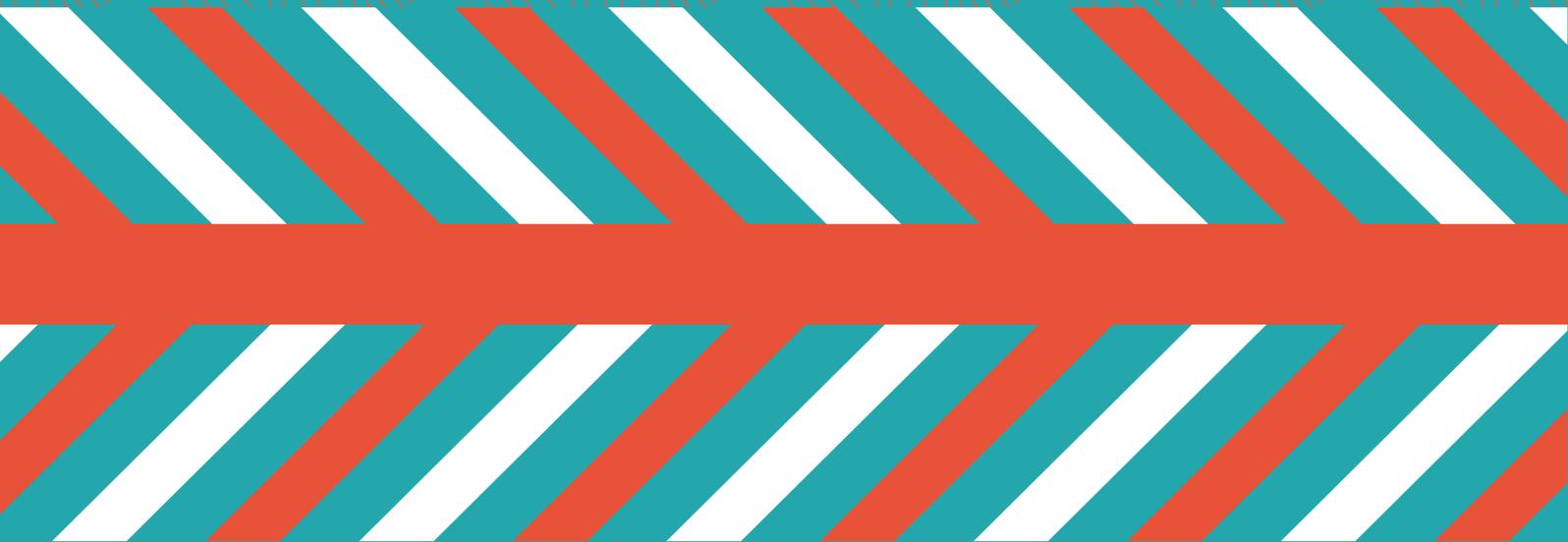
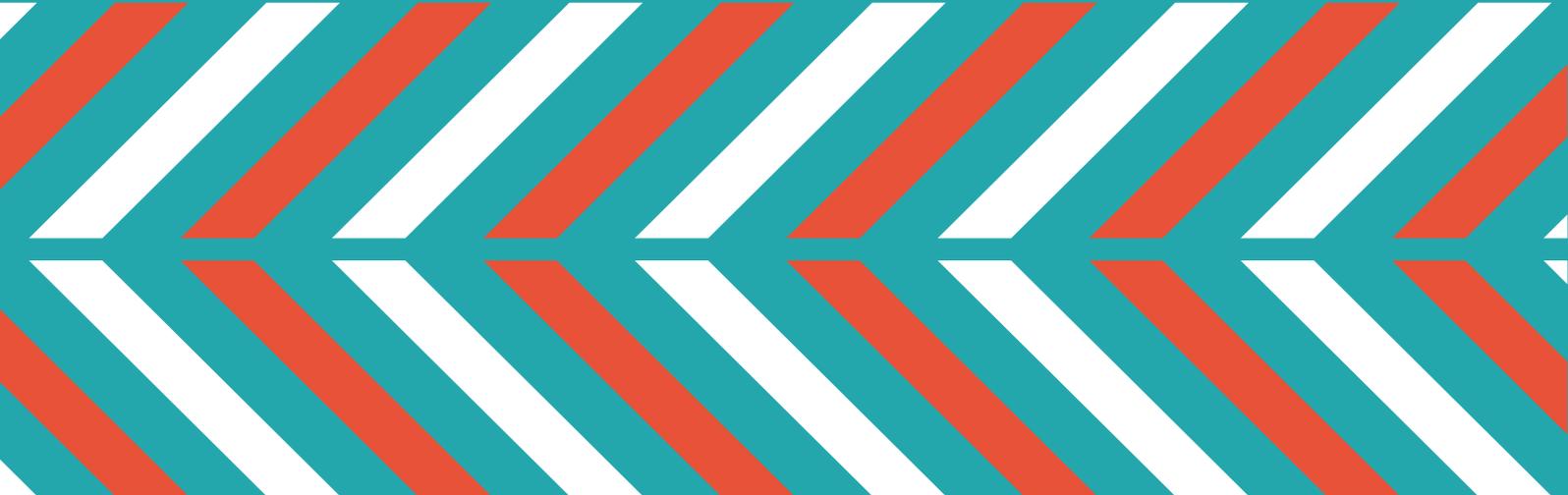




WHANGAREI  
DISTRICT COUNCIL

# 2016 ANNUAL PLAN 2017





# VISION, MISSION AND VALUES

## VISION

To be a vibrant, attractive and thriving District by developing sustainable lifestyles based around our unique environment; the envy of New Zealand and recognised worldwide.

## TIROHANGA

Ka kitea tō ihi, te ātaahuatanga kia anga mua tonu ngā mahi i roto i tō tātou rohe. Kia pūmau tonu te ahurei o te taiao. Ka āhua pūhaehae te titiro mai o te ao whānui ki Aotearoa.

## MISSION

Creating the ultimate living environment.

## ARONGA

Auaha mutunga kore o te ao tūroa.

## VALUES

The Vision for our District and the Mission for our organisation are underpinned by Whangarei District Council's commitment to the fundamental core values of:

- Communication
- Customer first
- Innovation and excellence
- Valuing employees and partnerships
- Visionary leadership.

## WĀRIU

Ngā tirohanga mo tō tātou rohe, me ngā aronga mo tō tātou roopu whakariterite, nā te roopu tautoko kaupapa. Te Kaunihera ā rohe o Whangarei. Kia noho here ki ngā pū taketake whai wāriu

- Whakawhitiwhitinga kōrero
- Te kai tonu i te tuatahi
- Whakatakoto kaupapa hou, whakahirahira
- Wāriutanga o ngā kaimahi i roto i te haerenga tahitanga, pērā i ngā tikanga o te Tiriti o Waitangi
- Tirohanga kaiārahi (ngā tirohanga whakamua kaiārahi)

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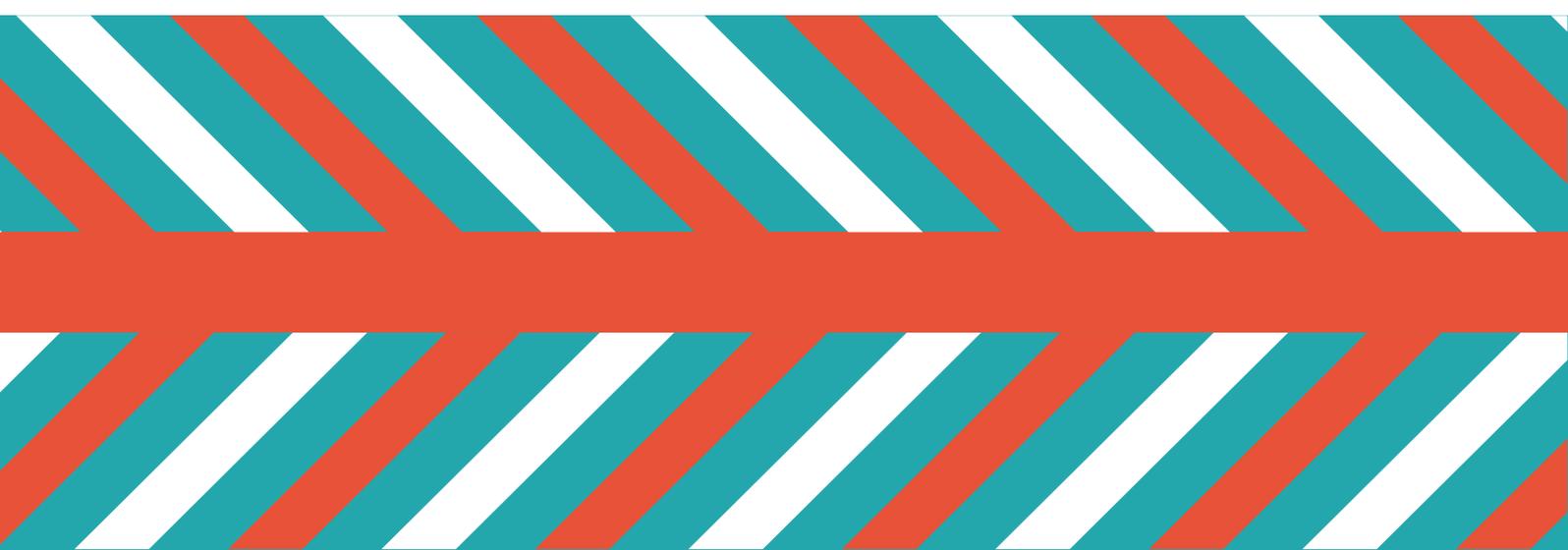
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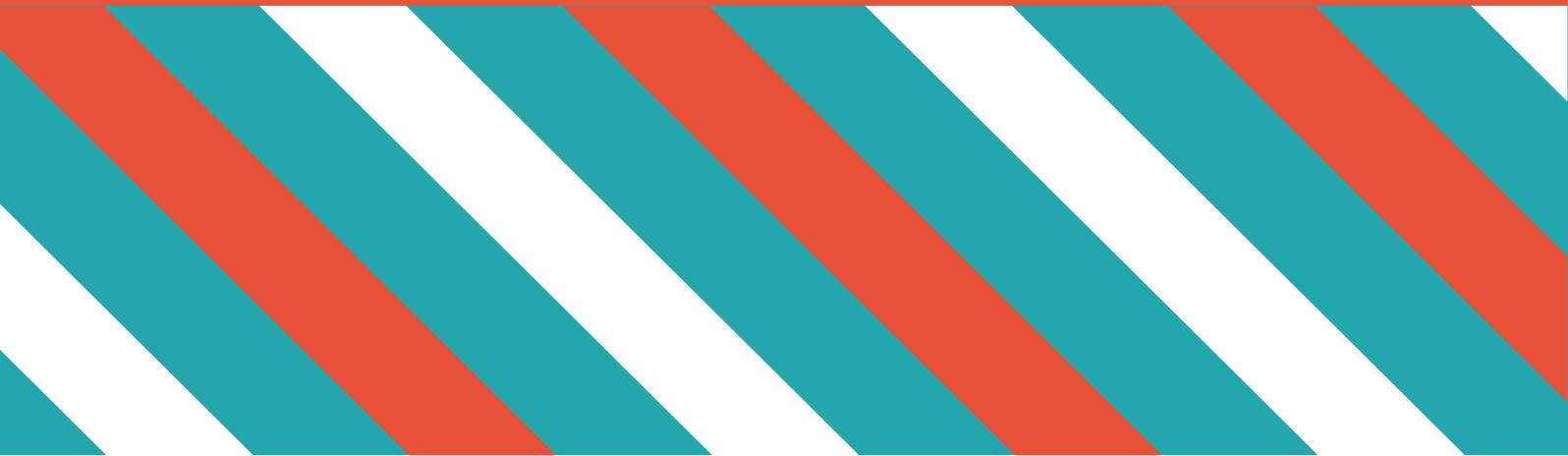
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PART ONE  
**INTRODUCTION**



# AN INTRODUCTION TO THE 2016-17 ANNUAL PLAN

This year's Annual Plan covers year two of the 2015-25 Long Term Plan (LTP) for the Whangarei District.

It outlines the outcomes the community wants us to deliver, the work we will do and the services we will provide in the year from July 2016 to June 2017. It also states how these things will be funded.

While compiling this Annual plan we sought feedback on a Consultation Document and supporting information that proposed minor changes to year two of the LTP. These included a lower-than-forecast increase in the general rate and lower debt position for the end of the year than that indicated in the LTP.

We also consulted on a possible targeted rate for Whangarei Heads Sewer extension for McLeod Bay, Fees and Charges review and proposed changes to the Rates Remission and Postponement policies.

The consultation included 16 community meetings and a Have Your Say Event (HYSE) which attracted 70 attendees. We received 271 submissions, took feedback from social media, and held traditional public hearings at which 78 submitters presented their feedback to Council. The public raised several new issues during the consultation.

This is the final 2016-17 Annual Plan adopted following development of the Consultation Document and feedback from the community. It outlines minor changes to Year Two of the LTP, driven by a number of factors including consultation. It also includes a summary of general issues raised during the consultation process and how they will be addressed.

It can be described as a 'steady as you go' plan, featuring no major changes to the programme outlined for Year Two of the LTP.

# MAYOR'S MESSAGE

I am proud to introduce Whangarei District Council's Annual Plan which outlines our programme of work and anticipated income sources for the year beginning 1 July, 2016.

This Plan is based on the second year of the 2015-25 LTP adopted in June 2015, as a ten-year focus for Council decision-making, and aligns closely with its charted course. A few minor adjustments have been made to accommodate situations and needs not previously anticipated.

As with previous years, Council is taking a conservative approach with this Annual Plan, meaning we have set and are sticking to a budget, prioritising projects, and not spending where we don't have to. Core activities will continue to receive the funding needed to ensure our people and place don't go without the services they rely on to keep them healthy, safe and well-functioning. As the costs for these activities increase each year, a rate rise is usually needed.

The good news is that inflation forecasts have dropped, which means that the planned overall increase of 4.45% drops to a general rates increase of 3.9%. Our spending on capital projects is also down from \$56.3 million to \$53.7 million, and our operational spending and external debt have dropped as well.

Our focus this year will be on transportation, water, solid waste and wastewater services, parks and recreation facilities, making Whangarei welcoming and nice.

Highlights of this plan include the start of construction on the new Whau Valley water treatment plant and the Waiarohia Stream beautification project known as the Emerald Necklace; continued investigation and feasibility studies for a new airport and new premises for Council and further development of our cycleways, the Hatea Loop and Pohe Island.

These and all other activities within this Annual Plan represent Council's most diligent response to the purpose of local government as stated in the Local Government Act, being "to meet the current and future needs of communities for good quality local infrastructure, local public services, and the performance of regulatory functions in a way that is most cost-effective for households and businesses".

For Whangarei in the year to come that means ensuring our community is provided with its fundamental needs while continuing to grow our potential as a prosperous, happy and healthy community.

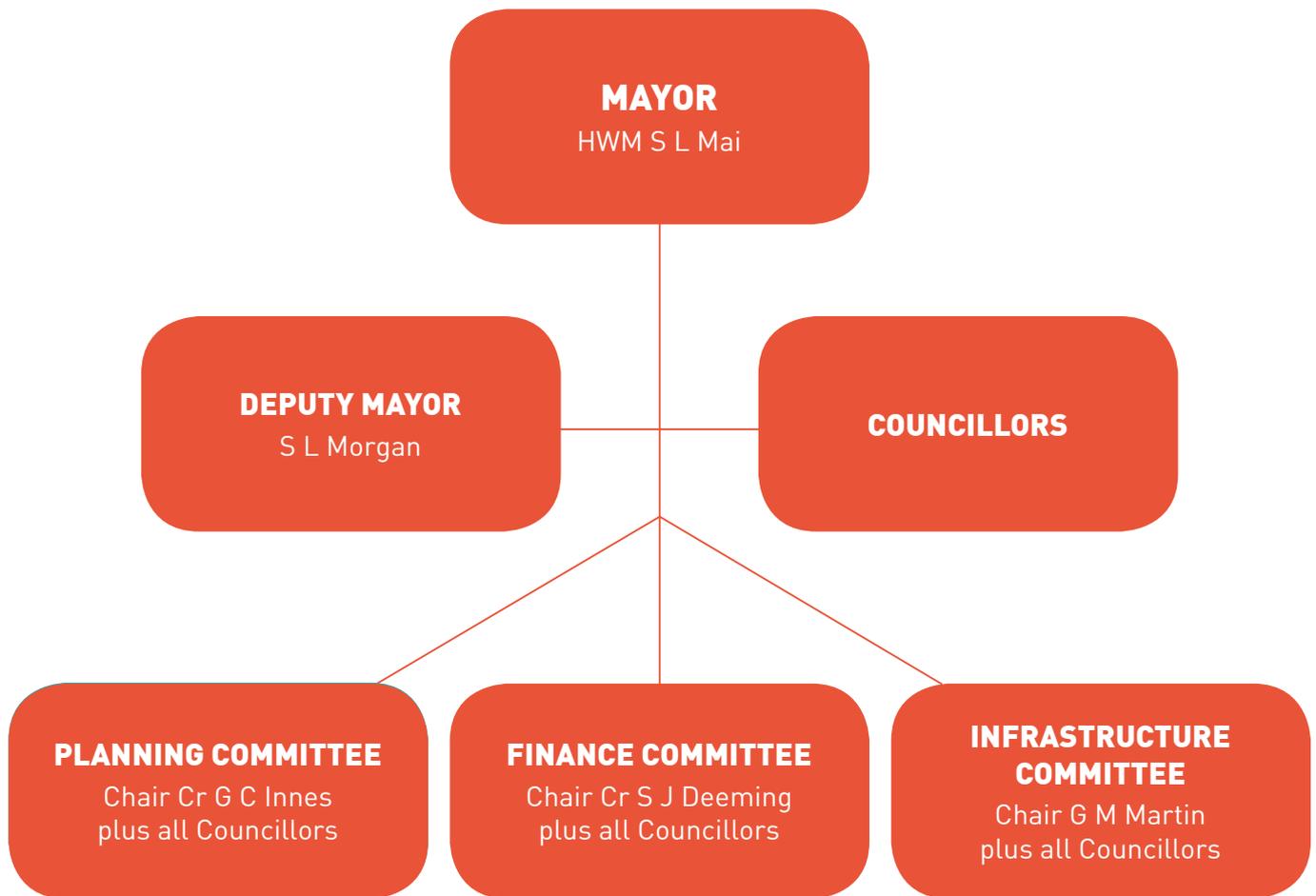
This requires a tricky balancing act. A finite sum of money must fund a multitude of works and activities, and we continually search for ways to reduce costs while maintaining high quality services.

I believe this Annual Plan has that balance right, and that it is also a fair allocation of ratepayer funds. I congratulate the Councillors, Council staff and residents who were part of shaping it, and thank them for helping to create a better Whangarei in which to live, work, invest and play.



**HER WORSHIP THE  
MAYOR  
SHERYL MAI**

# COUNCIL STRUCTURE – POLITICAL



## OTHER COMMITTEES

### DISTRICT LICENSING COMMITTEE

Chair Cr J D T Williamson

### AIRPORT NOISE MANAGEMENT CONSULTATIVE COMMITTEE

Chair (Independent) Chris Barber

### AUDIT AND RISK COMMITTEE

Chair Deputy Mayor S L Morgan

### CIVIC HONOURS COMMITTEE

Chair Cr C B Christie

### CEO REVIEW COMMITTEE

Chair HWM S L Mai

### 20/20 INNER CITY REVITALISATION COMMITTEE

Chair Cr P R Halse

## SUBCOMMITTEES OF THE PLANNING COMMITTEE

### EXEMPTIONS AND OBJECTIONS SUBCOMMITTEE

Chair Cr G C Innes

### COMMUNITY FUNDING SUBCOMMITTEE

Chair Cr S J Deeming

## MĀORI LIAISON

### TE KĀREAREA STRATEGIC PARTNERSHIP FORUM

Co-Chairs HWM S L Mai and Pita Tipene (Te Huinga)

# MAYOR AND COUNCILLORS



## **MAYOR SHERYL MAI**

All communications to Her Worship go to the Mayor's personal assistant, Carina De Graaf  
Phone 09 430 4200  
Email [mayor@wdc.govt.nz](mailto:mayor@wdc.govt.nz)



## **COUNCILLOR SUE GLEN**

Okara Ward  
Home Phone 09 436 2181  
Mobile Phone 027 292 8420  
Email [robinsusanglen@xtra.co.nz](mailto:robinsusanglen@xtra.co.nz)



## **DEPUTY MAYOR SHARON MORGAN**

Mangakahia – Maungatapere Ward  
Mobile Phone 027 443 4679  
Email [Cr.Morgan@wdc.govt.nz](mailto:Cr.Morgan@wdc.govt.nz)



## **COUNCILLOR PHIL HALSE**

Bream Bay Ward  
Home Phone 09 430 2251  
Mobile Phone 027 303 5671  
Email [philandflojo@gmail.com](mailto:philandflojo@gmail.com)



## **COUNCILLOR STUART BELL**

Okara Ward  
Mobile Phone 021 625 115  
Email [Cr.Bell@wdc.govt.nz](mailto:Cr.Bell@wdc.govt.nz)



## **COUNCILLOR CHERRY HERMON**

Okara Ward  
Home Phone 09 437 1197  
Email [Cr.Hermon@wdc.govt.nz](mailto:Cr.Hermon@wdc.govt.nz)



## **COUNCILLOR SUSY BRETHERTON**

Hikurangi – Coastal Ward  
Mobile Phone 021 414 465  
Email [susyb@xtra.co.nz](mailto:susyb@xtra.co.nz)



## **COUNCILLOR GREG INNES**

Whangarei Heads Ward  
Mobile Phone 027 495 3382  
Email [Cr.Innes@wdc.govt.nz](mailto:Cr.Innes@wdc.govt.nz)



## **COUNCILLOR CRICHTON CHRISTIE**

Denby Ward  
Home Phone 09 430 2848  
Mobile Phone 027 392 2289  
Email [crichton@rentacheepy.co.nz](mailto:crichton@rentacheepy.co.nz)



## **COUNCILLOR GREG MARTIN**

Hikurangi – Coastal Ward  
Home Phone 09 433 5629  
Mobile Phone 027 283 6147  
Email [Cr.Martin@wdc.govt.nz](mailto:Cr.Martin@wdc.govt.nz)



## **COUNCILLOR TRICIA CUTFORTH**

Denby Ward  
Mobile Phone 027 287 0366  
Email [tricia@venturenz.co.nz](mailto:tricia@venturenz.co.nz)



## **COUNCILLOR BRIAN MCLACHLAN**

Okara Ward  
Home Phone 09 436 3660  
Mobile Phone 021 201 4111  
Email [Cr.McLachlan@wdc.govt.nz](mailto:Cr.McLachlan@wdc.govt.nz)



## **COUNCILLOR SHELLEY DEEMING**

Bream Bay Ward  
Home Phone 09 432 3779  
Mobile Phone 027 275 7330  
Email [Cr.Deeming@wdc.govt.nz](mailto:Cr.Deeming@wdc.govt.nz)



## **COUNCILLOR JOHN WILLIAMSON**

Denby Ward  
Home Phone 09 434 7245  
Mobile Phone 021 217 4132  
Email [jdtm.williamson@xtra.co.nz](mailto:jdtm.williamson@xtra.co.nz)

# COUNCIL STRUCTURE – ORGANISATIONAL



# OUR STRATEGIC DIRECTION

This 2016-17 Annual Plan continues to follow the strategic direction we set in the 2015-25 LTP.

A number of key programmes of work support Council's strategic direction. These are underpinned by the Sustainable Futures 30/50 Growth Strategy adopted in 2010 following a substantial community consultation exercise.

Sustainable Futures 30/50 established a blueprint for future growth which allows the District to maintain the features that make it an attractive place to live, work, play and invest. The Strategy also identified the sorts of development that will contribute most environmental, social, cultural and economical benefits to a population expected to increase by 1% per year through to 2045.

This work forms the platform on which the 2016-17 Annual Plan is built.

Our financial and infrastructure strategies are set to move our District forward and invest enough for it to grow and prosper, while continuing to work within our means and focus on maintaining current assets and service levels.

## FINANCIAL STRATEGY

Council's Financial Strategy is based on fulfilling the purpose of local government, which is to "meet the current and future needs of communities for good-quality local infrastructure, local public services and performance of regulatory functions in a way that is most cost-effective for households and businesses".

The Financial Strategy outlines what Council believes to be appropriate levels of borrowing, rates and expenditure, while also considering the affordability and adequacy of funding. Further information can be found in the 2015-25 LTP.

The strategy also commits Council to achieve a balanced budget in every year. A balanced budget is one where revenue exceeds expenditure (including depreciation).

## INFRASTRUCTURE STRATEGY

Council also has a 2015-45 Infrastructure Strategy which is supported by detailed Asset Management Plans. This was developed alongside the LTP.

The Infrastructure Strategy focuses on the significant issues facing our infrastructure, and sets the direction for it in this Annual Plan.

The Strategy considers the five major asset groups of Council's network infrastructure. These are water supply, sewerage and the treatment and disposal of sewage, stormwater drainage, flood protection and control works, and the provision of roads and footpaths.

Council has also elected to consider Parks and Recreation assets because these two activities consume significant resources and contribute strongly to community outcomes.

# COUNCIL AND MĀORI WORKING IN PARTNERSHIP

Developing relationships with tangata whenua continues to be a priority for Council at both the governance and operational levels.

Te Kārearea, our strategic partnership forum with Māori formed in 2012, is made up of representatives of the major hapū groupings from within the District. Together, these representatives advocate for hapū of Whangarei. They meet in their own forum, named Te Huinga, to discuss common issues that can be brought to the joint Council-Hapū Te Kārearea forum.

The eight mandated hapū representatives are Pita Tipene (Ngati Hine and Co-Chair), Deborah Harding (Patuharakeke), Te Warihi Hetaraka (Ngā hapū o Whangaruru), Mike Kake (Ngati Hau), Aperahama Edwards (Te Waiariki/Ngati Korora), Taipari Munro (Te Parawhau), Hona Edwards (Te Uriroro) and Kaile Nahi-Taihia (Mangakahia).

The purpose of the partnership is to achieve the agreed vision, to build the relationship between Council and Whangarei Hapū incrementally, and to develop more robust partnership arrangements over time through learning conversations. The strategic intent of the Te Kārearea Strategic Forum is articulated through the following vision, mission and principles:

## **Te Pae Tawhiti/Vision:**

'He whenua Rangatira' – Whangarei, a District of prosperity, well-being and empowered communities.

## **Te Kaupapa/Mission:**

'Ka tūtuki te Kāwanatanga ā-rohe, ka puāwai hoki te kotahitanga me ōna tini kaupapa'- Local Government that works through effective partnerships and provides practical solutions.

## **Nga Tikanga/Principles:**

- 'He kitenga mutunga kore, mahi tahi, mahi pono' – Strategic partnership working collaboratively and in good faith.
- 'Kia Māia' – Providing leadership through courage.
- 'Te Manawatōpu' – Of one heart and mind. We are stronger working together.
- 'Anga Mua' – Progressive and proactive.
- 'Me kōrero tika, tau noa ngā take' – Open and frank mutually agreed outcomes.

