for these halls have been delayed until 2016/17 to allow for public consultation and the scoping and finalisation of structural designs.

**Kaikohe Council Headquarters.** Some of the work planned for 2015/16 to bring the civic buildings up to standard for the public and employees will now occur in 2016/17. This has impacted the sequencing of work and the need to transfer staff from their current location to alternative accommodation before work can commence.

**Kaikohe Lindvart Park - Pavillion Refurbishment.** The planned work has been re-timed from 2015/16 to 2016/17.

**Hundertwasser Kawakawa.** The Hundertwasser Park Charitable Trust (HPCT) wants to design and build a Visitor Centre within the Hundertwasser Park located behind the Hundertwasser toilets in Kawakawa.

Council will make a capital contribution of \$206,000 to the project, to fund the land needed for the rear carpark (\$158,000 which it committed to in previous years) and refurbishment of the existing toilets. Council will use funds already budgeted to renew the current building interior to fit out the building space it occupies in the new building and will continue to advocate for external funding to make up the shortfall of \$256,000.

The HPCT is seeking external funding from agencies such as the New Zealand Lotteries Commission and Northland Regional Council.

**Recreation.** The delivery of Council facilities is not affected by the decision to remove funding from the Community Assistance Fund for the 2016/17 year. Council staff will work with the community to process any funding requests through to application stage during the intervening period.

**Opononi and Russell Maritime facilities.** Renewal work has been budgeted for in 2016/17 due to public consultation and the scoping of the work required, both of which delayed progress during 2015/16. These projects are now under construction.

**Parks & Reserves – work at Waipapakauri, Houhora and Moerewa to renew the assets.** Renewals have been delayed to 2016/17 to allow for consultation and scoping.

**Kerikeri Sports Hub.** Council budgeted the following sums in the LTP for the purchase of recreational land for sports fields in the Kerikeri / Waipapa area.

FY2015/16	\$ 795k
FY2016/17	\$ 288k
Total Project	\$1,083k

Land that may be suitable has now been identified and the landowner has been approached under the Public Works Act 1981 with a view to negotiation. The purchase requires agreement with a third party and negotiations can often be protracted adding additional time to the project's anticipated completion timeframes from six months to two years.

Due diligence commenced in 2016 starting with valuation of the land and site suitability. Once this is completed a report to Council will make a purchase recommendation to Council.

The balance of funds from 2015/16 has been carried forward into 2016/17 to enable the purchase to conclude by the end of the 2016/17 financial year, in line with the overall project programme contained in the LTP 2015-25 (page 231).

# District Facilities Group

---

**Te Hiku Sports Field Development.** Council budgeted the following sums in the LTP for the development of sports fields as part of the wider Te Hiku Sports Development.

FY2015/16	\$ 850k
FY2016/17	\$ 870k
FY2017/18	\$ 840k
Total Project	\$2,560k

The unspent funds from 2015/16 (estimated at \$700,000) have been carried forward to 2016/17. Physical works are likely to commence in Summer 2016/17.

The budget associated with Kaitaia parks and reserves renewals has also been re-timed to 2016/17.

This approach ensures better planning, design and delivery outcomes, and more opportunities for community input and buy-in.

There is no overall effect on the anticipated level of service as the project was set to be delivered over three years of funding. The completion date has not changed (page 231).

**Kerikeri Cobham Road toilets.** Work to renew these facilities has been delayed until 2016/17.

**Matauri Bay New Toilet.** Ongoing consultation delayed this project in 2015/16. Funding has been carried forward to 2016/17.

**Mangonui.** The boardwalk at Mangonui does not have a safety rail which is required as a condition of the resource consent. Council wishes to address the safety rail issue as part of a wider package of work including extending the Mangonui boardwalk and protecting the Pohutukawa trees situated between the Mangonui Store and the Mangonui Wharf on Waterfront Drive.

During 2016/17 Council plans to provide sufficient budget to address the safety rail, tree protection and overall enhancement of the settlement by working with the community. Rather than focus on whether there should be a handrail, the community will be encouraged to consider what type of handrail will meet the condition of the resource consent and the aspirations of the community for the area.

**Taipa Toilet.** A new toilet will be constructed instead of renewing the existing toilet.

**Russell wharf fuel pontoon.** Council has allocated a further \$120,000 to 2016/17 to improve the fuel berth and allow a higher level of service and use.

**Paua Wharf.** Council plans to redevelop the Te Pua wharf (known as the Paua wharf) and has allocated \$72,000 in 2016/17 for consenting and development.

**Kaitaia Airport cross-wind runway.** The cross-wind runway at the Kaitaia airport is to be renewed with \$108,000 capital budget allocated along with \$6,000 per annum for maintenance.

## Activity Performance Indicators

<b>Level of Service - Cemeteries</b> Provide adequate cemetery facilities.			
<b>Performance Measure</b>	<b>Target 2016/17</b>	<b>Target 2017/18</b>	<b>Target 2018-25</b>
Percentage of residents who are satisfied that facilities meet the needs of the district and ratepayers.	≥62%	≥62%	≥62%

<b>Level of Service – Civic &amp; Community Buildings</b> Provide adequate physical access to facilities.			
<b>Performance Measure</b>	<b>Target 2016/17</b>	<b>Target 2017/18</b>	<b>Target 2018-25</b>
Minimum one hall per ward per annum to be modified to meet disability standards in conjunction with asset management programme.	At least 1 hall per ward per year	At least 1 hall per ward per year	At least 1 hall per ward per year

<b>Level of Service – Housing for the Elderly</b> To maximise occupancy.			
<b>Performance Measure</b>	<b>Target 2016/17</b>	<b>Target 2017/18</b>	<b>Target 2018-25</b>
Percentage of occupancy of housing for the elderly.	≥99%	≥99%	≥99%

<b>Level of Service – Housing for the Elderly</b> Maintain value of asset and reduce risk of deterioration.			
<b>Performance Measure</b>	<b>Target 2016/17</b>	<b>Target 2017/18</b>	<b>Target 2018-25</b>
Percentage of faults responded to in set time (2 days urgent, 5 days non-urgent).	≥99%	≥99%	≥99%

<b>Level of Service - Recreation</b> Park facilities are accessible to all the community.			
<b>Performance Measure</b>	<b>Target 2016/17</b>	<b>Target 2017/18</b>	<b>Target 2018-25</b>
Percentage of residents and ratepayers that are satisfied with the range of parks and facilities available to the community.	≥90%	≥90%	≥90%

# District Facilities Group

<b>Level of Service - Recreation</b> Swimming pool facilities meet user needs			
Performance Measure	Target 2016/17	Target 2017/18	Target 2018-25
Percentage of users who are satisfied that swimming pool facilities meet their needs.	≥70%	≥74%	≥74% until new pools are constructed

<b>Level of Service - Recreation</b> Improve access to the coast			
Performance Measure	Target 2016/17	Target 2017/18	Target 2018-25
Percentage of community satisfied with coastal access.	≥80%	≥80%	≥80%

<b>Level of Service –Public toilets</b> Provision of adequate physical access to public toilets.			
Performance Measure	Target 2016/17	Target 2017/18	Target 2018-25
Increase the number of public toilets with disabled access per annum in line with facility renewal/upgrades.	2	2	2

<b>Level of Service – Public toilets</b> Public toilets provide a good quality experience for all users.			
Performance Measure	Target 2016/17	Target 2017/18	Target 2018-25
Percentage of users satisfied with the cleanliness of public toilets.	≥62%	≥62%	≥62%

<b>Level of Service – Car parking</b> Provide high quality car park facilities.			
Performance Measure	Target 2016/17	Target 2017/18	Target 2018-25
Percentage of users that are satisfied that car park facilities meet community needs.	≥80%	≥80%	≥80%
Increase the number of accessible car park spaces within Council car park facilities by 2 per ward per annum.	2 per ward per annum	2 per ward per annum	2 per ward per annum

# District Facilities Group

## Level of Service – Customer services

To improve resolution of customer queries, and customer satisfaction.

Performance Measure	Target 2016/17	Target 2017/18	Target 2018-25
Overall satisfaction when contacting Council.	≥77%	≥77%	≥77%
Percentage of calls resolved at first point of contact.	73%	73%	73%

## Level of Service – iSite network

To increase the number of official supplies to the i-SITE network.

Performance Measure	Target 2016/17	Target 2017/18	Target 2018-25
Increase number of suppliers from previous year	229	231	+ 1% from previous year

## Level of Service – iSite network

That the investment ratio is increased.

Performance Measure	Target 2016/17	Target 2017/18	Target 2018-25
Increase sale of goods (on previous year)	3%	3%	3%

# District Facilities Group

## Financial Forecast and Statements

<b>PROSPECTIVE STATEMENT OF FINANCIAL PERFORMANCE</b>			
<b>LTP</b>		<b>LTP</b>	<b>Annual Plan</b>
<b>2015/16</b>		<b>2016/17</b>	<b>2016/17</b>
<b>\$'000s</b>		<b>\$'000s</b>	<b>\$'000s</b>
	<b>Revenue</b>		
11,233	Rates - General	11,615	12,143
9,153	Rates - Targeted	9,628	10,520
480	Rates - Penalties	480	480
2,080	Fees & Charges	2,087	1,963
26	Subsidies Operational	26	0
0	Other Contributions	545	545
12	Other Income	3	17
<b>22,984</b>	<b>Total Comprehensive Revenue</b>	<b>24,384</b>	<b>25,666</b>
	<b>Direct Costs</b>		
15,057	Direct Costs	15,585	15,311
687	Interest	763	627
3,676	Depreciation	3,897	4,997
<b>19,420</b>	<b>Total Direct Operating Expenditure</b>	<b>20,245</b>	<b>20,935</b>
2,690	Indirect Costs	2,719	3,312
<b>2,690</b>	<b>Total Indirect Costs</b>	<b>2,719</b>	<b>3,312</b>
<b>22,110</b>	<b>Total Operating Expenditure</b>	<b>22,964</b>	<b>24,246</b>
<b>874</b>	<b>NET SURPLUS/(DEFICIT)</b>	<b>1,420</b>	<b>1,420</b>

<b>STATEMENT OF SOURCE AND APPLICATION OF FUNDS</b>			
<b>LTP</b>		<b>LTP</b>	<b>Annual Plan</b>
<b>2015/16</b>		<b>2016/17</b>	<b>2016/17</b>
<b>\$'000s</b>		<b>\$'000s</b>	<b>\$'000s</b>
	<b>CAPITAL STATEMENT</b>		
874	Net Surplus/(Deficit)	1,420	1,420
0	Loan	0	0
7,310	Appropriation from Reserves	5,998	5,414
2,185	Notional Loans Raised	2,349	4,099
(1,747)	Appropriation to Reserves	(2,295)	(2,295)
<b>8,621</b>	<b>Total Funding</b>	<b>7,472</b>	<b>8,638</b>
	<b>Capital Expenditure</b>		
7,822	Capital Projects	6,564	7,781
799	Debt Repayment	908	857
<b>8,621</b>	<b>Total Capital Expenditure</b>	<b>7,472</b>	<b>8,638</b>
<b>0</b>	<b>NET SURPLUS/(DEFICIT)</b>	<b>0</b>	<b>0</b>

# District Facilities Group

CAPITAL PROJECTS BY WARD			
LTP District Facilities 2015/16 Project Name \$'000s		LTP 2016/17 \$'000s	Annual Plan 2016/17 \$'000s
<b>LEVEL OF SERVICE WORKS</b>			
<b>Bay of Islands - Whangaroa</b>			
<b>Amenity Lighting</b>			
0	Amenity Lighting Eastern	0	15
5	Williams House Health & Safety Amenity Lighting	0	0
<b>5</b>	<b>Amenity Lighting Total</b>	<b>0</b>	<b>15</b>
<b>Carparks</b>			
5	Conversion of Off Street Car parking to Accessible Levels	5	5
<b>5</b>	<b>Carparks Total</b>	<b>5</b>	<b>5</b>
<b>Halls</b>			
25	Disability Access Improvements	26	26
<b>25</b>	<b>Halls Total</b>	<b>26</b>	<b>26</b>
<b>Maritime Facilities</b>			
0	Kerikeri - Windsor Landing Developments land purchase/road access to ramp.	59	36
50	Russell - Fuel Pontoon	0	0
0	Russell Maritime	0	360
<b>50</b>	<b>Maritime Facilities Total</b>	<b>59</b>	<b>396</b>
<b>Parks &amp; Reserves</b>			
522	BOI recreational land purchase Kerikeri	0	0
273	Kerikeri / Waipapa - Recreation Land Purchase, for sports hub	288	288
0	Recreation Land Purchase	0	795
<b>795</b>	<b>Parks &amp; Reserves Total</b>	<b>288</b>	<b>1,082</b>
<b>Public Toilets</b>			
10	Bay of Islands - Whangaroa Disability Access Improvements	0	0
0	Matauri Bay Public Toilets	0	105
11	Rawhiti Boat ramp Toilet RC	0	0
<b>21</b>	<b>Public Toilets Total</b>	<b>0</b>	<b>105</b>
<b>901</b>	<b>Bay of Islands - Whangaroa Total</b>	<b>378</b>	<b>1,629</b>
<b>District Libraries</b>			
0	Library E Books	0	25
<b>0</b>	<b>Libraries Total</b>	<b>0</b>	<b>25</b>

# District Facilities Group

CAPITAL PROJECTS BY WARD (continued)			
LTP District Facilities 2015/16 Project Name \$'000s		LTP 2016/17 \$'000s	Annual Plan 2016/17 \$'000s
<b>LEVEL OF SERVICE WORKS</b>			
<b>Bay of Islands - Whangaroa</b>			
<b>Motor Camps</b>			
20	Russell Motor Camp - Water Supply	0	0
<b>20</b>	<b>Motor Camps Total</b>	<b>0</b>	<b>0</b>
<b>20</b>	<b>District Total</b>	<b>0</b>	<b>25</b>
<b>Kaikohe - Hokianga</b>			
<b>Amenity Lighting</b>			
0	Amenity Lighting Western	0	15
<b>0</b>	<b>Amenity Lighting Total</b>	<b>0</b>	<b>15</b>
<b>Carparks</b>			
5	Conversion of Off Street Car parking to Accessible Levels	5	5
<b>5</b>	<b>Carparks Total</b>	<b>5</b>	<b>5</b>
<b>Halls</b>			
25	Disability Access Improvements	26	26
<b>25</b>	<b>Halls Total</b>	<b>26</b>	<b>26</b>
<b>Lindvart Park Recreation Hub</b>			
0	Lindvart Park Pavillion Upgrade	0	200
<b>0</b>	<b>Lindvart Park Recreation Hub Total</b>	<b>0</b>	<b>200</b>
<b>Parks &amp; Reserves</b>			
50	Lindvart Park Pavillion upgrade	769	0
<b>50</b>	<b>Parks &amp; Reserves Total</b>	<b>769</b>	<b>0</b>
<b>Public Toilets</b>			
0	Disabled Access Toilets	0	10
10	Kaikohe - Hokianga Disability Access Improvements	10	0
<b>10</b>	<b>Public Toilets Total</b>	<b>10</b>	<b>10</b>
<b>90</b>	<b>Kaikohe - Hokianga Total</b>	<b>810</b>	<b>256</b>
<b>Te Hiku</b>			
<b>Airports</b>			
0	Kaitaia - Cross Wind Runway	0	108
24	Kaitaia - New Security Fencing for CAA certification.	0	0
<b>24</b>	<b>Airports Total</b>	<b>0</b>	<b>108</b>

# District Facilities Group

CAPITAL PROJECTS BY WARD (continued)			
LTP District Facilities 2015/16 Project Name \$'000s		LTP 2016/17 \$'000s	Annual Plan 2016/17 \$'000s
<b>LEVEL OF SERVICE WORKS</b>			
<b>Te Hiku</b>			
<b>Amenity Lighting</b>			
0	Amenity Lighting Northern	0	15
0	Mangonui Street Lighting	0	18
<b>0</b>	<b>Amenity Lighting Total</b>	<b>0</b>	<b>33</b>
<b>Carparks</b>			
5	Conversion of Off Street Car parking to Accessible Levels	5	5
<b>5</b>	<b>Carparks Total</b>	<b>5</b>	<b>5</b>
<b>Halls</b>			
25	Disability Access Improvements	26	26
<b>25</b>	<b>Halls Total</b>	<b>26</b>	<b>26</b>
<b>Kaitaia Civic Buildings</b>			
0	Pioneer House Kaitaia	0	34
<b>0</b>	<b>Kaitaia Civic Buildings Total</b>	<b>0</b>	<b>34</b>
<b>Parks &amp; Reserves</b>			
150	Kaitaia - Remembrance Park Upgrade	0	0
0	Mangonui Board Walk Extension	0	100
0	Mangonui Tree Protection	0	25
850	Te Hiku Sports Hub - Sports Field Development	870	1,570
<b>1,000</b>	<b>Parks &amp; Reserves Total</b>	<b>870</b>	<b>1,695</b>
<b>Public Toilets</b>			
0	Disabled Access Toilets	0	10
120	Kaitaia - Remembrance Park / Melba Street	0	0
0	Melba Street Public Toilets	0	67
0	Remembrance Park Toilets	0	80
0	Taipa Beach New Toilets	0	130
0	Te Hiku Disability Access Improvements	10	0
<b>120</b>	<b>Public Toilets Total</b>	<b>10</b>	<b>287</b>
<b>Swimming Pools</b>			
0	Te Hiku Sports Hub - Swimming Pool	819	0
<b>0</b>	<b>Swimming Pools Total</b>	<b>819</b>	<b>0</b>
<b>1,174</b>	<b>Te Hiku Total</b>	<b>1,731</b>	<b>2,189</b>
<b>2,185</b>	<b>LEVEL OF SERVICE WORKS TOTAL</b>	<b>2,919</b>	<b>4,099</b>

# District Facilities Group

CAPITAL PROJECTS BY WARD (continued)			
LTP District Facilities 2015/16 Project Name \$'000s		LTP 2016/17 \$'000s	Annual Plan 2016/17 \$'000s
<b>RENEWAL WORKS</b>			
<b>Bay of Islands - Whangaroa</b>			
<b>Amenity Lighting</b>			
40	Amenity Lighting Eastern Renewals	0	30
<b>40</b>	<b>Amenity Lighting Total</b>	<b>0</b>	<b>30</b>
<b>Carparks</b>			
4	Johnson Park Carpark Renewals	0	0
0	Kent Bay North Carpark Renewals	6	0
0	Kent Bay South Carpark Renewals	3	0
0	Marsden Road Carpark Renewals	7	0
<b>4</b>	<b>Carparks Total</b>	<b>17</b>	<b>0</b>
<b>Cemeteries</b>			
3	Kaeo Cemetery Renewals	2	0
0	Kawakawa Cemetery Renewals	10	11
0	Kerikeri Cemetery Renewals	44	0
0	Paihia Cemetery Renewals	1	0
0	Russell Cemetery Renewals	1	0
<b>3</b>	<b>Cemeteries Total</b>	<b>58</b>	<b>11</b>
<b>Community Centres</b>			
124	Community Centres Eastern Renewals	52	0
0	Kaeo Old PO Roof	0	56
<b>124</b>	<b>Community Centres Total</b>	<b>52</b>	<b>56</b>
<b>Housing for the Elderly</b>			
7	Kawakawa Housing for the Elderly Renewals	0	0
151	Kerikeri Housing for the Elderly Renewals	101	0
<b>158</b>	<b>Housing for the Elderly Total</b>	<b>101</b>	<b>0</b>
<b>Information Centre</b>			
0	Paihia Information Centre Renewals	9	84
<b>0</b>	<b>Information Centre Total</b>	<b>9</b>	<b>84</b>
<b>Libraries</b>			
0	Library Kaeo Renewals	0	3
87	Paihia Library Renewals	0	0
<b>87</b>	<b>Libraries Total</b>	<b>0</b>	<b>3</b>

# District Facilities Group

<b>CAPITAL PROJECTS BY WARD (continued)</b>			
<b>LTP District Facilities</b>		<b>LTP</b>	<b>Annual Plan</b>
<b>2015/16</b>	<b>Project Name</b>	<b>2016/17</b>	<b>2016/17</b>
<b>\$'000s</b>		<b>\$'000s</b>	<b>\$'000s</b>
<b>RENEWAL WORKS</b>			
<b>Bay of Islands - Whangaroa</b>			
<b>Maritime Facilities</b>			
242	Russell Maritime Renewals	0	0
0	Russell Pontoon & Wharf Renewals	0	307
0	Marlin Boat Wharf Renewals	0	220
11	Whangaroa Maritime Renewals	265	0
0	Totara North Maritime Renewals	99	0
0	Totara North Pontoon Renewals	0	99
<b>253</b>	<b>Maritime Facilities Total</b>	<b>364</b>	<b>625</b>
<b>Parks &amp; Reserves</b>			
0	Eastern Bins, Benches, Bollards, Signs & Tables	0	187
116	Eastern Parks & Reserves Renewals	124	0
4	Kaeo Parks & Reserves Renewals	98	0
0	Kawakawa Johnson Park	0	28
35	Kawakawa Parks & Reserves Renewals	36	0
55	Kerikeri Parks & Reserves Renewals	211	0
0	Kerikeri Sports Complex Painting & Carpark Line Markings	0	127
192	Moerewa Parks & Reserves Renewals	247	0
6	Opuia Parks & Reserves Renewals	0	0
0	Paihia Seaview Rd Res. 00225-12813 Accessways / Carparks Surface 437m2	0	20
148	Paihia Parks & Reserves Renewals	43	0
52	Russell Parks & Reserves Renewals	0	0
17	Taupo Bay Parks & Reserves Renewals	0	0
3	Te Ngaere Parks & Reserves Renewals	0	0
48	Whangaroa Parks & Reserves Renewals	0	0
<b>675</b>	<b>Parks &amp; Reserves Total</b>	<b>760</b>	<b>362</b>
<b>Public Toilets</b>			
93	Cobham Road Public Toilets Renewals	0	0
0	Hundertwasser Public Toilets Renewals	24	49
0	Opito Bay Public Toilets Renewals	0	92
52	Tapeka Point Public Toilets Renewals	0	0
29	Tauranga Bay Public Toilet Renewals	0	0
30	Te Haumi Public Toilets Renewals	0	0
70	Te Tii Public Toilets Renewals	0	0
<b>274</b>	<b>Public Toilets Total</b>	<b>24</b>	<b>141</b>
<b>1,618</b>	<b>Bay of Islands - Whangaroa Total</b>	<b>1,384</b>	<b>1,312</b>

# District Facilities Group

CAPITAL PROJECTS BY WARD (continued)			
LTP District Facilities 2015/16 Project Name \$'000s		LTP 2016/17 \$'000s	Annual Plan 2016/17 \$'000s
<b>RENEWAL WORKS</b>			
<b>District</b>			
<b>Civil Defence</b>			
35	Civil Defence Vehicle Renewals	0	0
<b>35</b>	<b>Civil Defence Total</b>	<b>0</b>	<b>0</b>
<b>Information Centre</b>			
43	Information Centre Renewals	16	18
<b>43</b>	<b>Information Centre Total</b>	<b>16</b>	<b>18</b>
<b>Libraries</b>			
203	Library Book Renewals	216	211
<b>203</b>	<b>Libraries Total</b>	<b>216</b>	<b>211</b>
<b>280</b>	<b>District Total</b>	<b>232</b>	<b>229</b>
<b>Kaikohe - Hokianga</b>			
<b>Amenity Lighting</b>			
0	Amenity Lighting Western Renewals	0	3
<b>0</b>	<b>Amenity Lighting Total</b>	<b>0</b>	<b>3</b>
<b>Community Centres</b>			
31	Community Centres Western Renewals	0	0
<b>31</b>	<b>Community Centres Total</b>	<b>0</b>	<b>0</b>
<b>Halls</b>			
461	Halls Horeke Renewals	0	148
41	Halls Kohukohu Renewals	0	0
15	Halls Okaihau Renewals	0	0
0	Halls Rawene Renewals	153	0
<b>517</b>	<b>Halls Total</b>	<b>153</b>	<b>148</b>
<b>Housing for the Elderly</b>			
1	Horeke Housing for the Elderly Renewals	0	0
2	Kaikohe Housing for the Elderly Renewals	104	12
32	Kohukohu Housing for the Elderly Renewals	18	0
154	Opononi Housing for the Elderly Renewals	0	0
123	Rawene Housing for the Elderly Renewals	0	0
0	Waima Housing for the Elderly Renewals	6	0
<b>311</b>	<b>Housing for the Elderly Total</b>	<b>128</b>	<b>12</b>
<b>Information Centre</b>			
0	Opononi Information Centre Renewals	0	8
<b>0</b>	<b>Information Centre Total</b>	<b>0</b>	<b>8</b>

# District Facilities Group

CAPITAL PROJECTS BY WARD (continued)			
LTP District Facilities 2015/16 Project Name \$'000s		LTP 2016/17 \$'000s	Annual Plan 2016/17 \$'000s
<b>RENEWAL WORKS</b>			
<b>Kaikohe - Hokianga</b>			
<b>Libraries</b>			
1	Kaikohe Library Renewals	460	588
<b>1</b>	<b>Libraries Total</b>	<b>460</b>	<b>588</b>
<b>Lindvart Park Recreation Hub</b>			
0	Netball Up-Grade Practice Area Lindvart Park Kaikohe	0	42
<b>0</b>	<b>Lindvart Park Recreation Hub Total</b>	<b>0</b>	<b>42</b>
<b>Maritime Facilities</b>			
0	Horeke Maritime Renewals	2	0
0	Kohukohu Maritime Renewals	0	10
0	Opononi Boat Ramp / Waterfront Improvement and Reclamation	0	84
131	Opononi Maritime Renewals	0	0
<b>131</b>	<b>Maritime Facilities Total</b>	<b>2</b>	<b>94</b>
<b>Parks &amp; Reserves</b>			
0	Horeke Parks & Reserves Renewals	3	0
1,201	Kaikohe Parks & Reserves Renewals	48	0
108	Okaihau Parks & Reserves Renewals	0	0
49	Omapere Parks & Reserves Renewals	16	0
7	Opononi Parks & Reserves Renewals	26	0
0	Rawene Parks & Reserves Renewals	3	0
52	Taheke Parks & Reserves Renewals	0	0
0	Western Bins, Benches, Bollards, Signs & Tables	0	46
43	Western Parks & Reserves Renewals	44	0
<b>1,460</b>	<b>Parks &amp; Reserves Total</b>	<b>139</b>	<b>46</b>
<b>Public Toilets</b>			
23	Ohaeawai Public Toilets Renewals	0	0
0	Omapere Public Toilets Renewals	54	0
0	Omapere/Ohaeawai Toilets Renewals	0	81
34	Opononi Public Toilets Renewals	0	0
<b>58</b>	<b>Public Toilets Total</b>	<b>54</b>	<b>81</b>
<b>2,509</b>	<b>Kaikohe - Hokianga Total</b>	<b>937</b>	<b>1,021</b>
<b>Te Hiku</b>			
<b>Airports</b>			
12	Kaitaia Airport Renewals	28	21
<b>12</b>	<b>Airports Total</b>	<b>28</b>	<b>21</b>

# District Facilities Group

CAPITAL PROJECTS BY WARD (continued)			
LTP District Facilities 2015/16 Project Name \$'000s		LTP 2016/17 \$'000s	Annual Plan 2016/17 \$'000s
<b>RENEWAL WORKS</b>			
<b>Te Hiku</b>			
<b>Amenity Lighting</b>			
0	Amenity Lighting Northern Renewals	0	19
<b>0</b>	<b>Amenity Lighting Total</b>	<b>0</b>	<b>19</b>
<b>Cemeteries</b>			
40	Kaitaia Cemetery Renewals	0	0
<b>40</b>	<b>Cemeteries Total</b>	<b>0</b>	<b>0</b>
<b>Community Centres</b>			
0	Community Centres Northern Renewals	195	0
<b>0</b>	<b>Community Centres Total</b>	<b>195</b>	<b>0</b>
<b>Halls</b>			
0	Halls Awanui Renewals	27	0
0	Kaingaroa Halls Fencing and Carpark Works Renewals	0	28
0	Halls Herekino Renewals	5	0
0	Halls Peria Renewals	0	160
<b>0</b>	<b>Halls Total</b>	<b>31</b>	<b>188</b>
<b>Housing for the Elderly</b>			
0	Ahipara Housing for the Elderly Renewals	21	0
0	Kaitaia Housing for the Elderly Renewals	396	416
<b>0</b>	<b>Housing for the Elderly Total</b>	<b>418</b>	<b>416</b>
<b>Kaitaia Civic Buildings</b>			
13	Old Kaitaia Info Centre Building	0	0
0	Old Kaitaia Library Building	46	0
<b>13</b>	<b>Kaitaia Civic Buildings Total</b>	<b>46</b>	<b>0</b>
<b>Maritime Facilities</b>			
0	Unahi Boat Ramp Renewals	0	48
0	Mangonui Maritime Renewals	2	0
0	Pukenui Boat Ramp - Abutements Renewals	0	5
0	Pukenui Maritime Renewals	44	0
0	Paua Wharf Maritime Renewals	0	72
0	Te Hapua Maritime Renewals	99	0
<b>0</b>	<b>Maritime Facilities Total</b>	<b>145</b>	<b>125</b>

# District Facilities Group

<b>CAPITAL PROJECTS BY WARD (continued)</b>			
<b>LTP District Facilities 2015/16 Project Name \$'000s</b>	<b>LTP 2016/17 \$'000s</b>	<b>Annual Plan 2016/17 \$'000s</b>	
<b>RENEWAL WORKS</b>			
<b>Te Hiku</b>			
<b>Parks &amp; Reserves</b>			
56 Ahipara Parks & Reserves Renewals	35	0	
13 Awanui Parks & Reserves Renewals	4	0	
23 Cable Bay Parks & Reserves Renewals	8	0	
20 Hihi Parks & Reserves Renewals	0	0	
0 Houhora Parks & Reserves	0	166	
166 Houhora Parks & Reserves Renewals	0	0	
5 Kaimaumuau Parks & Reserves Renewals	0	0	
0 Kaitaia Memorial and Remembrance Parks	0	64	
323 Kaitaia Parks & Reserves Renewals	75	0	
19 Mangonui Parks & Reserves Renewals	4	0	
2 Matai Bay Parks & Reserves Renewals	0	0	
0 Northern Bins, Benches, Bollards, Signs & Tables	0	119	
74 Northern Parks & Reserves Renewals	76	0	
7 Pehipe Parks & Reserves Renewals	0	0	
33 Pukenui Wharf Parks & Reserves Renewals	26	0	
20 Tokerau Beach Parks & Reserves	0	0	
197 Waipapakauri Beach Parks & Reserves	0	0	
<b>958 Parks &amp; Reserves Total</b>	<b>228</b>	<b>348</b>	
<b>Public Toilets</b>			
96 Melba Street Public Toilets Renewals	0	0	
16 Mill Bay Public Toilets Renewals	0	0	
69 Pehipe Beach Public Toilets Renewals	0	0	
28 Tokerau Waioata Reserve Public Toilets Renewals	0	0	
<b>209 Public Toilets Total</b>	<b>0</b>	<b>0</b>	
<b>Te Ahu Centre Occupancy Costs</b>			
0 Te Ahu Centre Renewals	2	2	
<b>0 Te Ahu Centre Occupancy Costs Total</b>	<b>2</b>	<b>2</b>	
<b>1,231 Te Hiku Total</b>	<b>1,093</b>	<b>1,120</b>	
<b>5,638 RENEWAL WORKS TOTAL</b>	<b>3,645</b>	<b>3,682</b>	
<b>7,822 GRAND TOTAL District Facilities</b>	<b>6,564</b>	<b>7,781</b>	

## What we do

For full details on this activity please see pages 279 to 308 of the LTP 2015-25.

### **Animal Management**

- Council registers approximately 9,500 dogs per annum
- Responds to around 380 complaints or enquiries per month
- Impounds around 80 dogs per month
- Council regularly responds to approximately 25 call-outs for wandering stock per month.

### **Environmental Health**

Council inspects around 450 food premises throughout the year and responds to complaints of health nuisance. The activity supports Council's Resource Planning and Building departments, in relation to consent applications relevant to their role (e.g. food premises). In addition, they support the Alcohol Licensing department and inspect licensed premises, as required by the Sale and Supply of Alcohol Act 2012.

### **Monitoring and Enforcement**

The Monitoring Activity undertakes the role of Regulatory enforcement for which Council has responsibility; such as District Plan and Resource Management Act breaches, bylaw enforcement and Litter Act enforcement.

### **Alcohol Licensing**

The Committee processes about 800 applications per annum, including On and Off-Licenses, Temporary Authorities, Special Licensing and Managers Certificates.

### **Parking Enforcement**

The Parking Enforcement Activity is undertaken to manage and control parking on Council owned car parks and roadside parking spaces.

### **Resource Consent Management**

During 2013/14, the Consents department issued 373 RMA consents including but not restricted to:

- 83 subdivision consents
- 210 land use consents
- 21 combined consents (sub/land use)
- Three discharge consents
- 36 variations and/or extensions
- 105 Non RMA approvals/permits, such as Rights of Way, earthworks permits and Liquor Licence Certificates
- 297 Subdivision Certificates (e.g. survey approvals, completion certificates, consent notices).

### **Building Consent Management**

During the 2015/16 year Council:

- Issued 1064 Project Information Memoranda and Building Consents
- Performed 5665 field inspections
- Maintained a register of 870 Building Warrant of Fitness
- Maintained a register of 845 swimming pools that require fencing

## Activity performance indicators

<b>Level of Service – Animal Management</b> To improve the response to incidences involving dogs and stock.			
<b>Performance Measure</b>	<b>Target 2016/17</b>	<b>Target 2017/18</b>	<b>Target 2018-25</b>
Percentage of incidences responded to within set timeframes dependent on seriousness of incident.	≥90%	≥90%	≥90%

<b>Level of Service – Animal Management</b> To increase public awareness and educate animal owners.			
<b>Performance Measure</b>	<b>Target 2016/17</b>	<b>Target 2017/18</b>	<b>Target 2018-25</b>
Number of awareness programmes.	6	6	6

<b>Level of Service – Environmental Health</b> To improve processes and maintain quality of food premises.			
<b>Performance Measure</b>	<b>Target 2016/17</b>	<b>Target 2017/18</b>	<b>Target 2018-25</b>
Percentage of all Food Control Plans assessed and audited annually.	≥96%	≥96%	≥96%

<b>Level of Service – Monitoring &amp; Enforcement</b> Respond to Request for Service (RFS) in required time scales			
<b>Performance Measure</b>	<b>Target 2016/17</b>	<b>Target 2017/18</b>	<b>Target 2018-25</b>
Percentage of RFS responded on time.	≥90%	≥90%	≥90%

<b>Level of Service – Monitoring &amp; Enforcement</b> Respond to and carry out inspections relating to on-site wastewater issues			
<b>Performance Measure</b>	<b>Target 2016/17</b>	<b>Target 2017/18</b>	<b>Target 2018-25</b>
Percentage responded to on time.	≥95%	≥95%	≥95%

# Environmental Management Group

<b>Level of Service – Alcohol Licensing</b> To undertake Host Responsibility inspections of premises.			
<b>Performance Measure</b>	<b>Target 2016/17</b>	<b>Target 2017/18</b>	<b>Target 2018-25</b>
Percentage of licensed premises monitored for compliance on an annual basis	25%	25%	25%

<b>Level of Service – Resource Consents</b> To achieve positive results in terms of processing times and customer satisfaction.			
<b>Performance Measure</b>	<b>Target 2016/17</b>	<b>Target 2017/18</b>	<b>Target 2018-25</b>
Percentage of customers satisfied or very satisfied with the resource consent process.	≥60%	≥60%	≥60%

<b>Level of Service – Building Consents</b> To improve the service to the district			
<b>Performance Measure</b>	<b>Target 2016/17</b>	<b>Target 2017/18</b>	<b>Target 2018-25</b>
Percentage of residents satisfied with building consent process	≥60%	≥60%	≥60%

# Environmental Management Group

## Financial Forecast and Statements

<b>PROSPECTIVE STATEMENT OF FINANCIAL PERFORMANCE</b>			
<b>LTP</b>		<b>LTP</b>	<b>Annual Plan</b>
<b>2015/16</b>		<b>2016/17</b>	<b>2016/17</b>
<b>\$'000s</b>		<b>\$'000s</b>	<b>\$'000s</b>
	<b>Revenue</b>		
5,557	Rates - General	5,984	6,472
141	Rates - Penalties	141	141
4,084	Fees & Charges	4,040	3,978
26	Subsidies Operational	26	0
11	Other Income	11	8
<b>9,820</b>	<b>Total Comprehensive Revenue</b>	<b>10,203</b>	<b>10,599</b>
	<b>Direct Costs</b>		
8,837	Direct Costs	9,084	9,302
7	Interest	20	19
92	Depreciation	206	179
<b>8,935</b>	<b>Total Direct Operating Expenditure</b>	<b>9,310</b>	<b>9,500</b>
884	Indirect Costs	893	1,099
<b>884</b>	<b>Total Indirect Costs</b>	<b>893</b>	<b>1,099</b>
<b>9,820</b>	<b>Total Operating Expenditure</b>	<b>10,203</b>	<b>10,599</b>
<b>0</b>	<b>NET SURPLUS / (DEFICIT)</b>	<b>0</b>	<b>0</b>

<b>STATEMENT OF SOURCE AND APPLICATION OF FUNDS</b>			
<b>LTP</b>		<b>LTP</b>	<b>Annual Plan</b>
<b>2015/16</b>		<b>2016/17</b>	<b>2016/17</b>
<b>\$'000s</b>		<b>\$'000s</b>	<b>\$'000s</b>
	<b>CAPITAL STATEMENT</b>		
0	Net Surplus/(Deficit)	0	0
0	Loan	0	0
9	Appropriations from Reserves	28	28
250	Notional Loans Raised	0	0
0	Appropriation to Reserves	0	0
<b>259</b>	<b>Total Funding</b>	<b>28</b>	<b>28</b>
	<b>Capital Expenditure</b>		
250	Capital Projects	6	6
9	Debt Repayment	22	22
<b>259</b>	<b>Total Capital Expenditure</b>	<b>28</b>	<b>28</b>
<b>0</b>	<b>NET SURPLUS/(DEFICIT)</b>	<b>0</b>	<b>0</b>

# Environmental Management Group

CAPITAL PROJECTS BY WARD			
LTP 2015/16 \$'000s	Environmental Management Project Name	LTP 2016/17 \$'000s	Annual Plan 2016/17 \$'000s
	<b>LEVEL OF SERVICE WORKS</b>		
	<b>Te Hiku</b>		
	<b>Animal Control Dogs</b>		
250	Kaitaia Dog Pound Upgrade	0	0
<b>250</b>	<b>Animal Control Dogs Total</b>	<b>0</b>	<b>0</b>
<b>250</b>	<b>Te Hiku Total</b>	<b>0</b>	<b>0</b>
<b>250</b>	<b>LEVEL OF SERVICE WORKS TOTAL</b>	<b>0</b>	<b>0</b>
	<b>RENEWAL WORKS</b>		
	<b>District</b>		
	<b>Regulatory Services Administration</b>		
0	Data Outlets and Phone Cabling	6	6
<b>0</b>	<b>Regulatory Services Administration Total</b>	<b>6</b>	<b>6</b>
<b>0</b>	<b>District Total</b>	<b>6</b>	<b>6</b>
<b>0</b>	<b>RENEWAL WORKS TOTAL</b>	<b>6</b>	<b>6</b>
<b>250</b>	<b>GRAND TOTAL Environmental Management</b>	<b>6</b>	<b>6</b>

## What we do

For full details on this activity please see pages 309 to 337 of the LTP 2015-25.

### **Strategic Planning**

- Government introduces new legislation or reviews and updates legislation and/or regulations that affect Far North communities.
- Council has joined with all other Northland Councils to consider shared services.
- Council is legislatively required to undertake a Long Term Plan (3 yearly), Annual Plans (between each Long Term Plan) and an Infrastructure Strategy.

### **Community and Economic Development**

- Work with communities, Māori, businesses, neighbouring councils, external agencies and organisations, to develop sustainable communities and improve the local economy, building on the Far North's strengths and opportunities
- Work with others, including businesses and training and education providers to facilitate access to appropriate skills, training and job opportunities for our communities
- Encourage communities to come together to develop their planning process, recognising that communities will be at differing levels of capacity
- Support community initiated plans through Council, Government, and other processes
- Empower and support community-driven projects and development that enable people to come together, build trust and work towards the achievement of outcomes, better services and local infrastructure
- Support community and district events and promote the district
- Provide and administer community grants
  - Community – Local Grants Scheme
  - Contestable Community - District Grants Scheme and the Sports and Recreation Loan Scheme
  - Creative Communities Scheme on behalf of Creative New Zealand
  - Rural Travel Fund on behalf of Sport New Zealand
  - The Mayoral Fund(s)
  - As appropriate on behalf of other funding bodies.

### **Māori Engagement, Relationships and Development**

- Nearly half the population (Census 2013: 45%) of the Far North District population identify themselves as Māori
- Approximately 16% of land in the Far North District is in Māori title
- Approximately 43% of Māori in Tai Tokerau (Northland) are able to understand or converse in Te Reo Māori
- There are approximately 144 Marae, 10 Iwi Runanga and over 200 Hapū within the Far North District
- Over the next 10 years the most significant Treaty Settlements will occur within the Far North.

### **Environmental Policy**

- The District Plan became fully operative in September 2009
- 11 Plan Changes to the District Plan made operative
- Review of the District Plan has commenced.

## What has changed?

(From Year Two of the 2015-25 Long Term Plan)

**Community Assistance Funding:** No funding has been allocated in 2016/17 to the Community Assistance Fund which was established to support cultural, sporting and recreational initiatives but suspended in 2015 to free up money for core infrastructure renewals and to keep rates down. At the time Council planned to reinstate the fund to \$100,000 in 2016/17. Although support for reinstatement was strong, Council felt that it is unlikely that potential applicants would be in a position to enter a contestable funding round until late in the 2016/17 financial year and therefore reinstatement of the fund should wait until 2017/18 and in the meantime staff will work with Community Boards and those who have signalled their interest in funding to ensure they are in a position to submit proposals that meet the criteria for funding.

**Community Grants Funding:** The 2015 LTP reduced the amount of community grants funding to free up money for essential renewals of core infrastructure. Council has confirmed that this fund will be restored in 2016/17.

**Economic Action Plan:** Council adopted a three-year economic action plan during 2015/16, which will shape the delivery of the community and community economic development activity during 2016/17, including continuing to move from grant funding to strategic investments.

**District Plan:** The district plan budget has increased to meet legal requirements. This increase is explained by the consolidated nature of the review of the District Plan, the scope and number of external technical and specialist advice that will be required to meet Council timeframes for completing the review, the level of community engagement that is required, the desire of Council to front-load the planning process (and spend less time in litigation) and the impending law reforms signalled in the Resource Legislation Amendment Bill 2015 introduced into Parliament on 26 November 2015.

It also reflects the progress of Plan Changes in the 2015/16 year and the development of higher order planning instruments such as National Policy Statements and Environmental Standards that are under development and the Regional Policy Statement for Northland that will likely be made operative during the 2015/16 financial year.

## Activity performance indicators

<b>Level of Service – Strategic Planning</b>			
Central and Regional Government develop strategies, plans, policy and legislation that effect our communities. We ensure that any adverse impact is noted through submissions from Council.			
<b>Performance Measure</b>	<b>Target 2016/17</b>	<b>Target 2017/18</b>	<b>Target 2018-25</b>
Number of submissions.	5	5	5

<b>Level of Service – Strategic Planning</b>			
Council supports the community to develop local area blueprints/plans for their communities.			
<b>Performance Measure</b>	<b>Target 2016/17</b>	<b>Target 2017/18</b>	<b>Target 2018-25</b>
Number of local area blueprint/plans.	3	3	3

# Strategic Planning and Policy Group

## Level of Service – Strategic Planning

Northland councils through the Triennial Agreement are considering where shared services will bring benefit to all ratepayers either through a reduced funding need or resulting in a better level of service.

Performance Measure	Target 2016/17	Target 2017/18	Target 2018-25
Number of shared services agreements.	1	1	1

## Level of Service – Community & Economic Development

Council is engaged in Destination Marketing

Performance Measure	Target 2016/17	Target 2017/18	Target 2018-25
Council support for destination marketing projects/events achieves anticipated return on investment	100%	100%	100%

## Level of Service - Community & Economic Development

Council grant monies are used effectively

Performance Measure	Target 2016/17	Target 2017/18	Target 2018-25
Grant recipients achieve funding contract accountability measures	≥90%	≥90%	≥90%

## Level of Service – Maori Engagement, Relationships & Development

Māori participation in resource management and Council decision-making

Performance Measure	Target 2016/17	Target 2017/18	Target 2018-25
Increase the number of Iwi and Hapū Management Plans	Increase by 1 each year	Increase by 1 each year	Increase by 1 each year

## Level of Service - Maori Engagement, Relationships & Development

Māori participation in resource management and Council decision making.

Performance Measure	Target 2016/17	Target 2017/18	Target 2018-25
Maintain or increase the number of relationship, co-governance, and joint management (including transfer of powers) agreements/ arrangements between Council and Iwi/Hapū	Increase by 1 each year	Increase by 1 each year	Increase by 1 each year

# Strategic Planning and Policy Group

<b>Level of Service - Maori Engagement, Relationships &amp; Development</b> Māori participation in resource management and Council decision making.			
<b>Performance Measure</b>	<b>Target 2016/17</b>	<b>Target 2017/18</b>	<b>Target 2018-25</b>
Percentage of Māori partners (in agreement/arrangements) who have high levels of satisfaction in working with Council	≥70%	≥80%	≥90%

<b>Level of Service - Maori Engagement, Relationships &amp; Development</b> Council's activities are known and understood.			
<b>Performance Measure</b>	<b>Target 2016/17</b>	<b>Target 2017/18</b>	<b>Target 2018-25</b>
Percentage of Māori who feel well informed about what Council is doing	≥70%	≥80%	≥90%

<b>Level of Service – Environmental Policy</b> Appropriate techniques and programmes are utilised for consultation.			
<b>Performance Measure</b>	<b>Target 2016/17</b>	<b>Target 2017/18</b>	<b>Target 2018-25</b>
Percentage of community members who are aware of plan change processes and opportunities for participation.	≥30%	≥30%	≥30%

<b>Level of Service – Environmental Policy</b> Identify issues impacting on the effectiveness of the District Plan.			
<b>Performance Measure</b>	<b>Target 2016/17</b>	<b>Target 2017/18</b>	<b>Target 2018-25</b>
Percentage of Residents who feel either very well informed or well informed about the District Plan.	≥50%	≥50%	≥50%

# Strategic Planning and Policy Group

## Financial Forecast and Statements

<b>PROSPECTIVE STATEMENT OF FINANCIAL PERFORMANCE</b>			
<b>LTP</b>		<b>LTP Annual Plan</b>	
<b>2015/16</b>		<b>2016/17</b>	<b>2016/17</b>
<b>\$'000s</b>		<b>\$'000s</b>	<b>\$'000s</b>
	<b>Revenue</b>		
5,569	Rates - General	5,938	5,894
0	Rates - Targeted	0	0
88	Rates - Penalties	88	88
0	Fees & Charges	0	0
0	Other Income	0	0
<b>5,657</b>	<b>Total Comprehensive Revenue</b>	<b>6,025</b>	<b>5,982</b>
	<b>Direct Costs</b>		
5,176	Direct Costs	5,525	5,528
14	Interest	13	27
6	Depreciation	18	11
<b>5,197</b>	<b>Total Direct Operating Expenditure</b>	<b>5,556</b>	<b>5,567</b>
460	Indirect Costs	469	415
<b>460</b>	<b>Total Indirect Costs</b>	<b>469</b>	<b>415</b>
<b>5,657</b>	<b>Total Operating Expenditure</b>	<b>6,025</b>	<b>5,982</b>
<b>0</b>	<b>NET SURPLUS / (DEFICIT)</b>	<b>0</b>	<b>0</b>

<b>STATEMENT OF SOURCE AND APPLICATION OF FUNDS</b>			
<b>LTP</b>		<b>LTP Annual Plan</b>	
<b>2015/16</b>		<b>2016/17</b>	<b>2016/17</b>
<b>\$'000s</b>		<b>\$'000s</b>	<b>\$'000s</b>
	<b>CAPITAL STATEMENT</b>		
0	Net Surplus/(Deficit)	0	0
0	Loan	0	0
20	Appropriation from Reserves	20	34
0	Notional Loans Raised	0	0
0	Appropriation to Reserves	0	0
<b>20</b>	<b>Total Funding</b>	<b>20</b>	<b>34</b>
	<b>Capital Expenditure</b>		
0	Capital Projects	0	0
20	Debt Repayment	20	34
<b>20</b>	<b>Total Capital Expenditure</b>	<b>20</b>	<b>34</b>
<b>0</b>	<b>NET SURPLUS/(DEFICIT)</b>	<b>0</b>	<b>0</b>

## What we do

For full details on this activity please see pages 339 to 348 of the LTP 2015-25.

- The Council Advisory Services team produces and circulates agendas to all Council, Community Board and Committee meetings in accordance with the provisions of the relevant legislation.
- We also oversee the election and by-election processes.

## Why we do it

The Elected Members of the District are the community's representatives; making decisions on behalf of and in the interests of the community.

Council Advisory Services oversees the election and induction processes, and provides support to elected members throughout the triennium. Local Government impacts everyone so it is important for Council to communicate with people about what it does, what is planned, and how it may impact the district.

Our key objectives are:

- To facilitate local governance, collective strategy and action with our communities.
- To be transparent and open, listen to and include community views in our decision making.
- Council provides leadership on key issues affecting the District and its communities.

## What has changed?

(From Year Two of the 2015-25 Long Term Plan)

As a result of consultation Council confirmed the restoration of Community Board Grant funding.

The focus on shared services and continuing Council's service delivery reviews to meet our strategic direction and legal requirements continues.

We are investing more than we originally anticipated when we put together the LTP to work collaboratively with the Northland councils and strategic partners to find and deliver the same (or improved) levels of service for less (or the same cost). Our internal council service delivery reviews will be independently assessed to ensure we are on the right track and delivering value to the Far North communities.

The progress and results of the work started in 2015/16 in roading, water, wastewater, drainage, flood risk management (including private and community solutions alongside Council provided services), i-sites and libraries, information technology, and back office functions will impact on the programme of work for 2016/17.

The change in our approach to Māori freehold land will be enhanced by the creation of a team (within the Corporate Services area) that is focussed on working with land owners to:

- firstly help them get governance / decision-making structures in place so they can make decisions about their land and
- secondly (working in association with other government agencies and other departments of Council) to help identify development opportunities (if that is what is desired) and to get the appropriate consents and approvals in place.

## Activity performance indicators

<b>Level of Service</b> Ensure provision of high quality services to Council and elected members.			
<b>Performance Measure</b>	<b>Target 2016/17</b>	<b>Target 2017/18</b>	<b>Target 2018-25</b>
Percentage of residents aware of their Community Board	≥73%	≥73%	≥73%

<b>Level of Service</b> Council's activities are known and understood.			
<b>Performance Measure</b>	<b>Target 2016/17</b>	<b>Target 2017/18</b>	<b>Target 2018-25</b>
Percentage of residents who feel either very well informed or well informed about what Council is doing	≥80%	≥80%	≥80%

# Governance and Strategic Administration

## Financial Forecast and Statements

<b>PROSPECTIVE STATEMENT OF FINANCIAL PERFORMANCE</b>			
<b>LTP</b>		<b>LTP Annual Plan</b>	
<b>2015/16</b>		<b>2016/17</b>	<b>2016/17</b>
<b>\$'000s</b>		<b>\$'000s</b>	<b>\$'000s</b>
	<b>Revenue</b>		
5,109	Rates - General	5,504	4,775
189	Rates - Penalties	189	189
90	Fees & Charges	90	99
0	Other Contributions	0	0
246	Other Income	339	493
<b>5,635</b>	<b>Total Comprehensive Revenue</b>	<b>6,122</b>	<b>5,555</b>
	<b>Direct Costs</b>		
3,169	Direct Costs	3,555	3,741
550	Interest	550	520
0	Depreciation	0	0
<b>3,719</b>	<b>Total Direct Operating Expenditure</b>	<b>4,105</b>	<b>4,261</b>
590	Indirect Costs	595	803
<b>590</b>	<b>Total Indirect Costs</b>	<b>595</b>	<b>803</b>
<b>4,309</b>	<b>Total Operating Expenditure</b>	<b>4,700</b>	<b>5,064</b>
<b>1,326</b>	<b>NET SURPLUS / (DEFICIT)</b>	<b>1,422</b>	<b>491</b>

<b>STATEMENT OF SOURCE AND APPLICATION OF FUNDS</b>			
<b>LTP</b>		<b>LTP Annual Plan</b>	
<b>2015/16</b>		<b>2016/17</b>	<b>2016/17</b>
<b>\$'000s</b>		<b>\$'000s</b>	<b>\$'000s</b>
	<b>CAPITAL STATEMENT</b>		
1,326	Net Surplus/(Deficit)	1,422	491
0	Loan	0	0
1,602	Appropriation from Reserves	2,074	2,448
1,135	Notional Loans Raised	51	553
(1,326)	Appropriation to Reserves	(1,422)	(491)
<b>2,737</b>	<b>Total Funding</b>	<b>2,125</b>	<b>3,001</b>
	<b>Capital Expenditure</b>		
2,468	Capital Projects	1,800	2,656
269	Debt Repayment	326	345
<b>2,737</b>	<b>Total Capital Expenditure</b>	<b>2,125</b>	<b>3,001</b>
<b>0</b>	<b>NET SURPLUS/(DEFICIT)</b>	<b>0</b>	<b>0</b>

# Governance and Strategic Administration

CAPITAL PROJECTS BY WARD			
LTP Governance & Strategic Administration		LTP	Annual Plan
2015/16 Project Name		2016/17	2016/17
\$'000s		\$'000s	\$'000s
<b>LEVEL OF SERVICE WORKS</b>			
<b>District</b>			
<b>Building Services</b>			
0	Building Services	0	70
200	Kaikohe - Extension / Improvements to HQ including Library and Other	0	80
220	Kerikeri - Additional FNDC Staff Capacity	0	0
28	Kerikeri - Proctor Library HVAC	0	0
<b>448</b>	<b>Building Services Total</b>	<b>0</b>	<b>150</b>
<b>Corporate Services Administration</b>			
23	Office Equipment	0	0
<b>23</b>	<b>Corporate Services Administration Total</b>	<b>0</b>	<b>0</b>
<b>Information Management Administration</b>			
50	IT Data Warehouse & Data Reporting Services	51	0
0	IT Desktop Computer Equipment	0	180
50	IT Equipment	0	0
0	IT Property File Digitisation	0	73
0	IT SCADA System & Data Resiliency	0	100
0	IT Vehicle Tracking Equipment & Software	0	50
<b>100</b>	<b>Information Management Administration Total</b>	<b>51</b>	<b>403</b>
<b>Pool Vehicles</b>			
350	Pool Vehicles	0	0
215	Pool Vehicles Vehicle Tracking	0	0
<b>565</b>	<b>Pool Vehicles Total</b>	<b>0</b>	<b>0</b>
<b>1,135</b>	<b>District Total</b>	<b>51</b>	<b>553</b>
<b>1,135</b>	<b>LEVEL OF SERVICE WORKS TOTAL</b>	<b>51</b>	<b>553</b>
<b>RENEWAL WORKS</b>			
<b>District</b>			
<b>Building Services</b>			
196	Building Services Renewals	34	253
0	Kaikohe Archives -Site Specifics	0	13
0	Kaikohe Services Centre - Site Specifics	0	13
0	Kaikohe Training Yard Yard - Site Specifics	0	7
0	Kaikohe Training Yard Yard -Fit out	0	90
<b>196</b>	<b>Building Services Total</b>	<b>34</b>	<b>376</b>
<b>Business Performance</b>			
0	Business Performance Renewals	14	0
<b>0</b>	<b>Business Performance Total</b>	<b>14</b>	<b>0</b>

# Governance and Strategic Administration

<b>CAPITAL PROJECTS BY WARD (continued)</b>			
<b>LTP Governance &amp; Strategic Administration</b>		<b>LTP</b>	<b>Annual Plan</b>
<b>2015/16 Project Name</b>		<b>2016/17</b>	<b>2016/17</b>
<b>\$'000s</b>		<b>\$'000s</b>	<b>\$'000s</b>
<b>LEVEL OF SERVICE WORKS</b>			
<b>RENEWAL WORKS</b>			
<b>District</b>			
<b>Corporate Services Administration</b>			
31 Office Equipment Renewals		67	78
<b>31 Corporate Services Administration Total</b>		<b>67</b>	<b>78</b>
<b>Information Management Administration</b>			
0 IT Computer Equipment Replacement Renewals		0	143
0 IT EDRMS Renewals		0	742
298 IT Equipment Renewals		442	0
225 IT FNDC Website Renewals		0	0
69 IT GIS Renewals		0	69
0 IT Pathway Upgrade Renewals		0	165
0 IT Peripheral Computer Equipment Renewals		0	53
0 IT Servers & Storage Replacement Renewals		0	54
211 IT Software Renewals		977	0
0 IT Techone Renewals		0	10
0 IT Upgrade of Computer Systems		0	247
0 IT Video Conferencing Renewals		0	13
<b>803 Information Management Administration Total</b>		<b>1,419</b>	<b>1,495</b>
<b>Mail &amp; Document Delivery</b>			
33 Vehicle Renewal		1	0
<b>33 Mail &amp; Document Delivery Total</b>		<b>1</b>	<b>0</b>
<b>Pool Vehicles</b>			
272 Pool Vehicles Renewals		214	117
<b>272 Pool Vehicles Total</b>		<b>214</b>	<b>117</b>
<b>Project Management Office</b>			
0 Business Performance Renewals		0	14
<b>0 Project Management Office Total</b>		<b>0</b>	<b>14</b>
<b>Telephony Infrastructure</b>			
0 IT Telephony Upgrade Renewals		0	23
<b>0 Telephony Infrastructure Total</b>		<b>0</b>	<b>23</b>
<b>1,333 District Total</b>		<b>1,748</b>	<b>2,102</b>
<b>1,333 RENEWAL WORKS TOTAL</b>		<b>1,748</b>	<b>2,102</b>
<b>2,468 GRAND TOTAL Governance &amp; Strategic Administr</b>		<b>1,800</b>	<b>2,656</b>

## Activity Performance Indicators

The performance measures and targets are set as part of FNHL Statement of Intent (SOI). The SOI is developed by Far North Holdings Limited in accordance with section 64(1) of the Local Government Act 2002. It represents the objectives, nature and scope of activities and performance targets by which FNHL will be measured. It covers the period from 1st July 2015 to 30 June 2018.

Financial Performance Objectives			
<b>Performance Objective</b> Engage in successful commercial transactions			
<b>Measure</b> Growth in Shareholder value	<b>Target 2015/16</b> Shareholders' funds increase by \$0.571m, after payment of dividend.	<b>Target 2016/17</b> Shareholders' funds increase by \$0.601m, after payment of the dividend.	<b>Target 2017/18</b> Shareholders' funds increase by \$0.637m, after payment of the dividend.
<b>Performance Objective</b> Provide a commercial return to FNDC			
<b>Measure</b> Dividend return to FNDC	<b>Target 2015/16</b> Dividend of \$571,000	<b>Target 2016/17</b> Dividend of \$601,000	<b>Target 2017/18</b> Dividend of \$637,000
<b>Performance Objective</b> Effective Financial Management			
<b>Measure</b> Annual operating Profit to exceed \$500,000	<b>Target 2015/16</b> \$1.143m	<b>Target 2016/17</b> \$1.203m	<b>Target 2017/18</b> \$1.275m
<b>Performance Objective</b> To achieve a return on funds invested			
<b>Measure</b> Return on Investment (ROI) is higher than the average cost of borrowing on its commercial assets.	<b>Target 2015/16</b> ROI 5.78% AV cost of borrowings 5.5%	<b>Target 2016/17</b> ROI 5.87% AV cost of borrowings 5.5%	<b>Target 2017/18</b> ROI 5.79% AV cost of borrowings 5.5%
<b>Performance Objective</b> Asset growth and development			
<b>Measure</b> Capital Expenditure	<b>Target 2015/16</b> \$926,000	<b>Target 2016/17</b> \$990,000	<b>Target 2017/18</b> \$650,000
<b>Performance Objective</b> Effective Governance and Financial Control			
<b>Measure</b> Clean audit sign off each year from Audit NZ. Annual Board Review with appointed Audit NZ representative. To remain within Banking covenants. Quarterly audit review by BDO. Board Audit and Finance committee meetings to be conducted semi-annually.			
<b>Council Controlled Organisation Initiatives</b> Ensure that the Bay of Islands Airport operates within regulatory requirements.			
<b>Measure</b> CAA Certification	<b>Target 2015/16</b> To achieve	<b>Target 2016/17</b> To achieve	<b>Target 2017/18</b> To achieve

Non-Financial Performance Objectives			
<b>Performance Objective</b> Enhancing the Far North as a destination			
<b>Measure</b> Each year complete at least one customer and airline industry survey that demonstrates satisfaction levels with facilities and services at either Kerikeri or Kaitaia airports.	<b>Target 2015/16</b> 80%	<b>Target 2016/17</b> 80%	<b>Target 2017/18</b> 80%
<b>Performance Objective</b> Enhancing and developing a maritime economy			
<b>Measure</b> Each year complete at least one marina user or maritime services customer satisfaction survey that demonstrates satisfaction levels with facilities and services available.	<b>Target 2015/16</b> 80%	<b>Target 2016/17</b> 80%	<b>Target 2017/18</b> 80%
<b>Performance Objective</b> Enhancing the Far North as a destination			
<b>Measure</b> Complete bi-annual customer satisfaction surveys with Cruise Ship industry that demonstrates satisfaction levels with Far North Holdings as security authority and provider of disembarking infrastructure.	<b>Target 2015/16</b> 80%	<b>Target 2016/17</b> 80%	<b>Target 2017/18</b> 80%

# **Forecast Financial Statements**

## Whole of Council Financial Statements

### Annual Plan Disclosure Statement for the Year Ending 30 June 2017

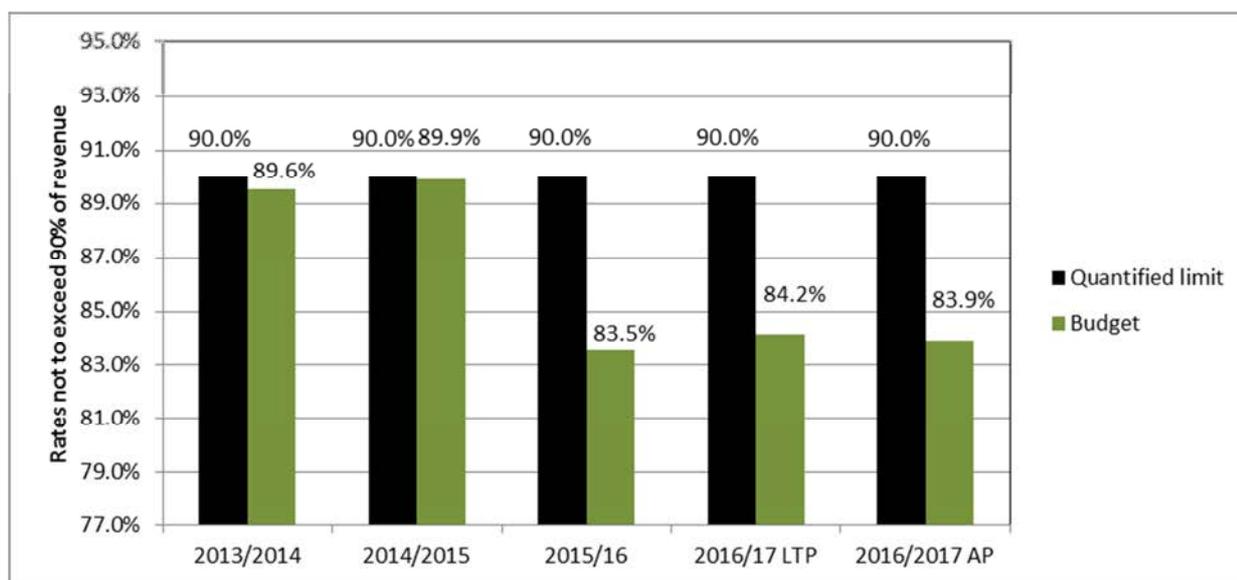
The purpose of this statement is to disclose the council's planned financial performance in relation to various benchmarks to enable the assessment of whether the council is prudently managing its revenues, expenses, assets, liabilities, and general financial dealings.

The council is required to include this statement in its annual plan in accordance with the Local Government (Financial Reporting and Prudence) Regulations 2014 (the **regulations**). Refer to the regulations for more information, including definitions of some of the terms used in this statement.