# OUR PLAN AT A GLANCE

## BASED ON YEAR TWO OF THE LTP

Last year Council adopted its 2015-25 LTP incorporating feedback from the community. The LTP outlines the direction, work programme and income, year by year for the next 10 years.

To ensure that the plan remains on track an Annual Plan is created each year. This plan addresses any unavoidable or desirable changes, provides more detail on the programme, and an opportunity for the public to give feedback and bring new ideas forward.

To undertake this process a Draft Plan, including a Consultation Document and Supporting information, is developed to propose changes that reflect events, development and advances that have occurred since the LTP was finalised, that may affect the coming year. The Draft Plan is presented to the public for consultation. The document you are currently reading, the Annual Plan, is the final product of that process and incorporates the changes, responses to feedback, and decisions made by Council.

## EVENTS

The following events occurred after the LTP was developed, causing adjustments in this Annual Plan:

- Income anticipated from the sale of the Old Boys land at Okara has been excluded from this plan. The sale was conditional on a proposed Plan Change that would have enabled the site to be used for bulk retail. The Plan Change was rejected by the Environment Court, so the sale will not proceed. This reduces our planned funding by \$10.3 million which means we have had to reduce some of our budgets.
- Inflation as forecast by the Local Government Cost Index has fallen from the 2.4% upon which we based our predicted income, to 1.9%. The difference means that we receive less overall revenue, although this is somewhat offset by lower cost increases.
- Subsidies from Central Government via the New Zealand Transport Agency (NZTA) provide a significant source of funding for our transportation activities. This year some funding requests for specific projects were rejected, so those particular projects will not proceed.
- This year we expect to carry forward approximately \$11.3 million of funding from last year to finish projects such as the Mill Rd/Nixon St/Kensington Ave intersection, wastewater upgrades at Hikurangi and Whau Valley water treatment plant.
- Quotable Value's three year property revaluation of all properties throughout the District has been completed.

## ADJUSTMENTS

The following adjustments were made to accommodate the events and developments listed above:

### **Operating budgets altered**

- Lower inflation rates have been taken into account.
- Minor adjustments to ensure a balanced budget achieved.
- No impacts on service levels.

### **Capital project plans have been altered**

Some projects will be carried forward from 2015-16.

- Work already underway that will not be completed by year end will be added to the schedule for next year.

Three projects in the LTP have been removed from this year's plan:

- 100% subsidised full sealing of Wright and McCardle Roads – instead 10 seal strips were completed in 2015.
- Logging route bridge strengthening – NZTA will now undertake this work.
- We have removed the proposed Parks mobilisation project (\$165,000) and redirected its funding to new footpaths.

We have added some new projects:

- New footpaths to address safety concerns (\$440,000).
- Cemetery mower replacement (\$20,000).

We have extended the completion date of some projects:

- To accommodate our reduced income due to the Okara sale not proceeding, we will change the timing of some projects.
- This will mean we will spend less than originally planned this year, but more the following year.

### **Our closing debt target has reduced**

- By making all these changes our closing debt is planned to be \$156.1 million, below the LTP target of \$162.1 million.
- Despite the changes to revenue and expenditure we will still have a surplus (albeit lower than anticipated), and we will still have a balanced budget.

### **Changes to rates**

- In the LTP we signalled overall general rates increases of 2% beyond inflation (as well as the normal growth in the number of ratepayers as our District grows), and we are going ahead with this. However, because inflation has dropped from 2.45% to 1.9%, the increase won't be quite as much as anticipated.
- The overall increase in general rates will be 3.9% (plus growth in the rating database) not 4.5% as indicated (due to lower inflation). The revenue sought from the uniform annual general charge and targeted rates set on a uniform basis is 28.5% of the total revenue from all rates sought.

### **Impact of property revaluations**

The three-yearly revaluation of all properties completed in September 2015 means there will be individual movements of more or less than 3.9%.

The new land values\* will be used to set general rates for the next three years. The amount of an individual's rates rise is influenced by how much their property has changed in value compared to the average value movement. For example, where a property's value has increased by less than the average for their sector, they would see a smaller increase than others. Conversely, if the value has increased by more than the average, their increase would be more than others.

We look at value movement within each sector separately, with the overall share of general rates for each sector remaining at:

- Residential 62.0%.
- Rural 9.5%.
- Commercial 28.5%.

\* As advised by Quotable Value as at 12 September 2015

### **Review of rating policies**

Following the LTP deliberations, last year we indicated that we would review some rating policies, particularly in relation to the Commercial sector. After examining the issues it was decided that no changes would be made at this time, as changes requested to address specific issues affecting a relatively small number would have adverse impacts across the entire rating base. However, we will be making sure the current policies are being applied appropriately, particularly in relation to the assessment of multi-unit charges.

### **Rate remission and postponement policies**

We have made some very minor changes to our Rate Remission and Postponement Policies to address some minor anomalies and streamline their administration. These will affect a small number of ratepayers. They are:

- Policy 09/103 Remission of Some Uniform Annual General Charges and Targeted Rates on Separately Used or Inhabited Parts of a Rating Unit – clarification where properties cross District boundaries.
- Policy 12/102 Remission of Some General Rates and Uniform Annual General Charges and Targeted Rates on Rating Units which are in Common Ownership but do not meet the criteria of a Contiguous Property – clarification of condition 6.
- Policy 09/413 Postponement and/or Remission of Rates and Charges on Properties Affected by Natural Calamity – inclusion of properties that have suffered total loss of buildings by fire.
- New Policy – Remission of Rates on Voluntarily Protected Land – where land has been set aside under QEII National Trust covenant – a modification of the way we are already providing relief for land of this type.

## WHERE ARE WE INVESTING?

Our plans continue to focus on consolidation – spending time and money on vital improvements to our infrastructure and services. Some of the highlights are mentioned below and further information can be found in the LTP.

### Transportation

In the LTP we planned a steady-as-she-goes approach to roading capital works, and this plan has not changed. 2016 should see the end to the project to address congestion and safety at the Nixon Street, Mill Road and Kamo Road intersections. We also plan an increase in pavement rehabilitation across the District.

Dust suppression on unsealed roads will always be an issue on unsealed logging routes across the District.

Last year we asked NZTA for a 100% subsidy to seal the full length of Wright and McCardle Roads. Our proposal was rejected so we have removed the project from our roading programme. In the meantime we have installed 100m seal strips along this road and are about to assess whether or not this has eased the problem. Dust problems are a concern for all councils across Northland, so we, along with other members of the Northland Transportation Alliance<sup>1</sup> will continue to lobby Government for subsidies to help us deal with this.

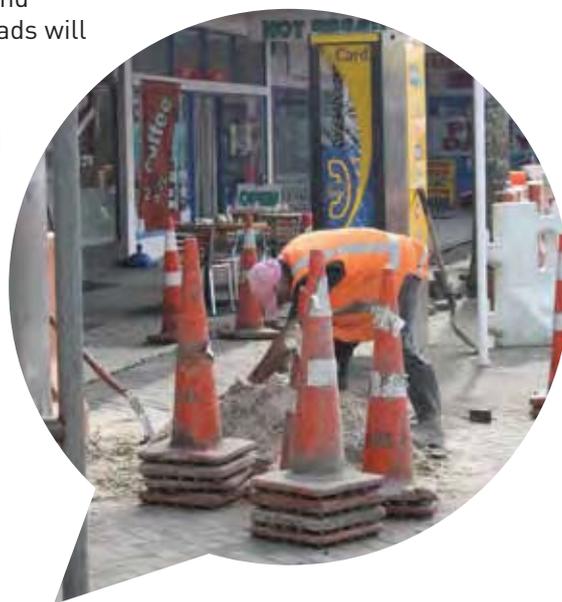
The NZTA will take over the operations, maintenance and new capital works for the 'Inland Freight Route' – Te Pua Road in the Far North District, and Mangakahia, Otaika Valley and Loop Roads in our District. These roads will be designated State Highway status.

However, from a capital works perspective, a project previously listed in the LTP – HPMV Bridge Strengthening – has been removed from our work programme. The purpose of that project was to strengthen a number of bridges on the Mangakahia logging route to cater for 60 tonne trucks. This work is now expected to be carried out by NZTA.

Council's share of the Southern Entrance Intersection Improvement project has been deferred until required by the developer.

Footpaths are always a hot topic across the District, and there never seems to be enough money to devote to them. This year, Councillors have made some adjustments to the capital works programme to enable a budget of \$440,000 to address current footpaths safety concerns.

This has been accommodated by diverting some funding from gas management on Pohe Island, which will still go ahead, just with less funding, and by removing the parks mobilisation project from the Draft Plan.



<sup>1</sup> The Northland Transportation Alliance was formed by Whangarei District Council, Far North District Council, Kaipara District Council, Northland Regional Council and the New Zealand Transport Agency to better coordinate roading services across the region.

## Water

It's business as usual for Water Services with no change to capital projects. Aside from keeping our water network well-maintained, we expect to spend a good deal of time on the detailed design of the new water treatment plant at Whau Valley. If all goes well we will start construction later in the year. Funding has been adjusted, with funds we expect to be unused at the end of 2015 now expected to be spent in 2016.

## Wastewater

Unspent funding from 2015-16 has been carried forward and further deferred to 2017-18, as funding already allocated in 2016-17 is considered sufficient for the works planned.

The Hikurangi sewer network upgrade will now span two years because of the size of the project and the need to make the best use of the pipes and pumps we already have in place. The project aims at rehabilitating the 60-year-old sewer network and reducing the amount of stormwater that gets into the sewers when it rains.

The major item in the Wastewater City Service level improvements project is to build a wastewater storage and treatment tank in Tarewa Park. This is the last major project of Council's wastewater overflow management strategy.

## Solid waste

In 2015 we started a project designed to assess the amount and location of landfill gas coming from the old landfill on Pohe Island.

Investigations have indicated that there is less gas than previously thought and this has allowed some savings to be diverted to other works. There is sufficient budget available in 2016-17 to undertake works to manage the landfill gas that is being released. This is for reasons of safety and environmental protection.

## Parks & Recreation

Work will continue on planning the development of Pohe Island following the recent adoption of the Pohe Island Management Plan. The Plan includes a variety of recreation opportunities which will be developed over four years.

In 2016 we plan to start creating a car park at the eastern entrance near the intersection of Riverside and Dave Culham Drives. The Parks team are working with Bike Northland and Northland Rugby to determine needs for that key access area. The car park is intended to be the hub for walking and cycling activities on Pohe Island, with connections to the new Onerahi Cycleway, Bike Northland facilities and the Hatea Loop. As such, even more connecting paths will be developed to link existing paths and to open up access across the wider Pohe Island.

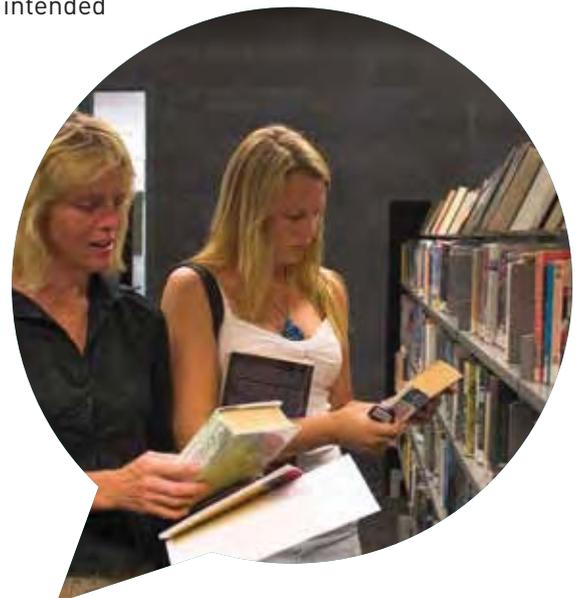
The Hatea Loop will be further enhanced this year with lighting and CCTV on the Pohe Island section. The Otaika Sports Park will get some attention this year to ensure the grounds don't have to be closed too often due to weather. We also plan to improve the lighting. The second field at Hora Hora Sports Park will also be completed in the 2016 year.

The mower used to maintain the District's five lawn cemeteries has seen better days, so an additional \$20,000 has been budgeted to enable its replacement.

## Libraries

We are currently in the process of upgrading our mobile library bus, and expect to have that completed early in the 2016-17 year.

We are also in the process of upgrading our public internet service and preparing to implement a radio frequency identification (RFID) system that will result in significant efficiencies throughout our libraries.



## New airport

This year we plan to continue investigations for the potential development of a new airport, as the current location (Onerahi) is expected to have inadequate runway length for commercial airline fleets within the next decade. 2016 is year two of a four year programme to investigate fully, find a suitable site and progress consenting. A minor amount of funding from this has been diverted to the footpaths' programme but this is not expected to hold the airport evaluation back at all.

## Council premises

The project to bring all Council administration together in one location to create operational efficiencies will also progress in 2016 with the analysis of options such as rebuilding Forum North or leasing space in a private development. When we have a proposed solution we will come and talk with you and get your feedback.

## Support services

There's a lot going on behind the scenes this year, and we expect that to continue throughout 2016-17. Our computer systems are getting a major overhaul, emergency management equipment is being upgraded and we will continue to digitise an enormous amount of paper records so that storage requirements can ultimately be reduced and records will be easier to find. We are also investigating the implementation of an end-to-end electronic Council agenda and minutes system, which could create significant efficiencies in time and labour from the current process.



# YOUR FEEDBACK

This section outlines in a finer level of detail the responses to the feedback we received from you.

Additional funding in the 2016-17 Annual Plan has been included as follows:

- \$30,000 is provided towards continuing the cycleway/walkway route through Waipu Cove
- \$20,000 is provided to the Whangarei Harbour Marina Management Trust towards planning for additional marine berths
- \$10,000 is provided to the Bank Street Revitalisation Group towards heritage implementation in Bank Street.
- \$165,000 was reallocated from project budgets and added to the \$275,000 additional funding to address safety concerns for new footpaths. This brings the total allocated to \$440,000.
- \$100,000 was brought forward from years four and five of the 2015-25 LTP to improve Closed Circuit Television (CCTV) on the Hatea Loop.
- \$100,000 was brought forward from year three of the 2015-25 LTP to improve lighting on the Hatea Loop.

There was insufficient support from those affected by the targeted rate proposal to build a Whangarei Heads Sewer Extension for a section of McLeod Bay. This capital project has been removed from the 2016-17 Annual Plan.

# GENERAL ISSUES NOTED BY COUNCIL

The following issues that arose during consultation did not result in changes to the Plan, but were noted by Council for staff to follow up, with further review, investigation, engagement or discussion.

## Funding Requests

We received numerous requests for funding. To ensure equity and use of current community funding mechanisms, staff will investigate and review all funding allocations within the Community Funding Budget. Staff will investigate possible funding options for Marae, and review all current concessions including the potential for resource and building consents' concessions. Providing assistance to help fund and resource CBD activities will also be investigated and staff will report back.

## Cycleways, walkways and footpaths

The walkway from the Town Basin up to the Whangarei Falls along the Hatea River will be reviewed for consideration in the 2018-28 LTP. Staff will also consider safety issues and priorities in the footpath programme.

## Road sealing and extensions

Funding subsidies for Wright and McCardle Roads' resealing will be pursued with NZTA. Staff will review the road sealing prioritisation programme and standards and continue to advocate strongly with central government and agencies for funding on behalf of our communities.

## Bridges

The one-lane bridges at Waipu and Ruakaka, and the Russell Road bridge will be reviewed as part of the 2018-28 LTP.

## Public Transport

Council will continue working with Northland Regional Council on bus shelters, location of the CBD bus terminus and a possible inner city bus loop.

## Car Parking

The CBD parking strategy will continue to be reviewed and reported back to Council. Opportunities for boat, trailer and car parking in Tutukaka will be investigated, as will resealing of the Ruakaka Hub carpark. Feedback about heavy vehicles parking in residential streets and the noise generated by these vehicles will be included in the review of Council's Parking and Traffic Bylaw which is due to commence in late 2016.

## Parks and Recreation

Staff will continue to work with the Parihaka Mountain Bike Club on the development of the Parihaka Mountain Bike Park.

A review of funding for playground renewals and skateparks will be considered in the 2018-28 LTP. Staff will work with the Ruakaka community to investigate funding possibilities for the Ruakaka skatepark, and also investigate opportunities for a possible cemetery in Ruakaka.

The design and feasibility studies for the One Tree Point boat ramp will continue, and using the Otaika Sports Park for motocross will be included for consideration in the 2018-28 LTP. Staff will also provide interim development plans for Ruakaka and Parua Bay sports community areas in the 2016-17 year.



## Solid waste and Stormwater

Including the businesses north of the Kamo Road and Station Road intersection on the commercial waste collection schedule with three collections per week, instead of the current single collection, will be investigated.

Stormwater initiatives will be reviewed for consideration in the 2018-28 LTP.

## Community initiatives

Where possible, staff will work with community training groups to utilise students as part of their training programme for community work.

## Policy, Monitoring and Regulation

Alignment between the Development Contributions Policy and the Environmental Engineering Standards, 2010 will be reviewed. Staff will also work with the Bream Bay Land Owners Association (BBLOA) regarding wastewater demand in Ruakaka, and the renewal of the BBLOA agreement.

## Pohe Island facility

Staff will continue working with the Northland Rugby Union and Old Boys Marist on funding, design and costs regarding the Northland Rugby Union's proposal to build a sporting facility on Pohe Island.

## Public safety Closed Circuit Television (CCTV)

Community based Closed Circuit Television (CCTV) proposals will be considered for inclusion in future Annual Plans. Staff will also review road safety options in Rust Avenue, outside the old library.

## Saorsa Retirement Village Trust

Staff will investigate the Saorsa Retirement Village Trust's offer to sell sections to Council for parking use and to use the proceeds from the sale to maintain Council's pensioner units.

## Northland Inc.

Staff will continue to support Northland Inc., in partnership with Northland Regional Council, to coordinate economic development in Northland.

# TO SUM UP

## WHAT WE SAID IN THE LTP

- \$56.3 million capital works programme (note this includes some operational expenditure)
- 73% of capital expenditure focused on core infrastructure
- \$145.9 million operational revenues
- \$130.5 million operational spending
- \$162.1 million external debt

## WHAT WE PLAN NOW

- \$54.4 million capital works programme (note this includes some operational expenditure)
- 65% of capital expenditure focused on core infrastructure
- \$136.0 million operational revenues
- \$130.4 million operational spending
- \$156.1 million external debt

## HIGHLIGHTS FOR THE 2016-17 YEAR

- A business-as-usual roading programme focused on renewals
- Starting construction on the new Whau Valley water treatment plant
- Up to three new public toilets
- A continued programme of improvements and upgrades to the city-wide wastewater network
- Cemetery infrastructure renewals and upgrades (including mower replacement)
- Playground and garden upgrades and renewals
- Further development of the Hatea Loop and Pohe Island
- Starting work on the waterways beautification project known as the 'Emerald Necklace'
- Keeping our sportsfields and walk/cycle facilities at a high standard
- Pensioner housing asset renewals
- Upgrades to the CCTV network
- Continued investigation and feasibility studies for a new airport and Council premises
- Further development of our cycleways
- British and Irish Lions Tour; opening match of the tour being played at Toll Stadium



PART TWO  
**COUNCIL  
ACTIVITIES**



# INTRODUCTION

Council's work is grouped into nine key activities in this Annual Plan:

ACTIVITY NUMBER	GROUP OF ACTIVITIES	ACTIVITY
1	 Transportation	Transportation
2	 Water	Water
3	 Solid Waste	Solid Waste
4	 Wastewater	Wastewater
5	 Stormwater	Stormwater
6	 Flood Protection & Control Works	Hikurangi Swamp
7	 Community Facilities & Services	 Parks & Recreation
		 Libraries
		 Community Property
		 Community Services
		 Venues & Events
8	 Economic Growth	Economic Growth
9	 Planning & Regulatory Services	 Policy & Monitoring
		 Resource Consents
		 Building Compliance
		 Regulatory Services
	 Support Services	Some information is also included about the support services provided to the rest of Council – enabling services such as information technology, human resources and financial management. The costs for these activities are apportioned over the nine significant activity areas.

The information provided about each of the nine activities includes:

- what we do
- why we do it
- how it relates to the Community Outcomes
- the money we have budgeted for the activity in the next year
- levels of service (what Council will provide and to what extent)
- performance measures and targets for 2015-25 (how you will be able to tell whether we have done what we said we would do).

The performance measures and targets will be used to report Council's achievements back to the community in the Annual Report.

# SERVICE DELIVERY

In 2010, the Local Government Act was amended to require all councils to report against mandatory and highly-prescribed non-financial performance measures relating to roading and footpaths, waste and drainage and water activities. Going forward, we will evaluate these alongside our normal level of service targets.

This Plan details 30 levels of service with 61 associated performance measures and targets. 18 of these measures are mandatory.

Results for 19 of our performance measures are obtained through surveying the general community, or specifically targeted individuals, such as library users to gauge their satisfaction with library services.

The remaining measures are quantitative in nature and provide a baseline for the community to gauge Council's performance. Examples include the quality of drinking water or the percentage of building consents processed within statutory timeframes.

# OUR COMMUNITY OUTCOMES

## EASY AND SAFE TO MOVE AROUND



There is a range of private and public transport options including walkways and cycleways. Our travel times are predictable and our transport network is well managed, safe and efficient.

## A GROWING, RESILIENT ECONOMY



We have more successful businesses and more jobs. Skilled people are attracted to our District to work, live, play, visit and invest.

Our economy is vibrant and education and career opportunities match the region's needs.

## CLEAN, HEALTHY AND VALUED ENVIRONMENT



As our District grows, our natural and created environment is protected, maintained and enhanced to reflect our Sense of Place, mauri and identity.

Our harbour, foreshore and waterways are clean and healthy.

## VIBRANT AND HEALTHY COMMUNITIES



Our communities are safe, and we have a strong sense of identity and belonging. We value and enhance our culture by working together to make a difference.

Our District is full of life, activities and opportunities. Young people feel they belong, our leaders are nurtured and communities and Māori assist in shaping the direction of 'our place'.

## WELL MANAGED GROWTH



The city centre provides a strong heart for our District; it is vibrant and attractive, supporting the District's growth. We have a variety of connected public spaces that enhance how we live.

In our District existing settlements are consolidated and we ensure that new residential areas are sustainable. Our infrastructure is aligned to our growth and there is variety both in type and location of housing.

# SUMMARY PROSPECTIVE FUNDING IMPACT STATEMENT FOR WHANGAREI DISTRICT COUNCIL

LTP YEAR 1 2015-16 \$000		ANNUAL PLAN 2016-17 \$000	LTP YEAR 2 2016-17 \$000	VARIANCE
<b>SOURCES OF OPERATING FUNDING</b>				
47,593	General rates, uniform annual general charges, rates penalties	51,020	50,885	135
36,357	Targeted rates	37,316	37,873	(557)
6,312	Subsidies and grants for operating purposes	6,575	6,410	165
18,319	Fees and charges	20,073	19,407	666
313	Interest and dividends from investments	691	311	380
4,072	Local authorities fuel tax, fines, infringement fees and other receipts	3,797	3,366	431
<b>112,966</b>	<b>Total Operating Funding</b>	<b>119,472</b>	<b>118,252</b>	<b>1,220</b>
<b>APPLICATIONS OF OPERATING FUNDING</b>				
77,690	Payments to staff and suppliers	83,629	80,674	2,956
8,395	Finance Costs	8,086	9,001	(915)
-	Other operating funding applications	-	-	-
<b>86,085</b>	<b>Total Applications of Operating Funding</b>	<b>91,715</b>	<b>89,675</b>	<b>2,040</b>
<b>26,881</b>	<b>Surplus / (Deficit) of Operating Funding</b>	<b>27,757</b>	<b>28,577</b>	<b>(820)</b>
<b>SOURCES OF CAPITAL FUNDING</b>				
14,777	Subsidies and grants for capital expenditure	11,006	12,737	(1,731)
2,120	Development and financial contributions	3,000	2,139	861
(391)	Increase / (decrease) in debt	9,353	2,540	6,813
-	Gross proceeds from sale of assets	-	10,500	(10,500)
-	Other dedicated capital funding	-	-	-
-	Lump sum contributions	49	-	49
<b>16,506</b>	<b>Total Sources of Capital Funding</b>	<b>23,408</b>	<b>27,916</b>	<b>(4,508)</b>
<b>APPLICATIONS OF CAPITAL FUNDING</b>				
	Capital expenditure			
10,671	to meet additional demand	4,182	2,112	2,070
19,290	to improve levels of service	11,316	11,151	165
28,635	to replace existing assets	36,496	43,092	(6,596)
(15,210)	(Increase) / decrease in reserves	(829)	138	(967)
-	(Increase) / decrease of investments	-	-	-
<b>43,386</b>	<b>Total Applications of Capital Funding</b>	<b>51,165</b>	<b>56,493</b>	<b>(5,328)</b>
<b>(26,881)</b>	<b>Surplus / (Deficit) of Capital Funding</b>	<b>(27,757)</b>	<b>(28,577)</b>	<b>820</b>
-	<b>Funding Balance</b>	-	-	-



# 1. TRANSPORTATION

## WHAT WE DO AND WHY

Transport is all about getting people and things around the place. Motor vehicles, public transport, freight vehicles, cyclists and pedestrians, residents and visitors and people travelling through all use the transport network that Council provides.

It is one of the most important functions we provide and it is vital to the effectiveness and efficiency of the District. It benefits business and personal users and has a major influence on the overall shape of the community.

Our roading network:

- allows people and things to be moved from place to place
- provides access to properties
- caters for pedestrians and cyclists
- provides parking space
- enables community and commercial events and activities.

Providing an integrated, safe, responsive and sustainable land transport system is a fundamental requirement of every district council under the Local Government Act 2002. We are the road-controlling authority for the District and we are responsible for planning, creating, operating, maintaining and rehabilitating all roads (except State Highways) in Whangarei District in a financially responsible manner.

### Potential negative effects

Transportation activities contribute to a number of negative environmental effects including, but not limited to, water quality, air quality, noise and safety related issues. In order to mitigate these effects, our Roding Department's activities are undertaken in accordance with environmental standards and, where appropriate, resource consent conditions, to ensure that negative impacts on the environment are avoided, remedied or appropriately mitigated.

## CONTRIBUTION TO COMMUNITY OUTCOMES



### EASY AND SAFE TO MOVE AROUND

Transportation provides a roading and footpath network for both commercial and residential purposes. Roads are built and maintained with focus on the safety of the road user.



### GROWING RESILIENT ECONOMY

The primary transport network (roads) is the key support for the District's economic activities. This includes commercial use, private use to get to and from local businesses, and domestic and international visitors.



### WELL MANAGED GROWTH

Growth is supported through appropriate planning mechanisms to ensure the provision of sufficient and appropriate transport networks for the existing and growth communities.

● **High Contribution**

● **Medium Contribution**

# LEVELS OF SERVICE

## Local Government Mandatory Performance Measure (MPM)

### 1.1 The District's roading network will be maintained in a satisfactory condition and in accordance with national safety and engineering standards.

PERFORMANCE MEASURE	2014-15 TARGET	2015-16 TARGET	2016-17 TARGET	2017-18 TARGET	2018-25 TARGET
1.1.1 Percentage of road accidents with contributing roading factors.	≤9%	≤9%	≤9%	≤9%	≤9%
1.1.2 The change from the previous financial year in the number of fatalities and serious injury crashes on local road network.	New MPM	0	0	0	0
1.1.3 Residents' satisfaction with the roading network.	≥60%	≥61%	≥61%	≥61%	≥61%
1.1.4 The average quality of ride on a sealed local road network, measured by smooth travel exposure.	New MPM	≥87%	≥87%	≥87%	≥87%
1.1.5 The percentage of the sealed local road network that is resurfaced.	New MPM	≥ 8%	≥ 8%	≥ 8%	≥ 8%
1.1.6 The percentage of the sealed local road network that is rehabilitated.	New	≥1.2%	≥1.2%	≥1.2%	≥1.2%
1.1.7 The average quality of ride on the unsealed local road network, measure by the % of road as smooth travel	New	≥70%	≥72%	≥75%	≥75%
1.1.8 The percentage of customer service requests relating to roads and footpaths to which the territorial authority responds within the time frame specified in the LTP.	New MPM	≥95%	≥95%	≥95%	≥95%

### 1.2 We will support alternative transport methods.

PERFORMANCE MEASURE	2014-15 TARGET	2015-16 TARGET	2016-17 TARGET	2017-18 TARGET	2018-25 TARGET
1.2.1 The percentage of footpaths within a territorial authority district that fall within the level of service or service standard for the condition of footpaths that is set out in the territorial authority's relevant document (such as its Annual Plan, Asset Management Plan, annual works programme or LTP).	New MPM	≥80% in fair or better condition			
1.2.2 Residents satisfaction with footpaths in urban areas.	≥74%	≥74%	≥74%	≥74%	≥74%
1.2.3 Length (km) of walking and cycling dedicated network built each year.	3.0km	1.8km	1km	1km	1km
1.2.4 Residents' satisfaction with street lighting in urban areas.	≥82%	≥82%	≥82%	≥82%	≥82%

### 1.3 Travel times in and around the network will be predictable and disruptions to the network will be well managed and communicated.

PERFORMANCE MEASURE	2014-15 TARGET	2015-16 TARGET	2016-17 TARGET	2017-18 TARGET	2018-25 TARGET
1.3.1 Residents' satisfaction with the way the District is managing its morning and evening traffic flows.	≥55%	≥70%	≥70%	≥70%	≥70%

# PROSPECTIVE FUNDING IMPACT STATEMENT FOR TRANSPORTATION

LTP YEAR 1 2015-16 \$000		ANNUAL PLAN 2016-17 \$000	LTP YEAR 2 2016-17 \$000	VARIANCE
<b>SOURCES OF OPERATING FUNDING</b>				
14,074	General rates, uniform annual general charges, rates penalties	13,105	14,509	(1,404)
55	Targeted rates	34	39	(6)
6,254	Subsidies and grants for operating purposes	6,516	6,351	165
1,789	Fees and charges	1,821	1,791	30
-	Internal charges and overheads recovered	-	-	-
2,426	Local authorities fuel tax, fines, infringement fees and other receipts	2,434	2,471	(36)
<b>24,597</b>	<b>Total Operating Funding</b>	<b>23,910</b>	<b>25,161</b>	<b>(1,251)</b>
<b>APPLICATIONS OF OPERATING FUNDING</b>				
14,341	Payments to staff and suppliers	15,002	15,014	(12)
3,936	Finance Costs	3,856	4,075	(220)
1,177	Internal charges and overheads applied	1,320	1,292	28
-	Other operating funding applications	-	-	-
<b>19,454</b>	<b>Total Applications of Operating Funding</b>	<b>20,178</b>	<b>20,381</b>	<b>(203)</b>
<b>5,143</b>	<b>Surplus / (Deficit) of Operating Funding</b>	<b>3,732</b>	<b>4,780</b>	<b>(1,048)</b>
<b>SOURCES OF CAPITAL FUNDING</b>				
14,777	Subsidies and grants for capital expenditure	11,006	12,737	(1,731)
815	Development and financial contributions	1,265	822	443
643	Increase / (decrease) in debt	3,319	(1,365)	4,684
-	Gross proceeds from sale of assets	-	5,250	(5,250)
-	Other dedicated capital funding	-	-	-
-	Lump sum contributions	-	-	-
<b>16,235</b>	<b>Total Sources of Capital Funding</b>	<b>15,590</b>	<b>17,444</b>	<b>(1,853)</b>
<b>APPLICATIONS OF CAPITAL FUNDING</b>				
	Capital expenditure			
8,130	to meet additional demand	3,781	1,938	1,843
6,977	to improve levels of service	3,159	5,198	(2,039)
10,703	to replace existing assets	14,383	14,326	57
(4,432)	Increase / (decrease) in reserves	(2,001)	762	(2,763)
-	Increase / (decrease) of investments	-	-	-
<b>21,378</b>	<b>Total Applications of Capital Funding</b>	<b>19,322</b>	<b>22,224</b>	<b>(2,902)</b>
<b>(5,143)</b>	<b>Surplus / (Deficit) of Capital Funding</b>	<b>(3,732)</b>	<b>(4,780)</b>	<b>1,048</b>
<b>-</b>	<b>Funding Balance</b>	<b>-</b>	<b>-</b>	<b>-</b>



## 2. WATER

### WHAT WE DO AND WHY

We provide fresh, clean, healthy water to about 80% of the people in the District. The water is delivered to Ministry of Health standards via a network of treatment plants, reservoirs, pump stations and pipelines. Our water supply provides water for households to drink and use and it also plays an important role in many industrial, commercial and some agricultural businesses. Water is also provided to fight fires within the spread of our network. When water runs low for those who are not on the network, our treated water can be purchased and delivered by tanker.

#### Potential negative effects

Provision of safe drinking water to the community has some negative effects to the environment through the abstraction of water from rivers, bores and dams. We also need to be mindful of the high cultural significance for Māori and the taking of water may be of concern to local Iwi and Hapū.

All Water Services activities are undertaken in compliance with relevant resource consent conditions which were granted, taking cultural and environmental impacts into account. As a result, these are appropriately mitigated, remedied or avoided.

Council undertakes activities to protect and enhance our dam catchments.

### CONTRIBUTION TO COMMUNITY OUTCOMES



#### A GROWING, RESILIENT ECONOMY

The water activity provides water to the District, and therefore supports commercial, industrial and agricultural activities. The supply of water is managed and planned in such a way that it is able to continue supply in times of drought and emergencies.



#### VIBRANT AND HEALTHY COMMUNITIES

The provision of clean, potable water is fundamental to healthy communities.



#### WELL MANAGED GROWTH

Growth is supported through appropriate planning mechanisms to ensure the provision of sufficient and appropriate water supplies for the existing and growth communities.

● High Contribution

● Medium Contribution

# LEVELS OF SERVICE

## Local Government Mandatory Performance Measure (MPM)

### 2.1 Council will provide safe drinking water with adequate pressure to the residents of the District connected to the water supply system.

PERFORMANCE MEASURE	2014-15 TARGET	2015-16 TARGET	2016-17 TARGET	2017-18 TARGET	2018-25 TARGET
2.1.1 Whangarei District's water quality will comply with the Ministry of Health's Drinking Water Standard for New Zealand requirements for bacterial monitoring.	100%	100%	100%	100%	100%
2.1.2 The extent to which the local authority's (LA) drinking water supply complies with: (a) part 5 of the drinking water standards (bacteria compliance criteria), and (b) part 5 of the drinking water standards (protozoal compliance criteria).	New MPM	Fully complies	Fully complies	Fully complies	Fully complies
2.1.3 Residents' satisfaction with the water supply.	≥95%	≥95%	≥95%	≥95%	≥95%
2.1.4 The total number of complaints received by the LA about any of the following: (a) drinking water clarity (b) drinking water taste (c) drinking water odour (d) drinking water pressure or flow (e) continuity of supply; and (f) the LA's response to any of these issues expressed per 1000 connections to the LA's networked reticulation system	New MPM	≤17	≤17	≤17	≤17
2.1.5 The number of water main breaks (distribution and riders) per 100km of pipe per year will not increase beyond the target figure set.	≤35	≤30	≤30	≤30	≤30
2.1.6 Where the local authority attends a callout in response to a fault or unplanned interruption to its networked reticulation system, the following median response times measured:	New MPM				
(a) attendance for urgent callouts: from the time the LA received notification to the time service personnel reach the site		≤1 hr	≤1 hr	≤1 hr	≤1 hr
(b) resolution of urgent callouts: from the time the LA received notification to the time that service personnel confirm resolution of the fault or interruption		≤4 hrs	≤4 hrs	≤4 hrs	≤4 hrs
(c) attendance for non-urgent callouts: from the time that the LA receives notification to the time that service personnel reach the site; and		≤12 hrs	≤12 hrs	≤12 hrs	≤12 hrs
(d) resolution of non-urgent callouts: from the time that the LA receives notification to the time that service personnel confirm resolution of the fault or interruption.		≤24 hrs	≤24 hrs	≤24 hrs	≤24 hrs

### 2.2 Water supply is managed in a sustainable manner, and in times of emergency there is adequate water supply available.

PERFORMANCE MEASURE	2014-15 TARGET	2015-16 TARGET	2016-17 TARGET	2017-18 TARGET	2018-25 TARGET
2.2.1 The amount of raw water available as a percentage of predicted demand during drought conditions.	≥79%	≥83%	≥81%	≥79%	≥79%
2.2.2 The percentage of real water loss from the local authority's networked reticulation system (including a description of the methodology used to calculate this).	New MPM	≤25%	≤25%	≤25%	≤25%
2.2.3 The average consumption of drinking water per day per resident within the territorial authority district.	New MPM	≤500 litres	≤500 litres	≤500 litres	≤500 litres

# PROSPECTIVE FUNDING IMPACT STATEMENT FOR WATER

LTP YEAR 1 2015-16 \$000		ANNUAL PLAN 2016-17 \$000	LTP YEAR 2 2016-17 \$000	VARIANCE
<b>SOURCES OF OPERATING FUNDING</b>				
-	General rates, uniform annual general charges, rates penalties	-	-	-
13,060	Targeted rates	13,387	13,461	(74)
-	Subsidies and grants for operating purposes	-	-	-
297	Fees and charges	285	328	(43)
-	Internal charges and overheads recovered	-	-	-
730	Local authorities fuel tax, fines, infringement fees and other receipts	1,010	824	186
<b>14,087</b>	<b>Total Operating Funding</b>	<b>14,682</b>	<b>14,613</b>	<b>69</b>
<b>APPLICATIONS OF OPERATING FUNDING</b>				
5,659	Payments to staff and suppliers	5,824	6,008	(184)
-	Finance Costs	-	-	-
2,127	Internal charges and overheads applied	2,195	2,290	(95)
-	Other operating funding applications	-	-	-
<b>7,787</b>	<b>Total Applications of Operating Funding</b>	<b>8,019</b>	<b>8,298</b>	<b>(279)</b>
<b>6,300</b>	<b>Surplus / (Deficit) of Operating Funding</b>	<b>6,663</b>	<b>6,315</b>	<b>349</b>
<b>SOURCES OF CAPITAL FUNDING</b>				
-	Subsidies and grants for capital expenditure	-	-	-
548	Development and financial contributions	610	553	57
-	Increase / (decrease) in debt	-	-	-
-	Gross proceeds from sale of assets	-	-	-
-	Other dedicated capital funding	-	-	-
-	Lump sum contributions	-	-	-
<b>548</b>	<b>Total Sources of Capital Funding</b>	<b>610</b>	<b>553</b>	<b>57</b>
<b>APPLICATIONS OF CAPITAL FUNDING</b>				
	Capital expenditure			
200	to meet additional demand	-	-	-
-	to improve levels of service	-	-	-
6,090	to replace existing assets	4,095	8,528	(4,433)
558	Increase / (decrease) in reserves	3,178	(1,660)	4,838
-	Increase / (decrease) of investments	-	-	-
<b>6,848</b>	<b>Total Applications of Capital Funding</b>	<b>7,273</b>	<b>6,868</b>	<b>406</b>
<b>(6,300)</b>	<b>Surplus / (Deficit) of Capital Funding</b>	<b>(6,663)</b>	<b>(6,315)</b>	<b>(348)</b>
-	<b>Funding Balance</b>	-	-	-



# 3. SOLID WASTE

## WHAT WE DO AND WHY

We provide the systems for collecting, processing, disposing of and recycling solid waste. Our aim is to do this in a way that, over time, will reduce the amount of waste we are required to process. This helps to maintain public health and safety, and the environment.

Waste management is required to meet the requirements of several pieces of legislation, including the Waste Minimisation Act (WMA) 2008 and the Local Government Act 2002 and its amendments.

Because landfills generate methane, we are also required to meet the requirements of the New Zealand Emissions Trading Scheme (ETS) as part of the fight to minimise global warming.

### Potential negative effects

The collection of rubbish can lead to some potential for odours and visual pollution of the environment. To mitigate this we review our rubbish collection schedule and process on a regular basis to ensure rubbish collection activities operate as efficiently as possible at all times.

Increasing disposal costs could lead to illegal dumping and this is monitored and education and/or enforcement action is taken, as needed.

Landfills have negative effects on the environment and closed landfills can create potentially hazardous and/or contaminated land. To manage this, Council develops Post Closure Plans for closed landfills and operates active landfills in accordance with resource consent conditions. Unstable land is managed through appropriate engineering standards.

## CONTRIBUTION TO COMMUNITY OUTCOMES



### CLEAN, HEALTHY AND VALUED ENVIRONMENT

Reliable collection and cleaning minimises effects on the physical environment from pollution, and with recycling services, excess waste to landfill is limited.



### VIBRANT AND HEALTHY COMMUNITIES

A clean environment contributes to District pride and the wellbeing of its residents and visitors.



### WELL MANAGED GROWTH

Growth is supported through appropriate planning mechanisms to ensure the provision of sufficient and appropriate solid waste collection and disposal and recycling systems for the existing and growth communities.

● High Contribution

● Medium Contribution

# LEVELS OF SERVICE

## 3.1 Council will provide kerbside refuse and recycling collection services to all properties in the District and transfer stations will be operated throughout the District.

PERFORMANCE MEASURE	2014-15 TARGET	2015-16 TARGET	2016-17 TARGET	2017-18 TARGET	2018-25 TARGET
3.1.1 Residents' satisfaction with solid waste collection and recycling services and transfer stations.	≥85%	≥85%	≥85%	≥85%	≥85%

## 3.2 Council will foster waste minimisation by supporting recycling and waste reduction practices so that a continued reduction in refuse sent to landfill occurs.

PERFORMANCE MEASURE	2014-15 TARGET	2015-16 TARGET	2016-17 TARGET	2017-18 TARGET	2018-25 TARGET
3.2.1 Tonnage of refuse from within Council boundaries sent to landfill will reduce from the previous year.	New	≤2%	≤2%	≤2%	≤2%
3.2.2 Tonnage collected from Council recycling will increase from the previous year.	New	≥2%	≥2%	≥2%	≥2%

## 3.3 Council will provide and empty public rubbish bins and undertake litter control throughout public places in the District.

PERFORMANCE MEASURE	2014-15 TARGET	2015-16 TARGET	2016-17 TARGET	2017-18 TARGET	2018-25 TARGET
3.3.1 Residents' satisfaction with litter control.	≥75%	≥75%	≥75%	≥75%	≥75%

# PROSPECTIVE FUNDING IMPACT STATEMENT FOR SOLID WASTE

LTP YEAR 1 2015-16 \$000		ANNUAL PLAN 2016-17 \$000	LTP YEAR 2 2016-17 \$000	VARIANCE
<b>SOURCES OF OPERATING FUNDING</b>				
-	General rates, uniform annual general charges, rates penalties	-	-	-
5,881	Targeted rates	6,284	6,256	29
-	Subsidies and grants for operating purposes	-	-	-
3,085	Fees and charges	3,143	3,171	(28)
-	Internal charges and overheads recovered	-	-	-
5	Local authorities fuel tax, fines, infringement fees and other receipts	5	5	-
<b>8,971</b>	<b>Total Operating Funding</b>	<b>9,432</b>	<b>9,432</b>	<b>-</b>
<b>APPLICATIONS OF OPERATING FUNDING</b>				
6,043	Payments to staff and suppliers	6,222	6,286	(64)
678	Finance Costs	537	615	(78)
283	Internal charges and overheads applied	289	310	(21)
-	Other operating funding applications	-	-	-
<b>7,004</b>	<b>Total Applications of Operating Funding</b>	<b>7,048</b>	<b>7,211</b>	<b>(163)</b>
<b>1,967</b>	<b>Surplus / (Deficit) of Operating Funding</b>	<b>2,384</b>	<b>2,221</b>	<b>163</b>
<b>SOURCES OF CAPITAL FUNDING</b>				
-	Subsidies and grants for capital expenditure	-	-	-
-	Development and financial contributions	-	-	-
(1,685)	Increase / (decrease) in debt	(1,898)	(1,943)	45
-	Gross proceeds from sale of assets	-	-	-
-	Other dedicated capital funding	-	-	-
-	Lump sum contributions	-	-	-
<b>(1,685)</b>	<b>Total Sources of Capital Funding</b>	<b>(1,898)</b>	<b>(1,943)</b>	<b>45</b>
<b>APPLICATIONS OF CAPITAL FUNDING</b>				
	Capital expenditure			
-	to meet additional demand	-	-	-
761	to improve levels of service	276	278	(2)
-	to replace existing assets	210	-	210
(479)	Increase / (decrease) in reserves	-	-	-
-	Increase / (decrease) of investments	-	-	-
<b>282</b>	<b>Total Applications of Capital Funding</b>	<b>486</b>	<b>278</b>	<b>208</b>
<b>(1,967)</b>	<b>Surplus / (Deficit) of Capital Funding</b>	<b>(2,384)</b>	<b>(2,221)</b>	<b>(163)</b>
-	<b>Funding Balance</b>	-	-	-



# 4. WASTEWATER

## WHAT WE DO AND WHY

Wastewater management is all about keeping our District safe, healthy and clean.

Collectively, our population produces an enormous amount of wastewater every year. Our job is to develop and manage the systems to collect this wastewater, and treat and dispose of it in a way that meets a range of legal standards. This protects the health and wellbeing of our communities, and the environment.

Our wastewater network (sewerage system) comprises nine wastewater systems and treatment plants, and processes wastewater from over 23,000 connections across the District.

We also provide a network of 56 public toilets which contribute to the health of visitors and tourists, as well as the local community.

### Potential negative effects

The cost of providing wastewater services may be prohibitive to some parties, thus affecting economic growth. Our Development Contributions Policy aims to ensure that these costs are appropriately allocated between the existing community and the incoming growth community.

Pollution of beaches and recreational areas, and discharges of sewage and its contaminants to air, land and water affect the environment and public health and are unacceptable to our community.

Council has developed its Wastewater capital works programme to address the effects of sewer spills and put in place processes such as the ISO 9001 certified operations and maintenance programme for the effective management of the wastewater system. We ensure compliance with resource consent conditions so that adverse effects to the environment are avoided, mitigated or remedied. Much of the Waste and Drainage Department's work involves extensive consultation with the community, and cultural issues are taken into consideration during associated decision-making processes.

## CONTRIBUTION TO COMMUNITY OUTCOMES



### CLEAN, HEALTHY AND VALUED ENVIRONMENT

By treating wastewater to agreed standards, discharges from wastewater treatment plants have no detrimental environmental impact.



### VIBRANT AND HEALTHY COMMUNITIES

Appropriate collection, treatment and disposal of sewage assists our community to be healthy by avoiding exposure to potential health risks.



### WELL MANAGED GROWTH

Growth is supported through appropriate planning mechanisms to ensure the provision of sufficient and appropriate wastewater systems for current and future communities.

● High Contribution

● Medium Contribution

# LEVELS OF SERVICE

## Local Government Mandatory Performance Measure (MPM)

### 4.1 Council will collect, treat and dispose of wastewater through a reliable wastewater network which is managed to ensure blockages, breaks or spillages are kept to a minimum.

PERFORMANCE MEASURE	2014-15 TARGET	2015-16 TARGET	2016-17 TARGET	2017-18 TARGET	2018-25 TARGET
4.1.1 Compliance with Territorial Authority (TA) resource consents for discharge from its sewerage system measured by the number of: (a) abatement notices (b) infringement notices (c) enforcement orders, and (d) convictions.	New MPM	0	0	0	0
4.1.2 The number of dry weather sewerage overflows from the TA's sewerage system, expressed per 1000 sewerage connections to that sewerage system.	New MPM	≤1.35	≤1.35	≤1.35	≤1.35
4.1.3 Residents' satisfaction with sewerage reticulation, treatment and disposal services.	70%	70%	70%	70%	70%
4.1.4 The total number of complaints received by the TA about any of the following: (a) sewage odour (b) sewerage system faults (c) sewerage system blockages, and (d) the TA's response to issues with its sewerage system expressed per 1000 connections to the TA's sewerage system.	New MPM	≤20	≤20	≤20	≤20
4.1.5 Where the TA attends to sewerage overflows resulting from a blockage or other fault in the TA's sewerage system, the following median response times measured:	New MPM				
(a) attendance time: from the time that the TA receives notification to the time that service personnel reach the site; and	New MPM	≤1 hr	≤1 hr	≤1 hr	≤1 hr
(b) resolution time: from the time that the TA receives notification to the time that service personnel confirm resolution of the blockage or other fault.	New MPM	≤7 hrs	≤7 hrs	≤7 hrs	≤7 hrs

### 4.2 Council will provide well maintained and accessible public toilets in high use areas.

PERFORMANCE MEASURE	2014-15 TARGET	2015-16 TARGET	2016-17 TARGET	2017-18 TARGET	2018-25 TARGET
4.2.1 Residents satisfaction with public toilets.	≥75%	≥75%	≥75%	≥75%	≥75%

# PROSPECTIVE FUNDING IMPACT STATEMENT FOR WASTEWATER

LTP YEAR 1 2015-16 \$000		ANNUAL PLAN 2016-17 \$000	LTP YEAR 2 2016-17 \$000	VARIANCE
<b>SOURCES OF OPERATING FUNDING</b>				
-	General rates, uniform annual general charges, rates penalties	-	-	-
15,979	Targeted rates	16,647	16,815	(168)
-	Subsidies and grants for operating purposes	-	-	-
945	Fees and charges	961	1,066	(105)
-	Internal charges and overheads recovered	-	-	-
605	Local authorities fuel tax, fines, infringement fees and other receipts	562	616	(54)
<b>17,529</b>	<b>Total Operating Funding</b>	<b>18,170</b>	<b>18,497</b>	<b>(327)</b>
<b>APPLICATIONS OF OPERATING FUNDING</b>				
5,026	Payments to staff and suppliers	5,945	5,306	639
1,828	Finance Costs	1,611	1,901	(290)
1,251	Internal charges and overheads applied	1,270	1,369	(99)
-	Other operating funding applications	-	-	-
<b>8,104</b>	<b>Total Applications of Operating Funding</b>	<b>8,826</b>	<b>8,576</b>	<b>250</b>
<b>9,425</b>	<b>Surplus / (Deficit) of Operating Funding</b>	<b>9,344</b>	<b>9,921</b>	<b>(577)</b>
<b>SOURCES OF CAPITAL FUNDING</b>				
-	Subsidies and grants for capital expenditure	-	-	-
654	Development and financial contributions	731	660	71
(4,658)	Increase / (decrease) in debt	(2,487)	(682)	(1,805)
-	Gross proceeds from sale of assets	-	-	-
-	Other dedicated capital funding	-	-	-
-	Lump sum contributions	49	-	49
<b>(4,004)</b>	<b>Total Sources of Capital Funding</b>	<b>(1,707)</b>	<b>(22)</b>	<b>(1,685)</b>
<b>APPLICATIONS OF CAPITAL FUNDING</b>				
	Capital expenditure			
1,492	to meet additional demand	260	41	219
2,989	to improve levels of service	436	349	87
3,222	to replace existing assets	6,949	9,577	(2,628)
(2,283)	Increase / (decrease) in reserves	(8)	(68)	60
-	Increase / (decrease) of investments	-	-	-
<b>5,420</b>	<b>Total Applications of Capital Funding</b>	<b>7,637</b>	<b>9,899</b>	<b>(2,262)</b>
<b>(9,425)</b>	<b>Surplus / (Deficit) of Capital Funding</b>	<b>(9,344)</b>	<b>(9,921)</b>	<b>577</b>
-	<b>Funding Balance</b>	-	-	-



# 5. STORMWATER

## WHAT WE DO AND WHY

Rainfall varies widely in our District and through the seasons, sometimes flooding, sometimes in drought. We provide stormwater drainage systems that drain water from public and private property, to minimise flooding and the harm it does to people and to property.

We manage the city's 11 major stormwater catchments and those in 17 smaller settlements.

Part of our job is also to predict and cater for growth and other community concerns, so to help with this we develop Catchment Management Plans (CMPs).

Although much of our work focuses on flood protection, managing stormwater quality is becoming a closer focus for our work.

### Potential negative effects

Where there are inadequate stormwater services there is the potential for increases to flood damage to property, incurring cost and increasing insurance premiums. To reduce the impact of this, Council identifies flood-susceptible properties through Catchment Management and District Plans, and monitors all instances of flooding of habitable floors.

In addition, the insufficient treatment of stormwater has the potential to impact adversely on the environment. Council holds the necessary resource consents for stormwater discharges and these are monitored for compliance. Catchment Management Plans and Environmental Engineering Standards identify issues and specify treatment, respectively, in relation to stormwater activities.

## CONTRIBUTION TO COMMUNITY OUTCOMES



### GROWING RESILIENT ECONOMY

Effective stormwater infrastructure allows the District's economic activities to continue to operate in all but extreme storm events.



### CLEAN, HEALTHY AND VALUED ENVIRONMENT

Environmental impacts of stormwater runoff are managed through resource consents and impacts of development are mitigated through Catchment Management Plans and Environmental Engineering Standards.



### VIBRANT AND HEALTHY COMMUNITIES

Effective stormwater infrastructure reduces the risk of health issues arising from ponding water and flooding.



### WELL MANAGED GROWTH

Growth is supported through appropriate planning mechanisms to ensure the provision of sufficient and appropriate stormwater systems for the existing and growth communities.