Benchmark		Planned Target	Met
<b>Rates affordability</b>			
• income	Rates will not exceed 90% of income	83.90%	Yes
• increases	Increase will not exceed LGCI +3.5% which equals 5.4% for this year	4.13%	Yes
<b>Debt affordability</b>	Debt is not to exceed 175% of revenue excluding capital income	53.3%	Yes
<b>Balanced budget</b>	100%	103.79%	Yes
<b>Essential services</b>	100%	172.09%	Yes
<b>Debt servicing</b>	10%	3.99%	Yes

#### Notes

##### Rates affordability benchmark



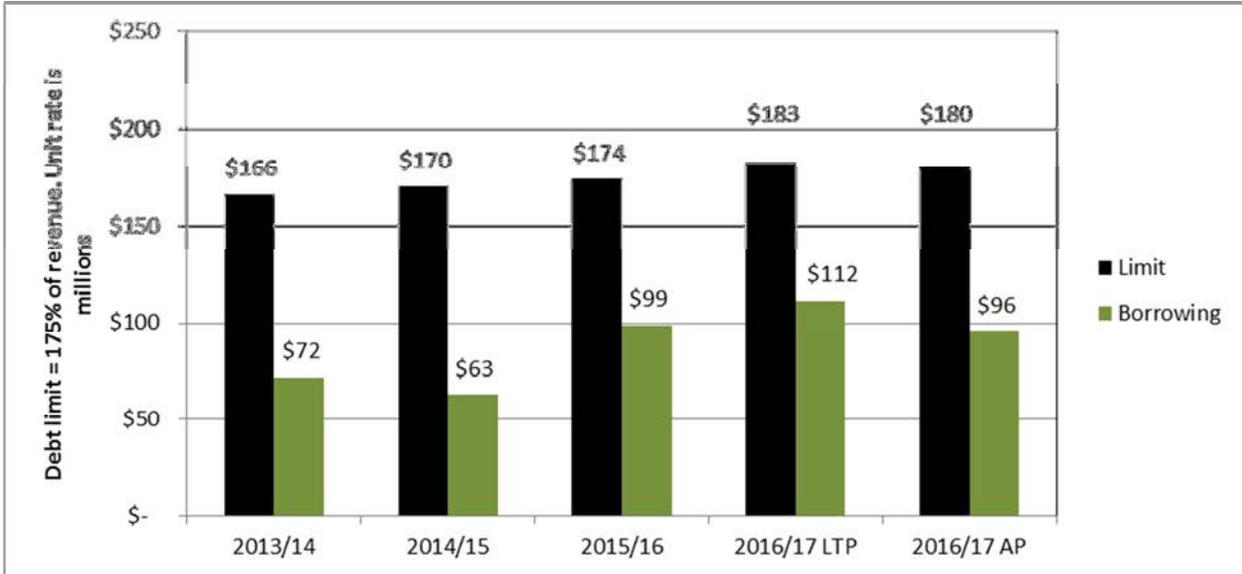
(1) For this benchmark,—

- the council's planned rates income for the year is compared with a quantified limit on rates contained in the financial strategy included in the council's long-term plan. This is that rate income must not exceed 90% of revenue; and
- the council's planned rates increases for the year are compared with a quantified limit on rates increases for the year contained in the financial strategy included in the council's long-term plan. This is that the increase will not be more than LGCI plus 3.5%

# Financial Statements

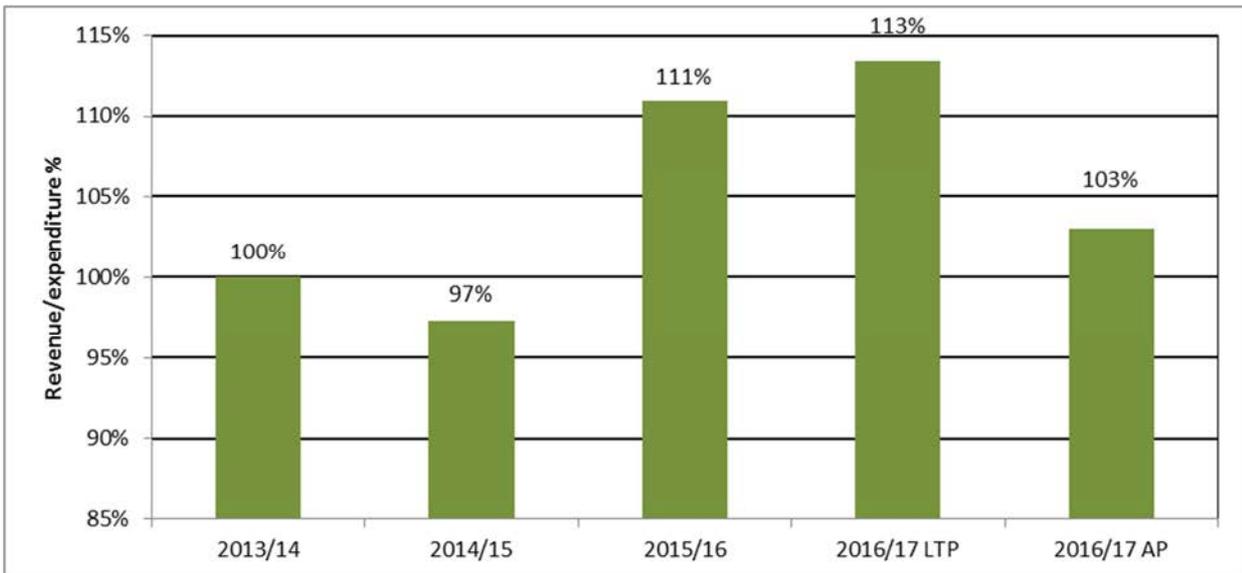
- (2) The council meets the rates affordability benchmark if—
  - a) its planned rates income for the year equals or is less than each quantified limit on rates; and
  - b) its planned rates increases for the year equal or are less than each quantified limit on rates increases.

## Debt affordability benchmark



- (1) For this benchmark, the council's planned borrowing is compared with a quantified limit on borrowing contained in the financial strategy included in the council's long-term plan. This is that debt will not be greater than 175% of revenue excluding capital revenue
- (2) The council meets the debt affordability benchmark if its planned borrowing is within each quantified limit on borrowing.

## Balanced budget benchmark

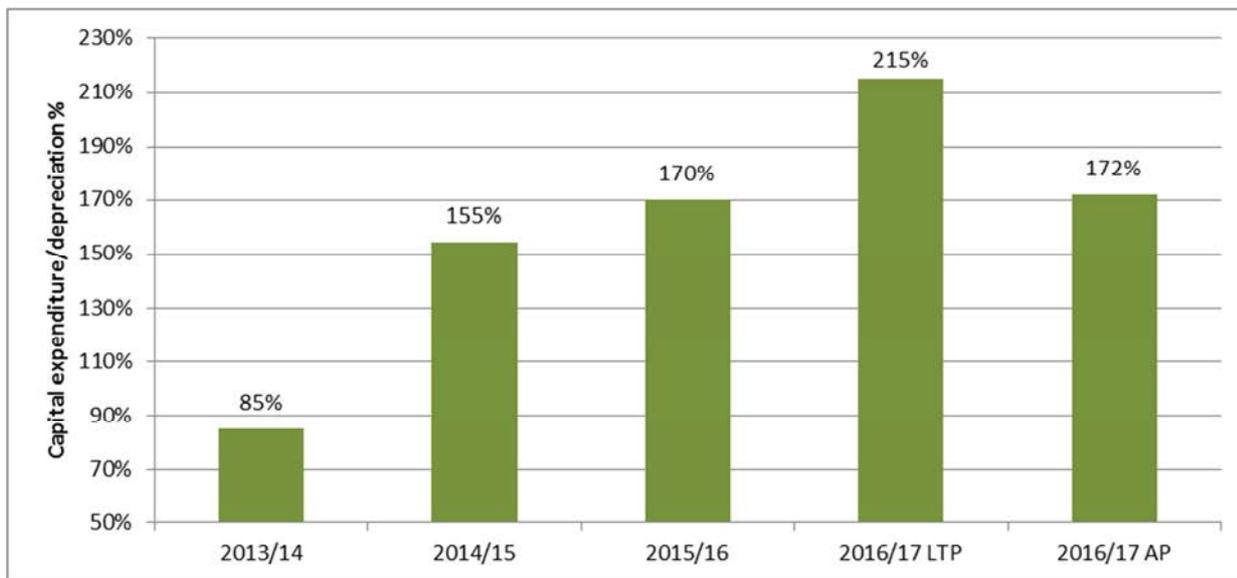


- (1) For this benchmark, the council's planned revenue (excluding development contributions, vested assets, financial contributions, gains on derivative financial instruments, and revaluations of property, plant, or equipment) is presented as a proportion of its planned operating expenses (excluding losses on derivative financial instruments and revaluations of property, plant, or equipment).

# Financial Statements

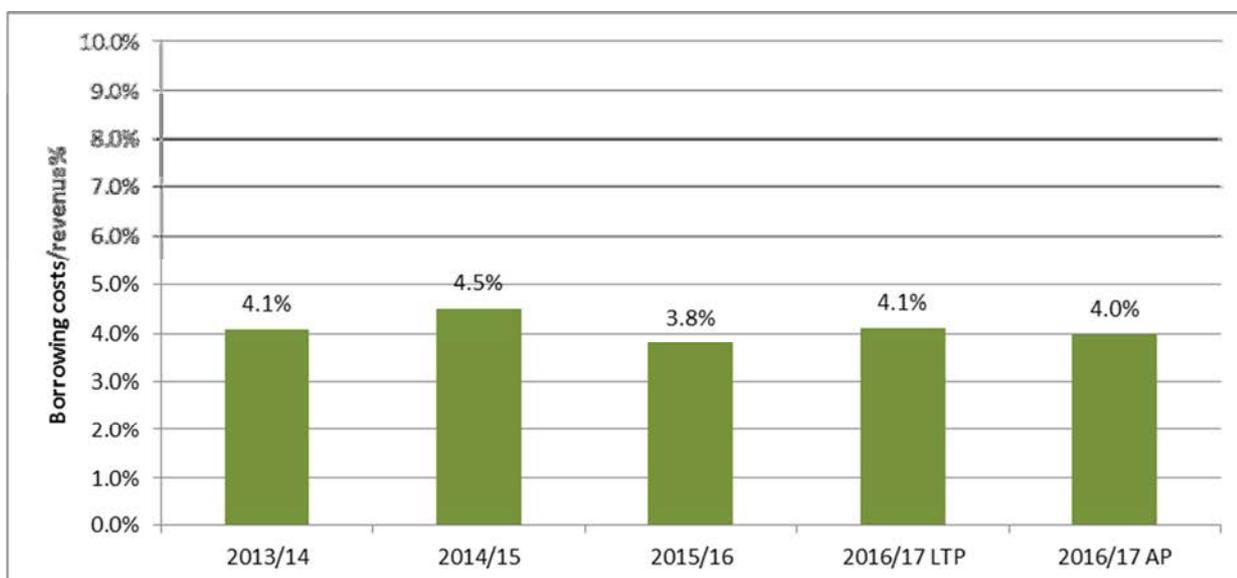
- (2) The council meets the balanced budget benchmark if its revenue equals or is greater than its operating expenses.

## Essential services benchmark



- (1) For this benchmark, the council's planned capital expenditure on network services is presented as a proportion of expected depreciation on network services.
- (2) The council meets the essential services benchmark if its planned capital expenditure on network services equals or is greater than expected depreciation on network services.

## Debt servicing benchmark



- (1) For this benchmark, the council's planned borrowing costs are presented as a proportion of planned revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant, or equipment).
- (2) Because Statistics New Zealand projects that the council's population will grow slower than the national population growth rate, it meets the debt servicing benchmark if its planned borrowing costs equal or are less than 10% of its planned revenue.

Following is the 2016/17 prospective financial forecast covering the whole of Council and activity groups.

# Financial Statements

## Prospective Statement of Comprehensive Revenue and Expenses

LTP 2015/16 \$'000s		LTP Annual Plan 2016/17 2016/17 \$'000s	
<b>Revenue</b>			
47,927	Rates - General	50,850	47,006
2,057	Rates - Targeted Water	2,408	2,064
25,315	Rates - Targeted Excluding Water	26,607	27,333
2,085	Rates - Penalties	2,085	2,084
14,125	Fees & Charges	14,117	14,105
6,977	Subsidies Operational	7,090	6,948
19,288	Subsidies Capital	21,291	12,419
0	Other Contributions	545	545
1,148	Other Income	1,282	1,355
<b>118,922</b>	<b>Total Comprehensive Revenue</b>	<b>126,276</b>	<b>113,859</b>
<b>Expenditure</b>			
22,110	District Facilities	22,964	24,246
9,820	Environmental Management	10,203	10,599
6,355	Governance & Strategic	6,797	5,064
33,692	Roading and Footpaths	35,240	35,171
2,280	Stormwater	2,326	2,492
5,657	Strategic Planning & Policy	6,025	5,982
5,159	Waste Management	5,365	4,820
13,856	Wastewater	13,767	13,019
8,251	Water Supply	8,603	8,238
<b>107,179</b>	<b>Total Operating Expenditure</b>	<b>111,291</b>	<b>109,630</b>
<b>11,743</b>	<b>Net Operating Surplus/(Deficit)</b>	<b>14,985</b>	<b>4,229</b>

# Financial Statements

## Prospective Statement of Source and Application of Funds

LTP 2015/16 \$'000s		LTP Annual Plan 2016/17 2016/17 \$'000s	
<b>CAPITAL STATEMENT</b>			
11,743	Net Surplus/(Deficit)	14,985	4,229
2,706	Loan	1,887	1,887
27,538	Other Funding	37,366	31,686
16,004	Notional Loans Raised	17,258	23,803
(2,517)	Appropriation to Reserves	(4,115)	(3,319)
<b>55,475</b>	<b>Total Funding</b>	<b>67,381</b>	<b>58,286</b>
<b>Capital Expenditure</b>			
49,608	Capital Projects	60,598	51,882
5,867	Debt Repayment	6,783	6,404
<b>55,475</b>	<b>Total Capital Expenditure</b>	<b>67,381</b>	<b>58,286</b>
<b>0 NET SURPLUS/(DEFICIT)</b>		<b>0</b>	<b>0</b>
Depreciation in the statement of financial performance differs from the depreciation shown in the funding impact statement reconciliation as depreciation on corporate activities is allocated to the activities and forms part of the direct and indirect costs.			
LTP 2015/16 \$'000s		LTP Annual Plan 2016/17 2016/17 \$'000s	
<b>Expenses by expense type</b>			
21,993	Personnel costs	22,579	24,268
26,965	Depreciation & amortisation costs	28,653	29,704
4,526	Finance costs	5,161	4,365
53,695	Other expenses	54,898	51,292
<b>107,179</b>	<b>Total operating expenses</b>	<b>111,291</b>	<b>109,630</b>

## Prospective Statement of Changes In Equity For The Year Ended 30 June 2017

LTP 2015/16 \$'000s	Revised 2015/16 \$'000s	PROSPECTIVE FINANCIAL STATEMENT 2016/17	LTP 2016/17 \$'000s	Annual Plan 2016/17 \$'000s
1,647,621	1,598,375	Opening Balance	1,720,754	1,645,964
73,133	47,589	Total Comprehensive Income	82,597	47,957
<b>1,720,754</b>	<b>1,645,964</b>	<b>Closing Balance</b>	<b>1,803,351</b>	<b>1,693,921</b>

# Financial Statements

## Prospective Statement of Financial Position For The Year Ended 30 June 2017

LTP 2015/16 \$'000s	Revised 2015/16 \$'000s		LTP 2016/17 \$'000s	Annual Plan 2016/17 \$'000s
		<b>PUBLIC EQUITY</b>		
352,392	341,097	Other reserves	394,977	384,825
4,608	2,504	Restricted reserves	4,911	2,504
1,363,755	1,302,363	Retained earnings	1,403,462	1,306,592
<b>1,720,754</b>	<b>1,645,965</b>	<b>Public Equity</b>	<b>1,803,351</b>	<b>1,693,921</b>
		<b>Represented by:</b>		
		<b>CURRENT ASSETS</b>		
1,430	652	Cash & cash equivalents	1,466	9,284
33,969	33,248	Trade & other receivables	34,819	33,880
4,268	2,040	Other financial assets	4,370	2,079
67	93	Inventories	67	93
<b>39,734</b>	<b>36,033</b>	<b>Current Assets</b>	<b>40,722</b>	<b>45,335</b>
		<b>Less:</b>		
		<b>CURRENT LIABILITIES</b>		
20,792	20,792	Trade & other payables	21,312	21,188
5,003	8,000	Borrowings	48,639	28,000
44	0	Provisions	19	46
63	63	Derivative financial instruments	63	0
1,814	1,814	Employee benefits	1,859	1,977
<b>27,716</b>	<b>30,669</b>	<b>Current Liabilities</b>	<b>71,892</b>	<b>51,210</b>
<b>12,019</b>	<b>5,365</b>	<b>Working Capital</b>	<b>(31,170)</b>	<b>(5,875)</b>
LTP 2015/16 \$'000s	Revised 2015/16 \$'000s		LTP 2016/17 \$'000s	Annual Plan 2016/17 \$'000s
		<b>NON CURRENT ASSETS</b>		
96	263	Other financial assets	96	263
493	553	Forestry	497	558
13,717	12,706	Intangible assets	13,437	12,426
12,000	12,000	Investments in subsidiaries	12,000	12,000
1,175		Derivative financial instruments	1,175	0
1,774,367	1,685,099	Property, plant & equipment	1,871,820	1,743,338
<b>1,801,848</b>	<b>1,710,621</b>	<b>Non Current Assets</b>	<b>1,899,025</b>	<b>1,768,585</b>
		<b>NON CURRENT LIABILITIES</b>		
92,267	68,940	Borrowings	63,678	67,510
0	0	Trade & other payables	0	0
25	461	Derivative financial instruments	25	461
0	0	Employee benefits	0	0
821	620	Provisions	802	820
<b>93,113</b>	<b>70,021</b>	<b>Non Current Liabilities</b>	<b>64,505</b>	<b>68,791</b>
<b>1,720,754</b>	<b>1,645,965</b>	<b>Net Assets</b>	<b>1,803,351</b>	<b>1,693,921</b>

# Financial Statements

## Prospective Statement of Cashflows For The Year Ended 30 June 2017

LTP 2015/16 \$'000s		LTP 2016/17 \$'000s	Annual Plan 2016/17 \$'000s
	<b>OPERATING ACTIVITIES</b>		
	<b>Cash was provided from:</b>		
82,429	Rates	87,478	86,151
36,318	Other Income	35,504	29,173
0	Interest and Dividends	0	0
<b>118,747</b>		<b>122,982</b>	<b>115,324</b>
	<b>Cash was applied to:</b>		
79,191	Supply of Goods, Services & Employees	75,429	73,640
4,526	Interest Paid	5,075	4,631
57	Fringe Benefit Tax Paid	62	62
<b>83,774</b>		<b>80,566</b>	<b>78,333</b>
	<b>Net Cash Inflows / (Outflows) from Operating Activities</b>		
<b>34,973</b>		<b>42,416</b>	<b>36,991</b>
	<b>FINANCING ACTIVITIES</b>		
	<b>Cash was provided from:</b>		
16,936	Borrowing	22,182	29,927
<b>16,936</b>		<b>22,182</b>	<b>29,927</b>
	<b>Cash was applied to:</b>		
5,867	Borrowing	6,695	6,404
<b>5,867</b>		<b>6,695</b>	<b>6,404</b>
<b>11,069</b>	<b>Net Cash Inflows / (Outflows) from Financing Activities</b>	<b>15,487</b>	<b>23,523</b>

# Financial Statements

## Prospective Statement Of Cashflows For The Year Ended 30 June 2017 (Cont.)

LTP 2015/16 \$'000s		LTP 2016/17 \$'000s	Annual Plan 2016/17 \$'000s
	<b>INVESTING ACTIVITIES</b>		
	<i>Cash was provided from:</i>		
	<i>Cash was applied to:</i>		
48,186	Purchase & Development of Property, Plant & Equipment	57,868	51,882
<b>48,186</b>		<b>57,868</b>	<b>51,882</b>
<b>(48,186)</b>	<b>Net Cash Inflows / (Outflows) from Investing Activities</b>	<b>(57,868)</b>	<b>(51,882)</b>
<b>(2,144)</b>	<b>Net Increase / (Decrease) in Cash Flows</b>	<b>35</b>	<b>8,632</b>
	<b>NET CASH POSITION</b>		
	<i>Opening Balances 1 July</i>		
3,574	Cash & cash Equivalents	1,430	652
<b>3,574</b>		<b>1,430</b>	<b>652</b>
	<i>Less Balances 30 June</i>		
1,430	Cash & cash Equivalents	1,466	9,284
<b>1,430</b>		<b>1,466</b>	<b>9,284</b>
<b>(2,144)</b>	<b>Cash Movements for the Year</b>	<b>35</b>	<b>8,632</b>

# Financial Statements

## Reserve Balances Report

LTP 2015/16		LTP 2016/17	Annual Plan 2016/17
<b>Revaluation Reserves</b>			
303,131	Opening Balance	348,211	338,977
35,846	Appropriations	41,218	43,728
<b>338,977</b>	<b>Closing Balance</b>	<b>389,429</b>	<b>382,705</b>
<b>Fair Value through Equity Reserve</b>			
58	Opening balance	51	58
<b>58</b>	<b>Closing balance</b>	<b>51</b>	<b>58</b>
<b>Capital Reserve</b>			
2,697	Opening balance	2,697	2,697
<b>2,697</b>	<b>Closing balance</b>	<b>2,697</b>	<b>2,697</b>
<b>Cash Flow Hedge Reserve</b>			
(634)	Opening balance	785	(634)
<b>(634)</b>	<b>Closing balance</b>	<b>785</b>	<b>(634)</b>
<b>General Separate Fund</b>			
914	Opening Balance	646	(284)
<b>914</b>	<b>Closing Balance</b>	<b>646</b>	<b>(284)</b>
<b>Special Fund</b>			
4,174	Opening Balance	3,961	4,174
<b>4,174</b>	<b>Closing Balance</b>	<b>3,961</b>	<b>4,174</b>
<b>Amenity Development Fund</b>			
242	Opening Balance	242	242
<b>242</b>	<b>Closing Balance</b>	<b>242</b>	<b>242</b>
<b>Community Board Reserve Funds</b>			
234	Opening balance	234	234
<b>234</b>	<b>Closing Balance</b>	<b>234</b>	<b>234</b>
<b>Community Services Fund</b>			
(1,862)	Opening Balance	(1,187)	(1,862)
<b>(1,862)</b>	<b>Closing Balance</b>	<b>(1,187)</b>	<b>(1,862)</b>
<b>Development Contributions</b>			
(17,895)	Opening Balance	(17,895)	(17,895)
<b>(17,895)</b>	<b>Closing Balance</b>	<b>(17,895)</b>	<b>(17,895)</b>

# Financial Statements

## Reserve Balances Report (Cont.)

LTP 2015/16		LTP 2016/17	Annual Plan 2016/17
<b>Open Spaces Development Contributions</b>			
(3,861)	Opening Balance	(3,861)	(3,861)
<b>(3,861)</b>	<b>Closing Balance</b>	<b>(3,861)</b>	<b>(3,861)</b>
<b>Depreciation Reserve</b>			
48,070	Opening Balance	47,826	47,826
28,259	Appropriations	30,212	31,130
(28,503)	Withdrawals	(36,890)	(31,572)
<b>47,826</b>	<b>Closing Balance</b>	<b>41,148</b>	<b>47,384</b>
<b>Retained Earnings</b>			
1,301,956	Opening Balance	1,287,228	1,287,228
0	Retained Earnings Generated	21,256	41,655
(14,728)	Withdrawals	0	(49,017)
<b>1,287,228</b>	<b>Closing Balance</b>	<b>1,308,484</b>	<b>1,279,866</b>
<b>Emergency Event Reserve</b>			
(10)	Opening Balance	396	396
542	Appropriations	542	542
(136)	Withdrawals	(136)	(136)
<b>396</b>	<b>Closing Balance</b>	<b>802</b>	<b>802</b>
<b>Mineral Survey Reserve</b>			
50	Opening Balance	50	50
<b>50</b>	<b>Closing Balance</b>	<b>50</b>	<b>50</b>
<b>Property Disposal Reserve</b>			
246	Opening Balance	246	246
<b>246</b>	<b>Closing Balance</b>	<b>246</b>	<b>246</b>

## Statement of Accounting Policies

### Reporting Entity

The Far North District Council is a territorial local authority governed by the Local Government Act 2002 and is domiciled and operates in New Zealand. 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 it does not include the consolidated results of Council Controlled Organisations and are prepared in accordance with the requirements of the Local Government Act 2002, which includes the requirement to comply with Generally Accepted Accounting Practice (GAAP).

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

These prospective financial statements are for the year ended 30 June 2017 and were authorised by Far North District Council for issue on 15 June 2016.

### Basis of Preparation

#### **Statement of compliance**

These 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).

These prospective financial statements have been prepared in accordance with NZ GAAP. They comply with the PBE International Public Sector Accounting Standards (IPSAS), as appropriate for public benefit entities.

In the opinion of Council and the management of the Far North District Council, these prospective financial statements for the year ending 30 June 2017 fairly reflect the 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, investment property and certain financial instruments (including derivatives).

#### **Functional and presentation currency**

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

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

In May 2013, the External Reporting Board issued a new suite of PBE accounting standards for application by public sector entities for reporting periods beginning on or after 1 July 2014. The Council has applied these standards in preparing the prospective financial statements.

In October 2014, the PBE suite of accounting standards was updated to incorporate requirements and guidance for the not-for-profit sector. These updated standards apply to PBE's with reporting periods beginning on or after 1 April 2015. The Council will apply these updated standards in preparing its 30 June 2017 prospective financial statements. The Council expects there will be minimal or no change in applying these updated accounting standards.

## Specific Accounting Policies

### (a) 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 charged directly to significant activities. Indirect costs are charged to significant activities based on cost drivers and related activity / usage information.

### (b) Criteria for Direct and Indirect Costs

"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.

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.

### (c) Prospective Financial Statements

The prospective financial statements, as provided within each of the council activities, report the net cost of services for significant activities of council, and are represented by the costs of providing the service less all directly related revenue that can be allocated to these activities.

### (d) Revenue

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

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

Rates revenue

The following policies for rates have been applied:

- General rates, targeted rates (excluding water-by-meter), and uniform annual general charges are recognised at the start of the financial year to which the rates resolution relates. They are recognised at the amounts due. The Council considers the effect of payment of rates by instalments is not sufficient to require discounting of rates receivables and subsequent recognition of interest revenue.
- Rates arising from late payment penalties are 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 until the criteria for payment are reached.
- Revenue from water-by-meter rates is recognised on an accrual basis based on usage. Unbilled usage, as a result of unread meters at year end, is accrued on an average usage basis.
- 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.

### 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.

# Financial Statements

---

## **Building and resource consent revenue.**

Fees and charges for building and resource consents are recognised on a stage of completion basis.

## **Landfill fees**

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

## **New Zealand Transport Agency roading subsidies**

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

## **Vested or donated physical assets**

For assets received for no or nominal consideration, the asset is recognised at its fair value when Council obtains control of the asset. The fair value of the asset is recognised as revenue, unless there is a use or return condition attached to the asset.

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.

## **Other grants received**

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

## **Rendering of services**

Revenue from services rendered is recognised in proportion to the stage of completion of the transaction at the Statement of Financial Position date. The stage of completion is assessed by reference to surveys of work performed. No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods or continuing management involvement with the goods.

## **Sale of goods**

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

## **Rental revenue**

Rental revenue is recognised in the Statement of Comprehensive Revenue & Expenses 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 / agency revenue**

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

## **Interest**

Interest revenue is recognised using the effective interest method.

# Financial Statements

---

## **(e) Borrowing**

### **Borrowing**

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

Borrowings are classified as current liabilities unless Council has an unconditional right to defer settlement of the liability for at least 12 months after balance date.

### **Borrowing costs**

Borrowing costs are expensed in the period they are incurred.

## **(f) Grant expenditure**

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

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

## **(g) Taxation**

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised against the surplus or deficit except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable revenue for the year, using tax rates enacted at the Statement of Financial Position date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided using the Statement of Financial Position liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that affect neither accounting nor taxable profit, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the Statement of Financial Position date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

## **(h) Goods and Services Tax (GST)**

All items in the financial statements are exclusive of GST. Where GST is not recoverable as an input tax then it is recognised as part of the related asset or expense.

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

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

Commitments and contingencies are disclosed exclusive of GST.

# Financial Statements

---

## (i) Leases

### Finance lease

Leases that effectively transfer to the lessee substantially all risks and benefits incident to ownership of the leased item are classified as finance leases. At the commencement of the lease term, Council recognises the finance leases as assets and capitalises them at the lower of the fair value of the asset or the present value of the minimum lease payments. The leased assets and corresponding lease liabilities are recognised in the Statement of Financial Position. The leased assets are depreciated over the shorter of the lease term or its useful life.

### Operational lease

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

## (j) Cash and Cash Equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short term highly liquid investments with original maturities of 3 months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the Statement of Financial Position.

## (k) Debtors and Other Receivables

Short term debtors and other receivables are stated at expected face value, less any provision for impairment.

A receivable is impaired when there is objective evidence that Council will not be able to collect amounts due. Significant financial difficulties of the debtor, probability that the debtor will enter into bankruptcy, receivership, or liquidation, and default in payments are considered indicators that the debtor is impaired. The amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the surplus or deficit. When the receivable is uncollectible, it is written off against the allowance account for receivables. Overdue receivables that have been renegotiated are reclassified as current (that is, not past due).

## (l) 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 measured at fair value.

## (m) Employee Entitlements

### Short term employee entitlements

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

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

A liability 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.

# Financial Statements

## Presentation of employee entitlements

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

## Defined contribution schemes

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

## (n) 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 & 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 & equipment consists of:

(i) Operational assets

These include land, buildings, improvements, plant and equipment, and motor vehicles.

(ii) Restricted assets

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

(iii) Infrastructural assets

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

## (o) 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 their fair value. Carrying values of revalued assets are assessed annually to ensure they do not differ materially to fair value. If there is a material difference then a revaluation is performed.

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

- Roothing infrastructural assets;
- Stormwater infrastructural assets;
- Water and sewerage infrastructural assets;
- Drainage infrastructural assets;
- Maritime assets;
- Footpaths and footbridges;
- Carparks;
- Refuse transfer stations;
- Library books;
- Ferry assets;
- Heritage assets; and
- Community facilities buildings.

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

# Financial Statements

## ADDITIONS

The cost of an item of property, plant & equipment is recognized 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 that the cost of the item can be measured reliably.

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

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

## DISPOSALS

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

## DEPRECIATION

Depreciation is provided for on a straight line basis on all property, plant & equipment, other than land and roading formation, at rates that will write off the cost (or valuation) of the assets to their estimated residual values over their useful lives. Assessed economic life is calculated using the methodology in the New Zealand Institute of Asset Management (NZIAM) manual. The useful lives and associated depreciation rates of major classes of assets have been estimated as follows:

### OPERATIONAL ASSETS:

Runways	10 yrs	10%
Buildings	15 – 100 yrs	0.83 – 6.67%
Motor vehicles	3 – 5 yrs	20 – 33%
Plant and machinery	1 – 40 yrs	2.5 – 100%
Wharves (concrete)	10 - 85 yrs	1.17 - 2%
Wharves (timber), moorings & ramps	10 – 50 yrs	2 – 10%
Office furniture & equipment	5 – 15 yrs	6.67 – 20%
Computers	3 - 7 yrs	20 – 33%
Library books	3 – 40 yrs	2.5 – 33%
Heritage assets	10 – 140 yrs	0.71 – 6.7%

# Financial Statements

## INFRASTRUCTURAL ASSETS:

### Roads

Top surface (seal)	5 - 50 yrs	2 – 20%
Pavement (base course) – sealed	35 yrs	2.85%
Culverts, cesspits	15 - 100 yrs	1 – 6.7%
Footpaths	25 – 60 yrs	1.6 – 4%
Kerbs	50 – 80 yrs	1.25 – 2%
Street lights	8– 60 yrs	1.67 – 12.5%
Signs	10 - 15 yrs	6.67 - 10%
Bridges	50 – 100 yrs	1 – 2%
Railings	30 – 50 yrs	2 – 3.3%

### Water Reticulation

Pipes	40 – 100 yrs	1 – 2.5%
Valves, hydrants	50 - 70 yrs	1.43 – 2%
Pump stations	10 – 50 yrs	2 – 10%
Tanks / dams	40 – 80 yrs	1.25 – 2.5%

### Sewerage Reticulation

Pipes	40 - 100yrs	1 – 2.5%
Manholes	80 yrs	1.25%
Treatment plant	15 – 50 yrs	2 – 6.67%

### Stormwater Systems

Pipes	40 – 120 yrs	0.83 – 2.5%
Manholes	100 yrs	1%

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

Land is not depreciated.

### 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 & 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.

# Financial Statements

## (p) Intangible Assets

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

### COMPUTER SOFTWARE

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

### OTHER INTANGIBLE ASSETS

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

Resource consents	5 - 30 years	3.33 - 20%
Easements	100 years	1%
IT Software	3 – 10 years	10 – 33%
Public access rights	10 - 50 years	2 - 10%
Electronic books	5 years	20%

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

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

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

### SUBSEQUENT EXPENDITURE

Subsequent expenditure on capitalised intangible assets is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates, and it meets the definition of, and recognition criteria for, an intangible asset. All other expenditure is expensed as incurred.

### AMORTISATION

An intangible asset with a finite useful life is amortised over the period of that life, annually assessed for indicators of impairment and tested for impairment if indicators of impairment exist and carried at cost less accumulated amortisation and accumulated impairment losses.

An intangible asset with an indefinite useful life is not amortised.

## (q) Forestry Assets

Forestry assets are stated at fair value less point of sale costs and are independently revalued to estimated market valuation based on net present value. The net gain or loss arising from changes in the forest asset valuation is included in the surplus/(deficit). All gains and losses from harvesting are recognised in the Statement of Financial Performance when realised.

Forestry maintenance costs are expensed as incurred.

## (r) 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 reserves to enable

# Financial Statements

---

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

- Accumulated funds;
- Restricted reserves;
- Property revaluation reserves;
- Fair value through equity reserves; and
- Cash flow hedge reserve.

## **Accumulated funds**

- Accumulated comprehensive revenue and expense; and
- Capital reserves.

## **Restricted reserves**

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

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

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

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

## **Property revaluation reserves**

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

## **Fair value through equity reserves.**

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

## **Cash flow hedge reserves**

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

## **(s) Development Costs**

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

## **(t) Financial Assets**

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

- i) Financial assets or financial liabilities at fair value through other comprehensive revenue and expense.

This category has 2 sub categories: financial assets held for trading, and those designated at fair value through profit or loss at inception. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management. Council does not have any financial assets that meet this definition.

# Financial Statements

---

## ii) Loans and receivables

Loans and receivables are non derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after balance date, which are included in non-current assets

After initial recognition they are measured at amortised cost. Gains and losses when the asset is impaired or derecognised are recognised in the surplus/(deficit). Loans and receivables are classified as "trade and other receivables" in the Statement of Financial Position.