● High Contribution

● Medium Contribution

# LEVELS OF SERVICE

## Local Government Mandatory Performance Measure (MPM)

### 5.1 Council will provide a stormwater network that minimises flood risks and environmental impacts.

PERFORMANCE MEASURE	2014-15 TARGET	2015-16 TARGET	2016-17 TARGET	2017-18 TARGET	2018-25 TARGET
5.1.1 Compliance with the TA's resource consents for discharge from its stormwater system, measured by the number of: (a) abatement notices (b) infringement notices (c) enforcement orders, and (d) convictions received by the TA in relation to those resource consents.	New MPM	0	0	0	0
5.1.2 Residents' satisfaction with stormwater drainage service.	≥70%	≥70%	≥70%	≥70%	≥70%
5.1.3 The number of complaints received by a TA about the performance of its stormwater system, expressed per 1000 properties connected to the TA's stormwater system.	New MPM	≤400	≤400	≤400	≤400
5.1.4 (a) The number of flooding events that occur in a territorial authority district. (b) For each flooding event, the number of habitable floors affected. Expressed per 1000 properties connected to the TA's stormwater system.	New MPM	0	0	0	0
5.1.5 The median response time to attend a flooding event, measured from the time that the TA receives notification to the time that service personnel reach the site.	New MPM	≤1 hr	≤1 hr	≤1 hr	≤1 hr

# PROSPECTIVE FUNDING IMPACT STATEMENT FOR STORMWATER

LTP YEAR 1 2015-16 \$000		ANNUAL PLAN 2016-17 \$000	LTP YEAR 2 2016-17 \$000	VARIANCE
<b>SOURCES OF OPERATING FUNDING</b>				
327	General rates, uniform annual general charges, rates penalties	2,092	1,782	310
-	Targeted rates	-	-	-
-	Subsidies and grants for operating purposes	-	-	-
6	Fees and charges	-	6	(6)
711	Internal charges and overheads recovered	894	755	140
95	Local authorities fuel tax, fines, infringement fees and other receipts	95	95	-
<b>1,139</b>	<b>Total Operating Funding</b>	<b>3,081</b>	<b>2,638</b>	<b>444</b>
<b>APPLICATIONS OF OPERATING FUNDING</b>				
510	Payments to staff and suppliers	837	742	95
-	Finance Costs	153	-	153
1,183	Internal charges and overheads applied	1,440	1,261	179
-	Other operating funding applications	-	-	-
<b>1,693</b>	<b>Total Applications of Operating Funding</b>	<b>2,430</b>	<b>2,002</b>	<b>428</b>
<b>(554)</b>	<b>Surplus / (Deficit) of Operating Funding</b>	<b>651</b>	<b>636</b>	<b>16</b>
<b>SOURCES OF CAPITAL FUNDING</b>				
-	Subsidies and grants for capital expenditure	-	-	-
-	Development and financial contributions	-	-	-
1,254	Increase / (decrease) in debt	-	-	-
-	Gross proceeds from sale of assets	-	-	-
-	Other dedicated capital funding	-	-	-
-	Lump sum contributions	-	-	-
<b>1,254</b>	<b>Total Sources of Capital Funding</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>APPLICATIONS OF CAPITAL FUNDING</b>				
	Capital expenditure			
-	to meet additional demand	-	-	-
3,220	to improve levels of service	651	636	15
-	to replace existing assets	-	-	-
(2,520)	Increase / (decrease) in reserves	-	-	-
-	Increase / (decrease) of investments	-	-	-
<b>700</b>	<b>Total Applications of Capital Funding</b>	<b>651</b>	<b>636</b>	<b>15</b>
<b>554</b>	<b>Surplus / (Deficit) of Capital Funding</b>	<b>(651)</b>	<b>(636)</b>	<b>(15)</b>
-	<b>Funding Balance</b>	<b>-</b>	<b>-</b>	<b>-</b>



# 6. FLOOD PROTECTION & CONTROL WORKS

## WHAT WE DO AND WHY

The Hikurangi Swamp Scheme helps to minimise flooding across the 5,600 hectares of farmland within the Hikurangi Swamp area. The aim of the Scheme is to protect the farming productivity of land within the swamp area. This is highly productive agricultural land that generates considerable economic benefit to the region. We are responsible for managing, operating and maintaining this Hikurangi Scheme to ensure the required environmental, cultural and economic results are achieved. The Scheme is funded by targeted rates from properties within the Scheme area.

### Potential Significant Negative Effects

Flood protection primarily covers the Hikurangi Swamp Scheme which has little riparian cover, and has the potential to increase sedimentation and nutrient loadings into waterways. To restore habitat and riparian margins in this area, Council has a Riparian and Oxbow Management Plan detailing the required remedial works.

The Hikurangi Swamp Scheme also impacts on the native fish population, specifically eels, by presenting barriers to upstream and downstream migration. Eels have an important cultural value to local iwi. Council is preparing a Fishery Management Plan and is actively engaged with local iwi and other stakeholders on a wider catchment basis.

## CONTRIBUTION TO COMMUNITY OUTCOMES



### GROWING RESILIENT ECONOMY

The flood protection activity provides protection to pastoral farming land and provides resilience following flood events to an area of highly productive land.

● High Contribution

● Medium Contribution

## LEVELS OF SERVICE

● Local Government Mandatory Performance Measure (MPM)

**6.1 Council will provide a reliable and sustainable flood protection scheme which is managed to mitigate flooding within the Hikurangi Swamp Scheme area to an acceptable level.**

PERFORMANCE MEASURE	2014-15 TARGET	2015-16 TARGET	2016-17 TARGET	2017-18 TARGET	2018-25 TARGET
6.1.1 The major flood protection and control works that are maintained, repaired and renewed to the key standards defined in the local authority's relevant planning documents (such as its Asset Management Plan, annual works programme or LTP).	New MPM	Yes	Yes	Yes	Yes
6.1.2 The number of infringement or abatement notices issued by Northland Regional Council in relation to the scheme consent.	0	0	0	0	0

# PROSPECTIVE FUNDING IMPACT STATEMENT FOR FLOOD PROTECTION & CONTROL WORKS

LTP YEAR 1 2015-16 \$000		ANNUAL PLAN 2016-17 \$000	LTP YEAR 2 2016-17 \$000	VARIANCE
<b>SOURCES OF OPERATING FUNDING</b>				
-	General rates, uniform annual general charges, rates penalties	-	-	-
888	Targeted rates	965	959	6
-	Subsidies and grants for operating purposes	-	-	-
43	Fees and charges	60	73	(13)
-	Internal charges and overheads recovered	-	-	-
1	Local authorities fuel tax, fines, infringement fees and other receipts	1	1	-
<b>931</b>	<b>Total Operating Funding</b>	<b>1,026</b>	<b>1,033</b>	<b>(7)</b>
<b>APPLICATIONS OF OPERATING FUNDING</b>				
649	Payments to staff and suppliers	686	735	(49)
112	Finance Costs	77	109	(32)
-	Internal charges and overheads applied	-	-	-
-	Other operating funding applications	-	-	-
<b>761</b>	<b>Total Applications of Operating Funding</b>	<b>763</b>	<b>844</b>	<b>(82)</b>
<b>170</b>	<b>Surplus / (Deficit) of Operating Funding</b>	<b>263</b>	<b>189</b>	<b>74</b>
<b>SOURCES OF CAPITAL FUNDING</b>				
-	Subsidies and grants for capital expenditure	-	-	-
-	Development and financial contributions	-	-	-
(170)	Increase / (decrease) in debt	(263)	(189)	(75)
-	Gross proceeds from sale of assets	-	-	-
-	Other dedicated capital funding	-	-	-
-	Lump sum contributions	-	-	-
<b>(170)</b>	<b>Total Sources of Capital Funding</b>	<b>(263)</b>	<b>(189)</b>	<b>(75)</b>
<b>APPLICATIONS OF CAPITAL FUNDING</b>				
	Capital expenditure			
-	to meet additional demand	-	-	-
-	to improve levels of service	-	-	-
30	to replace existing assets	-	-	-
(30)	Increase / (decrease) in reserves	-	-	-
-	Increase / (decrease) of investments	-	-	-
-	<b>Total Applications of Capital Funding</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>(170)</b>	<b>Surplus / (Deficit) of Capital Funding</b>	<b>(263)</b>	<b>(189)</b>	<b>(75)</b>
-	<b>Funding Balance</b>	<b>-</b>	<b>-</b>	<b>-</b>



# 7. COMMUNITY FACILITIES & SERVICES

Our community facilities and services are based around the more recreational, cultural and social aspects of life in our District, the things that make Whangarei a great place to work, live, play and invest. They provide an additional quality of life aspect to the foundation of good infrastructure (roads, waste management, water supply, drainage) already covered. From pensioner housing to libraries, parks and reserves, community property and venues and events, these facilities have been part of our work for decades.



## PARKS & RECREATION

### WHAT WE DO AND WHY

Council provides parks and reserves for sport and recreation, landscapes and green places that are restful and enhance the visual amenity, and burial amenities. We also provide public amenities in order to support the health and wellbeing of the community, for the comfort and convenience of visitors and residents, and to protect and enhance key historic features.

Our parks and associated facilities are significant assets which are used and appreciated by residents and visitors. The overall objective is to create, operate, maintain, renew and dispose of assets to provide for existing and future users in the most cost-effective manner.

The Reserves Act 1977 requires land administered by Council to be managed in accordance with the Act. Among other requirements, Council is to prepare and approve reserve management plans to set the direction for the management and control of administered reserves. Ongoing management is then to be consistent with those plans, or the Act in lieu of a plan.

#### Potential negative effects

The space used for public spaces like parks and recreation could otherwise be used for residential or commercial development. However, Council mitigates this through its land acquisition and management approach which is aligned with the District Plan, ensuring the appropriate location of parks and reserve areas.

### CONTRIBUTION TO COMMUNITY OUTCOMES



#### EASY AND SAFE TO MOVE AROUND

Parks & Recreation provides various walking and cycling tracks for both recreational and transportation purposes. Tracks and open spaces are planned with a focus on the safety of the community.



#### GROWING RESILIENT ECONOMY

This outcome is supported through the provision of suitable recreation and leisure opportunities that assist in attracting new residents as well as visitors to the District.



#### CLEAN, HEALTHY AND VALUED ENVIRONMENT

The Department undertakes a range of activities that support the environment such as weed, pest and animal control activities, as well as working closely with other agencies to support their environmental protection work programmes.



## VIBRANT AND HEALTHY COMMUNITIES

The provision of suitable recreation and leisure opportunities such as sports parks and playgrounds allows our communities to engage in healthy activities as well as enjoy positive experiences in the natural environment. Major facilities provide central points of contact for various community groups and clubs.



## WELL MANAGED GROWTH

Growth is supported through appropriate planning mechanisms to ensure sufficient and appropriate recreation and leisure opportunities exist for current and future communities.

● High Contribution

● Medium Contribution

# LEVELS OF SERVICE

### 7.1 Council will provide and maintain outdoor sporting facilities to support and promote active recreation for the community through participation in both organised and informal sporting activities.

PERFORMANCE MEASURE	2014-15 TARGET	2015-16 TARGET	2016-17 TARGET	2017-18 TARGET	2018-25 TARGET
7.1.1 Sports parks will be provided to meet the community's needs.*	≥166 hrs	≥177 hrs	≥175 hrs	≥177 hrs	≥181 hrs

### 7.2 Council will provide and maintain a range of reserves, including built facilities, to meet the recreational and leisure needs of the community as well as protecting and enhancing the natural environment for its intrinsic value.

PERFORMANCE MEASURE	2014-15 TARGET	2015-16 TARGET	2016-17 TARGET	2017-18 TARGET	2018-25 TARGET
7.2.1 Average satisfaction rating of sports codes with sports parks.	≥80%	≥80%	≥82%	≥82%	≥84%
7.2.2 Residents' satisfaction with neighbourhood, civic space, cultural heritage, public gardens, and recreational and ecological linkages parks.	≥80%	≥80%	≥82%	≥82%	≥86%

### 7.3 Council will convert or upgrade identified existing open spaces to provide a wider range of high quality recreational and leisure opportunities within the District for our community and visitors.

PERFORMANCE MEASURE	2014-15 TARGET	2015-16 TARGET	2016-17 TARGET	2017-18 TARGET	2018-25 TARGET
7.3.1 Hectares of open space land transformed.**	0.37ha	1.2 ha	0.5 ha	0.5 ha	0.5 ha
7.3.2 Residents perception that Council is making sufficient investment in developing a strong sense of place for the District and its communities.	New	≥70%	≥70%	≥70%	≥70%

### 7.4 Council will provide and maintain cemeteries and a crematorium in a satisfactory manner.

PERFORMANCE MEASURE	2014-15 TARGET	2015-16 TARGET	2016-17 TARGET	2017-18 TARGET	2018-25 TARGET
7.4.1 Residents' satisfaction with cemeteries.	≥90%	≥90%	≥90%	≥90%	≥90%

\* This measure is expressed as the number of hours available at sports parks per 1000 members of the District population during the winter season.

\*\* This measure relates to tracks constructed on, or connecting, reserve land in addition to any walk and cycleway tracks funded by the transportation activity.



# LIBRARIES

## WHAT WE DO AND WHY

Libraries provide the people in our community with opportunities for life-long learning, access to information, leisure and reading. Public libraries provide free and open access to knowledge and services for all residents regardless of income, race or age. They are a neutral, respected gateway to information and a safe place between work and home that offers equal access for all community members. Most local authorities provide a public library service. The Local Government Act 2002 requires that, where such a service is provided, residents are able to join the library free of charge. Whangarei Libraries also administer grants for, and offers professional support to, nine volunteer libraries in the District.

### Potential negative effects

No potential negative effects have been identified for Libraries.

## CONTRIBUTION TO COMMUNITY OUTCOMES



### GROWING RESILIENT ECONOMY

Libraries contribute significantly to a well educated community which supports a growing resilient economy. A high standard of community facilities such as libraries assists in attracting new people to the District.



### VIBRANT AND HEALTHY COMMUNITIES

Libraries are key community facilities providing equitable access to the opportunity of life-long learning as well as fulfilling leisure and recreational needs.

● High Contribution

● Medium Contribution

## LEVELS OF SERVICE

### 7.5 Council will provide library services to the District via the Central Library, and the mobile and branch libraries.

PERFORMANCE MEASURE	2014-15 TARGET	2015-16 TARGET	2016-17 TARGET	2017-18 TARGET	2018-25 TARGET
7.5.1 Percentage of population who have used a library in the past year.	≥60%	≥60%	≥60%	≥60%	≥60%
7.5.2 Residents' satisfaction with the resources (books, magazines etc.) the library service provides.	≥95%	≥95%	≥95%	≥95%	≥95%



# COMMUNITY PROPERTY

## WHAT WE DO AND WHY

Council is committed to providing appropriate pensioner housing and other community venues for use by community groups, clubs and organisations. The aim is to provide a property service that helps to build strong and connected communities. Where community halls are not Council-owned, operational grants may be provided to assist in the maintenance of these important community facilities.

### Potential negative effects

No potential negative effects have been identified for Community Property.

## CONTRIBUTION TO COMMUNITY OUTCOMES



### VIBRANT AND HEALTHY COMMUNITIES

The provision of pensioner housing supports our elderly population. Community halls contribute to the foundation of the community because they give people a place to meet and feel connected.

● High Contribution

● Medium Contribution

## LEVELS OF SERVICE

### 7.6 Council will provide rental accommodation that meets the specific needs of eligible elderly members of the community.

PERFORMANCE MEASURE	2014-15 TARGET	2015-16 TARGET	2016-17 TARGET	2017-18 TARGET	2018-25 TARGET
7.6.1 Percentage occupancy rate of pensioner housing.	≥98%	≥98%	≥98%	≥98%	≥98%
7.6.2 Pensioner housing residents' satisfaction with the standard of accommodation.	New	≥80%	≥80%	≥80%	≥80%



# COMMUNITY SERVICES

## WHAT WE DO AND WHY

The aim of our Community Services work is to enhance and strengthen our communities, ensuring that people feel safe and able to participate in activities that benefit everyone. It covers community safety activities and crime prevention programmes, working with the young, the elderly and disabled as well as supporting community-based organisations and managing funding processes.

### Potential negative effects

No potential negative effects have been identified for Community Services.

## CONTRIBUTION TO COMMUNITY OUTCOMES



### CLEAN, HEALTHY AND VALUED ENVIRONMENT

The promotion of graffiti removal as well as community development work in identified communities enhances our physical environment.



### VIBRANT AND HEALTHY COMMUNITIES

All of the Department's work is based on the support and creation of vibrant and healthy communities.

● High Contribution

● Medium Contribution

## LEVELS OF SERVICE

### 7.7 Council will promote and support community safety.

PERFORMANCE MEASURE	2014-15 TARGET	2015-16 TARGET	2016-17 TARGET	2017-18 TARGET	2018-25 TARGET
7.7.1 Percentage of residents within the community who feel safe within the District.	≥85%	≥85%	≥85%	≥85%	≥85%

### 7.8 Council will support the District's social and cultural wellbeing through its involvement in activities and programmes which support and develop the community.

PERFORMANCE MEASURE	2014-15 TARGET	2015-16 TARGET	2016-17 TARGET	2017-18 TARGET	2018-25 TARGET
7.8.1 Percentage of grant applicants who understand and are satisfied with the grants application process.	≥80%	≥80%	≥80%	≥80%	≥80%

### 7.9 Council is actively involved in youth, positive ageing and accessibility sector issues.

PERFORMANCE MEASURE	2014-15 TARGET	2015-16 TARGET	2016-17 TARGET	2017-18 TARGET	2018-25 TARGET
7.9.1 Percentage of people active in these sectors who believe Council is achieving strong engagement.	≥80%	≥80%	≥80%	≥80%	≥80%



# VENUES AND EVENTS

## WHAT WE DO AND WHY

Our Venues & Events Department provides venues and manages and produces events that contribute to the cultural and social fabric of our community. Events are held at Council-owned or controlled venues or other locations throughout the District and help to attract both domestic and international visitors to the District.

This helps to create a vibrant District with varied recreational opportunities for residents and visitors who contribute to the District's economy. Toll Stadium and Forum North include rooms and venues for hire to the local community as well as local, national and international commercial users. The events catered for include theatre, meetings, sports events, weddings and conferences.

### Potential negative effects

No potential negative effects have been identified for Venues & Events.

## CONTRIBUTION TO COMMUNITY OUTCOMES



### GROWING RESILIENT ECONOMY

Attracting events supports our economy by enhancing revenue streams, including spending from outside the District.



### VIBRANT AND HEALTHY COMMUNITIES

Varied and numerous events in the District support communities to participate and engage at both the local and District level, which further supports social cohesion

● **High Contribution**

● **Medium Contribution**

## LEVELS OF SERVICE

### 7.10 Our venues will encourage high use and satisfaction levels.

PERFORMANCE MEASURE	2014-15 TARGET	2015-16 TARGET	2016-17 TARGET	2017-18 TARGET	2018-25 TARGET
7.10.1 Number of attendees over all facilities will increase annually.	≥3%	≥3%	≥3%	≥3%	≥3%
7.10.2 Satisfaction with the quality of venues and events.	≥80%	≥80%	≥80%	≥80%	≥80%

# PROSPECTIVE FUNDING IMPACT STATEMENT FOR COMMUNITY FACILITIES & SERVICES

LTP YEAR 1 2015-16 \$000		ANNUAL PLAN 2016-17 \$000	LTP YEAR 2 2016-17 \$000	VARIANCE
<b>SOURCES OF OPERATING FUNDING</b>				
22,962	General rates, uniform annual general charges, rates penalties	21,382	23,672	(2,290)
-	Targeted rates	-	-	-
57	Subsidies and grants for operating purposes	59	59	-
2,088	Fees and charges	2,091	2,139	(48)
-	Internal charges and overheads recovered	-	-	-
531	Local authorities fuel tax, fines, infringement fees and other receipts	456	545	(89)
<b>25,639</b>	<b>Total Operating Funding</b>	<b>23,988</b>	<b>26,415</b>	<b>(2,427)</b>
<b>APPLICATIONS OF OPERATING FUNDING</b>				
15,800	Payments to staff and suppliers	16,723	16,309	414
4,013	Finance Costs	4,086	4,328	(242)
4,725	Internal charges and overheads applied	4,761	5,184	(423)
-	Other operating funding applications	-	-	-
<b>24,538</b>	<b>Total Applications of Operating Funding</b>	<b>25,570</b>	<b>25,821</b>	<b>(251)</b>
<b>1,101</b>	<b>Surplus / (Deficit) of Operating Funding</b>	<b>(1,582)</b>	<b>594</b>	<b>(2,176)</b>
<b>SOURCES OF CAPITAL FUNDING</b>				
-	Subsidies and grants for capital expenditure	-	-	-
103	Development and financial contributions	394	104	289
4,026	Increase / (decrease) in debt	7,681	1,805	5,876
-	Gross proceeds from sale of assets	-	5,250	(5,250)
-	Other dedicated capital funding	-	-	-
-	Lump sum contributions	-	-	-
<b>4,129</b>	<b>Total Sources of Capital Funding</b>	<b>8,075</b>	<b>7,159</b>	<b>916</b>
<b>APPLICATIONS OF CAPITAL FUNDING</b>				
	Capital expenditure			
505	to meet additional demand	-	-	-
3,980	to improve levels of service	2,851	2,267	584
6,289	to replace existing assets	5,642	4,724	917
(5,544)	Increase / (decrease) in reserves	(2,000)	762	(2,762)
-	Increase / (decrease) of investments	-	-	-
<b>5,230</b>	<b>Total Applications of Capital Funding</b>	<b>6,493</b>	<b>7,753</b>	<b>(1,260)</b>
<b>(1,101)</b>	<b>Surplus / (Deficit) of Capital Funding</b>	<b>1,582</b>	<b>(594)</b>	<b>2,176</b>
<b>-</b>	<b>Funding Balance</b>	<b>-</b>	<b>-</b>	<b>-</b>



# 8. ECONOMIC GROWTH

## WHAT WE DO AND WHY

This part of our work focuses on encouraging people to work, live, play and invest in our District to improve our District's income (Gross Domestic Product or GDP). We invest in economic development to provide local economic leadership in collaboration with key partners such as central government, the community and industry, ultimately to improve people's standard of living with better employment opportunities, amenities, facilities and improved wellbeing.

### Potential negative effects

Economic growth which leads to increased industrial activity may cause some negative effect on our environment. The potential environmental impacts are addressed and mitigated by provisions within Council's District Plan.

## CONTRIBUTION TO COMMUNITY OUTCOMES



### GROWING RESILIENT ECONOMY

The Department's activities in this area include attracting increased visitor numbers which will facilitate further growth.



### VIBRANT AND HEALTHY COMMUNITIES

Economic growth enriches people's lives through employment and business opportunities.

● High Contribution

● Medium Contribution

## LEVELS OF SERVICE

### 8.1 Council will promote and provide a service which encourages, enables and facilitates economic activity leading to economic growth in the District.

PERFORMANCE MEASURE	2014-15 TARGET	2015-16 TARGET	2016-17 TARGET	2017-18 TARGET	2018-25 TARGET
8.1.1 Whangarei District's GDP growth compared to the average of like regional economies.	≥1.5%	≥2%	≥2%	≥2%	≥2%

### 8.2 Council will provide, through the Whangarei Visitor Centres, an accurate booking and information service which influences more visitors to stay longer and spend more.

PERFORMANCE MEASURE	2014-15 TARGET	2015-16 TARGET	2016-17 TARGET	2017-18 TARGET	2018-25 TARGET
8.2.1 Visitor spend on bookings through the Whangarei visitor centres will show an increase each year.	≥1.5%	≥2%	≥2%	≥2%	≥2%
8.2.2 Total visitor guest nights in the Whangarei District will show an increase in each year.	≥1.5%	≥2%	≥2%	≥2%	≥2%

# PROSPECTIVE FUNDING IMPACT STATEMENT FOR ECONOMIC GROWTH

LTP YEAR 1 2015-16 \$000		ANNUAL PLAN 2016-17 \$000	LTP YEAR 2 2016-17 \$000	VARIANCE
<b>SOURCES OF OPERATING FUNDING</b>				
2,614	General rates, uniform annual general charges, rates penalties	2,163	2,633	(471)
-	Targeted rates	-	-	-
-	Subsidies and grants for operating purposes	-	-	-
-	Fees and charges	-	-	-
-	Internal charges and overheads recovered	-	-	-
1,148	Local authorities fuel tax, fines, infringement fees and other receipts	1,382	1,166	216
<b>3,762</b>	<b>Total Operating Funding</b>	<b>3,545</b>	<b>3,799</b>	<b>(254)</b>
<b>APPLICATIONS OF OPERATING FUNDING</b>				
2,249	Payments to staff and suppliers	2,181	2,291	(110)
363	Finance Costs	363	363	-
1,019	Internal charges and overheads applied	896	1,119	(223)
-	Other operating funding applications	-	-	-
<b>3,632</b>	<b>Total Applications of Operating Funding</b>	<b>3,440</b>	<b>3,773</b>	<b>(333)</b>
<b>130</b>	<b>Surplus / (Deficit) of Operating Funding</b>	<b>105</b>	<b>26</b>	<b>79</b>
<b>SOURCES OF CAPITAL FUNDING</b>				
-	Subsidies and grants for capital expenditure	-	-	-
-	Development and financial contributions	-	-	-
-	Increase / (decrease) in debt	-	-	-
-	Gross proceeds from sale of assets	-	-	-
-	Other dedicated capital funding	-	-	-
-	Lump sum contributions	-	-	-
<b>-</b>	<b>Total Sources of Capital Funding</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>APPLICATIONS OF CAPITAL FUNDING</b>				
	Capital expenditure			
20	to meet additional demand	25	5	20
-	to improve levels of service	-	-	-
110	to replace existing assets	80	20	60
-	Increase / (decrease) in reserves	-	1	(1)
-	Increase / (decrease) of investments	-	-	-
<b>130</b>	<b>Total Applications of Capital Funding</b>	<b>105</b>	<b>26</b>	<b>79</b>
<b>(130)</b>	<b>Surplus / (Deficit) of Capital Funding</b>	<b>(105)</b>	<b>(26)</b>	<b>(79)</b>
<b>-</b>	<b>Funding Balance</b>	<b>-</b>	<b>-</b>	<b>-</b>



# 9. PLANNING & REGULATORY SERVICES

As a Territorial Authority, we are required to undertake planning, monitoring and enforcement activities that meet the requirements of a wide range of statutes. This includes issuing resource and building consents and ensuring they meet required conditions, providing health and liquor licences, monitoring and enforcing bylaws such as animal and noise control, health, liquor and parking, and undertaking District Planning and non-statutory strategic planning.

The functions within this activity are covered by four separate departments: Policy & Monitoring, Resource Consents, Building Compliance and Regulatory Services.



## POLICY & MONITORING

### WHAT WE DO AND WHY

The population of Whangarei is growing, creating demand for the strategic management of the District's resources. Policy & Monitoring develops long term, medium and short term strategies and policies that assist Council in setting future directions for the resources it manages. Other aspects support this through land use planning, environmental regulation, monitoring and reporting.

#### Potential negative effects

The stringent requirements in the District Plan may inhibit economic activity. In order to ensure that this is not overly prohibitive, the District Plan is reviewed within statutory timeframes to reflect the changing nature of our District.

### CONTRIBUTION TO COMMUNITY OUTCOMES



#### EASY AND SAFE TO MOVE AROUND

The Department's planning activities ensure appropriate support and planning for all transportation modes throughout the District.



#### GROWING RESILIENT ECONOMY

Effective District planning enables the sustainable and economic development of the District.



#### CLEAN, HEALTHY AND VALUED ENVIRONMENT

The District Plan is a key vehicle for environmental protection mechanisms in the District.



#### VIBRANT AND HEALTHY COMMUNITIES

The support of planning functions, such as urban design and crime prevention through environmental design (CPTED), supports positive environments for our communities to live in.