## iii) Held to maturity investments

Held to maturity investments are non derivative financial assets with fixed or determinable payments and fixed maturities that management has the positive intention and ability to hold to maturity. Council does not have any financial assets that meet this definition.

## iv) Fair value through equity financial assets

Fair value through equity financial assets are non derivatives that are either designated in this category or not classified in any of the other categories. Financial assets that are included in this category are shares in Local Government Insurance Corporation Limited.

The classification depends on the purpose for which the investments were acquired.

Management determines the classification of its investments at initial recognition and re-evaluates this designation at every reporting date.

### **(u) Impairment of financial assets**

Financial assets are assessed for evidence of impairment at each balance date. Impairment losses are recognised in the surplus or deficit.

#### i) Loans and receivables.

Impairment is established when there is evidence that the Council will not be able to collect amounts due according to the original terms of the receivable. Significant financial difficulties of the debtor, probability that the debtor will enter into bankruptcy, receivership, or liquidation and default in payments are considered an indicator that the asset is impaired. The amount of the impairment is the difference between the assets carrying amount and the present value of estimated future cash flows. For debtors and other receivables the impairment is provided for in a provision and recognised in the surplus or deficit. When the receivable is uncollectible it is written off against the provision.

### **(v) Inventories and Work In Progress**

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. Work in progress is valued at cost. 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).

### **(w) Investment Properties**

Investment properties are properties which are held either to earn rental revenue or for capital appreciation or for both.

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

After initial recognition, Council measures all investment properties at fair value determined annually by an independent valuer. The fair values are based on market values, being the estimated amount for which a property could be exchanged on the date of valuation between a

# Financial Statements

---

willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.

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

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

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

If an investment property becomes owner occupied, it is reclassified as property, plant and equipment and its fair value at the date of reclassification becomes its cost for accounting purposes of subsequent recording. When Council begins to redevelop an existing investment property for continued future use as investment property, the property remains an investment property, which is measured based on fair value, and is not reclassified as property, plant and equipment during the redevelopment.

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

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

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

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

## **(y) Statement of Cash Flows**

Cash or cash equivalents means cash balances on hand, held in bank accounts, demand deposits of 3 months or less and other highly liquid investments in which Council or its subsidiaries invest as part of its day to day cash management.

Operating activities include cash received from all revenue sources of Council and record the cash payments made for the supply of goods and services. Agency transactions (for example, the collection of regional council rates) are recognised as receipts and payments in the Statement of Cash Flows given that they flow through Council's main bank account.

Investing activities are those activities relating to the acquisition and disposal of non current assets.

Financing activities comprise the change in equity and debt capital structure of Council

## **(z) 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 ever events

# Financial Statements

---

or changes in circumstances indicate that the carry amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds the recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

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

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

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

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

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

## **(aa) Non Current Assets Held for Sale**

Non current assets are classified as held for sale and stated at the lower of their carrying amount and fair value less costs to sell if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. An impairment loss is recognised for any initial or subsequent write down of the asset to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non current asset is recognised at the date of de-recognition.

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

Non current assets classified as held for sale are presented separately from the other assets in the Statement of Financial Position.

## **(ab) Critical Accounting Estimates and Assumptions**

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

### **Landfill aftercare provision**

The analysis of the exposure of Council in relation to the estimates and uncertainties surrounding the landfill aftercare provision.

### **Infrastructural Assets**

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

The physical deterioration and condition of an asset. Council may be carrying an asset at an amount that does not reflect its actual condition. This is particularly so for those assets that are not visible, such as stormwater, wastewater and water supply pipes that are underground. This risk is minimised by Council performing physical inspections and assessments;

# Financial Statements

Estimating any obsolescence or surplus capacity of an asset; and

Estimates are made when determining the remaining useful lives over which the asset will be depreciated. If useful lives do not reflect the actual consumption of the benefits of the asset, then Council could be over or under estimating the annual depreciation charge recognised as an expense in the Statement of Comprehensive Revenue & Expense.

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

Experienced independent valuers perform Council's infrastructural asset revaluations.

## **(ac) Derivative Financial Instruments and Hedge Accounting**

Council uses derivative financial instruments to hedge interest rate risks arising from financing activities. In accordance with its Treasury Policy, Council does not hold or issue derivative financial instruments for trading purposes.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair value at each balance date. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

The associated gains or losses of derivatives that are not hedge accounted are recognised in the surplus/(deficit). Council designates certain derivatives as either:

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

Council documents at the inception of the transaction, the relationship between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions. Council also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items.

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

### **Cash flow hedge**

The portion of the gain or loss on a hedging instrument that is determined to be an effective hedge is recognised directly in equity through the Statement of Changes in Equity and the ineffective portion of the gain or loss on the hedging instrument is recognised in the surplus/(deficit).

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

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

If a hedging instrument expires or is sold, terminated, exercised or revoked, or it no longer meets the criteria for hedge accounting, the cumulative gain or loss on the hedging instrument that remains recognised directly in equity from the period when the hedge was effective will remain separately

# Financial Statements

---

recognised in equity until the forecast transaction occurs. When the forecast transaction is no longer expected to occur, any related cumulative gain or loss on the hedging instrument that remains recognised directly in equity from the period when the hedge was effective is reclassified from equity to the surplus/(deficit).

## **(ad) Critical judgments in applying Council's accounting policies**

Management has exercised the following critical judgments in applying the Council accounting policies for the year ended 30 June 2017.

### *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.

# Corporate Assumptions

---

Council's corporate assumptions underlying the development of the Annual Plan 2016/17 remain largely unchanged from those developed for the Long Term Plan 2015-2025 with the following exceptions:

## **Price Level Changes/Inflation**

Updated BERL rates (as at September 2015) have been applied, except for NZTA subsidised work, which will be inflated at 2%.

## **Interest rates on Borrowing**

Interest on existing and new internal and external borrowings from 2016/2017 is allowed for at 5.2% per annum over the term of the borrowing (reduced from 5.5% in the LTP).

## **Far North Holdings Limited (FNHL) – dividend**

Each year Far North Holdings Limited (our company), issues us a sum of money (a dividend) as a return on our investment in the company. The value of the dividend is dependent on the company's profits after all expenses and taxes have been paid. FNHL's recent financial performance has been better than expected, and as a result the forecast dividend has been adjusted upwards for 2016/17 to \$400,000.

## **New lots and building activity**

The number of new lots and new dwellings consented each month have been updated to reflect refinements in Council's data collection and reporting. The number of new lots and new dwellings each month remain as they were trending when the Long Term Plan 2015-25 was adopted and there is no change to the number of rating units or SUIPs that Council uses to project its income as a result of the revised figures.) Risk levels for building and subdivision exceeding projected numbers have moved up in probability based on activity currently occurring in the district.

## **Assets**

The risk of asset failure has been revised downwards based on better information being available during 2015/16. The only swimming pool for which a 66% share of the capital costs is anticipated in the first three years of the LTP is the new indoor, heated community pool in Kaitaia.

# Corporate Assumptions

## Price level adjustors

\* Future Cost Increases: Price Level Change Adjustors – Business and Economic Research Limited (BERL), Sept 2015

Table 8: Adjustors: % per annum change

Label	Adjustors				
	Planning and regulation	Roading	Transport	Community activities	Water and Environmental
	PR	RD	TR	CA	WE
Year ending	% change (on year earlier)				
Jun 13	2.1	2.4	2.5	1.5	1.2
Jun 14	1.5	2.4	2.1	1.7	1.2
Jun 15	1.5	2.3	1.6	1.8	3.2
Jun 16	1.8	1.8	1.8	2.0	2.0
Jun 17	1.8	1.9	2.0	1.8	2.0
Jun 18	2.1	2.2	2.1	1.9	2.6
Jun 19	2.2	2.3	2.2	2.0	2.6
Jun 20	2.2	2.3	2.2	2.0	2.6
Jun 21	2.3	2.3	2.3	2.1	2.7
Jun 22	2.3	2.3	2.3	2.1	2.7
Jun 23	2.4	2.4	2.4	2.2	2.8
Jun 24	2.4	2.4	2.4	2.2	2.8
Jun 25	2.5	2.4	2.5	2.3	2.9
Jun 26	2.5	2.5	2.5	2.3	2.9

BERL

The shaded area represents adjustors for projected operational figures.

Table 11: LGCI, annual average % change

Label	LGCI		
	OPEX	CAPEX	Total
	% change (on year earlier)		
Jun 05	4.4	4.4	4.4
Jun 06	5.0	5.2	5.1
Jun 07	4.1	4.3	4.2
Jun 08	4.9	4.7	4.9
Jun 09	5.5	5.7	5.6
Jun 10	1.7	1.8	1.8
Jun 11	2.3	2.3	2.3
Jun 12	3.1	3.3	3.1
Jun 13	1.9	1.8	1.9
Jun 14	1.6	1.7	1.7
Jun 15	2.0	2.3	2.1
Jun 16	1.9	1.9	1.9
Jun 17	1.9	1.9	1.9
Jun 18	2.2	2.3	2.2
Jun 19	2.2	2.3	2.3
Jun 20	2.3	2.3	2.3
Jun 21	2.3	2.4	2.3
Jun 22	2.4	2.4	2.4
Jun 23	2.4	2.5	2.4
Jun 24	2.5	2.5	2.5
Jun 25	2.5	2.6	2.5
Jun 26	2.6	2.6	2.6

BERL

The shaded CAPEX area represents adjustors for projected capital expenditure figures.

# Corporate Assumptions

Assumption	Risk (What may happen instead?)	Likelihood of Risk	Consequence of Risk	Financial Consequence	Mitigation
<p>Usually Resident Population (URP) of the district will continue to decline at a rate of approximately 0.02% per annum.</p> <p><i>(Source: Usually Resident Population Projections, within "Development Indicators - Projections" FNDC, October 2014)</i></p>	<p>Growth in URP may be significantly higher than assumed.</p> <p>Decline in URP may be significantly higher than assumed.</p>	Low - Medium	<p>Minor and short term population changes have minimal impact on Council.</p> <p>Significantly increased numbers of residents may lead to pressure on Council to provide additional infrastructure and services and affect the scope and/or timing of existing work programmes.</p> <p>Declining numbers of residents may affect the sustainability and affordability of existing work programmes, infrastructure and service delivery and result in an under-utilisation of infrastructure.</p> <p>Change in URP is unlikely to directly link to an increase in the rating base within the district due to the stock of current vacant sections and available land with appropriate zoning.</p>	Medium	<p>Usually Resident Population trends will be monitored, and reviewed annually. Where significant changes occur, our work programmes and budgets will be amended and changes signalled in future annual plans or amendments to the Long-Term Plan (LTP).</p> <p>Planning for any new infrastructure projects will be adjusted to reflect any significant deviation from the forecast trend. A more robust method of forecasting (incorporating population, building and subdivision trends spatially within the District) will be developed for use in 2016.</p>
<p>Change in Usually Resident Population (URP) will continue to be uneven across the district. While some Eastern coastal communities will see growth of between 0.05% and 2% per</p>	<p>Rapid and significant URP growth may occur in additional areas outside of the established serviced settlements.</p>	Low - Medium	<p>Minor and short term population changes have little impact on Council services.</p> <p>However, larger scale, new, private investment may lead</p>	Medium	<p>Settlements with shortfalls in infrastructure capacity or insufficient headroom for expected growth in demand have already been identified as</p>

# Corporate Assumptions

Assumption	Risk (What may happen instead?)	Likelihood of Risk	Consequence of Risk	Financial Consequence	Mitigation
<p>annum, most townships will continue to experience a decline in URP (at a rate of between -ve0.2 – -ve2% p.a.). (Source: Usually Resident Population Projections, within "Development Indicators - Projections" FNDC, October 2014)</p> <p>The settlement areas which will see continued slow to moderate growth (of between 0.2 – 1.6% p.a.) in URP are:</p> <ul style="list-style-type: none"> <li>a) the Bay of Islands Resorts' towns (comprising Russell, Opuā, Paihia, Waitangi, Haruru Falls Census Area Units), along with the accessible coastal areas within the Pokere-Waihaha CAU;</li> <li>b) the accessible coastal areas of the BOI-Whangaroa Ward;</li> <li>c) the Kerikeri and Waipapa townships (serving the horticultural sector, rural-residential and coastal living across the greater Kerikeri area, Kapiro, Waipapa, and the Waihau Valley-Hupara CAUs), along with continued URP and investment growth within the rural-residential zoned areas within these CAUs;</li> </ul>			<p>to unanticipated demands for new services, infrastructure or higher levels of service.</p>		<p>needing additional capacity.</p> <p>Development activity and trends will be monitored, and reviewed 6 monthly. Where significant changes occur, our work programmes and budgets will be amended and changes signalled in future annual plans or amendments to the Long Term Plan.</p> <p>Infrastructure planning and delivery will be adjusted to reflect any significant deviation from the forecast trend.</p> <p>Council will continue to work with the business communities of the district, regional partners, and potential investors to prepare for future growth.</p>

# Corporate Assumptions

Assumption	Risk (What may happen instead?)	Likelihood of Risk	Consequence of Risk	Financial Consequence	Mitigation
<p>d) within the Te Hiku Ward, along the Eastern seaboard around Doubtless Bay, Mangonui Harbour and the Karikari Peninsula; and,</p> <p>e) on the West coast at Ahipara.</p>					
<p>URP – Demographic information The proportion of over 65 year olds will increase in all communities, but particularly in those of the Bay of Islands-Whangaroa Ward, and Doubtless Bay which have already seen higher proportions of retirees move to live.</p> <p>The proportion of 15 – 25 year olds, and 25-45 year olds continues to be lower than might be expected given the number of children born and/or living in the district. We will continue to lose this age cohort, as they relocate out of the District for work and education, and lifestyle choices not available to them here.</p> <p>More men than women will leave the district with the result that many communities, particularly our smaller ones, are over-represented by</p>	<p>The district experiences different demographic patterns such as</p> <ul style="list-style-type: none"> <li>• growth in the proportion of youth and working age population and/or</li> <li>• more extreme growth in older persons</li> <li>• lower growth in older persons and/or</li> <li>• more men than women.</li> </ul>	Low	<p>Increasing the proportion of people aged over 65 or the proportion of children relative to the proportion of the population that is working age will increase the dependency ratio of the District. The dependency ratio is the ratio of children and retired people (dependents) relative to the working age population. As the dependency ratio increases, the burden on the working population increases.</p> <p>Any significant variation to the assumed population profile may affect affordability (for example where there are more people on fixed incomes) and may result in certain sectors of the community experiencing lower than expected levels of service.</p>	Low	<p>Demographic projections do not change rapidly. The council will continue to monitor demographic information (Census and Stats NZ data) as well as invest in a new forecasting tool for use in 2016. If there is a significant change appropriate amendments will be made as part of the Annual Plan or Long Term Plan processes.</p>

# Corporate Assumptions

Assumption	Risk (What may happen instead?)	Likelihood of Risk	Consequence of Risk	Financial Consequence	Mitigation
women.			The Council may have to redirect funding to particular activities to target the needs of an older or younger population. (E.g. recreation and community facilities.)		
The number of visitors to, or staying within, most of the District will continue to decline except for Kerikeri and Paihia which will continue to increase and therefore significant new demand will be made on existing infrastructure.	Visitor numbers may be higher than assumed in other parts of the district.	Low	Higher than expected visitor numbers lead to increased demands to improve Levels of Service (LOS), or to expand the capacity of facilities catering to the visitor population as well as to URP.	High	Visitor trends will be monitored, and the impact on local Commercial districts and communal facilities catering to visitors and URP will be kept under review. LOS and headroom associated with existing core infrastructure will be monitored. Demand management will be used to ensure supply is maintained.
No more than 100 new lots will be consented each year across the District, as a result of subdivision approvals.	Subdivision activity may be higher than assumed.	Medium	Higher than anticipated activity may drive demand for new services and community infrastructure, or increased LOS in small communities. This may put additional upwards pressure already high levels of residential and commercial rates. However higher than anticipated growth without increased demand would result in lower average rates increases than forecast.	Medium	Subdivision, building and construction activity trends will be monitored, and projections reviewed 6 monthly. Planning for any new infrastructure projects will be adjusted to reflect any significant deviation from the forecast trend. Where significant changes occur to the capital works programme through an annual plan or long-term
Building activity averages 17-18 new dwellings consented each month within the District.	Building activity may be higher than assumed.	Medium		Medium	

# Corporate Assumptions

Assumption	Risk (What may happen instead?)	Likelihood of Risk	Consequence of Risk	Financial Consequence	Mitigation
			Higher than anticipated building of new dwellings without population increase suggests more second homes and non-resident ratepayers, who may have different (higher) expectations on service levels. Currently Council does not charge development contributions and is not planning any growth related capital works, therefore financial impacts are no more than medium.		plan process. Council may consider revising its policies on development and/or financial contributions. A more robust method of forecasting (incorporating population, building and subdivision trends spatially within the District) will be developed for use in 2016.
Another Global Financial Crisis (GFC) will not occur, leading to financial systems stability, and council will be able to access finance (borrow) when it needs to.	Another GFC will happen, resulting in restricted borrowing capacity for Council.	Medium	Council would not be able to access finance from its usual sources, and would need to look for alternative means to maintain core infrastructure and services.	Medium	Monitor trends and review projections; and, adjust quickly to increase Council's credit facility.
The Regional economic situation improves but at a slower rate than the national growth rate and Far North District's economy continues to recover at a slower rate than regional economy.	The regional economic situation deteriorates.	Medium	Rating debt increases, through non-payments.	Medium	Look for more cost effective means to meet infrastructure needs and to provide local community services.
	Both the Northland Region's and the Far North's economies, as measured by Gross Domestic Product (GDP), recover at an equivalent or greater rate than the national growth rate in GDP.	Low	A greater than anticipated increase in economic activity could see an increase in the numbers of ratepayers and/or visitors remaining in or moving to the district. This would see a return to former rates of use of communal	Low	Economic activity and trends will be monitored, and reviewed 6 monthly. Planning for any new infrastructure projects and for the delivery of services will be adjusted to reflect any significant deviation

# Corporate Assumptions

Assumption	Risk (What may happen instead?)	Likelihood of Risk	Consequence of Risk	Financial Consequence	Mitigation
			infrastructure and services, improving the viability of these services where/if they are operating below capacity. However, a return to economic growth and increased resident and/or visitor numbers would also put pressure on those existing services that are already at or near capacity. Additional or new services may be required to service greater than expected economic activity and/or people.		from the forecast economic trend.
The requirements of future resource consents will be in line with current expected environmental standards	<p>Increasing quality and environmental standards will make the cost of renewals unaffordable in the district.</p> <p>The Regional Council may review consent conditions and impose higher quality standards prior to the planned consent renewal.</p>	Medium	Upgrades and new infrastructure will be required. Higher environmental standards would lead to additional need to secure financing for investment.	Medium-High	Carry out environmental assessments and public consultation to inform and manage community perceptions and expectations prior to lodging consent renewal applications. Propose and work with the Regional Council and communities on appropriate consent conditions for the Far North. If appropriate appeal unreasonable conditions. Participate in regional plan review process and setting of limits.

# Corporate Assumptions

Assumption	Risk (What may happen instead?)	Likelihood of Risk	Consequence of Risk	Financial Consequence	Mitigation
The life of each asset will be in line with the projections contained in the relevant AMPs.	Assets could fail and need to be renewed earlier and/or more frequently than the dates forecast for renewal.	Medium	Failure of non-critical assets will have a minor to moderate effect on the delivery of service. Whereas failure of critical assets are likely to have a moderate to significant effect on the delivery of a service. Renewal expenditure would have to be brought forward. This may place pressure on overall expenditure.	Medium - High	In the short-term, Council will borrow funds or defer other work to address failures according to criticality. In the medium-term, Council is undertaking asset condition assessments which will lead to improved knowledge of asset performance and life expectancy. As a result AMP's will be updated to reflect more accurate assumptions of asset life.
If a natural disaster occurs and emergency works are required funding will be made available in conjunction with the Government.	That there will be a natural disaster requiring emergency works that cannot be funded out of normal budgetary provisions.  That the Government will not provide financial assistance or the assistance will be insufficient.	Low - Medium	The potential effect of a natural disaster on Council's financial position is dependent upon the scale, duration and location of the event and the interval between it and any previous event or events.  Council provided core infrastructure services may be destroyed, damaged or otherwise fail, incurring potentially considerable additional, emergency response and a demand to design for greater levels of resilience in preparing for future extreme natural events.  The time taken to rectify issues might be lengthy and	Medium - High	Include in Council's programme to assess the condition and capacity of all its assets the latest Ministry for Environment (MfE) guidance on climate change, Intergovernmental Panel on Climate Change (IPCC) 5 projections and regionally specific information from National Institute of Water and Atmospheric Research (NIWA). Investigate alternative ways to secure resilience in the provision of core services to property. Investigate the relocation of core services, private investment and people,

# Corporate Assumptions

Assumption	Risk (What may happen instead?)	Likelihood of Risk	Consequence of Risk	Financial Consequence	Mitigation
			compromise the health and welfare of our communities.		away from hazardous areas. If repair or replacement works are not deemed critical Council will use the Annual Plan process to address the financial implications (such as the need to borrow for repair, reinstatement and replacement, move to preventative maintenance rather than reinstatement). Council reviews its insurance reserves annually.
Core infrastructure will perform to expected operational standards for the duration of their expected life.	Increased level of breakages and system failure earlier than expected.	Low	Increased failures will lead to increased reactive maintenance costs and possible early renewals.	Medium – Low	Undertake on-going assessments of the condition of core assets to monitor risk of impending failure earlier than would otherwise be expected. Develop a replacement programme to schedule replacements of aging systems, more likely to fail prior to a breakdown occurring. Implement planned maintenance processes.

# Corporate Assumptions

Assumption	Risk (What may happen instead?)	Likelihood of Risk	Consequence of Risk	Financial Consequence	Mitigation
Funding for the renewal/replacement of assets will be obtained in accordance with Council's Revenue and Financing Policy (i.e. from depreciation) and Financial Strategy.	That the actual levels and sources of funds differ from those forecast in this plan	Low	Council is unable to deliver its renewal programme from the forecasted budget and funding sources.	Low	Council will adjust its capital expenditure programme and / or borrowings or rate requirements in the next Annual Plan or Long Term Plan.
Council staff numbers will grow and skill levels increase to ensure the organisation has the capability and capacity to deliver its programme.	Council capacity and capability does not increase, resulting in planned service delivery and performance improvements not occurring or being delivered at higher cost.	Medium	Council is unable to deliver its programme to meet community needs.	Medium	Council will continue to maximise use of existing staff resources and will adjust programmes if capacity is not available. Council recruitment and workforce development, including mentoring and coaching, will focus on strengthening skills and competencies.
Council will apply for and receive government subsidies for applicable projects.	Council may not receive the funding or receive a lesser amount.	Medium	Council is unable to deliver the project as planned, including the requirement of additional consultation with affected stakeholders.	Medium	If external funds are not received, Council will consider re-scheduling other projects to allow the original project to proceed without the subsidy, or will explore alternative cost-effective and affordable options. Costs to the ratepayer will be subject to consultation as required.

# Corporate Assumptions

Assumption	Risk (What may happen instead?)	Likelihood of Risk	Consequence of Risk	Financial Consequence	Mitigation
The communities will raise their 66% share of the capital costs in line with projected timeframes for the construction of the new indoor, heated community pool in Kaitaia.	The community fails to raise their share as scheduled.	Medium	Council's capital programme is delayed or a smaller pool facility is preferred.	Low	Council will review as part of Annual Plan and Long Term Plan processes and stay in contact with communities about their aspirations and fundraising progress.
The net cost of borrowing will not exceed the Central Government affordability measure.	The cost of borrowing does exceed the affordability measure.	Low	The Minister of Local Government questions Council's financial controls.	High	Council will continue to monitor net cost of borrowing to ensure it remains within the measure.
Future cost increases will be in line with the financial projections contained in " <u>Forecasts of Price Level Change Adjustors – 2015 Update</u> " (BERL, Sept 2015)*, except for NZTA subsidised work, which will be inflated at 2%	Significant cost increases, above those anticipated in the financial projections.	Medium	Higher than forecast costs of goods and services purchased by Council.	High	Council will review project plans to ensure budgetary control is maintained.
Level of depreciation costs will be in line with the projections set out in this LTP.	Asset revaluations may lead to higher depreciation costs than forecast.	Medium	Higher than forecast depreciation costs may lead to budgetary pressures.	Medium	The value of Council's infrastructure will be reviewed regularly, to ensure unexpected changes in value are avoided. (The majority of roading assets and maritime assets are valued annually, the remainder are valued biennially).

# Corporate Assumptions

Assumption	Risk (What may happen instead?)	Likelihood of Risk	Consequence of Risk	Financial Consequence	Mitigation
<p>Council re-values assets as follows:</p> <ul style="list-style-type: none"> <li>• Roading and maritime assets – annually</li> <li>• Remainder of assets – biennially (water and wastewater one year and District facilities the next) to ensure that the carrying value does not differ materially from fair value.</li> </ul>	<p>Asset revaluations are significantly different from those forecast and the financial statements don't reflect the current value of the asset.</p>	<p>Low-Medium</p>	<p>Higher than forecast levels of depreciation costs and future rates funding than shown in the financial statements.</p>	<p>Medium</p>	<p>Asset valuations are carried out regularly to minimise risk. In the intervening years we carry out an impairment test – this is done by the valuers to ensure any change in value is not material.</p> <p>If risk materialises, Council will consider whether to reduce service levels (LOS) and/or re-programme planned capital expenditure programmes or increase rates in future Annual or Long Term Plans.</p>
<p>The level of demand for Council services will not reduce.</p>	<p>The demand will fall below anticipated levels resulting in a reduction in fees and charges.</p>	<p>Low</p>	<p>Less income from fees and charges may lead to budgetary pressure.</p>	<p>Low</p>	<p>Monitor to track income from this revenue stream - to enable adjustments to be made to levels of service or to fees and charges.</p>
<p>Council successfully covers its liability for carbon emissions through fees and charges. The purchase price for carbon emission units (NZUs) under the New Zealand Emissions Trading Scheme remains low.</p>	<p>The value of NZUs required to be purchased to meet Council's liability exceeds the Fees and Charges raised. The price of carbon significantly increases.</p>	<p>Low</p>	<p>There could be an unfunded liability.</p>	<p>Low-Medium</p>	<p>The current cost to Council of purchasing NZUs for landfill operations was \$15k (2015 purchase price). Council will monitor the purchase price of NZUs annually and take it into account in its 2015 and subsequent reviews of its Fees and</p>

# Corporate Assumptions

Assumption	Risk (What may happen instead?)	Likelihood of Risk	Consequence of Risk	Financial Consequence	Mitigation
					Charges and in making budgetary provision in subsequent LTP or Annual Plans as required.
There will be no significant changes to the structure of Local Government in the Northland region affecting Council during the next 10 years.	That there may be another reorganisation proposal made to the Local Government Commission within the 10 years of this plan.	Low	Any future transition would impact on the delivery of services, regulation and infrastructure, the ability of Council to retain and attract staff, and the overall financial forecasts in future LTPs.	Medium - High	Council would work with the transition body on the transition change management plan to implement the final proposal, including delivering services and activities as per Council's LTP. Council will actively continue working with Northland councils and others to identify opportunities that will enhance the efficiency and effectiveness of our operations. Budget for this work has been included in this LTP.
Shared Services arrangements maintain or improve levels of service and / or reduce or maintain the costs of delivery.	Shared services arrangements are entered into that materially increase the cost of delivering services and/or reduce levels of service.	Low	Delivering a lower level of service and/or the same level of service for a greater cost would have a negative impact on financial forecasts and achievement of performance targets in the LTP and Annual Plan. Lower levels of service significant cost increases are likely to trigger consultation.	Low – Medium	Council is working with others on shared services opportunities that provide benefits to the District and will monitor arrangements to ensure benefits are realised. Consultation on level of service changes and significant cost changes will be in line with Council's policies.

# Corporate Assumptions

Assumption	Risk (What may happen instead?)	Likelihood of Risk	Consequence of Risk	Financial Consequence	Mitigation
Legislation and/or related regulations relating to Council activities will remain largely the same over the life of this LTP.	Regulations relating to Council activities will be changed during the life of the LTP.	High	Significant changes to legislation will lead to new and or enhanced activities and/or requirements on Council, which will lead to additional costs.	Medium	Council monitors potential legislative impacts, with the aim of anticipating and planning for foreseeable changes in compliance costs.
National Policy Statement (NPS) and/or National Environmental Standards (NES), under the Resource Management Act 1991 (RMA) will not be substantially changed.	New or revised NPS and NES will demand higher standards under the RMA.	High	Changes to NPS and to NES that occur do lead to new and or enhanced activities and/or requirements on Council.	Medium	Council monitors potential legislative impacts, with the aim of anticipating and planning for foreseeable changes in compliance costs.

# Funding Impact Statement

---

## What is the Funding Impact Statement?

### Introduction

The Funding Impact Statement (FIS) is one of the key statements included in this Annual 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, in one sheet, 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 has set for the term of this Plan.

### Legislative Requirements

The Local Government Act 2002 requires that Council include a FIS in each Annual 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.

### Key features of this Funding Impact Statement

Council has not introduced any significant changes to the method of setting rates in this plan; however as was outlined in the 2015 – 2025 Long-Term Plan, Council has commenced a comprehensive review of rating methodologies. Council will consult on any proposed changes once it has completed that process.

### 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.

# Funding Impact Statement

## Funding Impact Statement for 2016/17 Annual Plan

### Far North District Council – Whole Of Council

LTP 2015/16 \$'000s		LTP 2016/17 \$'000s	Annual Plan 2016/17 \$'000s
	<b>Sources of Operational Funding</b>		
50,012	General rates, uniform annual general charges, rates penalties	52,935	51,187
27,373	Targeted rates (other than a targeted rate for water supply)	29,016	29,397
7,210	Subsidies and grants for operating purposes	7,157	7,284
14,558	Fees, charges, and targeted rates for water supply	14,551	14,645
268	Internal charges and overheads recovered	292	174
1,204	Local authority fuel tax, fines, infringement fees, and other receipts	1,204	1,356
<b>100,626</b>	<b>Total operating funding (A)</b>	<b>105,154</b>	<b>104,044</b>
	<b>Applications of operating funding</b>		
75,174	Payments to staff and suppliers	76,374	77,017
4,738	Finance costs	5,420	4,631
0	Internal charges and overheads applied	0	0
0	Other operating funding applications	0	0
<b>79,912</b>	<b>Total applications of operating funds (B)</b>	<b>81,794</b>	<b>81,648</b>
<b>20,714</b>	<b>Surplus (deficit) of operating funding (A - B)</b>	<b>23,361</b>	<b>22,396</b>
	<b>Sources of capital funding</b>		
19,288	Subsidies and grants for capital expenditure	21,291	12,419
0	Development and financial contributions	545	545
12,843	Increase (decrease) in debt	12,362	19,286
0	Gross proceeds from sale of assets	0	0
0	Lump sum contributions	0	0
<b>32,131</b>	<b>Total sources of capital funding (C)</b>	<b>34,197</b>	<b>32,249</b>
	<b>Applications of capital funding</b>		
	Capital Expenditure		
0	- to meet additional demand	0	0
27,406	- to improve the level of service	25,814	26,887
22,202	- to replace existing assets	34,784	24,995
3,236	Increase (decrease) in reserves	(3,039)	2,764
0	Increase (decrease) in investments	0	0
<b>52,844</b>	<b>Total applications of capital funding (D)</b>	<b>57,558</b>	<b>54,645</b>
<b>(20,714)</b>	<b>Surplus (deficit) of capital funding (C - D)</b>	<b>(23,361)</b>	<b>(22,396)</b>
<b>0</b>	<b>Funding balance ((A - B) + (C - D))</b>	<b>0</b>	<b>0</b>

# Funding Impact Statement

## Rates for 2016/17

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 2016/17 rating year. The second part outlines the rates for the 2016/17 rating year.

## General Rates

### General Rate

Council has set a General Rate on the basis of Land Value to fund its general activities. This rate has been 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 Valuation 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)	0, 1, 2, 9, 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)	3, 4, 5, 6, 7, 8, 18, 30 to 89, 93, 94, 95, & 96
Mixed Use		Mixed use may apply where two different uses take place on the rating 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. ( <i>Local Government (Rating) Act 2002 Section 27(5)</i> )	
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 "Exemptions to Land Use Differentials"			

# Funding Impact Statement

## Uniform Annual General Charge (UAGC)

Council has set a UAGC on the basis of one charge assessed in respect of every separately used or inhabited part (SUIP) of a rating unit.

This rate has been 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 proposed for 2016 – 2017 is approx. 22.0%. (Refer Local Government (Rating) Act 2002, Section 15 and 21).

## Targeted Rates

Council has set the following targeted rates:

### Roading Rate

Council has set two targeted 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 total costs of the activity (refer: Local Government (Rating) Act 2002 Sections 16 & 17 and Schedule 3 Clause 7).
- A targeted rate assessed on the basis of Land Value to fund 10% of the balance of the roading activity not funded by the uniform roading rate. The remaining 90% is funded from the General Rate. This rate has been 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).