#### WELL MANAGED GROWTH

The Sustainable Futures 30/50 Growth Strategy is a key tool of Council to support well-managed growth.

● High Contribution

● Medium Contribution

# LEVELS OF SERVICE

## 9.1 Develop, implement and maintain a District Plan in accordance with the RMA whilst reflecting the desires of the community and issues of sustainability.

PERFORMANCE MEASURE	2014-15 TARGET	2015-16 TARGET	2016-17 TARGET	2017-18 TARGET	2018-25 TARGET
9.1.1 Plan changes are researched, proposed, consulted and reported on as required by Council in accordance with the relevant statutory requirements.	95%	100%	100%	100%	100%



## RESOURCE CONSENTS

### WHAT WE DO AND WHY

Our goal mirrors that of the Resource Management Act. We aim to promote the sustainable management of natural and physical resources in the District. We do this by processing resource consents and associated applications.

This includes processing resource consents within statutory timeframes, consistently and at a fair and reasonable cost; processing post-approval subdivision certificates (s223 and 224) within statutory timeframes, consistently and at a fair and reasonable cost; and providing consistent and timely advice on District Plan and Development Contribution matters.

#### Potential negative effects

The costs and possible delays associated with processing Resource Consent applications may impact on economic growth. To lessen the impact we aim to meet strict processing deadlines and have systems in place to identify problems early.

## CONTRIBUTION TO COMMUNITY OUTCOMES



### CLEAN, HEALTHY AND VALUED ENVIRONMENT

The resource consent process secures the long-term maintenance and protection of significant stands of bush, outstanding landscapes and other natural features that contribute to a valued environment.



### VIBRANT AND HEALTHY COMMUNITIES

Ensuring compliance with District Plan rules and conditions of resource consents contributes to the community's Sense of Place and enjoyment of life whilst protecting our physical environment.

● High Contribution ● Medium Contribution

## LEVELS OF SERVICE

### 9.2 Council will process resource consent and associated applications within statutory timeframes.

PERFORMANCE MEASURE	2014-15 TARGET	2015-16 TARGET	2016-17 TARGET	2017-18 TARGET	2018-25 TARGET
9.2.1 Percentage of non-notified resource consent applications processed within statutory timeframes.	≥95%	≥95%	≥95%	≥95%	≥95%
9.2.2 Percentage of Section 223 and Section 224 applications for subdivision consents under the RMA within statutory timeframes.	≥95%	≥95%	≥95%	≥95%	≥95%



# BUILDING COMPLIANCE

## WHAT WE DO AND WHY

Our Building Compliance Department ensures that buildings in our District are designed and constructed to agreed standards and quality. The healthy design and construction of our homes is important to us and has a direct bearing on our residents' health and perspective on life.

We promote the safe and sanitary use of living and public facilities, as well as access for people with disabilities. We will take action against owners of buildings that pose a risk to the general safety of the public.

The Department also has responsibilities for monitoring buildings that may be earthquake prone, to ensure identified risks are addressed.

### Potential negative effects

The costs and possible delays associated with processing Building Consents may impact on economic growth. To lessen the impact we aim to meet strict processing deadlines and have systems in place to identify problems early.

## CONTRIBUTION TO COMMUNITY OUTCOMES



### CLEAN, HEALTHY AND VALUED ENVIRONMENT

Building controls ensure waste outputs are confined within standards to ensure no adverse impact on our waterways and natural environment.



### VIBRANT AND HEALTHY COMMUNITIES

Ensuring that our homes are constructed for durability and health supports our communities.



### WELL MANAGED GROWTH

Building compliance ensures that buildings, both commercial and residential, are durable for future residents.

● **High Contribution**

● **Medium Contribution**

## LEVELS OF SERVICE

### 9.3 Council will responsibly and accurately manage the building consents and compliance process.

PERFORMANCE MEASURE	2014-15 TARGET	2015-16 TARGET	2016-17 TARGET	2017-18 TARGET	2018-25 TARGET
9.3.1 Percentage of building consents applications processed within statutory timeframes.	≥98%	≥96%	≥96%	≥96%	≥96%
9.3.2 Percentage of inspections completed within two days.	New	≥95%	≥95%	≥95%	≥95%



# REGULATORY SERVICES

## WHAT WE DO AND WHY

The Regulatory Services Department undertakes monitoring and enforcement functions across a wide cross-section of statutes focusing on the protection of community health, safety and amenity. We have three teams:

- Environmental Health are responsible for health and liquor licensing and monitoring
- Compliance are responsible for enforcement work under the Resource Management Act 1991 and the Building Act 2004. This includes monitoring land use and building consent conditions, and investigating complaints about non-compliance with regulations and bylaws
- Environmental Monitoring and Noise and Animal Management are responsible for services relating to dog and stock control, parking enforcement, excessive noise control and general bylaw enforcement.

### Potential negative effects

The costs and possible delays associated with processing applications may impact on economic growth. To lessen the impact we aim to meet strict processing deadlines and have systems in place to identify problems early.

## CONTRIBUTION TO COMMUNITY OUTCOMES



### CLEAN, HEALTHY AND VALUED ENVIRONMENT

The enforcement of bylaws and consent conditions ensures that our environment is protected as planned.



### VIBRANT AND HEALTHY COMMUNITIES

The enforcement of bylaws, particularly in the areas of animal and noise control, ensures the safety of the people in our communities.

● High Contribution

● Medium Contribution

## LEVELS OF SERVICE

### 9.4 Council will ensure responses to complaints relating to parking, excessive noise, dogs, stock and bylaws are carried out within contracted timeframes.

PERFORMANCE MEASURE	2014-15 TARGET	2015-16 TARGET	2016-17 TARGET	2017-18 TARGET	2018-25 TARGET
9.4.1 Percentage of complaints responded to within contracted timeframes.	≥85%	≥85%	≥85%	≥85%	≥85%

### 9.5 Council will ensure compliance with land-use consents by monitoring consents issued.

PERFORMANCE MEASURE	2014-15 TARGET	2015-16 TARGET	2016-17 TARGET	2017-18 TARGET	2018-25 TARGET
9.5.1 Percentage of land-use consent conditions monitored within 12 months of the consent being granted.	100%	100%	100%	100%	100%

### 9.6 Council will protect, promote and monitor public health in the areas of food premises and liquor licensing.

PERFORMANCE MEASURE	2014-15 TARGET	2015-16 TARGET	2016-17 TARGET	2017-18 TARGET	2018-25 TARGET
9.6.1 Percentage of food and liquor licensed premises inspected annually.	100%	100%	100%	100%	100%

# PROSPECTIVE FUNDING IMPACT STATEMENT FOR PLANNING & REGULATORY SERVICES

LTP YEAR 1 2015-16 \$000		ANNUAL PLAN 2016-17 \$000	LTP YEAR 2 2016-17 \$000	VARIANCE
<b>SOURCES OF OPERATING FUNDING</b>				
7,486	General rates, uniform annual general charges, rates penalties	7,793	7,776	17
-	Targeted rates	-	-	-
-	Subsidies and grants for operating purposes	-	-	-
6,125	Fees and charges	7,373	6,615	758
2,099	Internal charges and overheads recovered	2,484	2,225	259
1,832	Local authorities fuel tax, fines, infringement fees and other receipts	1,549	1,869	(321)
<b>17,542</b>	<b>Total Operating Funding</b>	<b>19,199</b>	<b>18,485</b>	<b>714</b>
<b>APPLICATIONS OF OPERATING FUNDING</b>				
9,126	Payments to staff and suppliers	10,072	9,274	798
-	Finance Costs	-	-	-
8,416	Internal charges and overheads applied	9,127	9,211	(85)
-	Other operating funding applications	-	-	-
<b>17,542</b>	<b>Total Applications of Operating Funding</b>	<b>19,199</b>	<b>18,485</b>	<b>713</b>
-	<b>Surplus / (Deficit) of Operating Funding</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>SOURCES OF CAPITAL FUNDING</b>				
-	Subsidies and grants for capital expenditure	-	-	-
-	Development and financial contributions	-	-	-
-	Increase / (decrease) in debt	-	-	-
-	Gross proceeds from sale of assets	-	-	-
-	Other dedicated capital funding	-	-	-
-	Lump sum contributions	-	-	-
-	<b>Total Sources of Capital Funding</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>APPLICATIONS OF CAPITAL FUNDING</b>				
-	Capital expenditure	-	-	-
-	to meet additional demand	-	-	-
-	to improve levels of service	-	-	-
-	to replace existing assets	-	-	-
-	Increase / (decrease) in reserves	-	-	-
-	Increase / (decrease) of investments	-	-	-
-	<b>Total Applications of Capital Funding</b>	<b>-</b>	<b>-</b>	<b>-</b>
-	<b>Surplus / (Deficit) of Capital Funding</b>	<b>-</b>	<b>-</b>	<b>-</b>
-	<b>Funding Balance</b>	<b>-</b>	<b>-</b>	<b>-</b>



# SUPPORT SERVICES

Support services are those activities within Council focussed on supporting the nine activity areas so that they are best positioned to deliver their various goods and services to the community.

The following provides a brief background to the services provided.

## Māori Relationships

The Resource Management Act 1991 (RMA) and the Local Government Act 2002 (LGA) places obligations on Council to establish more formal, meaningful and sustainable relationships with Māori Iwi, Hapū and Maatawaka organisations throughout the District.

The Māori Relationships Department was created to assist Council to meet these obligations.

To achieve these objectives, staff work within the organisation to provide training and assist Council staff to build meaningful and trusting relationships with Māori and to provide advice on all matters relating to Māori dynamics and tikanga. The activity is also charged with specifically developing a Sustainable Māori Economic Strategy which outlines how Council can work collaboratively with Māori organisations to contribute to the overall economic growth planned for the District.

## Civil Defence

Civil Defence provides emergency management services and rural fire services for the District. A comprehensive emergency management organisation is in place which encompasses the management of the Rural Fire Service and is focused around the four phases of the emergency management continuum known as the four Rs (reduction, readiness, response and recovery). The intention is to encourage greater self-reliance in the community by developing and maintaining Community Response Plans for prompt and effective recovery in the event of a disaster.

## Customer Services

This activity deals with the everyday customer interactions across Council. We also look beyond the immediate queries/current needs of our customers to identify ways of providing service which exceed those customers' expectations.

The Customer First Team supports other activities through being able to provide a customer viewpoint that assists in further understanding of our customer's needs. Call Centre staff are focused on reducing the number of queries making their way to other activities by answering customers' queries at first point of contact.

## Financial Services

The Financial Services team plays a key stewardship role. It provides support to the organisation to manage and use its financial resources on a day-to-day basis, as well as in the long-term. It aims to provide the organisation with effective strategy, planning and use, monitoring and reporting of its financial and business resources.

The revenue activity brings together rates, water billing, accounts receivable and receipting functions in one team. The team ensures an efficient administration and maintenance of property records by ensuring property information and the Rating Information Database are kept up to date. Efficient billing processes are undertaken for land and water rates as well as sundry debt and receipting functions for all of Council. Direct debit processing and follow up of overdue amounts ensures arrears are kept to a minimum.

## Human Resources

Human Resources works across the business supporting and leading through day-to-day transactions, including recruitment and payroll, to longer-term strategic matters such as employee development and change management. The Department's vision is twofold: to have the right people, motivated, engaged and delivering, and to enable us to attract the right people into our business, it is important that Council is perceived as a good place to work.

## Information Services

Information Services supports both the technical and informational function requirements of Council. From the desktop systems to the management of data and documentation, the service provides accurate and up-to-date information and readily available technology to ensure all data Council holds can be easily stored and accessed, whilst meeting legislative requirements. Council's website plays a vital role as an interactive service for providing extensive resources of public information, documents and publications, consultations and GIS mapping (including District Plan and hazard overlays).

The service also ensures that the underlying structures for the storage and fast retrieval of all corporate data are stable and available 24/7, with the ability to recover vital systems in the event of a disaster or interruption to services. This includes the ongoing development and enhancement of existing software systems to enable Council to meet the growing consumer demands from our District for faster supply and faster access to information.

## Governance

Governance assists in organisation-wide decision-making, accountability and change management. It brings together functions from across the business including legal and democracy services, strategic planning, communications, online content and business analysis.

The activity covers core statutory functions of Council such as meetings, workshops, agendas and elections under the legal and democracy arm, and the LTP, Annual Plan and Annual Report under statutory planning. These are communicated to the community through the communications, graphics and online content functions, with business analysis providing a vehicle for achieving greater efficiencies across both the activity and the wider organisation.

## Property (Commercial)

The commercial component of Property is responsible for all Council-owned properties held as investments and able to provide a commercial return to Council, and includes a mix of strategic and non-strategic sites. Strategic investment portfolio properties will generally not be sold. Non-strategic properties may be sold, provided due process is followed.

Council-owned forest land has been purchased and planted as a strategic opportunity to assist with water catchments and return funds on mature trees being felled and milled.

## Infrastructure Projects and Support

Infrastructure Projects and Support provides technical and administrative support to the Infrastructure and Services group. This includes planning, contract and general administration, asset management systems and databases, project/contract management, and civil defence emergency management.

# PROSPECTIVE FUNDING IMPACT STATEMENT FOR SUPPORT SERVICES

LTP YEAR 1 2015-16 \$000		ANNUAL PLAN 2016-17 \$000	LTP YEAR 2 2016-17 \$000	VARIANCE
<b>SOURCES OF OPERATING FUNDING</b>				
130	General rates, uniform annual general charges, rates penalties	4,486	513	3,973
-	Targeted rates	-	-	-
-	Subsidies and grants for operating purposes	-	-	-
3,943	Fees and charges	4,339	4,217	122
19,348	Internal charges and overheads recovered	20,244	21,256	(1,012)
3,246	Local authorities fuel tax, fines, infringement fees and other receipts	3,614	2,574	1,041
<b>26,667</b>	<b>Total Operating Funding</b>	<b>32,683</b>	<b>28,560</b>	<b>4,123</b>
<b>APPLICATIONS OF OPERATING FUNDING</b>				
21,975	Payments to staff and suppliers	23,960	22,518	1,442
11	Finance Costs	203	289	(86)
1,976	Internal charges and overheads applied	2,325	2,199	125
-	Other operating funding applications	-	-	-
<b>23,962</b>	<b>Total Applications of Operating Funding</b>	<b>26,488</b>	<b>25,007</b>	<b>1,482</b>
<b>2,705</b>	<b>Surplus / (Deficit) of Operating Funding</b>	<b>6,195</b>	<b>3,554</b>	<b>2,641</b>
<b>SOURCES OF CAPITAL FUNDING</b>				
-	Subsidies and grants for capital expenditure	-	-	-
-	Development and financial contributions	-	-	-
200	Increase / (decrease) in debt	3,000	4,915	(1,915)
-	Gross proceeds from sale of assets	-	-	-
-	Other dedicated capital funding	-	-	-
-	Lump sum contributions	-	-	-
<b>200</b>	<b>Total Sources of Capital Funding</b>	<b>3,000</b>	<b>4,915</b>	<b>(1,915)</b>
<b>APPLICATIONS OF CAPITAL FUNDING</b>				
	Capital expenditure			
324	to meet additional demand	116	128	(12)
1,362	to improve levels of service	3,942	2,424	1,518
2,190	to replace existing assets	5,137	5,914	(777)
(971)	Increase / (decrease) in reserves	-	3	(3)
-	Increase / (decrease) of investments	-	-	-
<b>2,905</b>	<b>Total Applications of Capital Funding</b>	<b>9,195</b>	<b>8,469</b>	<b>726</b>
<b>(2,705)</b>	<b>Surplus / (Deficit) of Capital Funding</b>	<b>(6,195)</b>	<b>(3,554)</b>	<b>(2,641)</b>
<b>-</b>	<b>Funding Balance</b>	<b>-</b>	<b>-</b>	<b>-</b>

# CAPITAL PROJECTS PLANNED FOR 2016-17

Note: This is a Capital Projects Schedule which includes a small portion of operating expenditure. This has been reflected in the Statement of Comprehensive Revenue and Expense.

PROGRAMME	PROJECT	CARRIED FORWARD FROM 2015-16 \$000	PROJECTS 2016-17 \$000	TOTAL ANNUAL PLAN 2016-17 \$000	LTP YEAR TWO 2016-17 \$000
<b>TRANSPORTATION</b>					
Coastal Protection	Coastal Protection Structures	-	78	78	78
Cycleways – Subsidised	Cycleways – Additional government funding	-	679	679	676
	Cycleways – Programmed Work	-	1,373	1,373	1,367
Cycleways – (Non-Subsidised)	Cycleways – Unsubsidised Programmed Work	-	61	61	61
Roading Drainage	Drainage Renewals	-	436	436	434
Footpaths	Footpaths Renewals	-	334	334	333
	New Footpaths	-	440	440	-
Mill-Nixon-Kensington Intersection	Mill Rd/Nixon St/Kamo Rd	1,836	-	1,836	-
Minor Improvements to Roding Network	Minor Improvements to Network	-	1,945	1,945	1,938
Parking	Parking Renewals	-	122	122	122
Replacement of Bridges & Other Structures	Replacement of Bridges & Other Structures	-	465	465	464
Seal Extensions	Seal Extensions – House Frontage Sealing	-	207	207	203
Sealed Road Pavement Rehabilitation	Sealed Road Pavement Rehabilitation	-	7,109	7,109	7,081
Sealed Road Resurfacing	Sealed Road Resurfacing	-	3,670	3,670	3,655
Structures Component Replacement	Structures Component Replacement	-	564	564	562
Traffic Signs & Signals	Traffic Sign & Signal Renewals	-	520	520	518
Unsealed Road Metalling	Unsealed Road Metalling	-	1,083	1,083	1,079
Land for Roads	Land for Roads	400	-	400	-
<b>Total Capital Expenditure Transportation</b>		<b>2,236</b>	<b>19,087</b>	<b>21,323</b>	<b>18,570</b>
<b>WATER</b>					
Water Reticulation	Minor Projects – Emergency Works	-	306	306	308
	Reticulation – Programmed Work	-	602	602	605
Water Meters	Water Meter Renewals	-	357	357	359
Water Treatment Plants	Water Treatment Plant & Equipment Replacement	-	306	306	308
Whau Valley Water Treatment Plant	Whau Valley New Water Treatment Plant	2,525	-	2,525	6,929
<b>Total Capital Expenditure Water</b>		<b>2,525</b>	<b>1,571</b>	<b>4,096</b>	<b>8,508</b>

PROGRAMME	PROJECT	CARRIED FORWARD FROM 2015-16 \$000	PROJECTS 2016-17 \$000	TOTAL ANNUAL PLAN 2016-17 \$000	LTP YEAR TWO 2016-17 \$000
<b>SOLID WASTE</b>					
Pohe Island Gas Management	Pohe Island – Gas Management	-	276	276	278
Transfer Station Upgrades	Rural Transfer Station Upgrades	240	-	240	-
<b>Total Capital Expenditure Solid Waste</b>		<b>240</b>	<b>276</b>	<b>516</b>	<b>278</b>
<b>WASTEWATER</b>					
Laboratory	Laboratory Equipment Renewals & Upgrades	-	15	15	15
Wastewater Treatment Plants	Treatment Plant Upgrades	-	603	603	606
	Motor Starter Assessment & Upgrades	-	15	15	15
	Pump Station Upgrades	-	357	357	359
	Purchase New Portable Generator	-	41	41	41
Wastewater Asset Management	Telemetry System Upgrade	73	-	73	-
	Wastewater Assessment	-	41	41	41
	Wastewater Strategy – Programmed Work	100	-	100	-
	Whangarei City Wastewater – Projects	260	-	260	-
Wastewater Earthquake Assessments	Wastewater Structures Earthquake checks	10	51	61	51
Wastewater Network	Hikurangi Sewer Network Upgrade	602	671	1,273	3,488
	Waipu Trunk Main Upgrades	80	-	80	-
Wastewater City Service Level Improvements	Wastewater City Service Level Improvements	725	4,317	5,042	5,042
Public Toilets	Public Toilets	-	315	315	308
<b>Total Capital Expenditure Wastewater</b>		<b>1,850</b>	<b>6,427</b>	<b>8,277</b>	<b>9,966</b>
<b>STORMWATER</b>					
Stormwater Asset Management	Stormwater Catchment Management Plans & Assessments	251	-	251	123
Stormwater Improvements	Stormwater Projects – Programmed Work	635	-	635	513
	Stormwater Quality Programmed Work	15	-	15	-
<b>Total Capital Expenditure Stormwater</b>		<b>901</b>	<b>-</b>	<b>901</b>	<b>636</b>
<b>COMMUNITY FACILITIES &amp; SERVICES</b>					
<b>PARKS &amp; RECREATION</b>					
Walkways and Tracks	Walkway & Track Renewals	55	341	396	428
Playgrounds & Skateparks	Playgrounds & Skateparks Renewals	-	188	188	188
Sense of Place	Bank Street Revitalisation	20	10	30	-
	CBD Development Stage 2/Laneway completion	-	15	15	-
	Emerald Necklace	-	304	304	205
	Hatea Activity Loop	-	556	556	307
	Parks Interpretation Information	-	41	41	41

PROGRAMME	PROJECT	CARRIED FORWARD FROM 2015-16 \$'000	PROJECTS 2016-17 \$'000	TOTAL ANNUAL PLAN 2016-17 \$'000	LTP YEAR TWO 2016-17 \$'000
	Public Art	-	31	31	31
	Town Basin – Conversion of Carpark to Park	-	235	235	-
	Urban Design – Themed Communities & Settlements	52	82	134	102
Cemeteries	Cemeteries Level of Service	-	157	157	243
	Cemeteries Renewals	-	26	26	26
	New Mower for Cemetery	-	20	20	-
Coastal Structures	Coastal Structures Renewal	341	-	341	107
	Seawalls Renewal	355	324	679	522
Sportsfields & Facilities	Car parks – Kensington Park Reseal	53	-	53	-
	Sport & Recreation Level of Service	562	997	1,559	1,001
	Sport & Recreation Renewals	265	842	1,107	1,031
Neighbourhood & Public Gardens	Neighbourhood & Public Gardens Level of Service	-	102	102	102
	Neighbourhood & Public Gardens Renewals	-	462	462	579
<b>Total Capital Expenditure Parks &amp; Recreation</b>		<b>1,703</b>	<b>4,732</b>	<b>6,435</b>	<b>4,914</b>
<b>LIBRARIES</b>					
IT Programme	IT Equipment Replacement	-	173	173	174
	Radio Frequency ID System	-	204	204	205
Library Books	Book Purchases	-	594	594	596
Library Asset Renewals	Furniture Renewals	-	5	5	5
	Mobile Bus Replacement	225	-	225	-
<b>Total Capital Expenditure Libraries</b>		<b>225</b>	<b>976</b>	<b>1,202</b>	<b>980</b>
<b>COMMUNITY PROPERTY</b>					
Pensioner Housing	Pensioner Housing	193	532	726	536
Council-Owned Community Buildings	Community Buildings Renewals & Improvements	139	-	139	-
<b>Total Capital Expenditure Community Property</b>		<b>332</b>	<b>532</b>	<b>865</b>	<b>536</b>
<b>COMMUNITY SERVICES</b>					
CCTV Network	CCTV Upgrades & Improvements	-	151	151	51
<b>Total Capital Expenditure Community Services</b>		<b>-</b>	<b>151</b>	<b>151</b>	<b>51</b>
<b>VENUES &amp; EVENTS</b>					
Forum North Venue	FN Venue – Catering Kitchen Upgrades	-	46	46	46
	FN Venue – Conference Centre Upgrades	15	127	142	128
	FN Venue – Electrical Distribution Upgrades	-	51	51	51
	FN Venue – Entrance/ Lighting Enhancements	-	31	31	31
	FN Venue – Furniture Upgrades	-	20	20	20
	FN Venue – Health & Safety Upgrades	-	31	31	31

PROGRAMME	PROJECT	CARRIED FORWARD FROM 2015-16 \$000	PROJECTS 2016-17 \$000	TOTAL ANNUAL PLAN 2016-17 \$000	LTP YEAR TWO 2016-17 \$000
	FN Venue – Theatre Technical Equipment Upgrades	-	81	81	82
Flags & Decorations	Flags & Decorations	5	25	30	-
Northland Events Centre	NEC – Exterior General Renewals	11	20	31	20
	NEC – Floor Covering Renewals	-	80	80	80
	NEC – Interior General Renewals	18	20	38	20
<b>Total Capital Expenditure Venues &amp; Events</b>		<b>49</b>	<b>533</b>	<b>581</b>	<b>510</b>
<b>Total Capital Expenditure Community Facilities &amp; Services</b>		<b>2,309</b>	<b>6,924</b>	<b>9,233</b>	<b>6,992</b>
<b>ECONOMIC GROWTH</b>					
Whangarei City Entrance Signage	Whangarei City Entrance Signage & Beautification	60	20	80	20
Twin Coast Signage	Twin Coast Signage	20	5	25	5
<b>Total Capital Expenditure Economic Growth</b>		<b>80</b>	<b>25</b>	<b>105</b>	<b>26</b>
<b>SUPPORT SERVICES</b>					
IT Programme	Asset Management Software Upgrade	161	-	161	-
	Computer Tech for Building, Animal Control & Parking	129	-	129	-
	Corporate System Cloud Deployment	28	-	28	-
	Customer Access – Online Services	-	213	213	184
	Decision Support System Development	25	190	215	138
	Digitisation	767	718	1,485	324
	Electronic Agenda Management System	-	60	60	-
	IB Project	-	437	437	295
	InCompass	68	472	540	51
	OC Project	-	1,553	1,553	692
	Software Application Integration	116	-	116	-
Council Premises	Council Premises	140	2,860	3,000	4,915
Council Vehicle Replacements	Council Vehicle Replacements	-	204	204	205
Commercial Property	Central City Carpark Upgrades & Improvements	-	204	204	205
	Information Centre Upgrade	150	-	150	-
	Parihaka Transmission Mast Upgrade	75	611	686	614
	Water Services Building Renewals	30	-	30	-
New Airport Evaluation	New Airport Evaluation	210	460	671	614
Civil Defence & Emergency Management	Civil Defence Emergency Management Equipment Renewals	-	20	20	20
	Civil Defence Emergency Management Radios New	-	10	10	10
	Emergency Operations Centre – New Equipment	-	3	3	3
	Tsunami Signage	-	10	10	10

PROGRAMME	PROJECT	CARRIED FORWARD FROM 2015-16 \$000	PROJECTS 2016-17 \$000	TOTAL ANNUAL PLAN 2016-17 \$000	LTP YEAR TWO 2016-17 \$000
	Tsunami Sirens New	-	13	13	13
	Tsunami Sirens Renewals	-	16	16	16
	Volunteer Fire Forces Computers Renewals	-	3	3	3
<b>Total Capital Expenditure Support Services</b>		<b>1,899</b>	<b>8,057</b>	<b>9,956</b>	<b>8,314</b>
<b>Grand Total</b>		<b>12,040</b>	<b>42,368</b>	<b>54,408</b>	<b>53,289</b>

## LTP YEAR TWO PROJECTS NOT PROCEEDING IN 2016-17

PROGRAMME	PROJECT	LTP YEAR TWO 2016-17 \$000
<b>PROJECTS NOT PROCEEDING</b>		
Bridge Strengthening	HPMV Bridge Strengthening	1,346
Commercial Property	Seal Extensions – Wright/McCardle	1,545
	Old Boys Property – Road Extension	102
	Old Boys Property – Waste & Drainage	51
<b>TIMING OF PROJECT CHANGED</b>		
Water Reticulation	Pipeline Bridges – Programmed Work	21



PART THREE  
**FINANCIAL  
STATEMENTS**



# FORECAST FINANCIAL STATEMENTS

## PROSPECTIVE STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE

LTP YEAR 1 2015-16 \$000		ANNUAL PLAN 2016-17 \$000	LTP YEAR 2 2016-17 \$000	VARIANCE
<b>REVENUE</b>				
83,936	Rates	88,303	88,743	(440)
2,120	Development Contributions	3,000	2,139	861
21,088	Subsidies and grants	17,581	19,147	(1,565)
12,469	Fees and charges	13,873	13,135	739
63	Interest revenue	55	60	(5)
12,688	Other revenue	13,195	22,720	(9,525)
<b>132,364</b>	<b>Total revenue</b>	<b>136,007</b>	<b>145,941</b>	<b>(9,935)</b>
<b>EXPENSES</b>				
24,019	Personnel costs	25,120	24,499	621
37,773	Depreciation and amortisation	38,713	40,784	(2,071)
8,395	Finance costs	8,086	9,001	(915)
53,673	Other expenses	58,490	56,175	2,315
<b>123,860</b>	<b>Total operating expenses</b>	<b>130,409</b>	<b>130,459</b>	<b>(50)</b>
<b>8,504</b>	<b>Surplus / (deficit) before taxation</b>	<b>5,598</b>	<b>15,482</b>	<b>(9,885)</b>
-	Income tax expense	-	-	-
<b>8,504</b>	<b>Surplus / (Deficit) After Taxation</b>	<b>5,598</b>	<b>15,482</b>	<b>(9,885)</b>
<b>OTHER COMPREHENSIVE REVENUE AND EXPENSES</b>				
-	Gain on Infrastructure Asset Revaluation	37,743	37,742	-
<b>8,504</b>	<b>Total Comprehensive Revenue</b>	<b>43,341</b>	<b>53,224</b>	<b>(9,885)</b>

### Statement Concerning Balancing the Budget

Council will produce a balanced budget for the 2016-17 year with an operating surplus of \$5.6 million. This means that projected revenues are sufficient to cover projected expenditure (which includes depreciation). This situation is in accordance with the 2015-25 LTP in which Council forecast a balanced budget for all 10 years.

In confirming the budget for the 2016-17 year Council has continued to consider the following matters:

- Maintaining levels of service
- Maintaining service capacity and integrity of assets
- Inter-generational equity
- Compliance with Council revenue and financing policies.

Having considered the overall impact on the community Council believes its funding policies and financial management remain prudent over the 2016-17 period.

# VARIANCES TO LTP YEAR TWO

KEY FINANCIAL INFORMATION	ANNUAL PLAN 2016-17 \$000	LTP YEAR 2 2016-17 \$000	COMMENTS
<b>STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE</b>			
Total Revenue	136,007	145,941	Total revenue is lower than LTP year two by \$10.4 million mainly in the 'other gains' classification. This is due to \$10.5 million sale of Okara Old Boys Rugby Club no longer proceeding.
Total Expenses	130,409	130,459	Total operating expenses were lower than LTP year two by \$0.05 million due primarily to lower finance charges.
Surplus/ (deficit)	43,341	53,224	Total unfavourable variance for the year is \$10 million.
<b>STATEMENT OF FINANCIAL POSITION</b>			
Total Assets	1,723,988	1,757,538	Total assets are lower than budget by \$33.5 million due to: <ul style="list-style-type: none"> <li>Debtors and receivables are \$2.8 million above budget due to assumptions made on opening balances.</li> <li>Property plant and equipment is \$38.4 million less than budget as there is currently a major undertaking to tidy up the coding and treatment of many of our assets.</li> <li>Intangible assets is \$2.8 million greater than budget due to the major undertaking to tidy up the coding and treatment of our assets.</li> </ul>
Total Liabilities	188,089	189,638	Total liabilities are lower than budget by \$1.5 million due to: <ul style="list-style-type: none"> <li>Trade and other payables are \$1.2 million below budget due to assumptions made on opening balances.</li> <li>Provisions are \$0.7 million below budget due to the opening balance of the Landfill Provision being \$1.2 million below budget due to a re-assessment of the Landfill aftercare provision.</li> <li>Non-current Borrowings are \$6 million below budget due to issuing more short term borrowings.</li> <li>Derivative financial liabilities are \$6.5 million greater than budget due to an assumption of no movement in LTP year two and a loss on derivatives.</li> </ul>
Net Assets/ Equity	1,535,899	1,567,900	Total unfavourable variance for the year is \$32.0 million.

## PROSPECTIVE STATEMENT OF CHANGES IN NET ASSETS / EQUITY

LTP YEAR 1 2015-16 \$000		ANNUAL PLAN 2016-17 \$000	LTP YEAR 2 2016-17 \$000
1,506,172	Opening balance as at 1 July	1,492,558	1,514,676
8,504	Surplus/(deficit) after tax	5,598	15,482
-	Adjustments and contributions to equity	-	-
-	Adjustments to revaluation reserve	37,743	37,742
<b>1,514,676</b>	<b>Total recognised net assets/equity as at 30 June</b>	<b>1,535,899</b>	<b>1,567,900</b>

# PROSPECTIVE STATEMENT OF FINANCIAL POSITION

LTP YEAR 1 2015-16 \$000		ANNUAL PLAN 2016-17 \$000	LTP YEAR 2 2016-17 \$000
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
480	Cash and cash equivalents	392	380
14,237	Debtors and receivables	17,436	14,595
313	Other financial assets	1,136	313
191	Inventories	183	195
302	Prepayments	473	308
-	Assets held for sale	-	-
<b>15,523</b>	<b>Total current assets</b>	<b>19,620</b>	<b>15,791</b>
<b>NON-CURRENT ASSETS</b>			
441	Derivative financial assets	-	441
11,801	Other financial assets	12,018	11,801
1,614,016	Property plant and equipment	1,630,280	1,668,665
2,497	Intangible assets	6,300	3,474
56,267	Investment properties	54,970	56,267
1,099	Biological assets	800	1,099
<b>1,686,121</b>	<b>Total non-current assets</b>	<b>1,704,368</b>	<b>1,741,747</b>
<b>1,701,644</b>	<b>Total assets</b>	<b>1,723,988</b>	<b>1,757,538</b>

LTP YEAR 1 2015-16 \$000		ANNUAL PLAN 2016-17 \$000	LTP YEAR 2 2016-17 \$000
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
19,587	Trade and other payables	18,442	19,629
41	Derivative financial liabilities	28	41
10,000	Borrowings	19,275	20,000
1,891	Employee benefits liabilities	1,912	1,929
316	Provisions	319	322
<b>31,835</b>	<b>Total current liabilities</b>	<b>39,976</b>	<b>41,921</b>
<b>NON-CURRENT LIABILITIES</b>			
376	Trade and other payables	665	376
3,054	Derivative financial liabilities	9,601	3,054
149,532	Borrowings	136,804	142,073
857	Employee benefits liabilities	412	874
1,314	Provisions	631	1,340
<b>155,133</b>	<b>Total non-current liabilities</b>	<b>148,113</b>	<b>147,717</b>
<b>186,968</b>	<b>Total liabilities</b>	<b>188,089</b>	<b>189,638</b>
<b>1,514,676</b>	<b>Net assets</b>	<b>1,535,899</b>	<b>1,567,900</b>
<b>EQUITY</b>			
904,585	Retained earnings	882,407	920,848
51,916	Reserves and special funds	61,192	51,135
558,175	Asset revaluation reserve	592,300	595,917
<b>1,514,676</b>	<b>Total equity attributable to Council</b>	<b>1,535,899</b>	<b>1,567,900</b>

# PROSPECTIVE STATEMENT OF CASH FLOWS

LTP YEAR 1 2015-16 \$000		ANNUAL PLAN 2016-17 \$000	LTP YEAR 2 2016-17 \$000
<b>OPERATING ACTIVITIES</b>			
<b>CASH WAS PROVIDED FROM:</b>			
83,135	Rates	88,018	88,557
10,472	Rates – Northland Regional Council	10,375	10,681
20,897	Subsidies received	17,500	19,099
3,996	Other revenue	3,830	3,347
15,220	Receipts from customers and services	17,917	16,363
63	Interest received	55	61
250	Dividends received	50	250
4,810	Rental of property	5,116	5,082
<b>CASH WAS APPLIED TO:</b>			
76,545	Payments to suppliers and employees	82,018	80,544
10,472	Rates – Northland Regional Council	10,375	10,681
8,395	Interest paid	8,086	9,001
<b>43,431</b>	<b>Net cash from operating activities</b>	<b>42,382</b>	<b>43,214</b>
<b>INVESTING ACTIVITIES</b>			
<b>CASH WAS PROVIDED FROM:</b>			
-	Proceeds from sale of property, plant & equipment, and investment properties	-	10,500
-	Maturity from investments and loans	-	-
<b>CASH WAS APPLIED TO:</b>			
58,596	Purchase and development of property, plant & equipment, and investment properties	51,994	56,354
-	Purchase of investments and loans provided	-	-
<b>(58,596)</b>	<b>Net cash from investing activities</b>	<b>(51,994)</b>	<b>(45,854)</b>
<b>FINANCING ACTIVITIES</b>			
<b>CASH WAS PROVIDED FROM:</b>			
14,532	Loans raised	9,353	2,540
-	Loan repayments received	-	-
<b>CASH WAS APPLIED TO:</b>			
-	Loans repaid	-	-
-	Loans granted	-	-
<b>14,532</b>	<b>Net cash from financing activities</b>	<b>9,353</b>	<b>2,540</b>
(633)	Net increase/(decrease) in cash, cash equivalents and bank overdrafts	(259)	(100)
1,113	Cash, cash equivalents and bank overdrafts at the beginning of the year	651	480
<b>480</b>	<b>Cash, cash equivalents and bank overdrafts at the end of the year</b>	<b>392</b>	<b>380</b>

# FINANCIAL PRUDENCE BENCHMARKS

## ANNUAL PLAN DISCLOSURE STATEMENT FOR YEAR ENDING 30 JUNE 2017

### WHAT IS THE PURPOSE OF THIS STATEMENT?

The purpose of this statement is to disclose Council's planned financial performance in relation to various benchmarks to enable the assessment of whether 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 ([www.legislation.govt.nz](http://www.legislation.govt.nz)) for more information, including definitions of some of the terms used in this statement.

BENCHMARK	LIMIT	PLANNED	MET
Rates affordability benchmarks			
Income	70%	56%	Yes
Increases	6.40%	5.69%	Yes
Debt affordability benchmarks			
External debt	150%	114.74%	Yes
Net interest to rates revenue	25%	9%	Yes
External debt per capita	\$2,150	\$1,798	Yes
Balanced budget benchmark	100%	100%	Yes
Essential services benchmark	100%	100%	Yes
Debt servicing benchmark	15%	6.2%	Yes

### Rates affordability benchmarks

For this benchmark, Council's planned rates income for the year is compared with rates contained in the financial strategy included in Council's Long Term Plan (LTP); and Council's planned rates increases for the year are compared with rates increases for the year contained in the financial strategy included in Council's LTP.

Council meets the rates affordability benchmark if:

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

### Debt affordability benchmarks

For this benchmark, Council's planned borrowing is compared with borrowing contained in the financial strategy included in the Council's LTP.

Council meets the debt affordability benchmarks if its planned borrowing is within each quantified limit on borrowing.

### Balanced budget benchmark

For this benchmark, Council's planned revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant and equipment) as a proportion of planned operating expenses (excluding losses on derivative financial instruments and revaluations of property, plant and equipment).

Council meets the balanced budget benchmark if its planned revenue equals or is greater than its planned operating expenses.

### Essential services benchmark

For this benchmark, Council's planned capital expenditure on network services is presented as a proportion of expected depreciation on network services.

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

For this benchmark, 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).

Because Statistics New Zealand projects Council's population will grow more slowly than the national population is projected to grow, it meets the debt servicing benchmark if its planned borrowing costs equal or are less than 15% of its planned revenue.

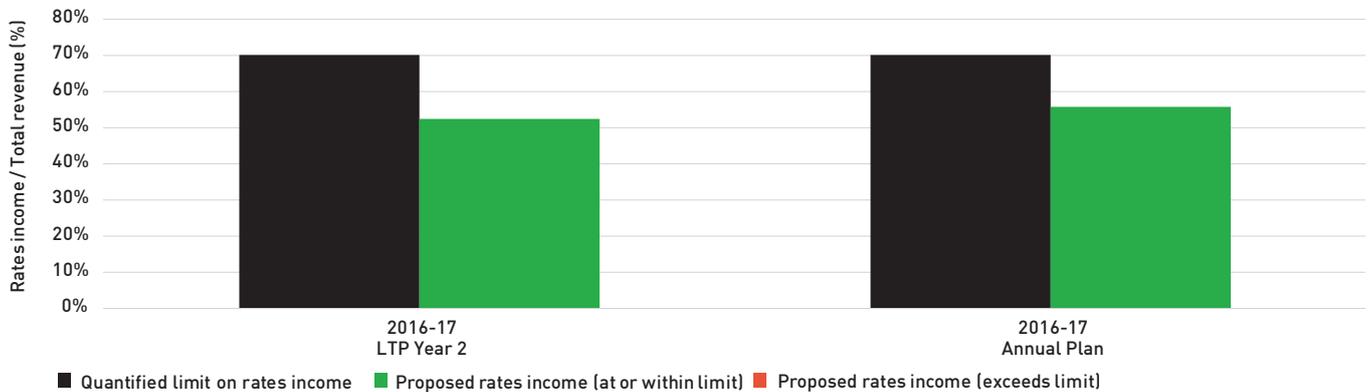
## RATES AFFORDABILITY BENCHMARKS

Council meets the rates affordability benchmark if:

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

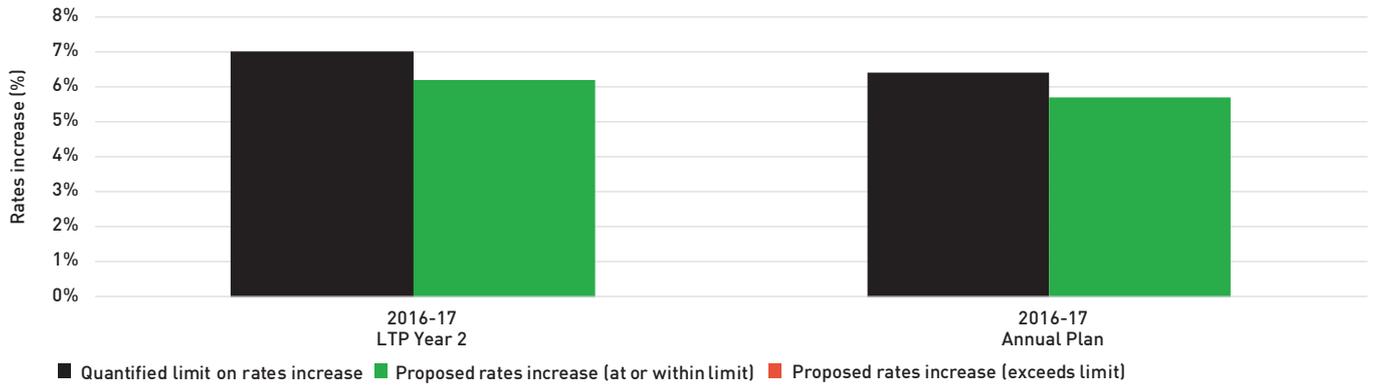
### Rates (income) affordability

The following graph compares Council's planned rates with a quantified limit on rates contained in the financial strategy included in the LTP. The quantified limit is that rates income (excluding water) will not exceed 70% of total revenue.



### Rates (increases) affordability

The following graph compares Council's planned rates increases with a quantified limit on rates increases contained in the financial strategy included in the LTP. The quantified limit is that the rates increase should not exceed LGCI plus 4.5%.

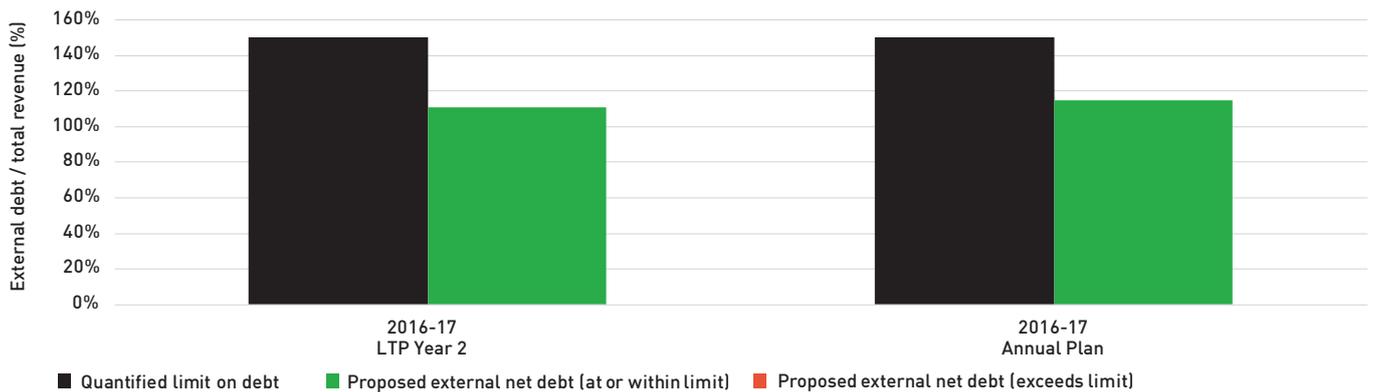


### DEBT AFFORDABILITY BENCHMARKS

Council meets the debt affordability benchmarks if its planned borrowing is within each quantified limit on borrowing.

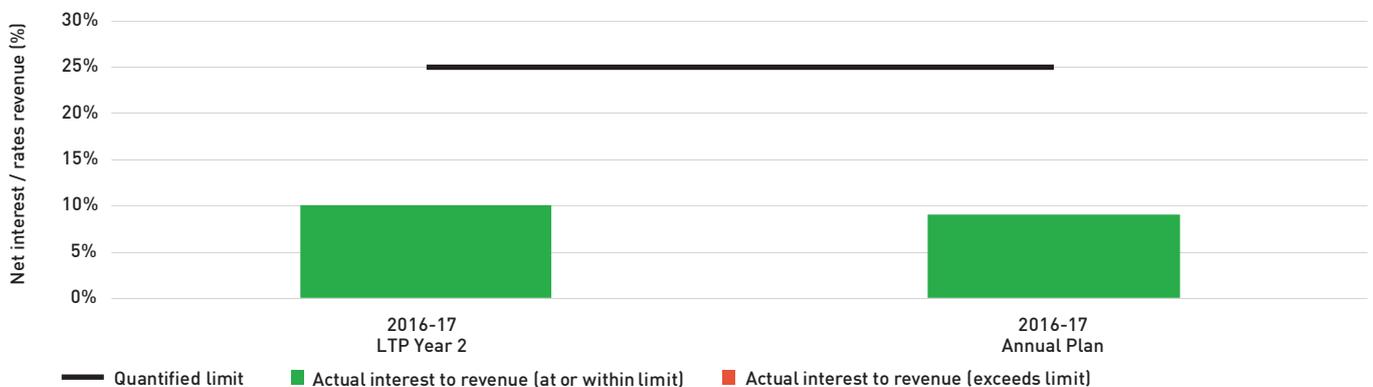
#### External debt

The following graph compares Council's planned debt with a quantified limit on borrowing contained in the financial strategy included in the LTP. The quantified limit is that net debt be no higher than 150% of total revenue.



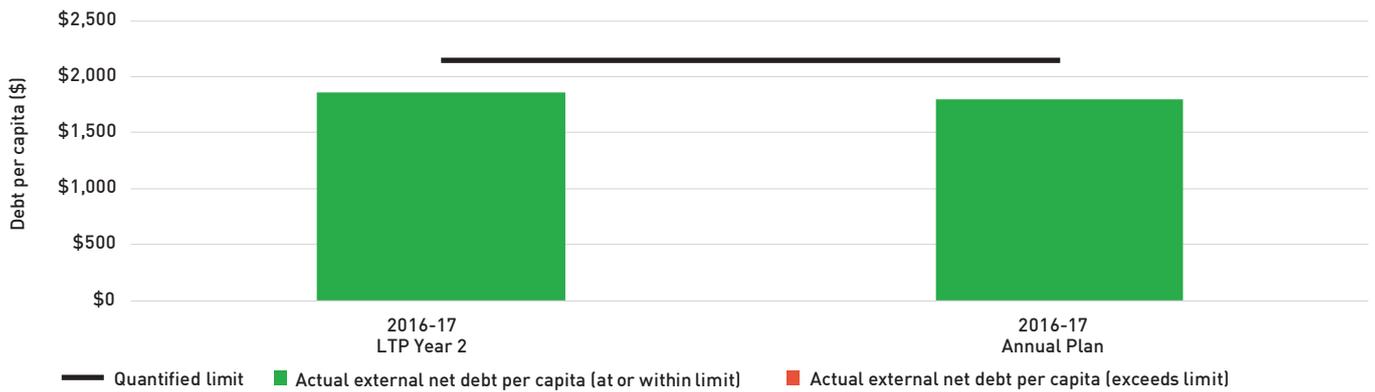
#### Net interest to rates revenue

The following graph compares Council's planned interest on debt with a quantified limit on borrowing contained in the financial strategy included in the LTP. The quantified limit is that planned net interest should not exceed 25% of total rates revenue.



## External debt per capita

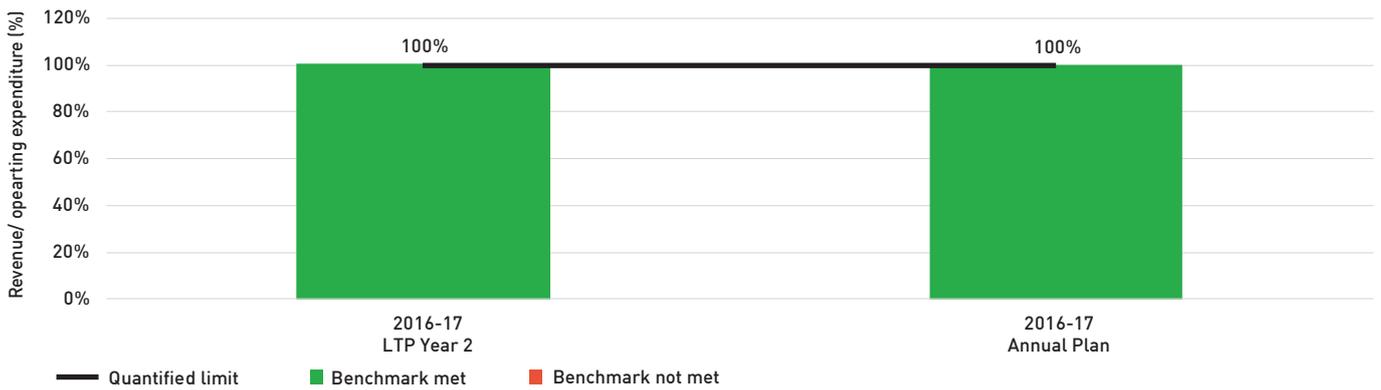
The following graph compares Council's planned debt with a quantified limit on borrowing contained in the financial strategy included in the LTP. The quantified limit is that external net debt per capita be less than \$2,150.



## BALANCED BUDGET BENCHMARK

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

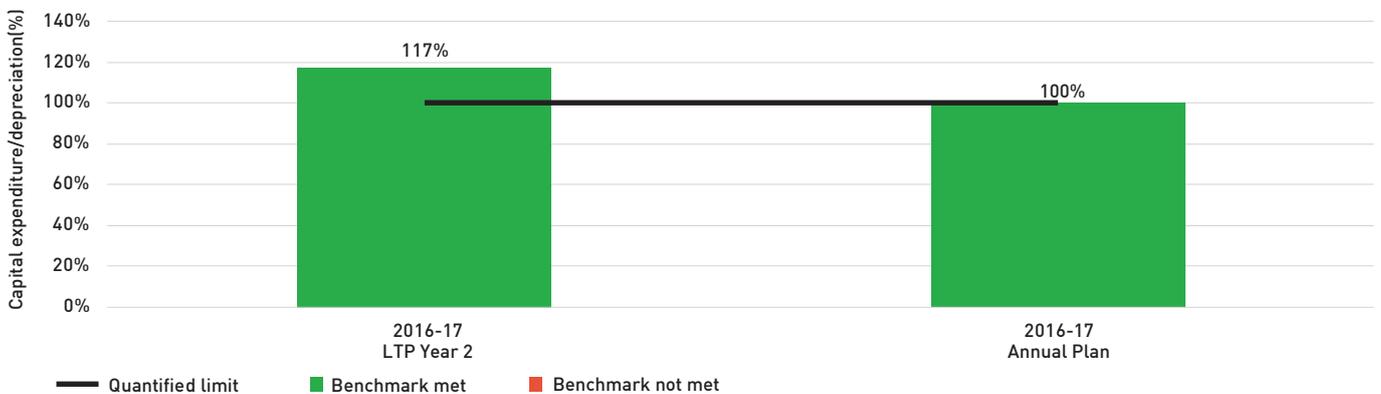
Council meets the balanced budget benchmark if its planned revenue equals or is greater than its planned operating expenses.



## ESSENTIAL SERVICES BENCHMARK

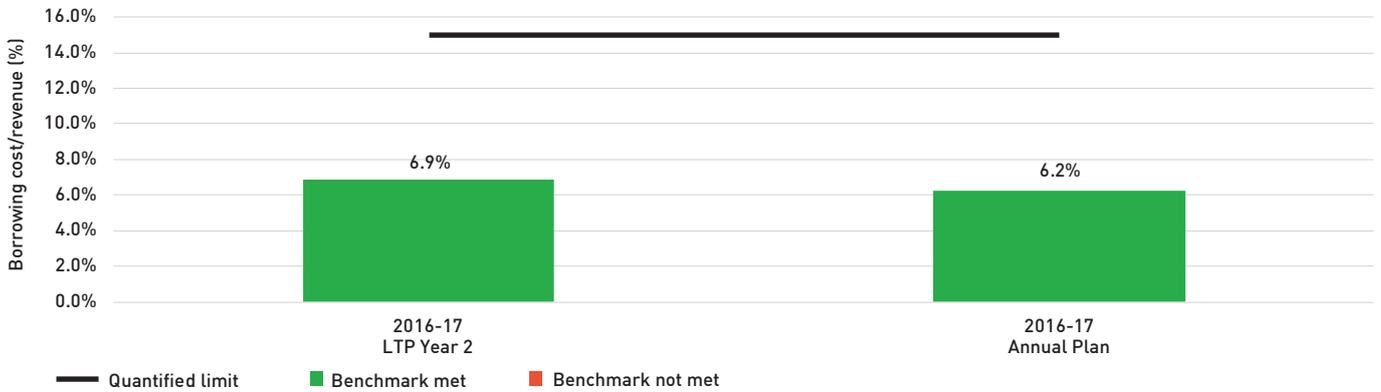
The following graph displays Council's planned capital expenditure on network services as a proportion of expected depreciation on those same network services.