The Roothing Rate differentials are generally based on land use as defined by Council's Valuation Service Provider and included in the Valuation 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 Roothing Rate differentials are:

Roothing 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	9, 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	2 & 20 - 29
Commercial	7%	Rating units which have some form of commercial land use or are used primarily for commercial purposes	3 - 6, 8, 30 - 39, 40 - 49, 50-59, 60-69, 80-89, 93, 94 (95 & 96 may also be treated as residential 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	7 & 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	1, 10, 12-14, 16, 19

# Funding Impact Statement

Roading Rate Differential Categories			
Differential	Share	Description	Land Use Codes
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 "Exemptions to Land Use Differentials"			

## **Ward Rate**

Council has set a targeted rate 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 has been set on a differential basis according to the Ward in which the rating unit is located as described below. (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	29%	All rating units located within the Te Hiku Ward
Bay of Islands-Whangaroa Ward	47%	All rating units located within the Bay of Islands – Whangaroa Ward
Kaikohe-Hokianga Ward	24%	All rating units located within the Kaikohe-Hokianga Ward

## **Stormwater Rate**

Council has set a targeted rate to fund specific stormwater capital developments within urban communities across the district. This rate has been set as a fixed amount per rating assessed differentially within the following communities – Refer Rating Area Maps – Maps 8 to 35. (Refer: Local Government (Rating) Act 2002 Section 16 & 17 & Schedules 2 Clause 1 and 3 Clause 8).

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

# Funding Impact Statement

Stormwater Rate Differential Categories		
Differential	Basis	Description
General	100%	All rating units which are assessed the General Rate – General Differential
Commercial	200%	All rating units which are assessed the General Rate – Commercial Differential

## **Kerikeri Mainstreet Rate**

Council has set a targeted rate on a differential basis on the basis of a fixed amount assessed on every SUIP to fund the Kerikeri Main Street project. The area to be rated includes rating rolls 211, 213, 215, 219, 227 and 229 except for that part of the roll to the south of the Waitangi River which is charged the Paihia Central Business Development Rate – Refer Rating Area Map 3. (Refer: Local Government (Rating) Act 2002 Section 16 & Schedules 2 Clause 1 & 3 Clause 7).

Kerikeri Mainstreet Rate Differential Categories		
Differential	Basis	Description
General	100%	All rating units which are assessed the General Rate – General Differential
Commercial	300%	All rating units which are assessed the General Rate – Commercial Differential

## **Paihia Central Business District Development Rate**

Council has set a targeted rate 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 Map 4. (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	100%	All rating units which are assessed the General Rate – General Differential
Commercial	300%	All rating units which are assessed the General Rate – Commercial Differential

## **Kaitaia Business Improvement District Rate**

Council has set a targeted rate to support the Kaitaia 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 has been set on the basis of land value assessed over all Rating Units which have been assessed the General Rate – Commercial Differential within the defined rating area within the Kaitaia Township. – Refer Rating Area Map 2. (Refer: Local Government (Rating) Act 2002, Section 16 & Schedule 3 Clause 3).

# Funding Impact Statement

## Tanekaha Lane Improvement Rates

Council has set two targeted rates to fund the sealing of Tanekaha Lane, Kerikeri within the defined rating area – Refer Rating Area Map 1. These rates have been set as follows:

- A targeted rate on the basis of a uniform amount assessed on every SUIP within the rating area to fund 50% of the total costs of the activity. (Refer: *Local Government (Rating) Act 2002 Section 16 & Schedule 3 Clause 7*); and
- A targeted rate assessed on the basis of a rate per hectare of land within each rating unit to fund the balance of the activity costs. (Refer: *Local Government (Rating) Act 2002, Section 16 & Schedule 3 Clause 5*).

The last year for the Tanekaha Lane rate will be the 2018 rating year, ending 30 June 2019.

## Ross Street Upgrade Rate

In its consultation document and the 2015 – 2025 Long-Term Plan Council said that it was proposing to set a targeted rate to provide funding for an upgrade to Ross Street prior to the road being transferred to Council as a public road. It was originally indicated that this rate would commence in the 2016/17 rating year but because the transfer of the land has not been completed the rate will have to be deferred for a year. It is now proposed that this rate will first be charged in the 2017 – 2018 rating year.

## Sewerage Rates

Council has set a number of targeted rates to fund the provision and availability of sewerage services. These rates are designed to separately fund the capital<sup>1</sup> and operating costs associated with each sewerage scheme. Council's approach is that each scheme will pay its own capital costs through the use of separate targeted capital rates, whereas the combined operating costs are funded on the basis of a district wide operating rate.

### Capital Rates (Set on a scheme by scheme basis)

- 1. Differential Rate:** Council has set a series of separate differential targeted rates for the capital costs associated with the provision of sewerage services to each of the district's 16 separate sewerage schemes. These rates have been 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*).

Sewerage Capital Rate Differential Categories		
Differential	Basis	Description
Connected	100%	All SUIPs that are connected, either directly or indirectly, to any of the District's public reticulated wastewater disposal systems.
Serviceable	100%	Any RATING UNIT that is capable of being connected to a public reticulated wastewater disposal system, but is not so connected <sup>2</sup>

Note: *Local Government (Rating) Act 2002 Section 18(3)* allows Council to set each differential on a different basis. The Connected Differential is assessed on the basis of the SUIP whereas the Serviceable Differential is assessed on the basis of the Rating Unit.

- 2. Additional Pan Rate:** In addition to the differential rate, where the total number of water closets or urinals connected either directly or indirectly in a Rating Unit exceeds two per SUIP which has been assessed the connected differential rate, an additional targeted rate will be assessed in respect of every subsequent water closet or urinal (pan) in the Rating Unit after the first two per SUIP. (*Local Government (Rating) Act 2002, Section 16 &*

<sup>1</sup> The capital costs associated with sewerage are based on the interest and depreciation costs of each scheme.

<sup>2</sup> 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

# Funding Impact Statement

Schedule 3 Clauses 7 & 12)<sup>3</sup>

## Operating Rates (Set on a district wide basis)

- 1. Operating Rate:** Council has set a targeted rate to fund the operating costs associated with the provision of sewerage services. This rate has been 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*)
- 2. Additional Pan Rate:** In addition to the differential rate, where the total number of water closets or urinals connected either directly or indirectly in a Rating Unit exceeds two per SUIP which has been assessed the Operating Rate, Council has set an additional targeted rate to be assessed on every subsequent water closet or urinal (pan) in the Rating Unit after the first two per SUIP. (*Local 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.

## Water Rates

Council has set a number of targeted rates to fund the provision and availability of water supplies. These rates are designed to separately fund the capital<sup>4</sup> and operating costs associated with each water supply scheme. Council's approach is that each scheme will pay its own capital costs through the use 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)

**1. Differential Rate:** Council has set a series of separate differential targeted rates 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 have been 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%	All SUIPS that are connected, either directly or indirectly, to any of the Districts public reticulated water supply systems.
Serviceable	100%	Any RATING UNIT that is capable of being connected to a public reticulated water supply system, but is not so connected <sup>5</sup>

Note: *Local Government (Rating) Act 2002 Section 18(3) allows Council to set each differential on a different basis. The Connected Differential is assessed on the basis of the SUIP whereas the Serviceable Differential is assessed on the basis of the Rating Unit.*

<sup>3</sup> 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.

<sup>4</sup> The capital costs associated with water supplies are based on the interest and depreciation costs of each scheme.

<sup>5</sup> 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, an area serviced by a sewerage scheme and Council will allow the rating unit to connect

# Funding Impact Statement

---

## Operating Rates (Set on a district wide basis)

**1. Operating Rate:** Council has set a targeted rate for a 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 have been set depending on whether the supply is potable or non-potable water (*Local Government (Rating) Act 2002, Section 19*).

**2. Non-metered Rate:** Council has set a targeted rate 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 have been 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.

### **Kaitaia Drainage Area:**

Council has set a targeted rate to fund land drainage in the Kaitaia 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 Map 6 for details of the rating area (*Local Government (Rating) Act 2002, Section 16 & Schedule 3 Clause 5*).

### **Kaikino Drainage Area:**

Council has set a targeted rate 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 Map 7 for details of the rating area.

This rate will be 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:**

Council has set a targeted rate 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 Map 7 for details of the rating area.

This rate will be 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:**

Council has set a targeted rate 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 Map 7 for details of the rating area This rate will be 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*).

# Funding Impact Statement

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**

Council has set a targeted rate to provide funding for an operational grant to support the BOI Recreation Centre. This rate will be assessed on the basis of a fixed amount on every SUIP within the area contained within rating rolls 400 to 499 – refer Rating Area Map 5 for details of the rating area (*refer: Local Government (Rating) Act 2002, Section 16 & Schedule 3 Clause 7*).

## **Lump Sum Contributions**

Council is not seeking any lump sum contributions in respect of any targeted rates. (*Local Government Act 2002 Schedule 10 Clause 20(4)(e)*).

## **Exemptions to Land Use Differentials**

Notwithstanding the above, 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.

Council also reserves the right to apply a different differential to any SUIP if it can be demonstrated, to its satisfaction, that the actual use of that part differs from that described by the current land use code for the entire rating unit.

For Council to be able to apply two or more differentials to a single rating unit the area of the land that is used for each purpose must be capable of clear definition and separate valuation.

In some instances there may be two or more different uses taking place on the rating unit but it is not possible or practical to define the areas separately. In those instances, the differential category will be based on the "highest and best use" applied by the Council's Valuation Service Provider and the rates have been set accordingly.

Where the area of the land used for the different purpose is only minimal or cannot be separately defined, Council reserves the right not to assess that part using a different differential.

In every instance where Council proposes to change the differential on a rating unit from one category to another category it will consult with the owner concerned and give them the opportunity to lodge an objection to that proposal.

Where any rating unit or separately used or inhabited part of a rating unit would normally be subject to a Commercial Differential but complies with one or more of the exceptions set out below, that rating unit will be subject to the General Rate general differential.

- Where the rating unit or part thereof is in receipt of a remission of rates pursuant to a policy adopted by Council and is not used for private pecuniary profit and is not subject to a licence for the sale of liquor.

# Funding Impact Statement

---

Where the rating unit is used solely for the purposes of providing private rental accommodation. This exclusion does not include properties such as hotels, motels or other forms of visitor accommodation except for bed and breakfast establishments, home or farm stay operations or similar accommodation providers where less than six bedrooms are provided for guest accommodation. Such properties will however, be subject to any additional sewerage charges where additional toilets are provided for guest use, for example ensuite facilities.

## Schedule of Rates for 2016/17

Set out in the following tables are the indicative rates which Council has set for the 2016/17 rating year. For comparison purposes the rates for the 2015/16 rating year are also shown. Please note all rates include GST.

# Funding Impact Statement

Rate	Basis of Assessment	Differential Matter*	Rates 2016/17		Rates 2015/16
			Rate (GST Inc)	Total Rate	GST Inc
<b>GENERAL RATES</b>					
Uniform Annual General Charge	Per SUIP <sup>1</sup>	-	\$473.20	\$17,453,272	\$446.40
General Differential	Per \$ of Land Value	1	\$0.0053110	\$35,117,533	\$0.0050536
Commercial Differential	Per \$ of Land Value	1	\$0.0146053	\$5,291,704	\$0.0138973
<b>TARGETED WARD SERVICES RATE</b>					
BOI - Whangaroa Ward Differential	Per SUIP	6	\$339.10	\$5,591,081	\$329.12
Te Hiku Ward Differential	Per SUIP	6	\$283.00	\$3,492,928	\$262.83
Kaikohe - Hokianga Ward Differential	Per SUIP	6	\$349.60	\$2,815,329	\$339.27
<b>TARGETED ROADING RATES</b>					
Uniform Rooding Rate	Per SUIP	-	\$100.00	\$3,688,050	\$100.00
Rooding Differential Rate					
Residential	Per \$ of Land Value	1	\$0.0001561	\$390,461	\$0.0001718
Lifestyle	Per \$ of Land Value	1	\$0.0001374	\$269,219	\$0.0001493
Farming Gen	Per \$ of Land Value	1	\$0.0001428	\$215,375	\$0.0001549
Horticulture	Per \$ of Land Value	1	\$0.0001458	\$13,461	\$0.0001650
Dairy	Per \$ of Land Value	1	\$0.0002388	\$94,227	\$0.0002651
Forestry	Per \$ of Land Value	1	\$0.0017664	\$174,992	\$0.0019525
Commercial	Per \$ of Land Value	1	\$0.0003306	\$94,227	\$0.0003678
Industrial	Per \$ of Land Value	1	\$0.0003697	\$26,850	\$0.0004038
Mining/Quarry	Per \$ of Land Value	1	\$0.0102550	\$53,844	\$0.0112200
Other	Per \$ of Land Value	1	\$0.0002341	\$13,461	\$0.0002619
<b>STORMWATER TARGETED RATES</b>					
General Differential	Per rating unit	1	\$35.78	\$513,658	\$35.78
Commercial Differential	Per rating unit	1	\$71.56	\$112,779	\$71.56
<b>TARGETED DEVELOPMENT RATES</b>					
<b>Kerikeri Mainstreet Rate</b>					
General Differential	Per SUIP	1	\$9.20	\$60,039	\$9.20
Commercial Differential	Per SUIP	1	\$27.60	\$110	\$27.60
<b>Paihia CBD Development Rate</b>					
General Differential	Per SUIP	1	\$18.00	\$36,297	\$18.00
Commercial Differential	Per SUIP	1	\$56.00	\$20,608	\$56.00
<b>Kaitaia BID Rate</b>					
	Per \$ of Land Value	-	\$0.0011698	\$57,500	\$0.0011838
<b>BOI RECREATION CENTRE RATE</b>					
Uniform Targeted Rate	Per SUIP	-	\$5.00	\$23,655	\$5.00
<b>PRIVATE ROADING RATES</b>					
<b>Tanekaha Lane Road Sealing Rates</b>					
Uniform Rate	Per SUIP	-	\$310.78	\$6,216	\$310.78
Rate per Ha	Per Ha of Land Area	-	\$89.65	\$4,351	\$89.65
<b>Ross Street Upgrade Rate (From 2016/17)</b>					
Uniform Targeted Rate	Per SUIP	-	\$0.00	\$0	\$0.00
<b>SEWERAGE TARGETED RATES</b>					
<b>Sewerage Capital Rates</b>					
<b>Ahipara</b>					
Ahipara Connected	Per SUIP	5	\$306.38	\$150,739	\$291.02
Ahipara Availability	Per rating unit	5	\$306.38	\$47,489	\$291.02
Ahipara Additional Pans	Per Sub Pan <sup>2</sup>	-	\$183.83	\$5,515	\$174.61
<b>East Coast</b>					
East Coast Connected	Per SUIP	5	\$254.98	\$348,048	\$249.83
East Coast Availability	Per rating unit	5	\$254.98	\$130,040	\$249.83
East Coast Additional Pans	Per Sub Pan	-	\$152.99	\$14,993	\$149.90
<b>Hihi</b>					
Hihi Connected	Per SUIP	5	\$718.32	\$111,340	\$724.97
Hihi Availability	Per rating unit	5	\$718.32	\$20,113	\$724.97
Hihi Additional Pans	Per Sub Pan	-	\$430.99	\$3,017	\$434.98
<b>Kaeo</b>					
Kaeo Connected	Per SUIP	5	\$812.05	\$139,673	\$755.52
Kaeo Availability	Per rating unit	5	\$812.05	\$8,933	\$755.52
Kaeo Additional Pans	Per Sub Pan	-	\$487.23	\$40,927	\$453.31
<b>Kaikohe</b>					
Kaikohe Connected	Per SUIP	5	\$206.89	\$344,886	\$201.95
Kaikohe Availability	Per rating unit	5	\$206.89	\$16,344	\$201.95
Kaikohe Additional Pans	Per Sub Pan	-	\$124.13	\$92,725	\$121.17

# Funding Impact Statement

Rate	Basis of Assessment	Differential Matter	Rates 2016/17		Rates 2015/16
			Rate (GST Inc)	Total Rate	GST Inc
<b>Kaitaia &amp; Awanui</b>					
Kaitaia & Awanui Connected	Per SUIP	5	\$287.24	\$739,643	\$255.12
Kaitaia & Awanui Availability	Per rating unit	5	\$287.24	\$28,150	\$255.12
Kaitaia & Awanui Additional Pans	Per Sub Pan	-	\$172.34	\$129,427	\$153.07
<b>Kawakawa</b>					
Kawakawa Connected	Per SUIP	5	\$554.86	\$319,045	\$571.28
Kawakawa Availability	Per rating unit	5	\$554.86	\$5,549	\$571.28
Kawakawa Additional Pans	Per Sub Pan	-	\$332.92	\$54,932	\$342.77
<b>Kerikeri</b>					
Kerikeri Connected	Per SUIP	5	\$438.45	\$492,379	\$368.27
Kerikeri Availability	Per rating unit	5	\$438.45	\$46,476	\$368.27
Kerikeri Additional Pans	Per Sub Pan	-	\$263.07	\$87,076	\$220.96
<b>Kohukohu</b>					
Kohukohu Connected	Per SUIP	5	\$694.80	\$61,837	\$692.12
Kohukohu Availability	Per rating unit	5	\$694.80	\$6,253	\$692.12
Kohukohu Additional Pans	Per Sub Pan	-	\$416.88	\$6,670	\$415.27
<b>Opononi</b>					
Opononi Connected	Per SUIP	5	\$329.90	\$126,022	\$324.18
Opononi Availability	Per rating unit	5	\$329.90	\$40,908	\$324.18
Opononi Additional Pans	Per Sub Pan	-	\$197.94	\$20,388	\$194.51
<b>Paihia</b>					
Paihia Connected	Per SUIP	5	\$402.63	\$800,831	\$438.29
Paihia Availability	Per rating unit	5	\$402.63	\$81,331	\$438.29
Paihia Additional Pans	Per Sub Pan	-	\$241.58	\$283,857	\$262.97
<b>Rangiputa</b>					
Rangiputa Connected	Per SUIP	5	\$366.44	\$35,545	\$362.03
Rangiputa Availability	Per rating unit	5	\$366.44	\$8,062	\$362.03
Rangiputa Additional Pans	Per Sub Pan	-	\$219.86	\$879	\$217.22
<b>Rawene</b>					
Rawene Connected	Per SUIP	5	\$588.85	\$137,202	\$601.54
Rawene Availability	Per rating unit	5	\$588.85	\$21,787	\$601.54
Rawene Additional Pans	Per Sub Pan	-	\$353.31	\$16,606	\$360.92
<b>Russell</b>					
Russell Connected	Per SUIP	5	\$556.36	\$304,329	\$592.22
Russell Availability	Per rating unit	5	\$556.36	\$93,468	\$592.22
Russell Additional Pans	Per Sub Pan	-	\$333.82	\$45,733	\$355.33
<b>Whangaroa</b>					
Whangaroa Connected	Per SUIP	5	\$626.41	\$8,770	\$611.37
Whangaroa Availability	Per rating unit	5	\$626.41	\$3,758	\$611.37
Whangaroa Additional Pans	Per Sub Pan	-	\$375.85	\$4,134	\$366.82
<b>Whatuwhiwhi</b>					
Whatuwhiwhi Connected	Per SUIP	5	\$363.72	\$244,784	\$352.74
Whatuwhiwhi Availability	Per rating unit	5	\$363.72	\$171,312	\$352.74
Whatuwhiwhi Additional Pans	Per Sub Pan	-	\$218.23	\$3,928	\$211.64
<b>Sewerage Operating Rate</b>					
Connected Rate (All Schemes)	Per SUIP	-	\$433.58	\$5,267,164	\$430.82
Subsequent Pan Rate (All Schemes)	Per Sub Pan	-	\$260.15	\$968,797	\$258.49
<b>WATER TARGETED RATES</b>					
<b>Water Capital Rates</b>					
<b>Kaikohe</b>					
Kaikohe Connected	Per SUIP	5	\$255.30	\$476,645	\$222.91
Kaikohe Availability	Per rating unit	5	\$255.30	\$19,658	\$222.91
<b>Kaitaia</b>					
Kaitaia Connected	Per SUIP	5	\$237.80	\$606,152	\$206.61
Kaitaia Availability	Per rating unit	5	\$237.80	\$17,597	\$206.61
<b>Kawakawa</b>					
Kawakawa Connected	Per SUIP	5	\$301.16	\$350,851	\$251.15
Kawakawa Availability	Per rating unit	5	\$301.16	\$10,239	\$251.15
<b>Kerikeri</b>					
Kerikeri Connected	Per SUIP	5	\$151.72	\$353,659	\$131.25
Kerikeri Availability	Per rating unit	5	\$151.72	\$16,386	\$131.25

# Funding Impact Statement

Rate	Basis of Assessment	Differential Matter	Rates 2016/17		Rates 2015/16
			Rate (GST Inc)	Total Rate	GST Inc
<b>Okaihau</b>					
Okaihau Connected	Per SUIP	5	\$287.26	\$50,558	\$244.47
Okaihau Availability	Per rating unit	5	\$287.26	\$1,724	\$244.47
<b>Omapere/Opononi</b>					
Omapere/Opononi Connected	Per SUIP	5	\$521.14	\$202,723	\$498.75
Omapere/Opononi Availability	Per rating unit	5	\$521.14	\$52,114	\$498.75
<b>Paihia</b>					
Paihia Connected	Per SUIP	5	\$182.96	\$371,592	\$153.41
Paihia Availability	Per rating unit	5	\$182.96	\$15,003	\$153.41
<b>Rawene</b>					
Rawene Connected	Per SUIP	5	\$274.86	\$85,756	\$228.37
Rawene Availability	Per rating unit	5	\$274.86	\$6,322	\$228.37
<b>Te Kao (From 2016/17)</b>					
Te Kao Connected	Per SUIP	5	\$0.00	\$0	\$0.00
Te Kao Availability	Per rating unit	5	\$0.00	\$0	\$0.00
<b>Water Operating Rates</b>					
Water by Meter Rates					
Potable Water	Per M <sup>3</sup>	-	\$3.06	\$6,780,960	\$3.06
Non-potable Water	Per M <sup>3</sup>	-	\$1.99	\$1,989	\$1.99
Non-Metered Rates					
Non-metered Potable Rate	Per SUIP	-	\$995.86	\$77,677	\$964.77
Non-metered non-potable Rate	Per SUIP	-	\$728.11	\$3,641	\$697.02
<b>DRAINAGE TARGETED RATES</b>					
<b>Kaitaia Drainage Area</b>	Per Ha of Land Area		\$9.73	\$86,250	\$8.25
<b>Kaikino Drainage Area</b>					
Kaikino A	Per Ha of Land Area	6	\$12.97	\$4,881	\$0.00
Kaikino B	Per Ha of Land Area	6	\$6.49	\$2,648	\$0.00
Kaikino C	Per Ha of Land Area	6	\$2.17	\$2,821	\$0.00
<b>Motutangi Drainage Area</b>					
Motutangi A	Per Ha of Land Area	6	\$38.91	\$18,601	\$38.68
Motutangi B	Per Ha of Land Area	6	\$19.45	\$9,195	\$19.34
Motutangi C	Per Ha of Land Area	6	\$6.50	\$9,961	\$6.46
<b>Waiharara Drainage Area</b>					
Waiharara A	Per Ha of Land Area	6	\$13.53	\$1,940	\$0.00
Waiharara B	Per Ha of Land Area	6	\$6.77	\$4,995	\$0.00
Waiharara C	Per Ha of Land Area	6	\$2.26	\$1,115	\$1.91
<b>* Differential Matters</b>					
1 Land Use					
5 Provision or availability of a service					
6 Location of the rating unit					
<b>Notes</b>					
1 Per SUIP - Separately Used or Inhabited part of a Rating Unit					
2 Per Sub Pan - Per subsequent Pan					

# Funding Impact Statement

## Example Rates

Set out below are examples of the rates drawn from a range of land uses and property land values. Additionally, examples are shown for a range of residential properties drawn from a number of communities across the district.

Property Example	2016 Land Values	Total 2015/16 Rates	2016/17 Rates											2016/17 Increase	
			General Rates	UAGC	Road UAC	Road Rate	Ward Rate	Ave Water Rate	Ave Sewer Cap	Sewer Op	Storm Water	Other	2016/17 Rates	\$	%
High Value Residential*	240,000	3,127	1,275	473	100	37	322	231	359	434	36	-	3,267	141	4.5%
Average Value Residential	121,983	2,510	648	473	100	19	322	231	359	434	36	-	2,622	112	4.5%
Median Value Residential	92,000	2,353	489	473	100	14	322	231	359	434	36	-	2,458	105	4.5%
Low Value Residential**	32,000	2,040	170	473	100	5	322	231	359	434	36	-	2,130	90	4.4%
High Value Lifestyle*	360,000	2,728	1,912	473	100	49	322	-	-	-	-	-	2,857	129	4.7%
Average Lifestyle	217,506	1,987	1,155	473	100	30	322	-	-	-	-	-	2,081	94	4.7%
Median Value Lifestyle	143,000	1,599	759	473	100	20	322	-	-	-	-	-	1,675	75	4.7%
Low Value Lifestyle**	66,000	1,199	351	473	100	9	322	-	-	-	-	-	1,255	57	4.7%
High Value General Farming*	970,000	5,908	5,152	473	100	139	322	-	-	-	-	-	6,186	278	4.7%
Average General Farming	511,599	3,520	2,717	473	100	73	322	-	-	-	-	-	3,686	166	4.7%
Median Value General Farming	270,000	2,262	1,434	473	100	39	322	-	-	-	-	-	2,368	107	4.7%
Low Value General Farming**	59,000	1,163	313	473	100	8	322	-	-	-	-	-	1,217	55	4.7%
High Value Horticulture*	600,000	3,986	3,187	473	100	87	322	-	-	-	-	-	4,170	183	4.6%
Average Horticulture	390,970	2,896	2,076	473	100	57	322	-	-	-	-	-	3,029	133	4.6%
Median Value Horticulture	310,000	2,473	1,646	473	100	45	322	-	-	-	-	-	2,587	114	4.6%
Low Value Horticulture**	170,000	1,742	903	473	100	25	322	-	-	-	-	-	1,823	81	4.6%
High Value Dairy*	1,760,000	10,216	9,347	473	100	420	322	-	-	-	-	-	10,663	447	4.4%
Average Dairy	956,237	5,941	5,079	473	100	228	322	-	-	-	-	-	6,203	261	4.4%
Median Value Dairy	780,000	5,004	4,143	473	100	186	322	-	-	-	-	-	5,225	221	4.4%
Low Value Dairy**	315,500	2,533	1,676	473	100	75	322	-	-	-	-	-	2,647	113	4.5%
High Value Forestry*	507,000	4,407	2,693	473	100	896	322	-	-	-	-	-	4,484	77	1.7%
Average Forestry	241,473	2,547	1,282	473	100	427	322	-	-	-	-	-	2,605	58	2.3%
Median Value Forestry	77,000	1,395	409	473	100	136	322	-	-	-	-	-	1,441	46	3.3%
Low Value Forestry**	43,000	1,157	228	473	100	76	322	-	-	-	-	-	1,200	43	3.8%
High Value Commercial*	400,000	7,614	5,842	473	100	132	322	231	359	434	72	-	7,965	351	4.6%
Average Commercial	182,710	4,515	2,669	473	100	60	322	231	359	434	72	-	4,720	205	4.5%
Median Value Commercial	108,000	3,449	1,577	473	100	36	322	231	359	434	72	-	3,604	155	4.5%
Low Value Commercial**	22,000	2,222	321	473	100	7	322	231	359	434	72	-	2,320	97	4.4%
High Value Industrial*	327,000	6,585	4,776	473	100	121	322	231	359	434	72	-	6,888	303	4.6%
Average Industrial	166,963	4,296	2,439	473	100	62	322	231	359	434	72	-	4,491	195	4.5%
Median Value Industrial	112,000	3,510	1,636	473	100	41	322	231	359	434	72	-	3,668	158	4.5%
Low Value Industrial**	38,000	2,452	555	473	100	14	322	231	359	434	72	-	2,560	108	4.4%
High Value Mining/Quarry*	251,000	7,160	3,666	473	100	2,574	322	-	-	-	-	-	7,136	24	-0.3%
Average Mining/Quarry	171,048	5,152	2,498	473	100	1,754	322	-	-	-	-	-	5,148	4	-0.1%
Median Value Mining/Quarry	82,000	2,915	1,198	473	100	841	322	-	-	-	-	-	2,934	19	0.7%
Low Value Mining/Quarry**	33,000	1,684	482	473	100	338	322	-	-	-	-	-	1,716	32	1.9%

Property Example	2016 Land Values	Total 2015/16 Rates	2016/17 Rates											Increase		
			General Rates	UAGC	Road UAC	Road Rate	Ward Rate	Water Rate	Sewer Cap	Sewer Op	Storm Water	Other Rates	Final Rates	\$	%	
<b>Te Hiku</b>																
Ahipara	118,491	2,150	629	473	100	18	283	-	306	434	36	-	2,280	\$ 130	6.0%	
Awanui	34,766	1,713	185	473	100	5	283	-	287	434	36	-	1,803	\$ 90	5.3%	
East Coast Bays*	141,568	2,265	752	473	100	22	283	-	255	434	36	-	2,355	\$ 89	3.9%	
Hihi	114,580	2,600	609	473	100	18	283	-	718	434	36	-	2,670	\$ 71	2.7%	
Kaitiaki	42,623	1,960	226	473	100	7	283	238	287	434	36	-	2,084	\$ 123	6.3%	
Rangiputa	229,189	2,835	1,217	473	100	36	283	-	366	434	36	-	2,945	\$ 110	3.9%	
Te Kao	33,000	982	175	473	100	5	283	-	-	-	-	-	1,037	\$ 55	5.6%	
Whatuwahi	110,937	2,208	589	473	100	17	283	-	364	434	36	-	2,296	\$ 88	4.0%	
<b>Bay of Islands/ Whangaroa</b>																
Kaero	56,117	2,391	298	473	100	9	339	-	812	434	36	-	2,501	\$ 110	4.6%	
Kawakawa	42,297	2,391	225	473	100	7	339	301	555	434	36	5	2,474	\$ 83	3.5%	
Kenikeni	151,635	2,643	805	473	100	24	339	152	438	434	36	9	2,810	\$ 167	6.3%	
Moerewa	17,796	1,260	95	473	100	3	339	301	-	-	36	5	1,352	\$ 91	7.2%	
Okaihau	79,224	1,579	421	473	100	12	339	287	-	-	36	9	1,678	\$ 99	6.3%	
Opua	183,829	2,899	976	473	100	29	339	183	403	434	36	5	2,977	\$ 78	2.7%	
Paihia	188,789	2,938	1,003	473	100	29	339	183	403	434	36	18	3,017	\$ 79	2.7%	
Russell	335,240	3,691	1,780	473	100	52	339	-	556	434	36	5	3,776	\$ 85	2.3%	
Whangaroa	192,214	2,958	1,021	473	100	30	339	-	626	434	36	-	3,059	\$ 101	3.4%	
<b>Kaikohu/Hokianga</b>																
Kaikohu	50,054	2,039	266	473	100	8	350	255	207	434	36	-	2,128	\$ 89	4.4%	
Kohukohu	92,943	2,530	494	473	100	15	350	-	695	434	36	-	2,595	\$ 65	2.6%	
Ngawha	59,874	2,090	318	473	100	9	350	255	207	434	36	-	2,182	\$ 92	4.4%	
Opononi-Omapere	112,466	2,763	597	473	100	18	350	521	330	434	36	-	2,858	\$ 95	3.4%	
Rawene	67,824	2,537	360	473	100	11	350	275	589	434	36	-	2,627	\$ 90	3.6%	

# Funding Impact Statement

## 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.

For the purposes of the 2016 – 2017 Annual Plan Council has assumed that there will be no growth in the number of rating units. It is projecting a total of 38,548 rating units with a land value of \$7,226,350,300 and capital value of \$13,765,696,805 as at 30 June 2016.

### 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 a charge postponement fee on all rates that are postponed under any of its postponement policies. The Postponement fees are as follows:

- Application Fee: \$50
- Administration Fee: \$50 pa
- Reserve Fund Fee on the Residential Postponement Policy: 0.25% on the outstanding balance
- Financing Fee on all postponements: Currently set at 5.25% 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 2016/17 rating year by way of four instalments. Each instalment must be paid on or before the due

# Funding Impact Statement

dates set out below. Any rates paid after the due date will become liable for penalties as set out below.

## Rate Instalment Dates

Instalment	Due Date	Penalty Date
One	20 August 2016	27 August 2016
Two	20 November 2016	27 November 2016
Three	20 February 2017	27 February 2017
Four	20 May 2017	27 May 2017

NOTE: Where any due date or penalty date falls on a weekend or public holiday, the due date or penalty date will be the first working day following that date.

## 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. If the invoicing dates do change the due date will always be the 20th of the month following the invoice date.

## 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 2016/17 financial year that is not paid on or by the due date for payment, as stated above.<sup>6</sup>

## 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.

---

<sup>6</sup> In the 2015 – 2025 Long-Term Plan Council resolved to cease charging additional penalties however it will reconsider that decision during 2016/17 as part of the development of the 2017/18 Annual Plan

# Funding Impact Statement

## Groups of Activity Funding Impact Statements

The Local Government Act 2002 requires Council to prepare Funding Impact Statements for every Activity Group. Set out on the following pages are the Funding Impact Statements for each of the Activity Groups of Council included in this Annual Plan.

### Roading & Footpaths Funding Impact Statement for 2016/17 Annual Plan

LTP 2015/16 \$'000s		LTP 2016/17 \$'000s	Annual Plan 2016/17 \$'000s
	<b>Sources of Operational Funding</b>		
12,188	General rates, uniform annual general charges, rates penalties	13,199	12,300
5,166	Targeted rates (other than a targeted rate for water supply)	5,153	5,116
6,924	Subsidies and grants for operating purposes	7,037	6,948
722	Fees, charges, and targeted rates for water supply	752	735
108	Internal charges and overheads recovered	158	27
596	Local authority fuel tax, fines, infringement fees, and other receipts	596	600
<b>25,705</b>	<b>Total operating funding (A)</b>	<b>26,895</b>	<b>25,725</b>
	<b>Applications of operating funding</b>		
16,325	Payments to staff and suppliers	16,755	15,665
934	Finance costs	1,144	968
208	Internal charges and overheads applied	250	1,322
0	Other operating funding applications	0	0
<b>17,467</b>	<b>Total applications of operating funds (B)</b>	<b>18,148</b>	<b>17,955</b>
<b>8,237</b>	<b>Surplus (deficit) of operating funding (A - B)</b>	<b>8,747</b>	<b>7,770</b>
	<b>Sources of capital funding</b>		
18,648	Subsidies and grants for capital expenditure	20,491	12,419
0	Development and financial contributions	0	0
3,820	Increase (decrease) in debt	2,632	1,871
0	Gross proceeds from sale of assets	0	0
0	Lump sum contributions	0	0
<b>22,468</b>	<b>Total sources of capital funding (C)</b>	<b>23,123</b>	<b>14,290</b>
	<b>Applications of capital funding</b>		
	Capital Expenditure		
0	- to meet additional demand	0	0
16,396	- to improve the level of service	9,796	5,809
12,756	- to replace existing assets	25,046	16,683
1,553	Increase (decrease) in reserves	(2,971)	(432)
0	Increase (decrease) in investments	0	0
<b>30,705</b>	<b>Total applications of capital funding (D)</b>	<b>31,870</b>	<b>22,060</b>
<b>(8,237)</b>	<b>Surplus (deficit) of capital funding (C - D)</b>	<b>(8,747)</b>	<b>(7,770)</b>
<b>0</b>	<b>Funding balance ((A - B) + (C - D))</b>	<b>0</b>	<b>0</b>

# Funding Impact Statement

## Stormwater Funding Impact Statement for 2016/17 Annual Plan

LTP 2015/16 \$'000s		LTP 2016/17 \$'000s	Annual Plan 2016/17 \$'000s
	<b>Sources of Operational Funding</b>		
2,159	General rates, uniform annual general charges, rates penalties	2,203	1,897
653	Targeted rates (other than a targeted rate for water supply)	655	1,140
0	Subsidies and grants for operating purposes	0	0
0	Fees, charges, and targeted rates for water supply	0	0
0	Internal charges and overheads recovered	0	0
0	Local authority fuel tax, fines, infringement fees, and other receipts	0	0
<b>2,812</b>	<b>Total operating funding (A)</b>	<b>2,858</b>	<b>3,037</b>
	<b>Applications of operating funding</b>		
866	Payments to staff and suppliers	889	1,143
210	Finance costs	196	170
521	Internal charges and overheads applied	539	407
0	Other operating funding applications	0	0
<b>1,598</b>	<b>Total applications of operating funds (B)</b>	<b>1,624</b>	<b>1,719</b>
<b>1,214</b>	<b>Surplus (deficit) of operating funding (A - B)</b>	<b>1,234</b>	<b>1,318</b>
	<b>Sources of capital funding</b>		
0	Subsidies and grants for capital expenditure	0	0
0	Development and financial contributions	0	0
(81)	Increase (decrease) in debt	(87)	652
0	Gross proceeds from sale of assets	0	0
0	Lump sum contributions	0	0
<b>(81)</b>	<b>Total sources of capital funding (C)</b>	<b>(87)</b>	<b>652</b>
	<b>Applications of capital funding</b>		
	Capital Expenditure		
0	- to meet additional demand	0	0
250	- to improve the level of service	256	856
8	- to replace existing assets	0	431
876	Increase (decrease) in reserves	891	682
0	Increase (decrease) in investments	0	0
<b>1,134</b>	<b>Total applications of capital funding (D)</b>	<b>1,147</b>	<b>1,970</b>
<b>(1,214)</b>	<b>Surplus (deficit) of capital funding (C - D)</b>	<b>(1,234)</b>	<b>(1,318)</b>
<b>0</b>	<b>Funding balance ((A - B) + (C - D))</b>	<b>0</b>	<b>0</b>

# Funding Impact Statement

## Water Funding Impact Statement for 2016/17 Annual Plan

LTP 2015/16 \$'000s		LTP 2016/17 \$'000s	Annual Plan 2016/17 \$'000s
	<b>Sources of Operational Funding</b>		
225	General rates, uniform annual general charges, rates penalties	225	225
2,057	Targeted rates (other than a targeted rate for water supply)	2,408	2,064
0	Subsidies and grants for operating purposes	0	0
6,254	Fees, charges, and targeted rates for water supply	6,254	6,234
0	Internal charges and overheads recovered	0	0
0	Local authority fuel tax, fines, infringement fees, and other receipts	0	0
<b>8,537</b>	<b>Total operating funding (A)</b>	<b>8,888</b>	<b>8,523</b>
	<b>Applications of operating funding</b>		
4,009	Payments to staff and suppliers	4,134	4,090
595	Finance costs	623	547
1,409	Internal charges and overheads applied	1,449	1,332
0	Other operating funding applications	0	0
<b>6,013</b>	<b>Total applications of operating funds (B)</b>	<b>6,205</b>	<b>5,969</b>
<b>2,523</b>	<b>Surplus (deficit) of operating funding (A - B)</b>	<b>2,683</b>	<b>2,554</b>
	<b>Sources of capital funding</b>		
640	Subsidies and grants for capital expenditure	800	0
0	Development and financial contributions	0	0
504	Increase (decrease) in debt	3,434	1,800
0	Gross proceeds from sale of assets	0	0
0	Lump sum contributions	0	0
<b>1,144</b>	<b>Total sources of capital funding (C)</b>	<b>4,234</b>	<b>1,800</b>
	<b>Applications of capital funding</b>		
	Capital Expenditure		
0	- to meet additional demand	0	0
1,365	- to improve the level of service	4,636	2,356
1,494	- to replace existing assets	2,291	1,131
808	Increase (decrease) in reserves	(11)	866
0	Increase (decrease) in investments	0	0
<b>3,667</b>	<b>Total applications of capital funding (D)</b>	<b>6,917</b>	<b>4,354</b>
<b>(2,523)</b>	<b>Surplus (deficit) of capital funding (C - D)</b>	<b>(2,683)</b>	<b>(2,554)</b>
<b>0</b>	<b>Funding balance ((A - B) + (C - D))</b>	<b>0</b>	<b>0</b>

# Funding Impact Statement

## Wastewater Funding Impact Statement for 2016/17 Annual Plan

LTP 2015/16 \$'000s		LTP 2016/17 \$'000s	Annual Plan 2016/17 \$'000s
	<b>Sources of Operational Funding</b>		
804	General rates, uniform annual general charges, rates penalties	809	809
10,343	Targeted rates (other than a targeted rate for water supply)	11,171	10,558
0	Subsidies and grants for operating purposes	0	0
134	Fees, charges, and targeted rates for water supply	167	167
0	Internal charges and overheads recovered	0	0
0	Local authority fuel tax, fines, infringement fees, and other receipts	0	0
<b>11,281</b>	<b>Total operating funding (A)</b>	<b>12,147</b>	<b>11,534</b>
	<b>Applications of operating funding</b>		
7,569	Payments to staff and suppliers	6,824	6,837
1,348	Finance costs	1,687	1,331
1,201	Internal charges and overheads applied	1,239	1,046
0	Other operating funding applications	0	0
<b>10,117</b>	<b>Total applications of operating funds (B)</b>	<b>9,750</b>	<b>9,214</b>
<b>1,164</b>	<b>Surplus (deficit) of operating funding (A - B)</b>	<b>2,397</b>	<b>2,319</b>
	<b>Sources of capital funding</b>		
0	Subsidies and grants for capital expenditure	0	0
0	Development and financial contributions	0	0
6,420	Increase (decrease) in debt	5,560	11,872
0	Gross proceeds from sale of assets	0	0
0	Lump sum contributions	0	0
<b>6,420</b>	<b>Total sources of capital funding (C)</b>	<b>5,560</b>	<b>11,872</b>
	<b>Applications of capital funding</b>		
	Capital Expenditure		
0	- to meet additional demand	0	0
5,800	- to improve the level of service	8,139	13,197
900	- to replace existing assets	1,970	945
884	Increase (decrease) in reserves	(2,153)	50
0	Increase (decrease) in investments	0	0
<b>7,584</b>	<b>Total applications of capital funding (D)</b>	<b>7,956</b>	<b>14,191</b>
<b>(1,164)</b>	<b>Surplus (deficit) of capital funding (C - D)</b>	<b>(2,397)</b>	<b>(2,319)</b>
<b>0</b>	<b>Funding balance ((A - B) + (C - D))</b>	<b>0</b>	<b>0</b>

# Funding Impact Statement

## Waste Management Funding Impact Statement for 2016/17 Annual Plan

LTP 2015/16 \$'000s		LTP 2016/17 \$'000s	Annual Plan 2016/17 \$'000s
	<b>Sources of Operational Funding</b>		
4,224	General rates, uniform annual general charges, rates penalties	4,464	3,679
0	Targeted rates (other than a targeted rate for water supply)	0	0
0	Subsidies and grants for operating purposes	0	0
755	Fees, charges, and targeted rates for water supply	722	926
0	Internal charges and overheads recovered	0	15
180	Local authority fuel tax, fines, infringement fees, and other receipts	180	200
<b>5,159</b>	<b>Total operating funding (A)</b>	<b>5,365</b>	<b>4,820</b>
	<b>Applications of operating funding</b>		
4,101	Payments to staff and suppliers	4,290	3,749
181	Finance costs	165	156
569	Internal charges and overheads applied	587	460
0	Other operating funding applications	0	0
<b>4,851</b>	<b>Total applications of operating funds (B)</b>	<b>5,042</b>	<b>4,364</b>
<b>308</b>	<b>Surplus (deficit) of operating funding (A - B)</b>	<b>324</b>	<b>456</b>
	<b>Sources of capital funding</b>		
0	Subsidies and grants for capital expenditure	0	0
0	Development and financial contributions	0	0
(293)	Increase (decrease) in debt	(302)	(302)
0	Gross proceeds from sale of assets	0	0
0	Lump sum contributions	0	0
<b>(293)</b>	<b>Total sources of capital funding (C)</b>	<b>(302)</b>	<b>(302)</b>
	<b>Applications of capital funding</b>		
	Capital Expenditure		
0	- to meet additional demand	0	0
25	- to improve the level of service	17	17
73	- to replace existing assets	77	14
(83)	Increase (decrease) in reserves	(72)	122
0	Increase (decrease) in investments	0	0
<b>15</b>	<b>Total applications of capital funding (D)</b>	<b>22</b>	<b>154</b>
<b>(308)</b>	<b>Surplus (deficit) of capital funding (C - D)</b>	<b>(324)</b>	<b>(456)</b>
<b>0</b>	<b>Funding balance ((A - B) + (C - D))</b>	<b>0</b>	<b>0</b>

# Funding Impact Statement

## District Facilities Funding Impact Statement for 2016/17 Annual Plan

LTP 2015/16 \$'000s		LTP 2016/17 \$'000s	Annual Plan 2016/17 \$'000s
	<b>Sources of Operational Funding</b>		
11,712	General rates, uniform annual general charges, rates penalties	12,095	12,622
9,153	Targeted rates (other than a targeted rate for water supply)	9,628	10,520
14	Subsidies and grants for operating purposes	14	0
2,054	Fees, charges, and targeted rates for water supply	2,060	1,937
24	Internal charges and overheads recovered	16	17
26	Local authority fuel tax, fines, infringement fees, and other receipts	26	26
<b>22,984</b>	<b>Total operating funding (A)</b>	<b>23,839</b>	<b>25,121</b>
	<b>Applications of operating funding</b>		
13,234	Payments to staff and suppliers	13,602	13,856
687	Finance costs	763	627
4,513	Internal charges and overheads applied	4,702	4,767
0	Other operating funding applications	0	0
<b>18,434</b>	<b>Total applications of operating funds (B)</b>	<b>19,067</b>	<b>19,250</b>
<b>4,550</b>	<b>Surplus (deficit) of operating funding (A - B)</b>	<b>4,772</b>	<b>5,872</b>
	<b>Sources of capital funding</b>		
0	Subsidies and grants for capital expenditure	0	0
0	Development and financial contributions	545	545
1,386	Increase (decrease) in debt	1,441	3,242
0	Gross proceeds from sale of assets	0	0
0	Lump sum contributions	0	0
<b>1,386</b>	<b>Total sources of capital funding (C)</b>	<b>1,986</b>	<b>3,786</b>
	<b>Applications of capital funding</b>		
	Capital Expenditure		
0	- to meet additional demand	0	0
2,185	- to improve the level of service	2,919	4,099
5,638	- to replace existing assets	3,645	3,682
(1,886)	Increase (decrease) in reserves	194	1,878
0	Increase (decrease) in investments	0	0
<b>5,936</b>	<b>Total applications of capital funding (D)</b>	<b>6,758</b>	<b>9,658</b>
<b>(4,550)</b>	<b>Surplus (deficit) of capital funding (C - D)</b>	<b>(4,772)</b>	<b>(5,872)</b>
<b>0</b>	<b>Funding balance ((A - B) + (C - D))</b>	<b>0</b>	<b>0</b>

# Funding Impact Statement

## Environmental Management Funding Impact Statement for 2016/17 Annual Plan

LTP 2015/16 \$'000s		LTP 2016/17 \$'000s	Annual Plan 2016/17 \$'000s
	<b>Sources of Operational Funding</b>		
5,698	General rates, uniform annual general charges, rates penalties	6,126	6,613
0	Targeted rates (other than a targeted rate for water supply)	0	0
26	Subsidies and grants for operating purposes	26	0
3,992	Fees, charges, and targeted rates for water supply	3,948	3,911
11	Internal charges and overheads recovered	11	8
92	Local authority fuel tax, fines, infringement fees, and other receipts	92	67
<b>9,820</b>	<b>Total operating funding (A)</b>	<b>10,203</b>	<b>10,599</b>
	<b>Applications of operating funding</b>		
7,423	Payments to staff and suppliers	7,533	7,697
7	Finance costs	20	19
2,298	Internal charges and overheads applied	2,444	2,704
0	Other operating funding applications	0	0
<b>9,728</b>	<b>Total applications of operating funds (B)</b>	<b>9,997</b>	<b>10,420</b>
<b>92</b>	<b>Surplus (deficit) of operating funding (A - B)</b>	<b>206</b>	<b>179</b>
	<b>Sources of capital funding</b>		
0	Subsidies and grants for capital expenditure	0	0
0	Development and financial contributions	0	0
241	Increase (decrease) in debt	(22)	(22)
0	Gross proceeds from sale of assets	0	0
0	Lump sum contributions	0	0
<b>241</b>	<b>Total sources of capital funding (C)</b>	<b>(22)</b>	<b>(22)</b>
	<b>Applications of capital funding</b>		
	Capital Expenditure		
0	- to meet additional demand	0	0
250	- to improve the level of service	0	0
0	- to replace existing assets	6	6
82	Increase (decrease) in reserves	179	151
0	Increase (decrease) in investments	0	0
<b>332</b>	<b>Total applications of capital funding (D)</b>	<b>185</b>	<b>157</b>
<b>(92)</b>	<b>Surplus (deficit) of capital funding (C - D)</b>	<b>(206)</b>	<b>(179)</b>
<b>0</b>	<b>Funding balance ((A - B) + (C - D))</b>	<b>0</b>	<b>0</b>

# Funding Impact Statement

## Strategic Planning & Policy Funding Impact Statement for 2016/17 Annual Plan

LTP 2015/16 \$'000s		LTP 2016/17 \$'000s	Annual Plan 2016/17 \$'000s
	<b>Sources of Operational Funding</b>		
5,657	General rates, uniform annual general charges, rates penalties	6,025	5,982
0	Targeted rates (other than a targeted rate for water supply)	0	0
0	Subsidies and grants for operating purposes	0	0
0	Fees, charges, and targeted rates for water supply	0	0
0	Internal charges and overheads recovered	0	0
0	Local authority fuel tax, fines, infringement fees, and other receipts	0	0
<b>5,657</b>	<b>Total operating funding (A)</b>	<b>6,025</b>	<b>5,982</b>
	<b>Applications of operating funding</b>		
4,358	Payments to staff and suppliers	4,633	4,691
14	Finance costs	13	27
1,278	Internal charges and overheads applied	1,361	1,252
0	Other operating funding applications	0	0
<b>5,650</b>	<b>Total applications of operating funds (B)</b>	<b>6,008</b>	<b>5,971</b>
<b>6</b>	<b>Surplus (deficit) of operating funding (A - B)</b>	<b>18</b>	<b>11</b>
	<b>Sources of capital funding</b>		
0	Subsidies and grants for capital expenditure	0	0
0	Development and financial contributions	0	0
(20)	Increase (decrease) in debt	(20)	(34)
0	Gross proceeds from sale of assets	0	0
0	Lump sum contributions	0	0
<b>(20)</b>	<b>Total sources of capital funding (C)</b>	<b>(20)</b>	<b>(34)</b>
	<b>Applications of capital funding</b>		
	Capital Expenditure		
0	- to meet additional demand	0	0
0	- to improve the level of service	0	0
0	- to replace existing assets	0	0
(14)	Increase (decrease) in reserves	(2)	(23)
0	Increase (decrease) in investments	0	0
<b>(14)</b>	<b>Total applications of capital funding (D)</b>	<b>(2)</b>	<b>(23)</b>
<b>(6)</b>	<b>Surplus (deficit) of capital funding (C - D)</b>	<b>(18)</b>	<b>(11)</b>
<b>0</b>	<b>Funding balance ((A - B) + (C - D))</b>	<b>0</b>	<b>0</b>

# Funding Impact Statement

## Governance & Strategic Administration Funding Impact Statement for 2016/17 Annual Plan

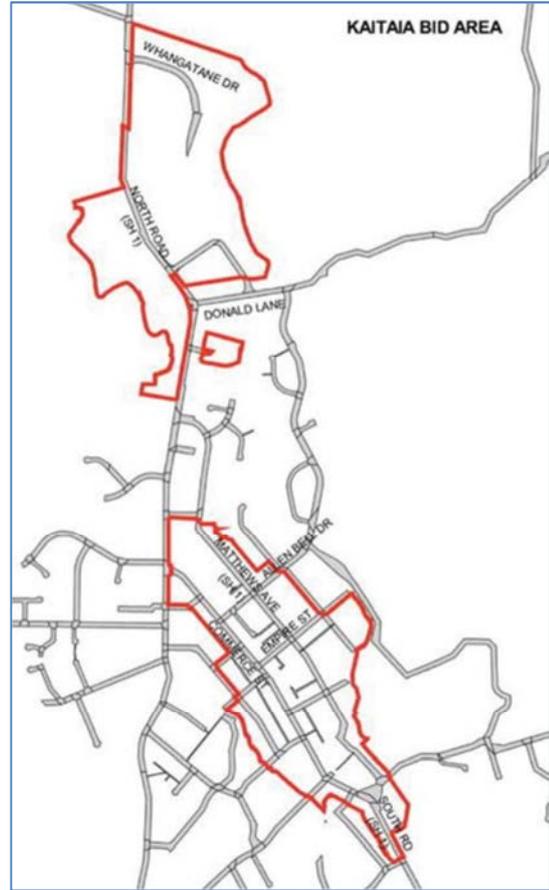
LTP 2015/16 \$'000s		LTP 2016/17 \$'000s	Annual Plan 2016/17 \$'000s
	<b>Sources of Operational Funding</b>		
7,345	General rates, uniform annual general charges, rates penalties	7,790	7,061
0	Targeted rates (other than a targeted rate for water supply)	0	0
246	Subsidies and grants for operating purposes	79	337
648	Fees, charges, and targeted rates for water supply	648	735
124	Internal charges and overheads recovered	107	108
309	Local authority fuel tax, fines, infringement fees, and other receipts	309	463
<b>8,672</b>	<b>Total operating funding (A)</b>	<b>8,934</b>	<b>8,704</b>
	<b>Applications of operating funding</b>		
17,288	Payments to staff and suppliers	17,714	19,290
762	Finance costs	810	786
(11,997)	Internal charges and overheads applied	(12,571)	(13,290)
0	Other operating funding applications	0	0
<b>6,053</b>	<b>Total applications of operating funds (B)</b>	<b>5,953</b>	<b>6,787</b>
<b>2,619</b>	<b>Surplus (deficit) of operating funding (A - B)</b>	<b>2,981</b>	<b>1,917</b>
	<b>Sources of capital funding</b>		
0	Subsidies and grants for capital expenditure	0	0
0	Development and financial contributions	0	0
866	Increase (decrease) in debt	(275)	208
0	Gross proceeds from sale of assets	0	0
0	Lump sum contributions	0	0
<b>866</b>	<b>Total sources of capital funding (C)</b>	<b>(275)</b>	<b>208</b>
	<b>Applications of capital funding</b>		
	Capital Expenditure		
0	- to meet additional demand	0	0
1,135	- to improve the level of service	51	553
1,333	- to replace existing assets	1,748	2,102
1,017	Increase (decrease) in reserves	906	(530)
0	Increase (decrease) in investments	0	0
<b>3,485</b>	<b>Total applications of capital funding (D)</b>	<b>2,706</b>	<b>2,125</b>
<b>(2,619)</b>	<b>Surplus (deficit) of capital funding (C - D)</b>	<b>(2,981)</b>	<b>(1,917)</b>
<b>0</b>	<b>Funding balance ((A - B) + (C - D))</b>	<b>0</b>	<b>0</b>