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

The following graph displays Council's planned borrowing costs as a proportion of planned revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant, or equipment). Because Statistics New Zealand projects Council's population will grow more slowly than the national population is projected to grow, it meets the debt servicing benchmark if its planned borrowing costs equal or are less than 15% of its planned revenue.



# ACCOUNTING POLICIES

## NOTE 1: STATEMENT OF ACCOUNTING POLICIES FOR THE YEAR ENDED 30 JUNE 2016

### 1.1 Reporting entity

Whangarei District Council ("Council") is a territorial local authority that is domiciled and operates in New Zealand. Council provides local authority services, including resource management, regulatory functions, biosecurity, transport services, hazard management, recreation and cultural services and regional representation to ratepayers and residents of the Whangarei District.

Council is governed by the Local Government Act 2002 and the Local Government (Rating) Act 2002.

The Group financial statements provide the consolidated results of Council and its controlled entities (Springs Flat Contractors Limited, Whangarei Art Museum Trust, Northland Events Centre Trust, Whangarei Waste Limited and Whangarei Quarry Gardens Trust) and the equity accounted results of the joint venture entities in which the Council is a venturer (Whangarei District Airport and Northland Regional Landfill Limited Partnership).

For the purposes of complying with generally accepted accounting practice in New Zealand ("NZ GAAP"), the Council and Group are public sector public benefit entities ("PBEs").

## NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These accounting policies have been applied consistently throughout all periods presented.

### 2.1 Basis of preparation

#### **STATEMENT OF COMPLIANCE**

The financial statements have been prepared in accordance with Tier 1 PBE Standards and comply with NZ GAAP. They also comply with the requirements of the Local Government Act 2002.

#### **MEASUREMENT BASE**

The financial statements have been prepared on a historical cost basis, as modified by the revaluation of certain assets and liabilities as identified in specific accounting policies below.

#### **PRESENTATION CURRENCY AND ROUNDING**

The functional currency of the Council, each of its subsidiaries and each of the joint ventures in which the Council is a venturer, is New Zealand dollars. The financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars (\$'000).

#### **BUDGET FIGURES**

Budget figures have been prepared in accordance with NZ GAAP as it applies to prospective financial statements (PBE FRS42 Prospective Financial Statements).

#### **CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS**

In preparing these financial statements, estimates and assumptions have been made concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of 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:

- The assessed useful life of an item of property, plant and equipment impacts the carrying amount of that item and the amount of depreciation recognised in relation to that item. More information on the useful lives of items of property, plant and equipment is provided in accounting policy 2.15.
- Assumptions and estimates are applied in determining the fair value of infrastructure assets.
- The impairment assessment of non-financial assets requires the use of key assumptions and estimates.
- The determination of the landfill aftercare provision requires the use of key assumptions and estimates.
- Council relies on the assumptions and estimates made by external valuers when performing the investment property revaluation.

## **CRITICAL JUDGEMENTS IN APPLYING ACCOUNTING POLICIES**

Management has exercised the following critical judgements in applying accounting policies for the year ended 30 June 2016:

- Classification of property: Council owns a number of properties held to provide housing to pensioners. The receipt of market-based rental from these properties is incidental to holding them. The properties are held for service delivery objectives as part of Council's social housing policy. The properties are therefore accounted for as property, plant, and equipment, rather than as investment property.
- Revenue from exchange and non-exchange transactions: Council has exercised professional judgement when determining whether the substance of a transaction is that of a non-exchange or an exchange transaction.
- Determine control/joint control: Council has determined its control or joint control of associated entities when deciding upon inclusion or non-inclusion in the Council and Group financials.

## **2.2 Basis of consolidation**

### **SUBSIDIARIES**

A subsidiary is an entity that Council controls. Control is the capacity to govern an entity's financing and operating policies so as to obtain benefits from its activities. This capacity exists where Council controls the majority voting power on the governing body, or where an entity's financing and operating policies have been irreversibly predetermined by Council, or where the determination of such policies is unable to materially affect the level of potential ownership benefits that arise from the activities of the subsidiary, and Council benefits from the activities of the subsidiary.

Subsidiaries are consolidated into the Group financial statements from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The investment in subsidiaries is carried at cost in Council's financial statements.

### **JOINT VENTURES**

A joint venture is a binding arrangement whereby the Group and other parties undertake an economic activity that is subject to joint control. Joint control is the agreed sharing of control over an activity. The Council is a joint venturer in jointly controlled entities.

The Council's interest in jointly controlled entities is equity accounted in both the Council and Group financial statements. This means that investments in jointly controlled entities are initially recognised at cost, and adjusted thereafter for the post-acquisition change in Council's share of the joint venture's net assets/equity. The Council's share of the surplus or deficit of jointly controlled entities is included in Council and the Group's surplus or deficit.

Inter-entity transactions, balances and unrealised gains on transactions between Group entities are eliminated. Unrealised losses are also eliminated. Accounting policies of subsidiaries and jointly controlled entities have been aligned where necessary to ensure consistency with the policies adopted by Council and the Group.

## **2.3 Revenue**

### **REVENUE IS MEASURED AT FAIR VALUE**

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services, excluding Goods and Services Tax, rebates and discounts and after eliminating sales within the group.

Revenue may arise from exchange or non-exchange transactions. Exchange transactions are transactions in which one entity receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of cash, goods, services, or use of assets) to another entity in exchange. Non-exchange

transactions are transactions that are not exchange transactions. In a non-exchange transaction, an entity either receives value from another entity without directly giving approximately equal value in exchange, or gives value to another entity without directly receiving approximately equal value in exchange.

Where a non-exchange transaction stipulates that the Group must provide specified services in exchange for revenue, the Group determines whether that stipulation constitutes a restriction or a condition:

- A restriction specifies the services that must be performed, but does not require funds to be returned if they are not spent as stipulated. Revenue from a non-exchange transaction with restrictions is recognised when received, or when the Group becomes entitled to it.
- A condition specifies the services that must be performed and requires funds to be returned if they are not spent as stipulated. Non-exchange transactions with conditions are recognised as liabilities when received and revenue is recognised and the associated liability extinguished as the specified services are provided.

Revenue from non-exchange transactions that do not stipulate that the Group must provide specified services in exchange for revenue is recognised on receipt.

### a) Exchange transactions

The Group receives revenue from the following exchange transactions:

REVENUE SOURCE	ACCOUNTING TREATMENT
Revenue from the retail sale of goods	Revenue is recognised when the significant risks and rewards of ownership have been transferred to the buyer.
Revenue from services rendered	Revenue is recognised in proportion to the stage of completion of the transaction at balance date. The stage of completion is assessed by reference to surveys of work performed.
Revenue from metered water	Revenue is recognised on the basis of usage when earned. Unbilled usage, as a result of unread meters at year end, is accrued on an average usage basis.
Property rental revenue (commercial and residential, including car parking)	Revenue (net of incentive provided to lessees) is recognised on a straight line basis over the term of the lease. Note that revenue from pensioner housing is classified as revenue from non-exchange transactions, as pensioner housing is partially subsidised by Council.
Interest	Revenue is recognised using the effective interest method. Interest revenue on an impaired financial asset is recognised using the original effective interest rate.
Dividends	Revenue is recognised when the right to receive payment has been established.

### b) Non-exchange transactions

The Group receives revenue from the following non-exchange transactions:

REVENUE SOURCE	ACCOUNTING TREATMENT
Rates revenue (rates are set annually by Council resolution and relate to a financial year; all ratepayers are invoiced within the financial year to which the rates have been set). The Council's rates consist of general rates, targeted rates (excluding metered water) and uniform annual general charges	Revenue is recognised at the amount due at the start of the financial year to which the rates resolution relates.
Late payment penalties on rates	Revenue is recognised when rates become overdue.
Development and financial contributions	Revenue is recognised when the invoice is raised.
New Zealand Transport Agency roading subsidies (these subsidise part of the cost of maintenance and capital expenditure on the local roading infrastructure)	Revenue is recognised in the month when the corresponding expenditure is incurred. The subsidy is approved and received in the following month.
Grants from government	Revenue is recognised when there is a reasonable assurance that the grant will be received, unless there are associated conditions (in which case a liability is recorded and revenue is recognised and the associated liability extinguished as the conditions are met). Government grants relating to costs are deferred and recognised in surplus or deficit over the period necessary to match them with the costs that they are intended to compensate.
Other grants	Revenue is recognised when the grant becomes receivable, unless there are associated conditions (in which case a liability is recorded and revenue is recognised and the associated liability extinguished as the conditions are met).
Building and resource consent fees and charges	Revenue is recognised when the consent is issued.

REVENUE SOURCE	ACCOUNTING TREATMENT
Traffic and parking infringement fees	Revenue is recognised when the infringement notice is issued.
Landfill fees (fees for disposing of waste at Council's landfill)	Revenue is recognised at the time of disposal.
Other direct charges (such as pensioner rent, liquor licenses, dog licences and rubbish bags/labels)	Revenue is recognised when received.
Vested or donated assets	Assets received for no or nominal consideration are recognised at fair value on receipt, with a corresponding entry to revenue, unless there are associated conditions (in which case a liability is recorded and revenue is recognised and the associated liability extinguished as the conditions are met).
Donated and bequeathed financial assets	Donated and bequeathed financial assets are recognised as revenue unless there are substantive associated conditions (in which case a liability is recorded and revenue is recognised and the associated liability extinguished as the conditions are met).

Rates collected on behalf of Northland Regional Council ("NRC") are not recognised in the financial statements, as Council is acting as an agent for NRC.

Rates remissions are recognised as a reduction of rates revenue when Council applies its rates remission policy to qualifying properties.

## 2.4 Finance costs

Finance costs comprise borrowing costs and the unwinding of discounts on provisions. Borrowing costs are recognised as an expense using the effective interest method.

## 2.5 Grant expenditure

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

Discretionary grants are those grants that are awarded at the discretion of Council. They are recognised when a grant has been approved by Council and that approval has been communicated to the applicant.

## 2.6 Income tax

Income tax expense includes current tax and deferred tax.

Council is not subject to income tax except for revenue derived from Council Controlled Organisations (Northland Regional Landfill Limited Partnership and Whangarei District Airport). Income tax charged to the Group includes both current and deferred tax, and is calculated using tax rates that have been enacted or substantively enacted at balance date.

Current tax is the amount of income tax payable based on the taxable surplus for the current year, plus any adjustments to income tax payable in respect of prior years. Current tax is calculated using tax rates (and tax laws) that have been enacted or substantively enacted at balance date.

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

Deferred tax is measured at the tax rates that are expected to apply when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at balance date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects to recover or settle the carrying amount of its assets and liabilities.

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

Deferred tax is not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition of an asset and liability in a transaction that is not a business combination, and at the time of the transaction, affects neither accounting surplus nor taxable surplus.

Current and deferred tax is recognised against the surplus or deficit for the period, except to the extent that it relates to transactions recognised in other comprehensive revenue and expense or directly in equity, in which case the tax is also recognised in other comprehensive revenue and expense or directly in equity, respectively.

## 2.7 Leases

### THE GROUP IS A LESSEE

#### a) Finance leases

Leases in which substantially all of the risks and rewards of ownership transfer to the lessee are classified as finance leases.

At inception, items leased under finance leases are recognised as assets at the lower of the fair value of the leased property and the present value of the minimum lease payments. Any additional direct costs of the lessee are added to the amount recognised as an asset. The corresponding rental obligations, net of finance charges, are included in other long term payables.

The property, plant and equipment acquired under a finance lease is depreciated over the shorter of the asset's useful life and the lease term and is assessed for indicators of impairment in the same manner as other non-financial assets.

Each lease payment is allocated between the liability and finance charges. The interest element of the finance cost is charged over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

#### b) Operating leases

An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset to the lessee. Lease payments under an operating lease (net of incentives received from the lessor) are recognised on a straight-line basis over the lease term.

### THE GROUP IS A LESSOR

The Group is a lessor in operating leases. Receipts from operating leases (net of incentives provided to lessees) are recognised on a straight-line basis over the term of the lease.

## 2.8 Cash and cash equivalents

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

Bank overdrafts are shown within borrowings as current liabilities in the Statement of Financial Position.

## 2.9 Debtors and other receivables and loans

Debtors and other receivables and loans are recognised at fair value plus directly attributable transaction costs.

Loans to community organisations at nil or below market interest rates are initially recognised at the present value of their expected future cash flows, discounted at the current market rate of return for a similar financial instrument. The difference between the face value and present value of expected future cash flows of the loan is recognised in surplus or deficit as a grant.

Collectability of receivables and loans is reviewed on an ongoing basis. Debts that are known to be uncollectible are written off. A provision for impairment is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables or loans. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered objective evidence of impairment.

The amount of the provision is the difference between the asset's carrying amount and the present value of the estimated future cash flows, discounted at the effective interest rate. The amount is recognised in surplus or deficit.

If, in a subsequent period, the amount of impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the previously recognised impairment loss is reversed and the reversal is recognised in surplus or deficit.

Subsequent recoveries of amounts written off are recognised in surplus or deficit.

## 2.10 Derivatives

The Group uses derivative financial instruments (principally interest rate swaps) to hedge various risks (principally those associated with borrowing at variable interest rates).

Derivatives are initially recognised at fair value on the date a derivative contract is entered into. Any associated transaction costs are expensed.

Derivatives are subsequently carried at fair value. In the money derivatives are classified as financial assets at fair value through surplus or deficit and out of the money derivatives are classified as financial liabilities at fair value through surplus or deficit.

The method of recognising changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. None of the Group's derivatives is designated as a hedging instrument. All changes in the fair value of the Group's derivatives are recognised in surplus or deficit, and fair value is assessed annually.

## 2.11 Financial assets

The Group classifies its investments in the following categories: financial assets at fair value through surplus or deficit, loans and receivables, held-to-maturity investments and available-for-sale financial assets. 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.

### **(a) Financial assets at fair value through surplus or deficit**

This category has two sub categories: financial assets held for trading, and those designated at fair value through profit or loss at inception. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management. Derivatives are also categorised as held for trading unless they are designated as hedges. Assets in this category are classified as current assets if they are either held for trading or are expected to be realised within 12 months of balance date.

The Group's financial assets at fair value through surplus or deficit comprise in the money derivatives (principally interest rate swaps).

### **(b) 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 arise when the Group provides money, goods or services directly to a debtor with no intention of selling the receivable. They are included in current assets, except for those with maturities greater than 12 months after balance date, which are included in non-current assets.

The Group's loans and receivables comprise cash and cash equivalents, trade and other receivables, loans to community organisations and related party loans.

### **(c) 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.

The Group's held-to-maturity investments comprise term deposits with a maturity of greater than three months.

### **(d) Available-for-sale financial assets**

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of balance date.

The Group's shares in public companies are included in this category as they are not classified in any other category. These are held for strategic purposes and there is no intention to sell.

## **MEASUREMENT**

Purchases and sales of investments are recognised on trade date (which is the date on which the Group commits to purchase or sell the asset). Financial assets are initially measured at fair value plus transaction costs unless they are carried at fair value through surplus or deficit, in which case they are recognised at fair value and the transaction costs are expensed.

After initial recognition, all financial assets are measured at fair value. Council uses a variety of methods to determine fair value of financial assets. Some of these include quoted market prices and estimated discounted cashflows. Realised and unrealised gains and losses arising from changes in the fair value of financial assets are included in surplus or deficit in the period in which they arise.

The Group assesses at each balance date whether there is objective evidence that a financial asset or a group of financial assets is impaired. Impairment is recognised in surplus or deficit.

## **DE-RECOGNITION**

Financial assets are de-recognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

### **2.12 Trade and other payables**

These amounts represent unsecured liabilities for goods and services provided to the Group prior to the end of the financial year which are unpaid. Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method. As trade and other payables are usually paid within 30 days, they are carried at face value.

### **2.13 Borrowings**

Borrowings are initially recognised at fair value plus transaction costs. After initial recognition all borrowings are measured at amortised cost using the effective interest method.

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

### **2.14 Inventory**

Inventory is measured at cost upon initial recognition. Inventory received for no cost, or for a nominal cost, is initially recognised at its fair value at the date of acquisition. After initial recognition, inventory is carried at the lower of cost and net realisable value, with the exception that inventory held for distribution or deployment at no charge or for a nominal charge (or for consumption in the production process of goods or the rendering of services to be distributed at no charge or for a nominal charge) is measured at cost, adjusted when applicable for any loss of service potential.

Cost comprises the purchase price of finished goods and direct materials (on a first-in, first-out basis), less volume discounts and rebates, import duties and other taxes (other than those subsequently recoverable by the entity from the taxing authorities) and transport, handling and other costs directly attributable to the acquisition of raw materials. Cost is measured on a first-in-first-out basis.

Net realisable value is the estimated selling price in the ordinary course of operations, less the estimated costs of completion and the estimated costs necessary to make the sale, exchange, or distribution.

The Group has the following inventories:

- Consumables – this includes botanical supplies, water treatment chemicals and maintenance items.
- Finished goods – this includes items held for resale, such as Council rubbish bags and items sold at the museum shop, and items held for distribution, such as recycle bins.

### **2.15 Property, plant and equipment**

Property, plant and equipment is initially recognised at cost.

The cost of an item of property, plant and equipment includes its purchase/construction price, and costs directly attributable to bringing it to the location and condition necessary for it to operate as intended. In the case of landfills, post-closure costs and restoring the site on which it is located are included.

Where an item of property, plant and equipment is self-constructed, its construction cost includes the cost of materials and direct labour and an appropriate proportion of production overheads. Costs are recognised as work in progress and are transferred to the relevant asset class only when construction is complete.

Where an item of property, plant and equipment is donated or received at a subsidised amount, it is initially recognised at fair value. This applies to some infrastructure assets and land which has been vested to the Group, and as part of the subdivision consent process:

- The vested reserve land has been recognised at the time of transfer at market value, which is recognised as vested asset revenue and deemed to be its initial cost.
- Vested infrastructure assets have been valued on initial recognition based on the actual quantities of infrastructure components vested and the current 'in the ground' cost of providing identical services.

Depreciation is calculated on a straight-line basis on all property, plant, and equipment (excluding land and work in progress) at rates that will write-off the cost (or valuation) of the assets to their estimated residual values over their useful lives. Where material parts of an item of property, plant and equipment have different useful lives, or

where significant parts of an item of property, plant and equipment are required to be replaced at intervals, they are accounted for as separate items of property, plant and equipment. Depreciation accumulates annually.

Subsequent to initial recognition, items of property, plant and equipment are carried under either the cost model (cost less accumulated depreciation and accumulated impairment) or the revaluation model (fair value at the date of the revaluation, less any subsequent accumulated depreciation and subsequent accumulated impairment losses).

Property, plant and equipment that is carried under the revaluation model is revalued with sufficient regularity to ensure that the carrying amount does not materially differ from fair value. All revalued property, plant and equipment is revalued at least every three years, except for roading which is revalued annually, and pensioner housing, which is revalued every five years. The valuation method employed is optimised depreciated replacement cost.

Revaluations are accounted for on a class of asset basis. An increase in carrying amount is recognised in an asset revaluation reserve in equity, except to the extent that it reverses a revaluation decrement for the same asset class previously recognised in surplus or deficit, in which case the increment is recognised in surplus or deficit. Decreases that offset previous increases of the same asset class are recognised in the asset revaluation reserve in equity; all other decreases are recognised in surplus or deficit. Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Subsequent costs are added to the carrying amount of an item of property, plant and equipment when that cost is incurred if it is probable that the future economic benefits or service potential embodied with the item will flow to the Group and the cost or fair value of the item can be measured reliably. All other repairs and maintenance and day-to-day servicing costs are expensed as incurred.

When the use of a property changes from owner-occupied to investment property, the property is reclassified as an investment property at its carrying value at the date of the transfer, and then revalued annually in line with the investment property accounting policy.

Gains and losses on disposal are determined by comparing the disposal proceeds with the carrying amount of the asset. Gains and losses on disposal are reported in surplus or deficit. When revalued assets are sold the amounts included in asset revaluation reserves in respect of those assets are transferred to retained earnings.

The Group's assets consist of:

ASSET CLASS	ASSETS IN CLASS	SUBSEQUENT MEASUREMENT	ESTIMATED USEFUL LIFE (YEARS)	DEPRECIATION RATES
Operating assets	Land	Cost	Indefinite	-
	Buildings			
	Buildings	Cost	40-100	1-2.5%
	Building fit-outs	Cost	10-100	1-10%
	Strategic land	Cost	Indefinite	-
	Strategic buildings	Cost	40-indefinite	0-2.5%
	Pensioner housing – land	Revaluation	Indefinite	-
	Pensioner housing – buildings	Revaluation	15-80	1.25-6.7%
	Library books	Cost	5	20%
	Motor vehicles	Cost	5	20%
	Office furniture and fittings	Cost	3-20	5-33%
	Plant and equipment	Cost	3-20	5-33%
Infrastructure assets (these are generally fixed utility systems; each asset class includes all items that are required for the network to function – for example, sewer reticulation includes reticulation piping and sewer pump stations)	Land for roads	Cost <sup>1</sup>	Indefinite	-
	Roading			
	Bridges	Revaluation	30-90	1.1-3.3%
	Carriageways	Revaluation	4-70	1.4-25%
	Culverts	Revaluation	10-80	1.2-10%
	Footpaths	Revaluation	10-55	1.8-10%
	Kerbs and Channels	Revaluation	50	2%
	Street and road signs	Revaluation	15	6.7%
	Traffic services	Revaluation	5-40	2.5-20%
	Stormwater			
	Pipes	Revaluation	50-100	1-2%
	Manholes	Revaluation	50-80	1-1.2%
	Flood protection			
	Plant and equipment	Revaluation	10-80	1.2-10%
	Solid waste			
	Plant and equipment	Revaluation	5-10	10-20%
	Bins	Revaluation	15-25	4-6.7%
	Wastewater			
	Pipes	Revaluation	30-100	1-3.3%
	Pumps and pump stations	Revaluation	20-100	1-5%
	Manholes	Revaluation	50-100	1-2%
	Treatment plant	Revaluation	50-100	1-2%
	Parks and recreation			
	Walkways, reserves and sports parks	Revaluation	10-100	1-10%
	Water			
	Pipes	Revaluation	50-100	1-2%
	Plant and equipment	Revaluation	10-80	1.2-10%
	Treatment plant	Revaluation	40-60	1.7-2.5%
	Library buildings	Cost	60	1.7%

ASSET CLASS	ASSETS IN CLASS	SUBSEQUENT MEASUREMENT	ESTIMATED USEFUL LIFE (YEARS)	DEPRECIATION RATES
Council Controlled Organisations infrastructure assets	Airport assets and runway	Cost	5-100	1-20%
	Landfill assets	Cost	40-indefinite	0-2.5%
Restricted assets are assets that provide a benefit or service to the community and cannot be disposed of (due to legal or other restrictions).	Parks and reserves	Cost	Indefinite	-
	Heritage assets – art collection	Cost <sup>2</sup>	Indefinite	-
	Parks and reserve land	Cost	Indefinite	-
	Marina structures <sup>3</sup>	Cost	20-50	2-5%

<sup>1</sup> Land under roads was valued based on fair value of adjacent land, effective 30 June 2005. On transition to NZ IFRS Council elected to use the fair value of land under roads as at 30 June 2007 as deemed cost. Land under roads is no longer revalued.

<sup>2</sup> Valued at the estimated current market value as at 30 June 2002 by the Art Museum Curator. Subsequent additions are recorded at cost or market value. Donated assets do not form part of the cyclical valuation.

<sup>3</sup> Historical assets situated at Whangarei Marina and Tutukaka Marina (under the management of the Whangarei Harbour Marina Trust and the Tutukaka Marina Management Trust respectively).

If appropriate, residual values, useful lives and amortisation methods are reviewed and adjusted at year end.

## 2.16 Investment property

Investment properties are properties which are held either to earn rental revenue or for capital appreciation or for both, and generate cash flows largely independent of other assets held by the entity.

An investment property is measured initially at its cost, including transaction costs. After initial recognition, investment property is measured at fair value. Gains or losses arising from a change in the fair value of an investment property are recognised in surplus or deficit.

Investment properties do not include property held primarily for strategic purposes or to provide a social service (such as pensioner housing), even though such property may earn rentals or appreciate in value. Such properties are instead classified as items of property, plant and equipment.

When the use of a property changes from investment property to owner-occupied property, the property is reclassified as owner-occupied property and recorded at its fair value at the date of transfer.

## 2.17 Intangible assets

Intangible assets are initially recognised at cost.

Subsequent to initial recognition, intangible assets with finite useful lives are recorded at cost less amortisation and impairment losses and are reviewed annually for impairment. Amortisation of intangible assets is calculated on a straight-line basis to write off the cost of an intangible asset to its estimated residual value over its useful life. Assets with indefinite useful lives are not amortised, but are tested annually for impairment and are carried at cost less accumulated impairment losses. The day to day costs of maintaining intangible assets are expensed when incurred.

Realised gains and losses arising from the disposal of intangible assets are recognised in surplus or deficit.

Intangible assets comprise:

### COMPUTER SOFTWARE

Acquired computer software licences are capitalised based on the costs incurred to acquire and prepare the software for use. Costs directly associated with the development of identifiable and unique software products, where the criteria for capitalisation have been met, are recognised as an asset. Computer software assets are amortised using the straight line method over their estimated useful lives (three to eight years).

### CARBON CREDITS

The Group participates in the New Zealand Emission Trading Scheme (“ETS”). Purchased New Zealand Units (NZU’s) are recognised at cost on acquisition, and NZU’s which represent carbon credits received from the Government are recognised at fair value as at the date of transfer. NZU’s have an indefinite useful life and consequently aren’t amortised, but are tested for impairment annually.

After initial acquisition, NZU’s are recorded at the NZU spot rate at 30 June. This is considered to be fair value.

The Group has 120 hectares of pre-1990 forest land. This land is subject to the provisions of the ETS. The implication of this for the financial statements is two-fold:

- Should the land be deforested (that is, the land is changed from forestry to some other purpose), a deforestation penalty will arise
- As a result of the deforestation restriction, compensation NZU's have been provided by the Government.

## **EASEMENTS**

Easements are recognised at cost, being the costs directly attributable to bringing the asset to its intended use. Easements have an indefinite useful life and are not amortised, but are instead tested for impairment annually.

### **2.18 Impairment of non-financial assets**

Intangible assets that have an indefinite useful life, or are not yet available for use, are not subject to amortisation and are tested annually for impairment.

Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. The Group conducts an annual review of asset values, which is used as a source of information to assess for any indicators of impairment. If any indication of impairment exists:

- If the asset is a cash-generating asset, the asset's recoverable amount is calculated
- If the asset is a non-cash-generating asset, the asset's recoverable service amount is calculated.