# Funding Impact Statement

## Rating Area Maps

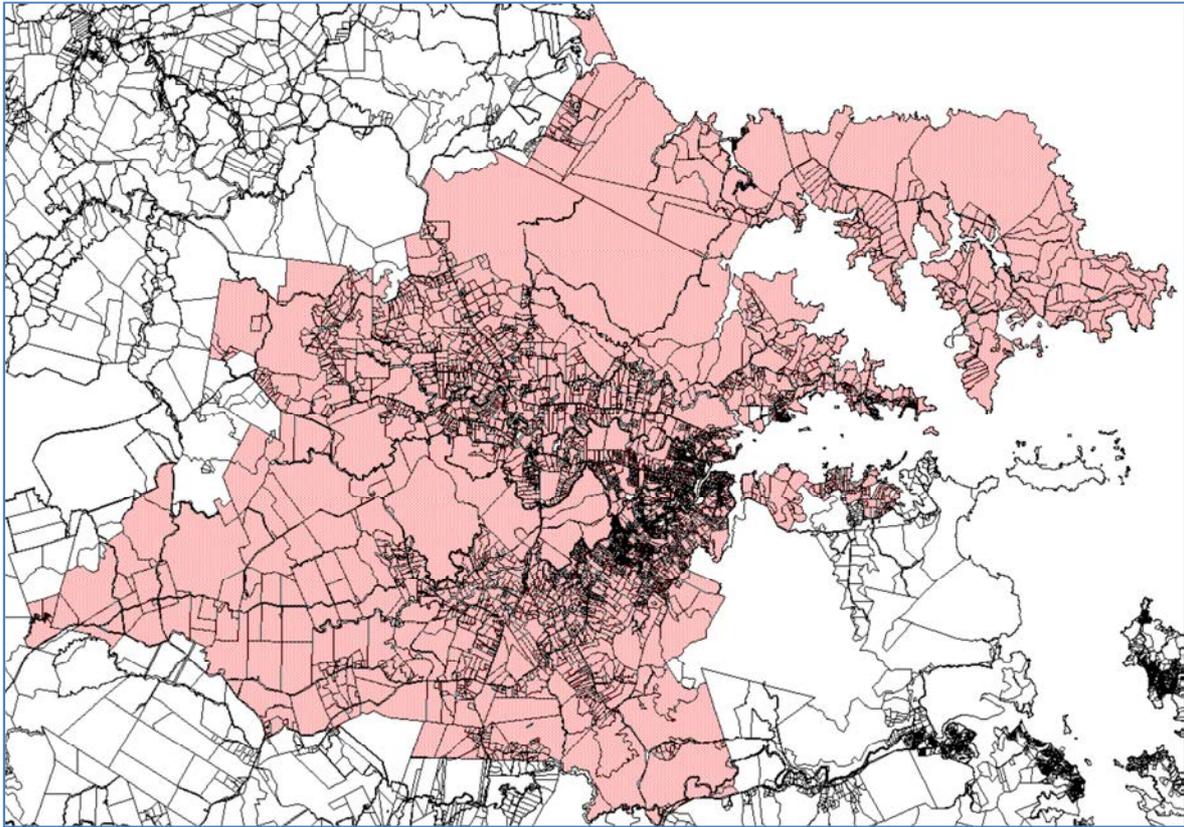


Map: 1 – Tanekaha Lane Rating Area

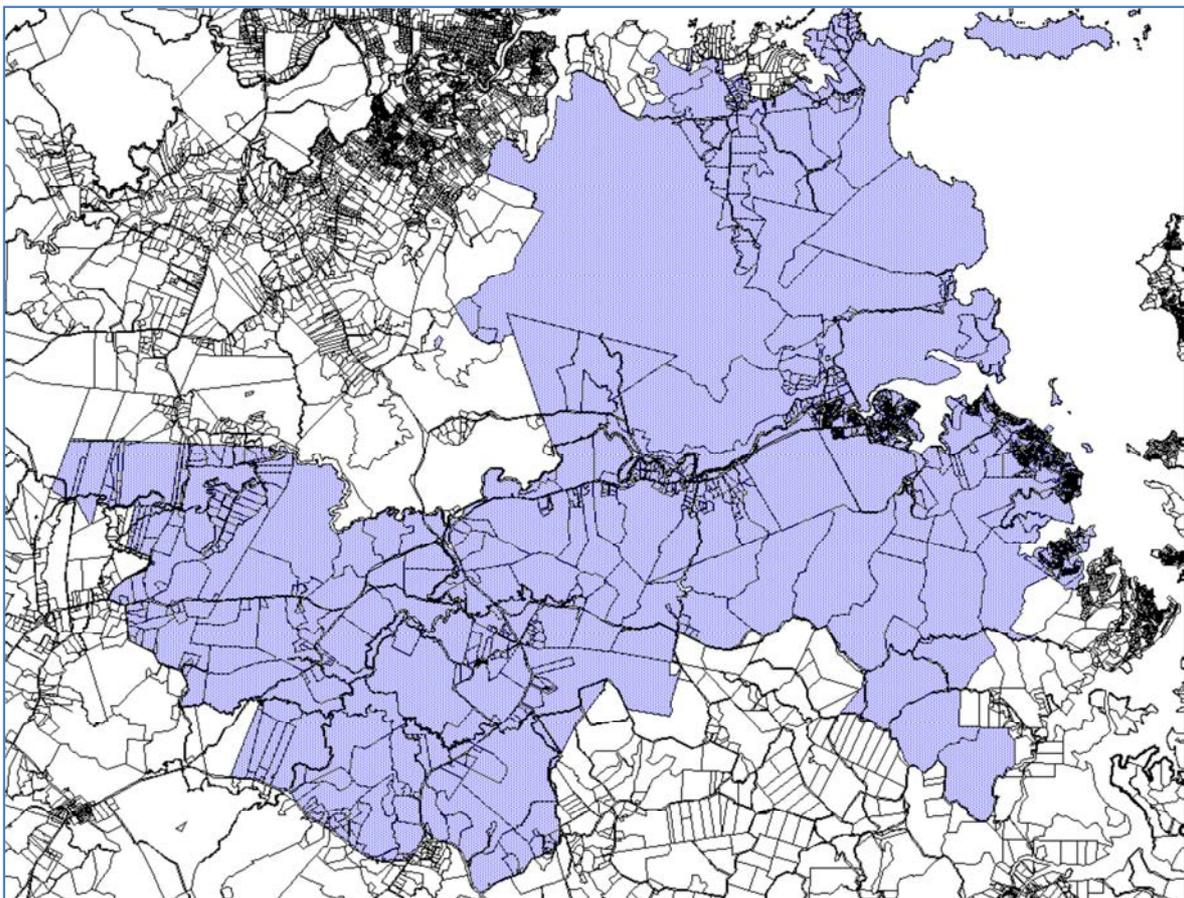


Map: 2 – Kaitaia BID Rating Area

# Funding Impact Statement

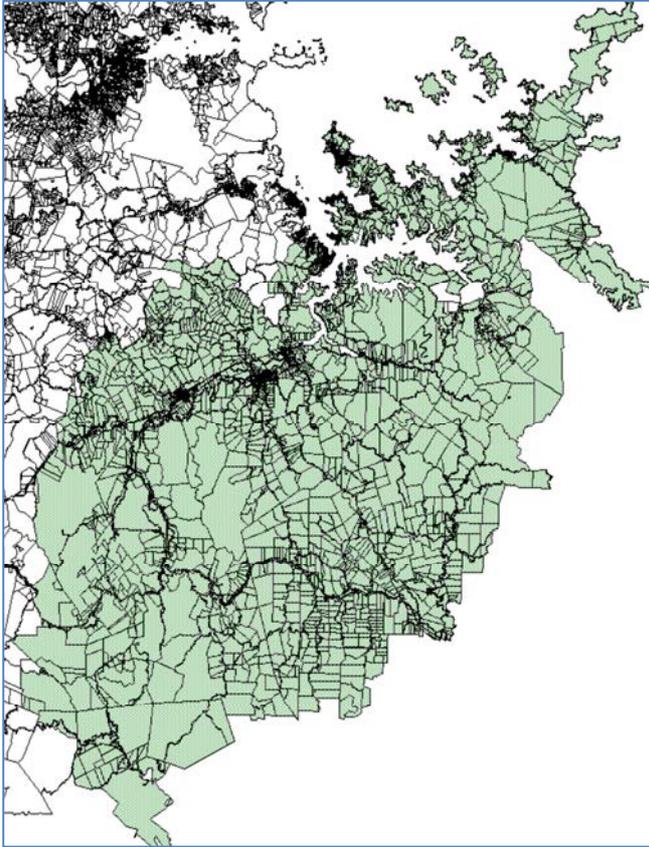


Map: 3 – Kerikeri Main Street Rating Area

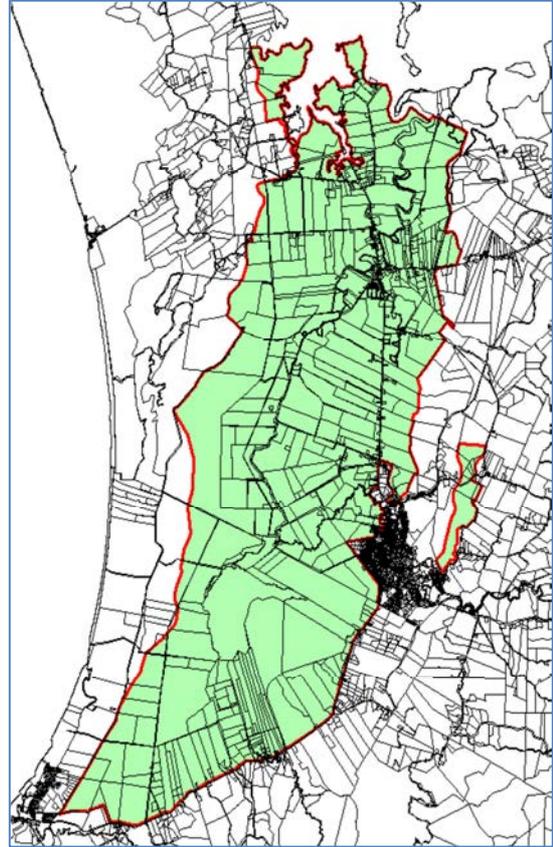


Map: 4 – Paihia CBD Rating Area

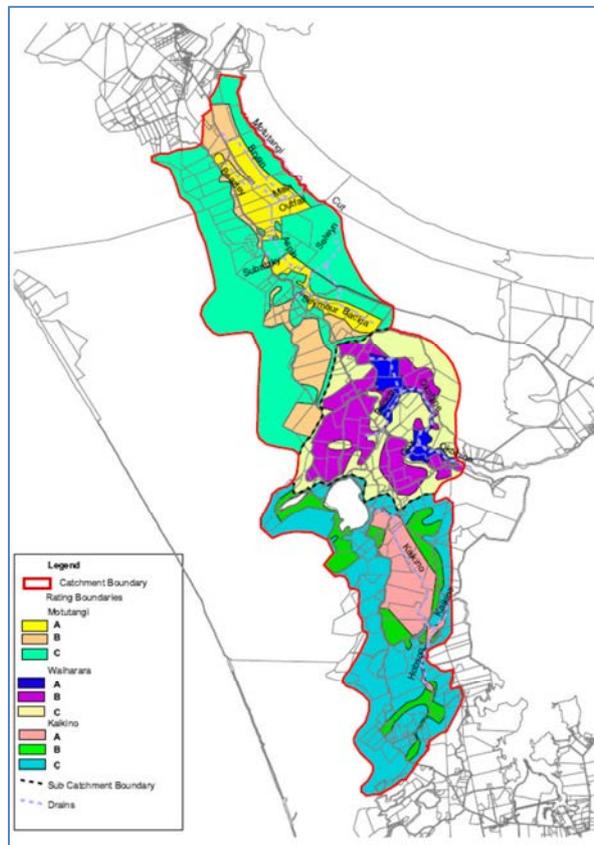
# Funding Impact Statement



Map: 5 –BOI Recreation Centre Rating Area

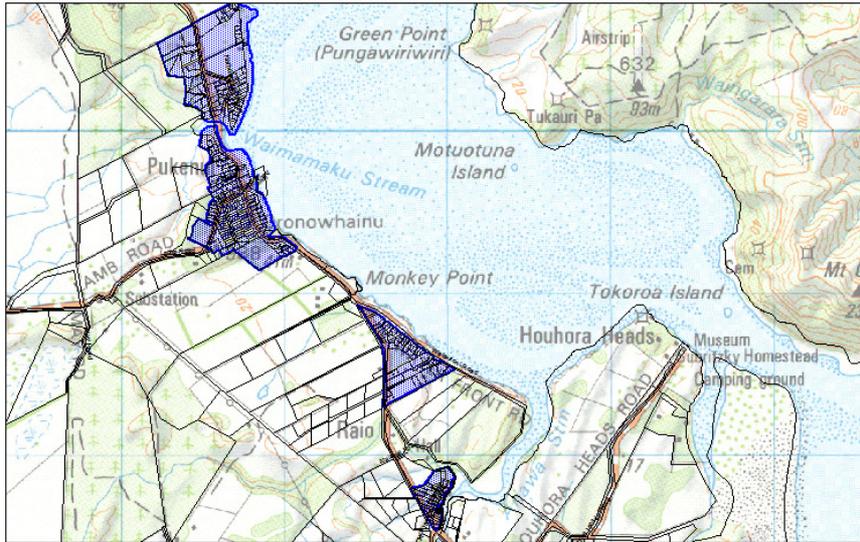


Map: 6 – Kaitaia Drainage Rating Area

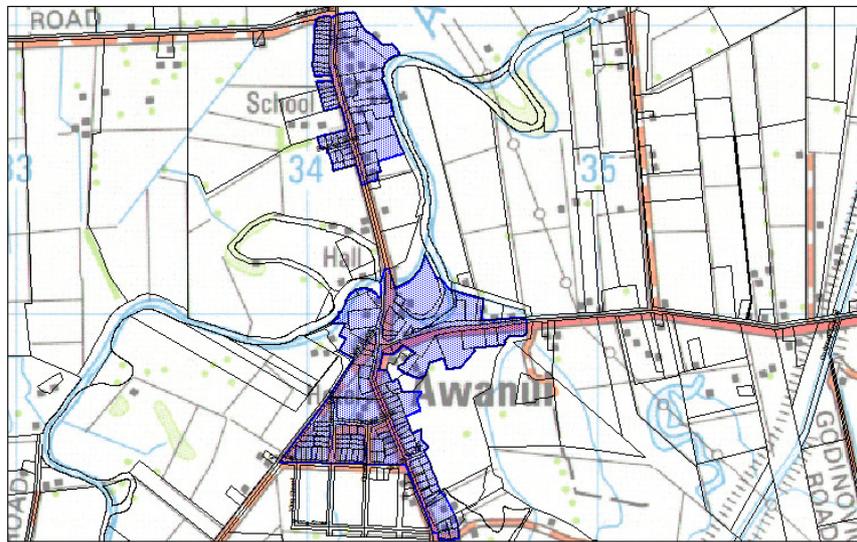


Map: 7 –Northern Drainage Rating Areas

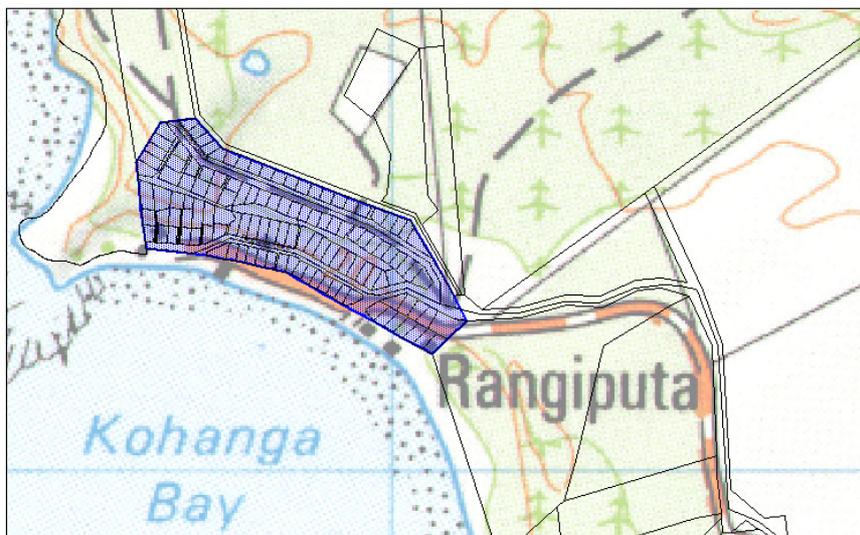
# Funding Impact Statement



**Map: 8 – Houhora Pukenui Stormwater Rating Area**



**Map: 9 – Awanui Stormwater Rating Area**

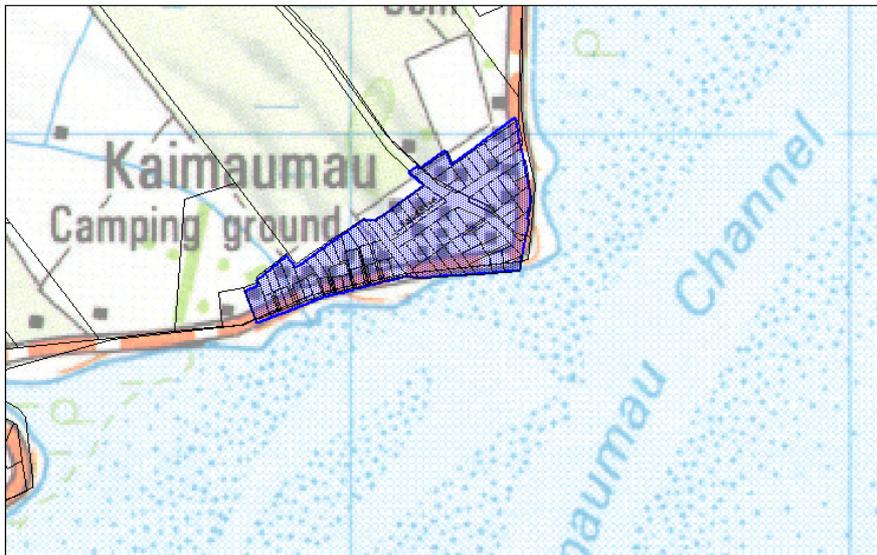


**Map: 10 – Karikari Communities – Rangiputa Stormwater Rating Area**

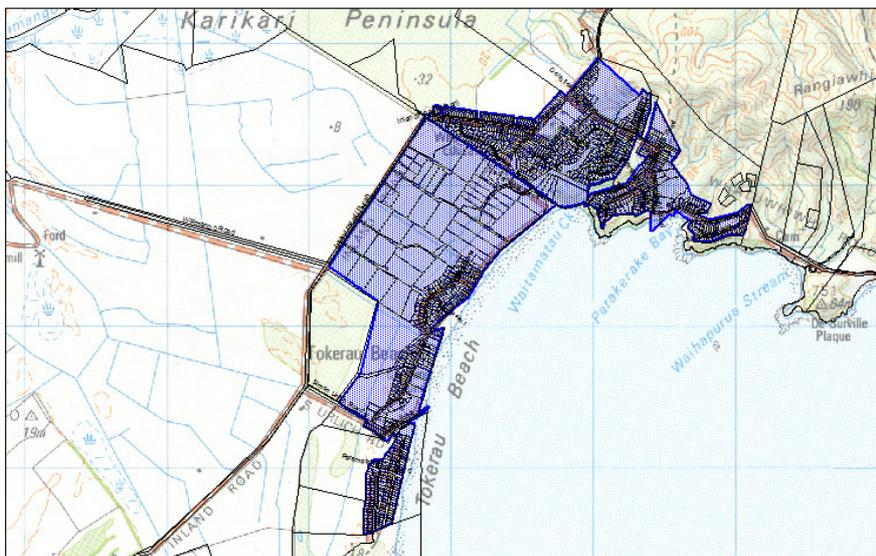
# Funding Impact Statement



**Map: 11 – Aipara Stormwater Rating Area**

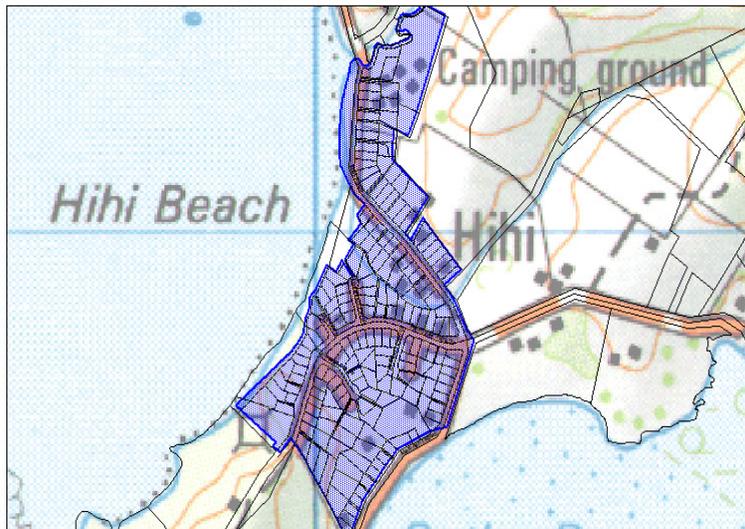


**Map: 12 – Kaimaumau Stormwater Rating Area**

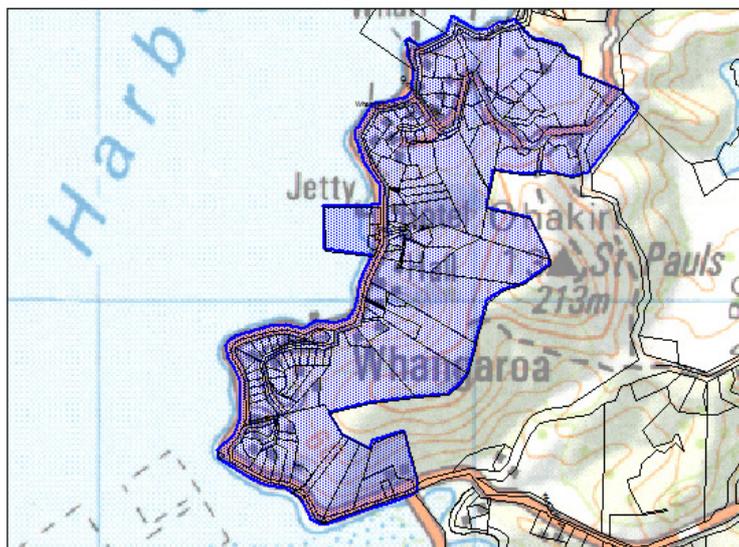


**Map: 13 – Karikari Communities Stormwater Rating Area**

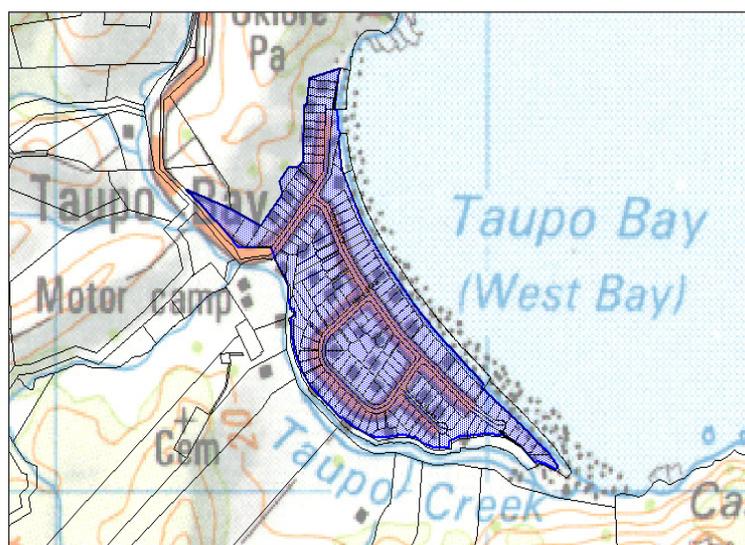
# Funding Impact Statement



Map: 14 – Hihi Stormwater Rating Area

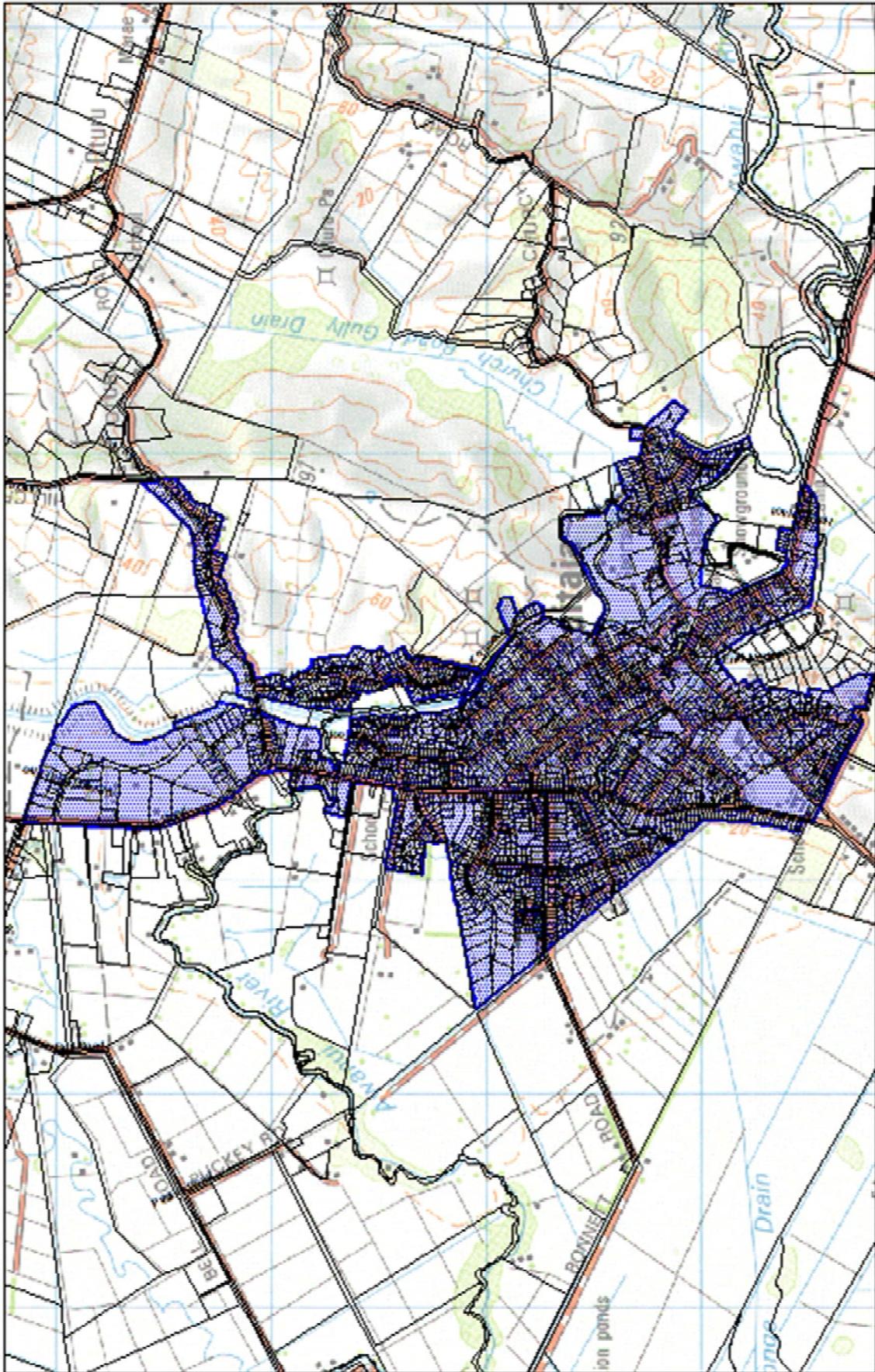


Map: 15 – Whangaroa Stormwater Rating Area



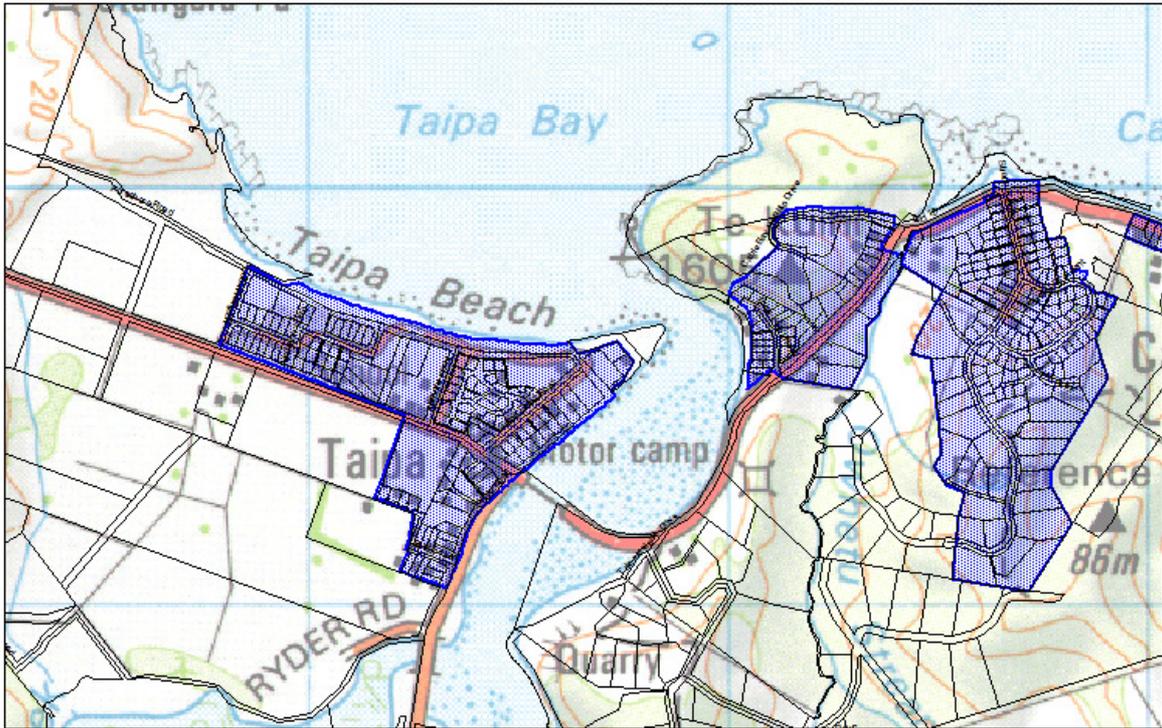
Map: 16 – Taupo Bay Stormwater Rating Area

# Funding Impact Statement

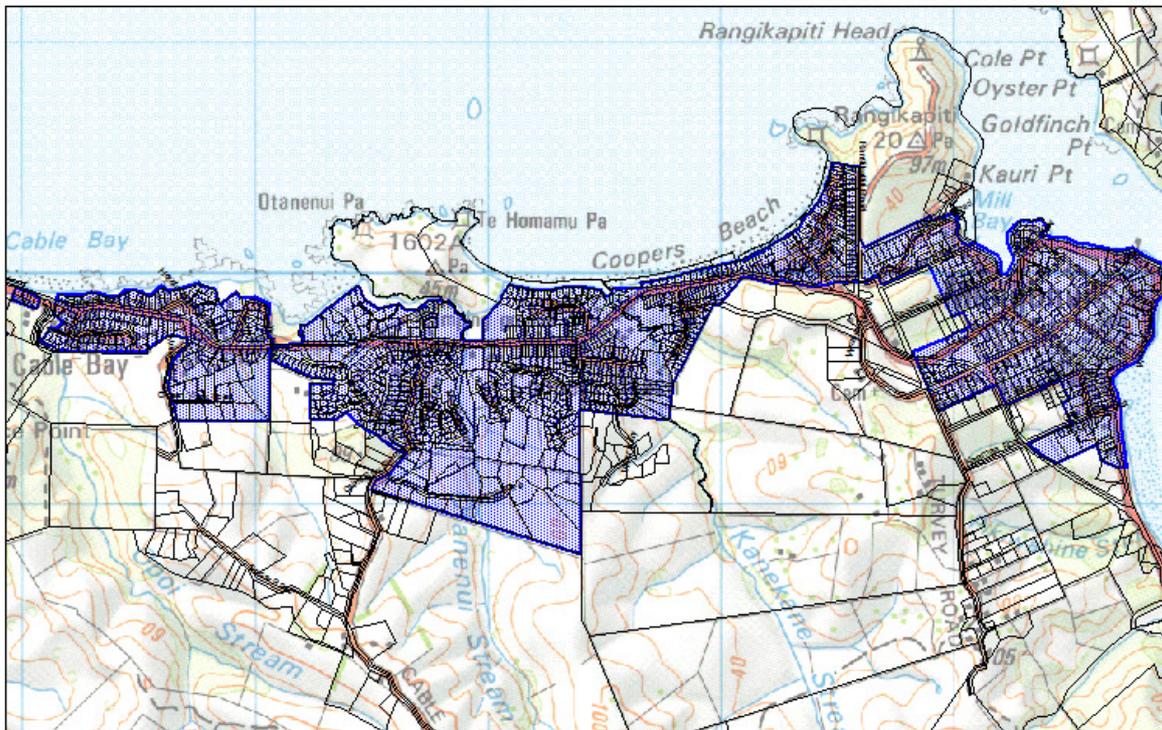


Map: 17 – Kaitia Stormwater Rating Area

# Funding Impact Statement

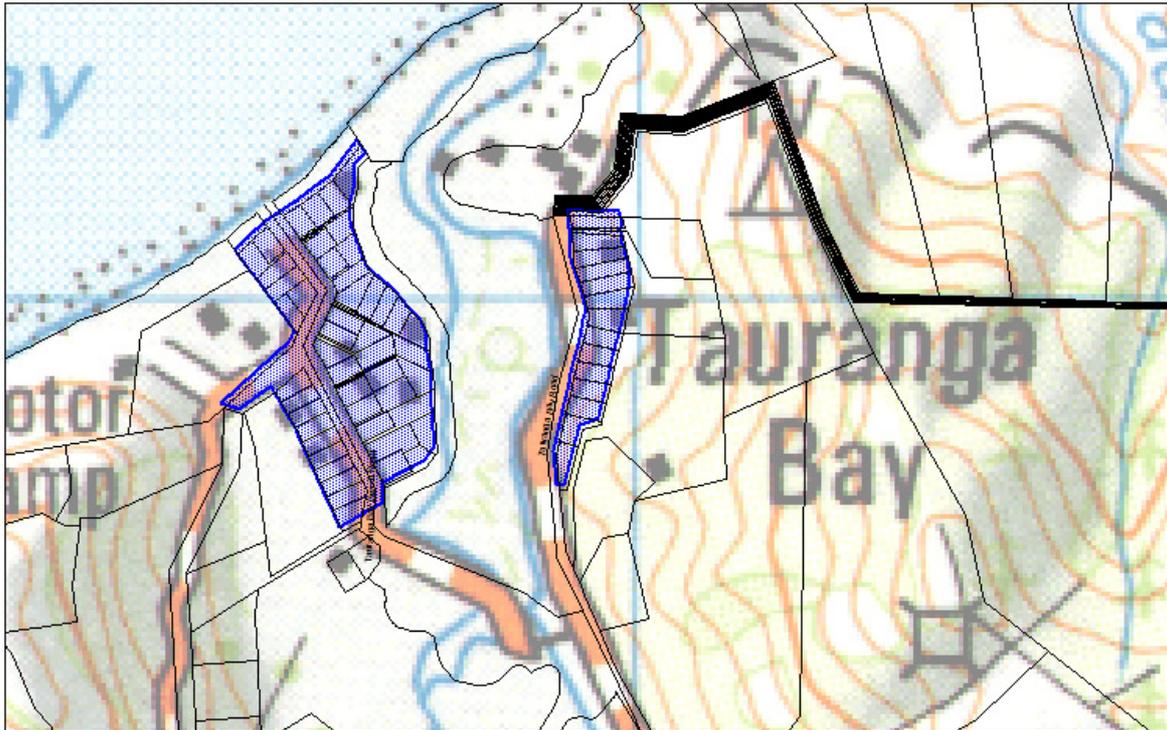


Map: 18 – East Coast Bays Stormwater Rating Area (1)

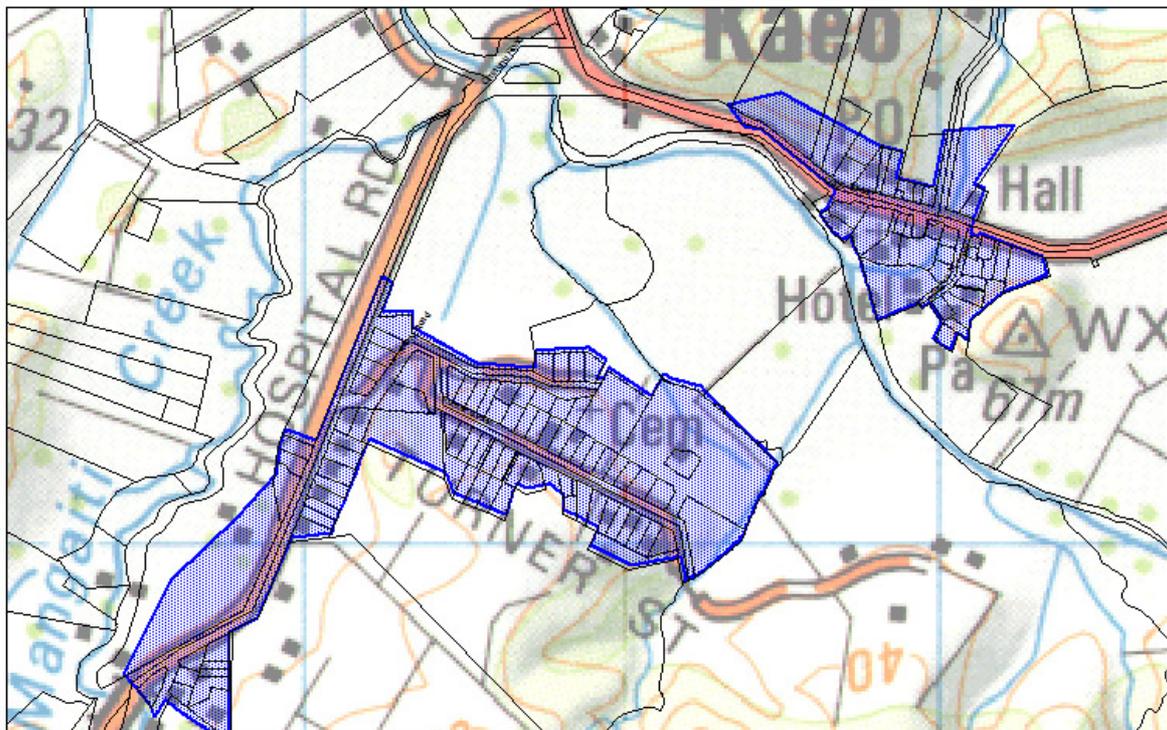


Map: 19 – East Coast Bays Stormwater Rating Area (2)

# Funding Impact Statement

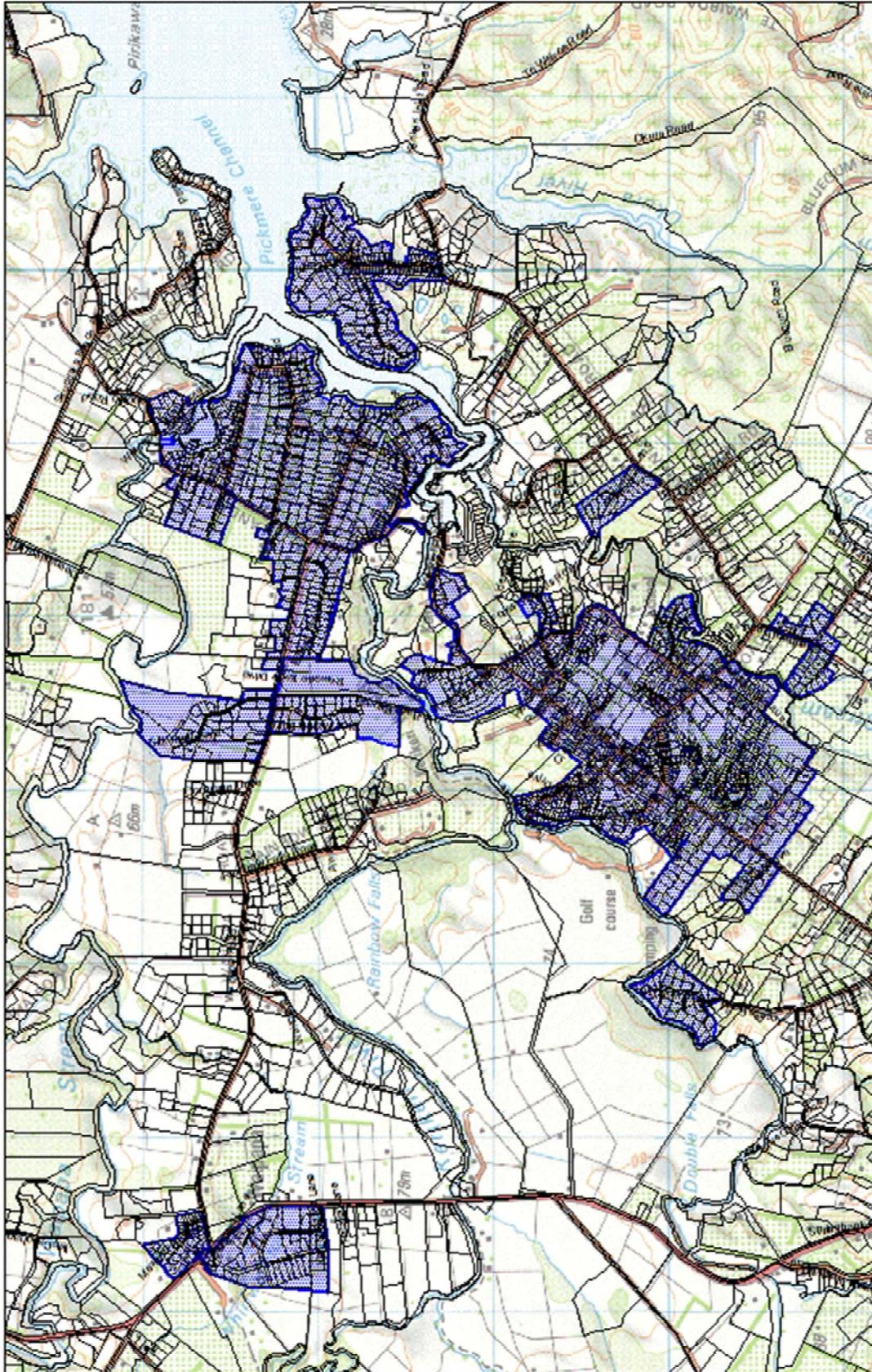


Map: 20 – Tauranga Bay Stormwater Rating Area



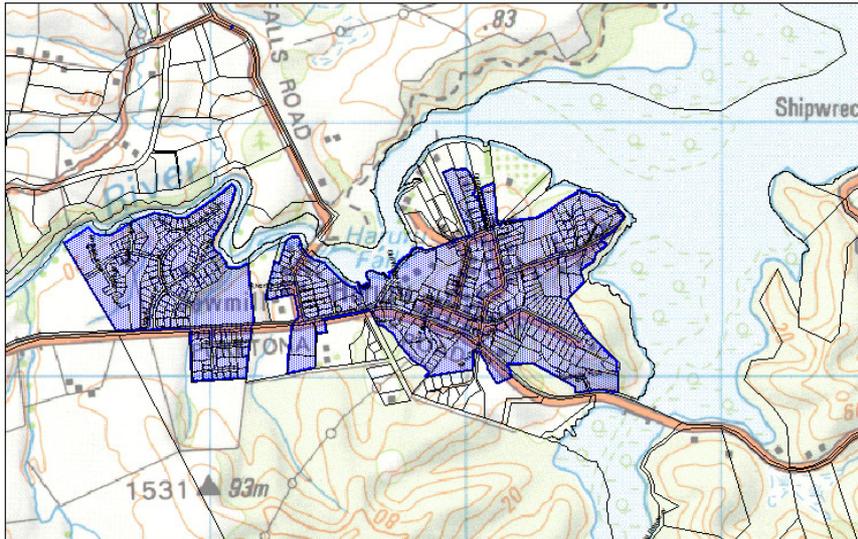
Map: 21 – Kaeo Stormwater Rating Area

# Funding Impact Statement

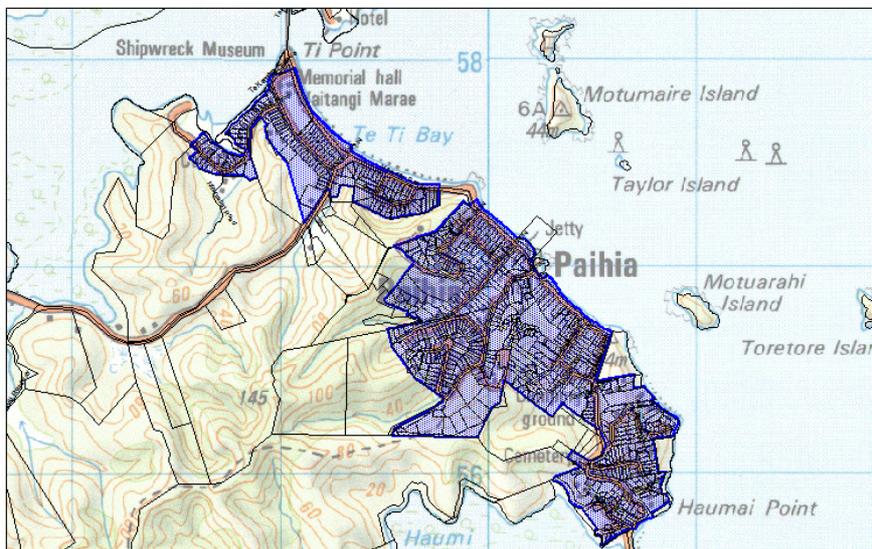


Map: 22 – Kerikeri/Waipapa Stormwater Rating Area

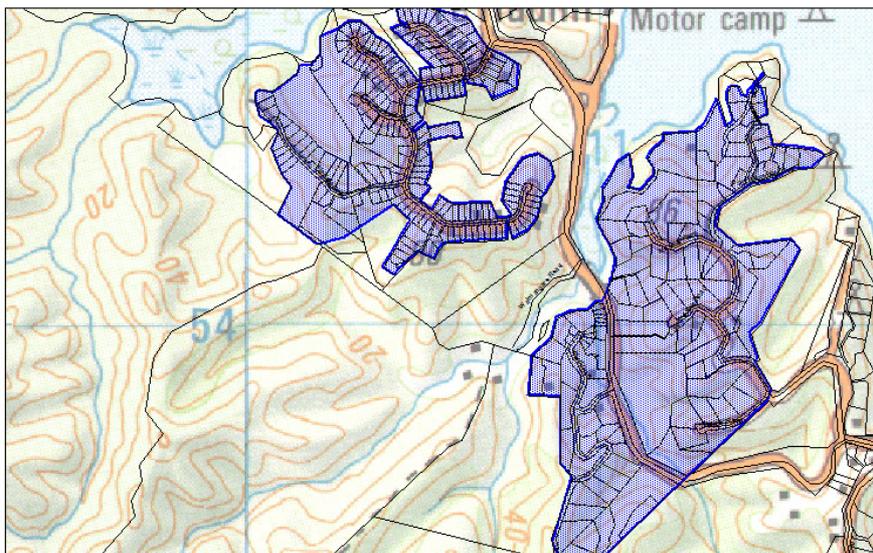
# Funding Impact Statement



Map: 23 – Haruru Falls Stormwater Rating Area

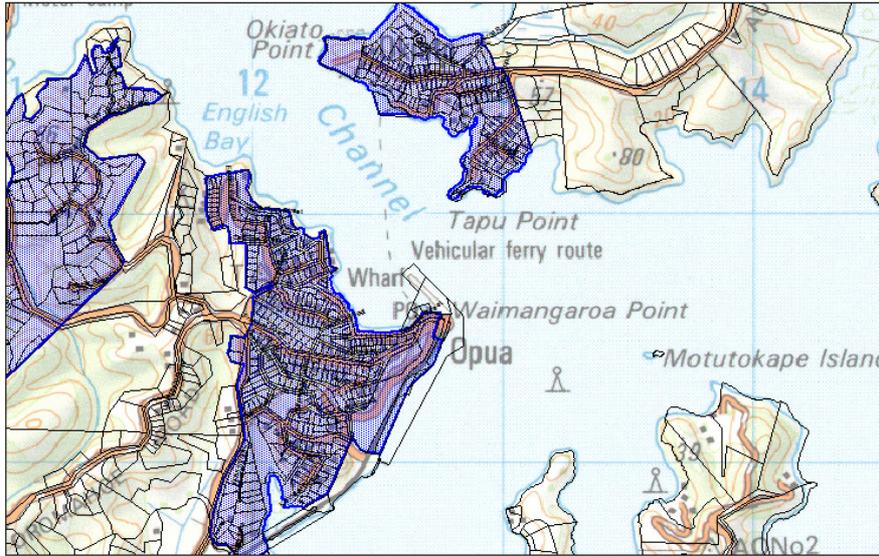


Map: 24 – Paihia Stormwater Rating Area

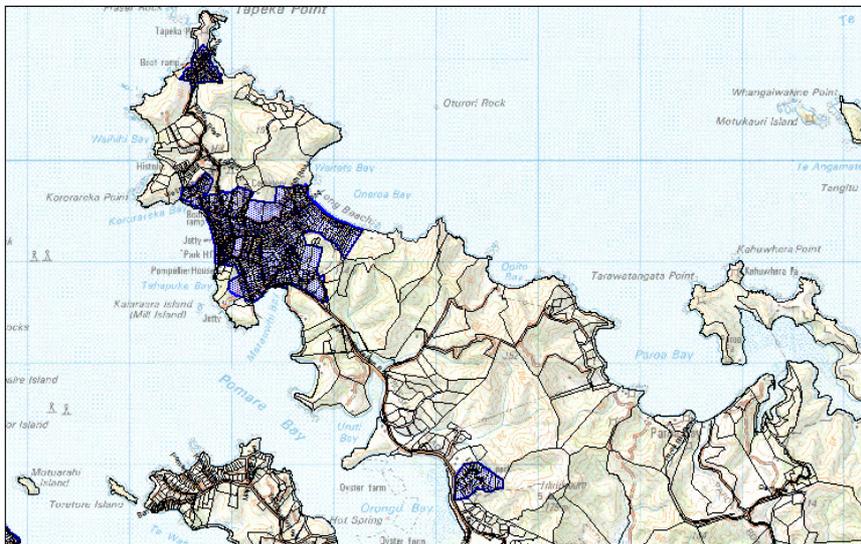


Map: 25 – Paihia (Te Haumi) Stormwater Rating Area

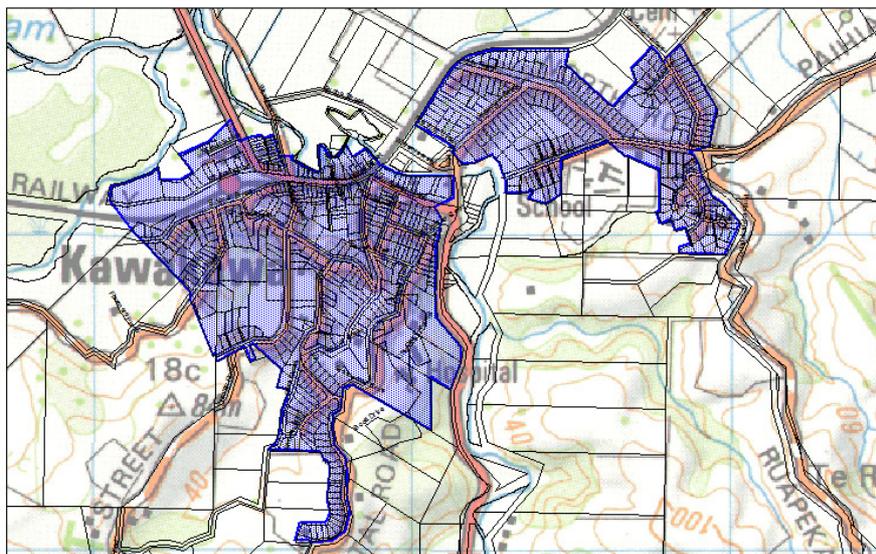
# Funding Impact Statement



**Map: 26 – Opuia/Okiato Stormwater Rating Area**

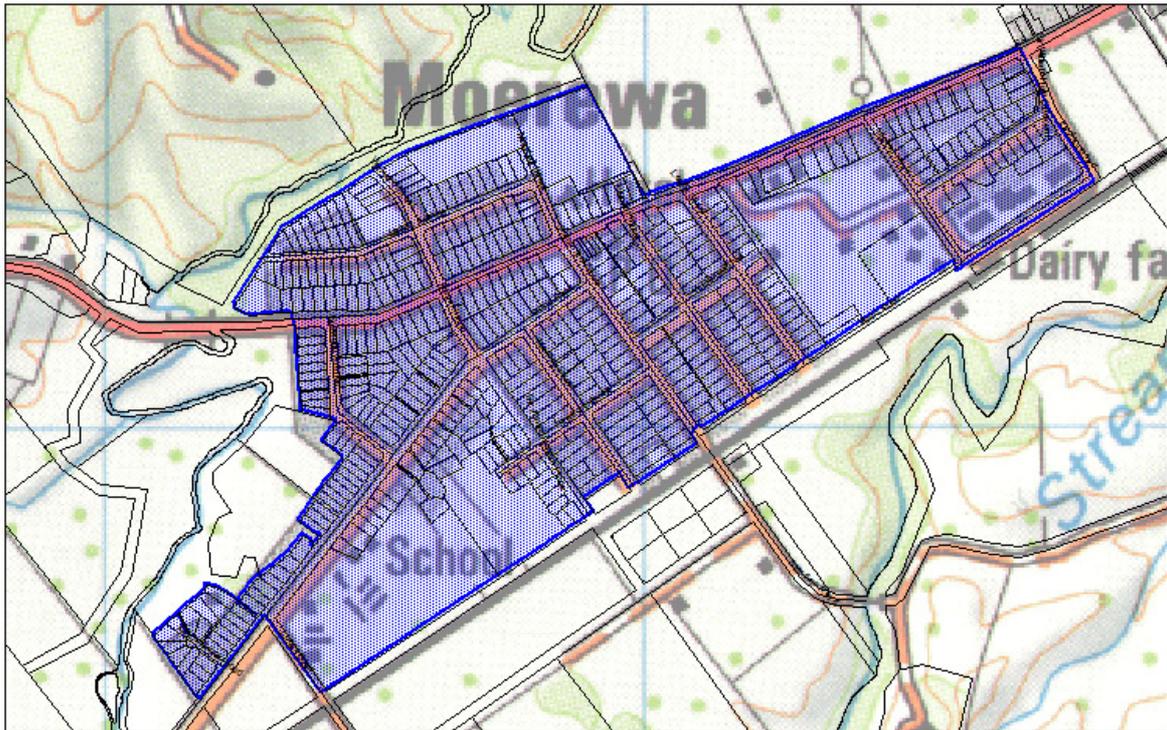


**Map: 27 – Russell/Tapeka Point Stormwater Rating Area**

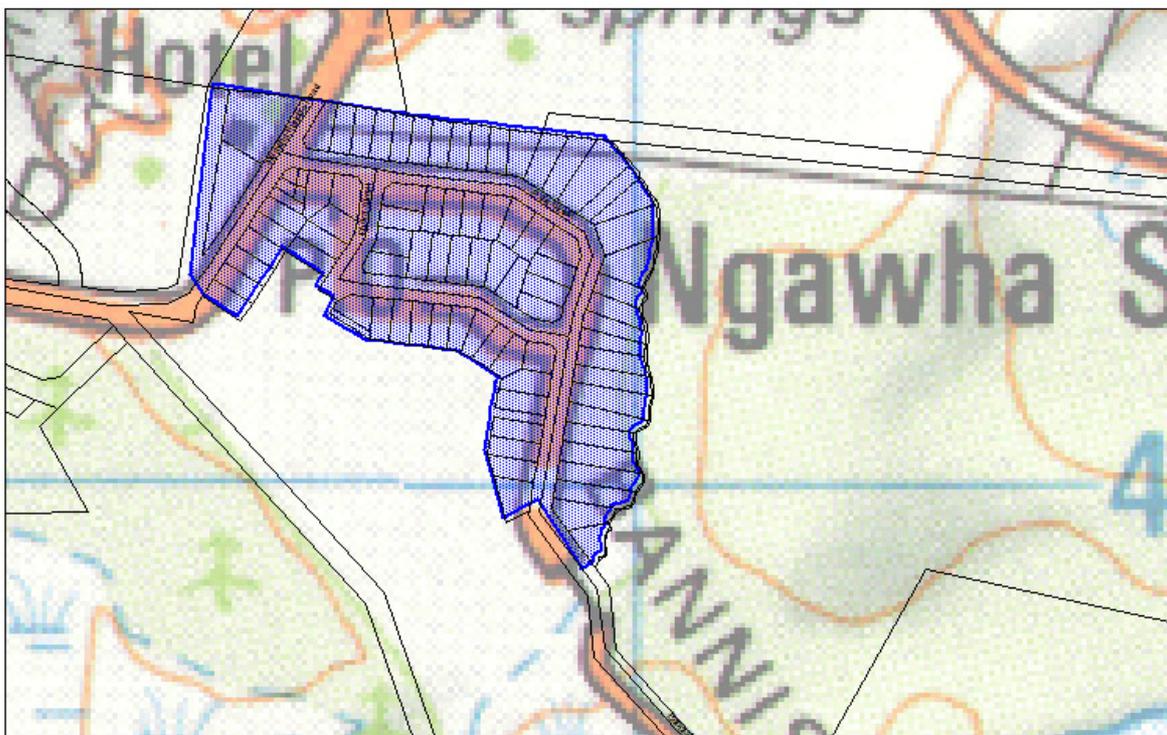


**Map: 28 – Kawakawa Stormwater Rating Area**

# Funding Impact Statement



Map: 29 – Moerewa Stormwater Rating Area



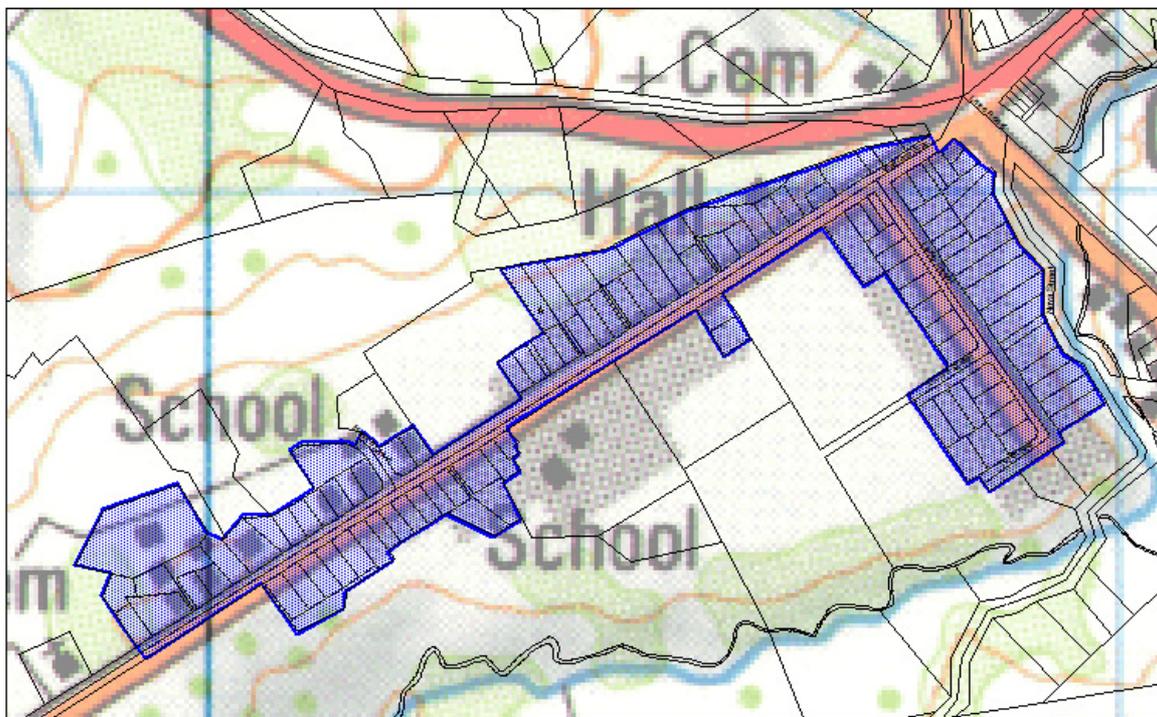
Map: 30 – Ngawha Stormwater Rating Area



# Funding Impact Statement

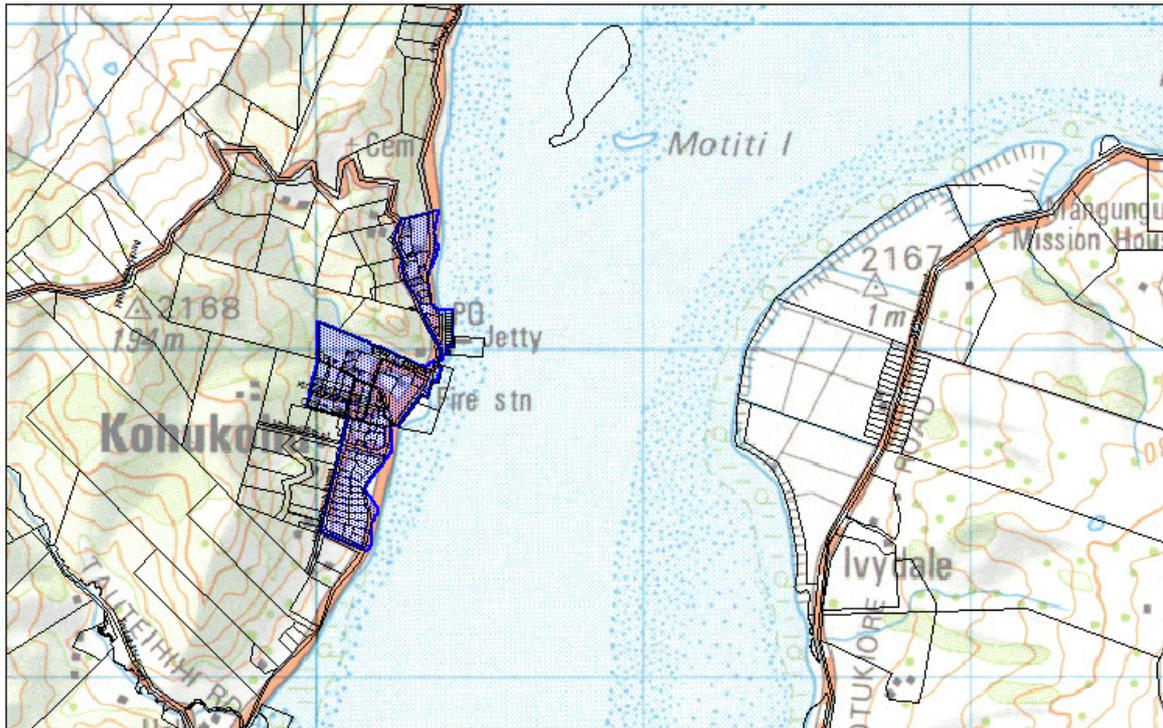


Map: 32 – Rawene Stormwater Rating Area

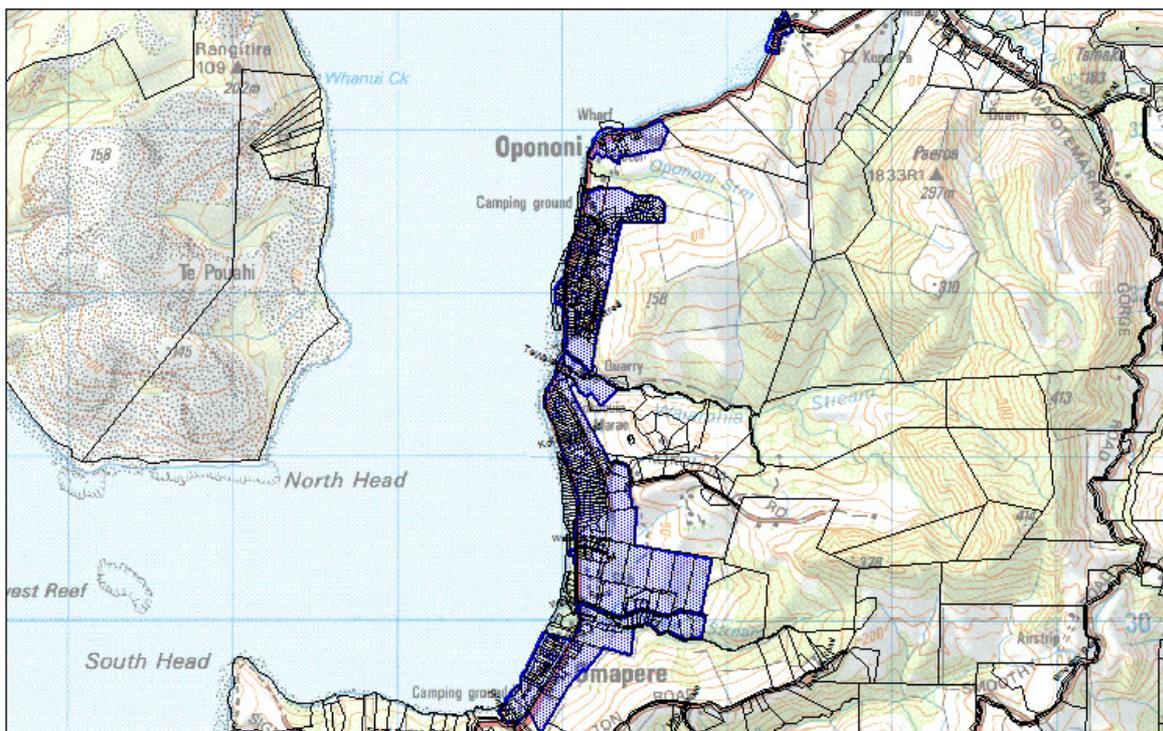


Map: 33 – Okaihau Stormwater Rating Area

# Funding Impact Statement



Map: 34 – Kohukohu Stormwater Rating Area



Map: 35 – Omapere/Opononi Stormwater Rating Area

# Glossary

---

## Activity

A good or service provided by or on behalf of a local authority.

## Activity Management Plans (AMPS)

AMPs cover all aspects of managing an asset. They include policy, financial forecasting and engineering requirements for all major activities. They ensure that the required level of services is maintained over the long-term by helping Council anticipate and plan for future needs and renewals.

## Allocated Costs

Allocation of costs by support departments to other Council departments for services provided. They reflect the true cost of the provision of goods and services.

## Annual Plan

A plan produced by Council every year that sets out what it plans to do for the following year and into the future, how much it will cost and how Council plans to fund it. Every third year it is part of the LTP (Long-Term Plan, formerly LTCCP, Long-Term Council Community Plan).

## Annual Report

A document that Council prepares each year, which provides the public with information on the performance of the local authority during the past year, both in financial and non-financial terms.

## Appropriation

Money that has been set aside from or brought into an operating revenue account.

## Assets

Assets are available resources owned by Council. Non-current assets are assets that have a useful life of more than one year, such as roads, parks, footpaths and buildings.

## AWPT

Abbreviation for Area Wide Pavement Treatment Programme. AWPT is a NZTA subsidised programme of renewal of pavements including overlays and chemical stabilization. It should not be confused with Council's road sealing programme.

## Authority

Power, responsibility. However, a 'local authority' or 'territorial authority' is another term for 'Council'.

## BERL

Business and Economic Research Ltd. This is the name of the index councils use for inflation figures across all areas like roading, water and stormwater. These all have different inflation rates.

## BKBM

This is a bank bill mid rate. This is the official bank rate for 90 days.

## Capacity

Council's ability to deliver a service. For some services, Council may not have legal or budgetary control and may only be able to act as an advocate or facilitator.

## Capital Value

The value of land plus any additions like buildings, driveways and fences.

## Capital Expenditure (CAPEX)

Capital expenditure is additions, improvements or renewals to fixed assets that have or will be built or purchased by the Council, where the benefit will be reflected over more than one financial year.

## CBEC

Abbreviation for Community Business and Environment Centre.

## Chief Executive

The person in charge of managing the Council organisation and the principal adviser to Council and employer of staff.

## Code of Conduct

A document that defines councillors' roles and conduct while in office.

## CP

Abbreviation for commercial paper.

## Community

A network of people and organisations linked together by common factors. This might refer to a network of people linked by place (that is, a geographic community), common interest or identity (for example, a Hapu,

# Glossary

---

voluntary organisations or society), or an administrative community (such as a district).

## **Community Board**

A local elected board within a community to advise a district council on issues affecting the community and to carry out functions delegated to it by the Council.

## **Community Development (CD)**

Is a broad term applied to the practices and disciplines of involving local people in the economic and social progress of our communities. Community development seeks to provide individuals and groups of people with the skills they need to effect change in their own communities. These skills are often created by forming and supporting interest groups working for an agreed common agenda.

## **Community Outcomes**

The future that a community wants to achieve. These outcomes set the direction for Council plans and help in the coordination of activities.

## **Constituency**

An electoral area within district boundaries.

## **Council Controlled Organisation (CCO)**

An organisation in which a Council has 50% or more of the voting rights.

## **Council Controlled Trade Organisation (CCTO)**

As for a CCO but with the intention of making a profit.

## **Consultation**

Listening to what people think about an issue.

## **Council**

A territorial authority, being an elected group of people that by democratic process have the mandate of the community they represent to make decisions and provide local governance. In the context of this document, 'Council' refers to the Far North District Council, while 'council' refers to territorial authorities generally.

## **Councillor**

A person elected to be on the Council.

## **Decision**

A resolution or agreement to follow a particular course of action, including an agreement not to take any action in respect of a particular matter.

## **Delegate**

To give responsibility to someone else.

## **Democracy**

Letting the community participate in decision-making.

## **Development Contributions**

A mechanism provided under the Local Government Act 2002 to fund capital expenditure needed to meet extra demand placed on utilities by development and is met by the developer/subdivider.

## **Depreciation**

The loss in value of an asset over time. This is an accounting device to ensure that an appropriate amount of capital expenditure is allocated as an expense each year and matched against the income of the Council (including rates) in the Statement of Financial Performance.

## **Deighton Total Infrastructure Management System (dTIMS)**

A decision support tool used by managers to plan, analyse and select maintenance and rehabilitation activities in the life-cycle of their infrastructure assets.

## **Far North Holdings Limited (FNHL)**

A Council Controlled Trading Organisation in which the Far North District Council is the major shareholder. FNHL manages fixed and non commercial assets including maritime facilities and assets.

## **Fees and charges**

Fees and charges are charges for a Council service that must be met by the user of the service (e.g. entrance fees to swimming pools, fees for dumping waste at tips, etc).

## **FNDC**

Abbreviation for Far North District Council.

## **FRAs**

Abbreviation for Forward Rate Agreements.

# Glossary

---

## **Grant**

Money given to a group for a particular purpose.

## **Hearing**

Meeting to enable members of the public to speak about a particular issue.

## **Infrastructure**

The systems that help a district function such as roads, public water supply, refuse and effluent disposal.

## **Internal recoveries**

Recovery of costs by support departments from other Council departments.

## **ISDA**

Abbreviation for International Swaps and Derivatives Agreement.

## **Land Value**

The probable price that would be paid for the bare land at the date of valuation. The value includes development work such as drainage, excavating, filling, levelling, retaining walls, clearing, building up fertility and flood protection.

## **Levels of service (LoS)**

A measure of a service that Council delivers e.g. a number of sports fields available for use, library opening hours, water quality etc.

## **LGA**

Local Government Act (2002). The purpose of the LGA is to provide for democratic and effective local government that recognises the diversity of New Zealand communities. The Act provides the general framework and powers under which New Zealand's 78 local authorities – regional, district and city councils – operate.

## **LGCI**

Local Government Cost Index. A BERL measure of the cost of business for a local authority.

## **Liabilities**

Amounts that the organisation owes. Non current liabilities are amounts that are not due to be paid within the next year.

## **Loan Funds**

This is money used by Council that it has obtained by raising a loan.

## **Local Government Statement**

A collection of information prepared under Section 40 of the Local Government Act 2002 that includes information about the ways in which a local authority engages with its community, how it makes decisions, and the ways in which citizens can influence those processes.

## **Long-Term Plan (LTP)**

A plan covering at least ten years, adopted under Section 93 of the Local Government Act 2002 that describes the activities the Council will engage in over the life of the plan, why the Council plans to engage in those activities, and how those activities will be funded. (Formerly the LTCCP – Long-term Council Community Plan).

## **Mayor**

The leader of Council, elected from across the District.

## **NZTA**

New Zealand Transport Agency. NZTA is a Crown entity established under the Land Transport Management Act 2003. The objective of the Agency is to undertake its functions in a way that contributes to an affordable, integrated, safe, responsive and sustainable land transport system. Each year the NZ Transport Agency funds innovative and relevant research that contributes to this objective.

## **New Zealand Transport Strategy**

Government's vision for transport for an affordable, integrated, safe, responsive and sustainable transport system.

## **NZ GAAP**

New Zealand Generally Accepted Accounting Practices.

## **Operating Expenditure**

Spending for the normal day to day services of Council. This also includes depreciation, interest on loans, and allocated costs.

# Glossary

---

## Outcomes

Outcomes are the future that a community wants to achieve. There is often a relationship between a community outcome and a specific service or facility that Council provides.

## Performance Indicators

Performance indicators are used by Council to measure how well services are performing. They enable targets to be set for service improvement and comparisons of performance over time with other organisations.

## Private Benefit

This occurs when individuals who benefit from a service can be clearly identified and therefore charged for that service. It applies to user charges, application fees, purchase price and water by meter, although there are exceptions to the rule.

## Public benefit

This relates to spending which benefits the community in general and for which no individual beneficiaries can be clearly identified.

## Rates

Money that property owners pay to the District and Regional Council for the provision of assets and services.

## Refuse

Rubbish, garbage and waste management.

## Regional Council

A Council that represents a regional community, manages natural resources and deals with issues that affect the environment. Our Regional Council is the Northland Regional Council.

## Regulatory

A function of Local Government concerning legal (usually bylaw) enforcement.

## Renewal Expenditure

This is spending that replaces deteriorating assets with new assets that have the same service potential as the originals.

## Reserve Contribution

A contribution made either in money or land (at Council's discretion) to the District's

reserves, payable for any subdivision in which the number of lots is increased, or for any significant development of land.

## Resource Consent

Special permission from Council for an activity related to land.

## Restricted Assets

Assets that cannot be disposed of because of legal or other restrictions and that provide benefit or service to the community. They include reserves vested under the Reserves Act 1977, endowments and property held in Trust for specific purposes.

## Reticulation

When water is supplied from a main source and distributed within a defined area, for a cost. Also a means of wastewater disposal where sewage is discharged to a main source where it is treated for disposal.

## Revenue

Money received by Council.

## Revenue and Financing Policy

This is a statement about who should pay for the services provided by Council. The policy outlines who will benefit from each activity and who should pay for it, taking into account fairness and what is practical.

## RFS

Request for Service. This is Council's system for tracking all public requests such as maintenance requests, questions or complaints.

## Service Levels

Defined service parameters or requirements for a particular activity or service against which service performance may be measured.

## Significance

The degree of importance of an issue, proposal, decision or matter, as assessed by the authority, in terms of its likely impact on and likely consequences for:

- The current and future wellbeing of the District or Region;
- Any persons who are likely to be particularly affected by, or interested in,

# Glossary

---

the issue, proposal, decision, or matter;  
and

- The capacity of Council to perform its role and the financial and other costs of doing so.

## **Special Consultative Procedure**

A formal consultation process defined in legislation, setting out a series of steps that must be followed when councils consult on particularly types of decisions.

## **Special Funds/Reserve Funds**

Money set aside for a specific purpose. Some uses are legally restricted and others created by Council.

## **Stormwater Catchment Management Plans**

SCMPs are designed for the sustainable management of stormwater runoff within a defined catchment utilising piped networks and overland flows giving consideration to current and future development, climate change, system capacity and condition, water quality, financial affordability and the environment.

## **Submission**

Individuals or organisations giving Council formal feedback when Council has initiated a consultation process.

## **Subsidies**

Money to help pay for some particular service, activity or infrastructure; usually paid by Central Government.

## **Sustainability**

Sustainability focuses on improving the quality of life for all people without increasing the use of natural resources beyond the capacity of the environment to supply them indefinitely. Sustainable activities utilise resources and build capacity in a way that ensures the activity can be safely maintained over time.

## **Sustainable Development**

Sustainable Development has many definitions. Most interpretations share the fundamental idea that it is development that maintains or enhances economic opportunity and community well-being while protecting and restoring the natural environment upon which people and economies depend. Sustainable Development meets the needs of the present without compromising the ability

of future generations to meet their own needs.

## **Territorial Authority**

A city or district council.

## **Triennial agreement**

An agreement entered into by all of the local authorities within a region that sets out the basis for community and coordination between authorities.

## **Trust**

Money or property looked after by an organisation.

## **Uniform Annual General Charge (UAGC)**

The fixed component of rates levied in respect of every separately rateable property as a contribution to the costs of activities, works or services, the costs of which are not otherwise recovered from separate rates and charges. This amount does not vary with the value of the property.

## **User fees and charges**

Fees charged to users of specific services and facilities provided by Council.

## **Utilities (Utility Assets)**

Utilities are items of network infrastructure that provide mechanisms for the delivery of services. In a local government context, utilities are commonly public water supply, wastewater, sewerage and solid waste.

## **Ward**

An area within the District administered by Council.



Private Bag 752, Memorial Ave, Kaikohe 0440, New Zealand  
Freephone: 0800 920 029, Phone: (09) 401 5200, Fax: (09) 40  
Email: [ask.us@fndc.govt.nz](mailto:ask.us@fndc.govt.nz), Website: [www.fndc.govt.nz](http://www.fndc.govt.nz)