A cash-generating asset is an asset held with the primary objective of generating a commercial return (i.e. an asset that is deployed in a manner consistent with that adopted by a for-profit entity). A non-cash-generating asset is an asset that is not a cash-generating asset.

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

For a cash-generating asset, value in use is the estimated present value of expected future cashflow using an appropriate discount rate. For a non-cash-generating asset, value in use is the present value of the asset's remaining service potential, which is the depreciated replacement cost of the asset.

Impairment losses for items carried at cost are recognised in surplus or deficit. Impairment losses for revalued items are recognised in the same manner as revaluation decrements.

Non-financial assets that suffer an impairment are reviewed for possible reversal of the impairment at each reporting date.

### **2.19 Forestry assets**

Standing forestry assets are carried at fair value less estimated costs to sell.

Gains or losses arising on initial recognition of forestry assets at fair value less costs to sell and from a change in fair value less costs to sell are recognised in surplus or deficit.

Forestry maintenance costs are recognised in surplus or deficit when incurred.

### **2.20 Employee benefits**

Employee benefits include:

#### **SHORT-TERM EMPLOYEE BENEFITS**

Short-term employee benefits include wages, salaries paid annual and sick leave, termination payments, bonuses (if payable within twelve months of the end of the period), and non-monetary benefits such as medical care.

Liabilities for wages and salaries (including non-monetary benefits), annual leave and accumulating sick leave are recognised during the period in which the employee rendered the related services, and are generally expected to be settled within 12 months of the reporting date.

The liabilities for these benefits are measured at the amounts expected to be paid when the liabilities are settled. Expenses for non-accumulating sick leave are recognised when the leave is taken and are measured at the rates paid or payable.

#### **LONG TERM EMPLOYEE ENTITLEMENTS**

Other long-term employee benefits include long-service or sabbatical leave, long service benefits, and, if they are not payable wholly within 12 months after the end of the period, bonuses, and deferred compensation.

Loyalty and performance bonuses are one-off payments to staff members who have provided ten or more years of service to Council and have attained the prerequisite performance achievements over the preceding three years of service. The liability is assessed using current rates of pay taking into account years of service, years to entitlement and likelihood that staff will reach the point of entitlement and achieve the targeted performance level. These estimated amounts are discounted to their present value using an appropriate discount rate.

## **POST-EMPLOYMENT BENEFITS**

Post-employment benefits include pensions, superannuation scheme contributions, other retirement benefits, post-employment life insurance and post-employment medical care.

Obligations for contributions to KiwiSaver (which is a defined contribution superannuation scheme) are recognised as an expense when incurred.

### **2.21 Provisions**

A provision is recognised :

- for future expenditure of uncertain amount or timing when there is a present obligation (either legal or constructive) as a result of a past event; and
- it is probable that an outflow of future economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation (taking into account legal requirements and available technology) using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as an interest expense and is included in finance costs.

The Group recognises the following provisions:

#### **ACC ACCREDITED EMPLOYERS PROGRAMME**

Council belongs to the ACC Accredited Employers Programme (the 'Full Self Cover Plan') whereby Council accepts the management and financial responsibility for employee work-related illnesses and accidents. Under the programme, Council is liable for all its claims costs for a period of two years after the end of the cover period in which the injury occurred. At the end of the two-year period, Council pays a premium to ACC for the value of residual claims and from that point the liability for ongoing claims passes to ACC.

#### **POHE ISLAND LANDFILL POST CLOSURE COSTS**

As operator of the Pohe Island Landfill, Council has a legal obligation under its resource consent to provide ongoing maintenance and monitoring services at the landfill site after closure. A provision for post-closure costs is recognised as a liability.

#### **PUWERA LANDFILL AFTERCARE COSTS**

The Northland Regional Landfill Limited Partnership has an obligation to monitor and manage risks of the Puwera landfill post closure. The aftercare period is estimated to be 30 years.

### **2.22 Goods and services tax**

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

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

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

Commitments and contingencies are disclosed exclusive of GST.

# SIGNIFICANT FORECASTING ASSUMPTIONS

	FINANCIAL RISK	IMPACT FOR HIGH FINANCIAL RISK ASSUMPTIONS	LEVEL OF UNCERTAINTY	FINANCIAL IMPACT FOR ASSUMPTION WITH HIGH LEVEL OF UNCERTAINTY
<b>GENERAL ASSUMPTIONS</b>				
<p><b>District growth:</b> the number of residential ratepayers in Whangarei is expected to grow each year as more dwellings are built or properties divided – details of expected areas of growth are outlined in Council's Growth Strategy which can be viewed on Council's website.</p> <p><b>Development contributions:</b> the value of development contributions collected is dependent on the number of subdivision lots developed and on the level of new service connections taking place. Development contributions (DC's) are forecast based on historical data with a growth factor applied. Council has assumed no effect from proposed changes to the current DC policy.</p>	High	The level of subdivision and development activity is difficult to forecast and carries a high level of uncertainty. Should Development Contributions revenue drop in the future there may need to be a corresponding reduction in Council expenditure.	High	Every 1% of Development Contribution revenue not achieved will lead to a reduction in income of approximately \$21,000 in year 1, increased to approximately \$23,000 in year 10, reducing available funding for Council activity.
<p><b>Rate Increase:</b> the following rates increases have been applied:</p> <p>Years two – 10: A 2% increase each year (excluding refuse rates), plus growth (in line with the WDC Growth Model 2014, plus (LGCI)</p> <p>These increases are considered to be necessary in order to ensure that rates income is sufficient for funding purposes.</p> <p>Water rates will only be increased by LGCI and growth.</p>	Medium	Not applicable	Medium	Not applicable
<p><b>Inflation:</b> The impact of Inflation has been factored into producing the prospective financial statements. This has been achieved by using price level adjustors sourced from BERL for each of the years of the LTP including the impact of inflation from the 2016-17 year to year two of the LTP. These adjustors will be updated for each year covered in the current LTP during subsequent annual plan and LTP processes using BERL data to mitigate this risk. The main financial risk for Council is that operating and capital expenditure items rise faster than revenue items but the likelihood of this is considered to be low.</p>	Medium	Not applicable	High	If inflation is 1% more or less than the forecast Local Government Cost Index of 1.9% in year two of the LTP, total revenue would vary by approximately \$1.361 million, total income by approximately \$1.304 million, and the net surplus would move by approximately \$56k.
<p><b>User fees:</b> increases are based on a percentage increase for District Growth, or in line with actual expected cost increase (as disclosed in the price level adjustors table following these assumptions) which is assumed to be sufficient for funding purposes. These will be reviewed annually to ensure compliance with Council's financial policies.</p>	Medium	Not applicable	Medium	Not applicable
<p><b>Forestry revaluation:</b> Council has not budgeted for fair value movements in forestry due to the uncertainty of prediction. Any fair value movement will be non-cash and have an immaterial impact.</p>	Low	Not applicable	Medium	Not applicable

	FINANCIAL RISK	IMPACT FOR HIGH FINANCIAL RISK ASSUMPTIONS	LEVEL OF UNCERTAINTY	FINANCIAL IMPACT FOR ASSUMPTION WITH HIGH LEVEL OF UNCERTAINTY
<b>Rental Income:</b> Council calculates increases on a reserved position based on historical data (previous rent reviews) , timed to coincide with rental lease renewals.	Low	Not applicable	Low	Not applicable
<b>Investment property revaluation:</b> Council has not budgeted for fair value movements in investment properties due to the uncertainty of prediction. Any fair value movement will be non-cash and have an immaterial impact.	Low	Not applicable	Medium	Not applicable
<b>Climate change:</b> Council's Activity Management Planning Policy and Practice Document contains the following Policy Statement on Climate Change: 'Whangarei District Council shall consider the effects of climate change on the activity in accordance with the latest Ministry for the Environment guidelines.'  The impact on Council's infrastructure over the 10 years of the LTP is considered acceptable when compared with the currently-used design standards for new infrastructure, providing Ministry of Environment predictions are generally accurate.	Low	Not applicable	Medium	Not applicable
<b>EXPENDITURE ASSUMPTIONS</b>				
<b>Interest rates:</b> the average cost of borrowing has been assumed to be 5.51% for existing and new debt. This is based on the weighted average cost of capital calculated across the period of the Annual Plan. Council has a comprehensive interest rate hedging programme which protects against interest rate rises through the life of the plan.  The debt level is assumed to increase less than 10% throughout the plan.	Medium	Interest rate risk exposure is managed through long term swaps and forward rate cover.	Medium	A 1% movement in interest, after factoring in the impact of hedging utilising long term swaps would affect the operating budgets by an average of \$246,500 pa.
<b>Staff costs:</b> staff costs are expected to increase by an average of 2% pa for the next three years, slightly higher than the (BERL) staffing price adjustor. The remaining years of the plan are based on the (BERL) staffing price adjustor. Various additional roles have been included in the plan due to expected growth.	Medium	Not applicable	Medium	Not applicable
<b>Depreciation funding:</b> money to fund depreciation comes from rates. If the Capital expenditure to replace assets ('renewals') will be funded by rates collected to cover the cost of depreciation. Any surplus depreciation component will be used to repay borrowings. Any shortfall in funding requirements will be met through subsidies, operating surplus or increased debt. Further information can be found in the Revenue and Financing Policy, the Financial Strategy and the Infrastructure Strategy.	Medium	Not applicable	Medium	Not applicable
<b>Unfunded depreciation:</b> Council does not fund depreciation on transportation assets to the extent that NZTA funds renewals, and this replacement capital expenditure is based on current NZTA funding rates.	Low	Not applicable	Low	Not applicable
<b>CAPEX borrowings:</b> the borrowings for capital expenditure are assumed to be repaid at the shorter of the life of the asset or 20 years for determining the funding for that asset.	Medium	Not applicable	Low	Not applicable

	FINANCIAL RISK	IMPACT FOR HIGH FINANCIAL RISK ASSUMPTIONS	LEVEL OF UNCERTAINTY	FINANCIAL IMPACT FOR ASSUMPTION WITH HIGH LEVEL OF UNCERTAINTY
<p><b>CAPEX:</b> capital expenditure projects are assumed to be completed in the years in which they are budgeted for.</p> <p>Any carry forwards in a year are usually at a similar level to the previous year, resulting in a minimal net effect.</p>	Medium	Not applicable	Medium	Not applicable.
<b>ASSET ASSUMPTIONS</b>				
<p><b>Subsidies:</b> New Zealand Transport Agency (NZTA) subsidies have been included based on Central Government contributions to certain Capital Expenditure – most subsidies range between 53-61%. All subsidies are disclosed within the operating revenue and are contingent on the applicable capital projects taking place.</p> <p>Council has assumed that there are no changes to the subsidy rates for the term of the plan. The granting of subsidies for specific programmes are contingent on being approved by NZTA. Council will not know whether projects for which they have applied for funding from NZTA are approved until after the LTP is adopted.</p>	High	If a planned significant capital project that has a capital subsidy associated with it is not approved by NZTA then this will cause a reduction in capital subsidy income and could possibly cause an existing balanced budget in a given year (from a DIA perspective) to become unbalanced.	High	If a planned significant capital project that has a capital subsidy associated with it is not approved by NZTA then this will cause a reduction in capital subsidy income and could possibly cause an existing balanced budget in a given year (from a DIA perspective) to become unbalanced.
<p><b>Depreciation:</b> depreciation rates for each asset group have been calculated using rates included in the Accounting Policies.</p> <p>Depreciation rates on infrastructural assets are based on the 2014 revaluation rate average for each activity. Depreciation expense is reduced by an average rate of renewals, assuming capex built to replace existing assets will only marginally increase depreciation.</p>	Low	Not applicable	Medium	Not applicable
<p><b>Infrastructural asset revaluation:</b> An assumption has been made that revaluation of infrastructure assets will occur every three years, next due 1st July 2016. (This is a change from historical revaluations occurring as at 30 June every third year.) For each revaluation year an inflationary rate (BERL) has been applied to the previous years' asset value to arrive at an estimated depreciated replacement cost. The depreciation expense has been calculated on the new revaluation balance. Differences in value have been attributed to individual asset revaluation reserves.</p>	Medium	Not applicable	Medium	Not applicable
<p><b>Useful lives:</b> useful lives for each asset group have been listed in the Accounting Policies, and are in accordance with Appendix B of the 2015 Infrastructure Strategy.</p>	Low	Not applicable	Low	Not applicable
<p><b>Vested Assets:</b> Vested Asset income is inconsistent from year to year and as a consequence is difficult to forecast. It has therefore been reflected at a flat rate of \$2.5 million per year in the Plan. Vested asset income has no cash impact.</p>	Low	Not applicable	Low	Not applicable
<p><b>Funding sources:</b> future replacement of significant assets is assumed to be funded in line with the Revenue and Financing Policy.</p>	Low	Not applicable	Low	Not Applicable
<p><b>Other Financial Assets:</b> No movement in the value of Shares held in Civic Assurance Limited and the New Zealand Local Government Funding Agency has been assumed in the forecast.</p>	Low	Not applicable	Low	Not Applicable

	FINANCIAL RISK	IMPACT FOR HIGH FINANCIAL RISK ASSUMPTIONS	LEVEL OF UNCERTAINTY	FINANCIAL IMPACT FOR ASSUMPTION WITH HIGH LEVEL OF UNCERTAINTY
<b>Investment Properties:</b> No movement in the value of investment properties has been reflected in the Plan given the difficulty of forecasting future values and also taking into consideration that if values were forecast to change, it would not have an impact on cash requirements.	Low	Not applicable	Low	Not Applicable
<b>Biological Assets and Derivative Financial Assets:</b> No movement in the value of biological assets, intangible assets and derivative financial assets has been reflected in the Plan due to difficulty in forecasting future values. Any movements in these assets would have no cash impact to the Plan.	Low	Not applicable	Low	Not Applicable
<b>LIABILITY ASSUMPTIONS</b>				
<b>Interest:</b> interest calculated on debt is based on historical average monthly movements and the impact of current and forecasted interest rate hedging.	Medium	Not applicable	Medium	Not applicable
<b>Borrowings:</b> it is assumed that Council will have the facilities to secure funding as required.	Low	Not applicable	Low	Not applicable
<b>Derivative Financial Liabilities:</b> No movement in the value of derivative financial liabilities has been reflected in the Plan due to difficulty in forecasting future values. Any movements in these assets would have no cash impact to the Plan.	Low	Not applicable	Low	Not applicable
<b>STRATEGIC</b>				
<b>Resource Consents:</b> The necessary Resource Consents required for capital projects will be applied for in due course to align with the planned project timeframes. We assume conditions for Resource Consents will not alter budgeted project costs significantly.	Low	Not applicable	Low	Not applicable
<b>OTHER ASSUMPTIONS</b>				
<b>Council Offices:</b> The project costs to re-house Council into one building have been estimated at \$10 million (uninflated), for the option presented in the LTP 2015-25. Interest costs have been calculated on the assumption that the project will be 100% funded by borrowings. Various occupancy expenses have been reduced accordingly. The project would have a 12 year payback period.	Medium	Not applicable	Medium	Not applicable
<b>Strategic assets:</b> Council has not planned for the ownership of any strategic assets to be transferred to another party. Council receives vested assets in satisfaction of various development contribution charges.	Low	Not applicable	Low	Not applicable
<b>Forecasts:</b> Business and Economic Research Limited (BERL) constructed the forecast increases in revenues (excluding rates) and costs for Local Authorities in September 2015 for use in their budgeting processes for Long Term Plans. It is assumed these factors are appropriate for Council forecasts.	Medium	Not applicable	Medium	Not applicable
<b>Currency Movement:</b> Council does not have any significant exposure to currency movements and consequently has not specifically taken them into account.	Low	Not applicable	Low	Not applicable

	FINANCIAL RISK	IMPACT FOR HIGH FINANCIAL RISK ASSUMPTIONS	LEVEL OF UNCERTAINTY	FINANCIAL IMPACT FOR ASSUMPTION WITH HIGH LEVEL OF UNCERTAINTY
<b>Emissions trading scheme:</b> The scheme has been implemented, however until Ministry for the Environment have considered the likely charges to stay and the price increase, Council will assume nil charges.	Medium	Not applicable	Medium	Not applicable
<b>Local Government Reorganisation:</b> Council has developed forecasts based on the assumption that a unitary council is not established and WDC will continue to operate.	Low	Not applicable	Low	Not applicable
<b>Flood and Storm Damage:</b> Council does not budget for storm events, as referred to in the 2015 Infrastructure Strategy. Lack of funding provision for emergency works may result in reduced renewals as renewal funding gets diverted to fund flood damage repairs.	Medium	Not applicable	Medium	Not applicable
<b>SUBSIDIARY ASSUMPTIONS</b>				
<b>NRLLP:</b> it is assumed that Council will receive annual dividends from Northland Regional Landfill Limited Partnership throughout the term of the plan.	Low	Not applicable	Low	Not applicable
<b>Northern Transport Authority (NTA):</b> A shared services agreement between four Northland councils (Kaipara District Council, Far North District Council, Northland Regional Council, Whangarei District Council) and New Zealand Transport Authority (NZTA) will be established 1 July 2016. The implications for subsidy payments are yet to be determined. No changes have been assumed in this plan.	Low	Not applicable	Low	Not applicable

# RESERVE FUNDS

## PROPERTY REINVESTMENT RESERVE

A Property Reinvestment Reserve (PRR) has been created to fund the ongoing growth and development of the Commercial Property Portfolio. The net proceeds of the disposal of any property in the Commercial Property Portfolio are to be invested in the PRR and will be available for the purchase of other investment property in the future.

Provided the funds are not required for property purchases, they can be advanced to Whangarei District Council as internal lending, either for specific projects or to temporarily replace bank debt. Notional Interest will be charged to activities on the balance of funds advanced.

To ensure the reserve retains its purchasing power over time, a dividend amount will be calculated as a return on the gross PRR balance and, in general, should be no less than 2% of the gross PRR balance.

There is no plan to purchase more commercial property in 2016-17.

## COMMUNITY DEVELOPMENT FUNDS

The Community Development Fund reserves are held for funding or community projects. These generally assist not for profit organisations and range from building improvements to additional assets. Organisations that receive funds from these reserves repay them over a specific period of time.

Funds that are not utilised at any time can be advanced to Council as internal lending. Interest is charged on these advances and is paid to the Community Development Funds as investment income.

## WATER RESERVE

A Water Reserve was created in the 2013-14 financial year to reflect the timing differences between Water expenditure and Water income via targeted rates which is currently creating a surplus. Notional interest will be charged to activities on the opening balance of the reserve for each year of the LTP.

It is expected that the reserve will reduce to nil during the LTP as the Water expenditure occurs.

## OTHER RESERVES

Council also holds various other minor reserves which may only be used for the purpose specified.

## BALANCES OF RESERVES HELD ARE:

2016	BALANCE 1 JULY	TRANSFERS IN	TRANSFERS OUT	BALANCE 30 JUNE
Safer Communities Project – to fund projects for the enhancement of safer communities	5	-	-	5
Fishermans Levy – to fund maintenance and upgrading of marine facilities for use by commercial fishing vessels	103	-	-	103
Trust Funds – bequests held for specific purpose	20	-	-	20
Community Development Fund 1 – to provide funding for land for reserves for community facilities on Council-owned reserve land	3,975	107	107	3,975
Community Development Fund 2 – to provide funding for community facilities on non-Council reserve land	6,110	273	-	6,383
Community Development Fund 3 – to provide funding for performing arts activities	278	8	-	287
Art Acquisitions – to fund acquisition of artworks	10	-	-	10
Clock Purchases – to fund purchase of clocks for the Claphams Clocks Museum	50	-	-	50
Creative NZ – residual balance	2	-	-	2
AH Reed Reserve – residual balance	3	-	-	3
Leonard Library Reserve – bequest for the purchase of library books	337	-	-	337
Property Reinvestment Reserve – to fund property purchases for a commercial return	27,658	525	-	28,183
Water Reserve – to hold any surpluses for future funding of water activities	18,494	3,178	-	21,672
Dog Reserve – to hold any surpluses for future funding of dog activities	162	-	-	162
Hihiaua Reserve – to fund the building of multi-cultural centre at the Town Basin	500	-	500	-
<b>Total</b>	<b>57,708</b>	<b>4,091</b>	<b>607</b>	<b>61,192</b>

# FUNDING IMPACT STATEMENT

This statement sets out the information required by clause 20 of Schedule 10 of the Local Government Act 2002 to assist ratepayers in understanding the impact of the Plan. This statement should be read in conjunction with the Revenue and Financing Policy prepared as part of the 2015-25 LTP process.

## FINANCIAL DISCLOSURES

The Local Government Act requires disclosure of all sources of funding in a prescribed format. The Funding Impact Statement showing the overall sources of funding, the amount of funds expected from each source and how those funds will be applied has been included on page 24 of this document.

## RATES

These rates are based on the funding requirements set out in the Annual Plan together with the land values and property numbers included in the Council's Rating Information Database.

### General Rates

General Rates are set under Section 13 of the Local Government (Rating) Act 2002. Council proposes to set a general rate based on the land value of each rateable rating unit in the District. The general rate will be set on a differential basis based on the category of land use. Where a property is used for more than one purpose the value of the property will be apportioned between the different categories. Subject to legal rights of objection, it shall be at the sole discretion of Council to determine the use or principal use of any rating unit.

### DIFFERENTIAL BASIS

All separate rating units in the District are allocated to the most appropriate category based on the use to which the land is put. The categories are:

#### Category 1 – Residential

All rating units which are used principally for residential or lifestyle residential purposes, including retirement villages, flats etc; but not including those rating units classified under Category 2 – Multi-Unit.

#### Category 1(a) – Residential Step 1

All separate residential rating units described in Category 1 (above), on that portion of the property value, where the land value exceeds the District average residential land value from approximately three point five times to approximately seven times.

#### Category 1(b) – Residential Step 2

All separate residential rating units described in Category 1 (above), on that portion of the property value, where the land value exceeds the District average residential land value by over approximately seven times.

#### Category 2 – Multi-Unit

All separate rating units used principally for residential purposes, and on which is situated multi-unit type residential accommodation that is used principally for temporary or permanent residential accommodation for financial reward, including, but not limited to, hotels, boarding houses, motels, tourist accommodation, residential clubs, hostels, but excluding any properties which are licensed under the Sale of Liquor Act 1989.

#### Category 3 – Rural

All separate rating units which are used principally for agricultural, horticultural, forestry, pastoral or aquaculture purposes, or for the keeping of bees, poultry or other livestock. This does not include properties which are used for non-economic lifestyle residential purposes, generally 20 hectares or less, and where the value of the land exceeds the value of comparable farmland.

#### Category 4 – Commercial and Industrial

All separate rating units used principally for commercial, industrial or related purposes, which are not categorised as multi-unit or rural; or zoned for commercial, industrial or related purposes, but not otherwise categorised. For the avoidance of doubt, this category includes properties licensed under the Sale and Supply of Alcohol Act 2012; and private hospitals and private medical centres.

#### Category 5 – Miscellaneous Properties

All separate rating units being any other property not otherwise categorised.

#### Uniform Annual General Charge

The Uniform Annual General Charge (UAGC) is set under Section 15 of the Local Government (Rating) Act 2002. The UAGC will be charged to each separately used or inhabited part (SUIP) of a rating unit. The effect of this is that where a rating unit has more than one use or occupation, a separate charge will apply to each portion.

## DEFINITION OF SEPARATELY USED OR INHABITED PART OF A RATING UNIT

A separately used or inhabited part is defined as a clearly identified part of a property (rating unit) that is capable of separate use or capable of being separately inhabited or occupied. For a commercial rating unit this includes a building or part of a building that is, or is capable of being, separately tenanted, leased or sub leased. For a residential rating unit, this includes a building or part of a building which is used, or is capable of being used, as an independent residence. An independent residence means a self contained dwelling containing separate cooking and living facilities; separate entrance; and separate toilet and bathroom facilities.

Examples include:

- Each separate shop or business activity on a rating unit is a separate part.
- Each dwelling, flat, or additional rentable unit (attached or not attached) on a residential property which is let (or capable of being let) is a separate inhabitable part.
- Individually tenanted flats, including retirement units, apartments and town houses (attached or not attached) or multiple dwellings on Māori freehold land are separately inhabited parts.
- Each block of land for which a separate title has been issued, even if that land is vacant.

## GENERAL RATES FOR THE 2016-17 FINANCIAL YEAR

The amount of revenue sought from each category ensures that a specified share of revenue is recovered from each category. The total amount of general rates required is calculated as follows:

All residential, miscellaneous and multi-unit properties	62.0%
All commercial and industrial properties	28.5%
All rural properties	9.5%

The amounts may be assessed as either a value based or a fixed uniform annual general charge, but the total of the two amounts will be the share of total general rates required, net of any remissions.

Multi-unit properties will be charged at a factor of two times the rate in the dollar on residential and miscellaneous properties.

Miscellaneous properties will be charged at the same factor as residential properties.

For residential properties, the first \$668,000 of land value is charged at the full residential rate. Where the land value is between \$668,001 and \$1,336,000 the rate in the dollar is 50% of the full residential rate for the portion that is over \$668,000 and where the value exceeds \$1,336,000 the rate in dollar is 25% of the full residential rate for the portion that is over \$1,336,000

The factor for the other categories will depend on the level of revenue, the number of separately used or inhabited parts of a rating unit and the land values in each category. For this year the rate in the dollar was set as follows:

Total general rates required are \$60,366,000 GST inclusive.

SHARE REQUIRED FROM EACH SECTOR		
Residential, miscellaneous and multi-unit properties	62.0% of \$60,366,000 =	\$37,426,920
Commercial and Industrial properties	28.5% of \$60,366,000 =	\$17,204,310
Rural properties	9.5% of \$60,366,000 =	\$5,734,770
		<b>\$60,366,000</b>

Based on the number of separately used or inhabited parts of a rating unit, the amount to be collected from UAGCs is deducted from the revenue requirements in each sector and the balance to be collected is based on land value. The amount required is divided by total land value to establish the cents in the dollar required to achieve the desired income. The relationship or differential between the categories will be the result of these calculations, and the multi-unit and residential steps will be calculated based on the resulting residential rate in the dollar.

Details of charges and the amount of revenue sought and rates in the dollar for the 2016-17 year are:

TYPE OF RATE	BASIS OF ASSESSMENT	RATE OR CHARGE (GST INCLUSIVE)	REVENUE SOUGHT (GST INCLUSIVE)
<b>GENERAL RATES</b>			
Uniform Annual General Charge	Per separately used or inhabited part of a rating unit	\$422.00	\$17,829,000
Residential category	Per \$ of land value	\$0.0031918	\$21,172,040
Residential Step 1	Per \$ of land value	\$0.0015959	\$173,900
Residential Step 2	Per \$ of land value	\$0.0007980	\$43,500
Multi-unit category	Per \$ of land value	\$0.0063836	\$156,000
Rural category	Per \$ of land value	\$0.0029121	\$4,770,170
Commercial/Industrial category	Per \$ of land value	\$0.0203299	\$16,070,350
Miscellaneous category	Per \$ of land value	\$0.0031918	\$151,040
<b>TOTAL GENERAL RATES</b>			<b>\$60,366,000</b>

## Targeted Rates

Targeted rates are set under Section 16 of the Local Government (Rating) Act 2002. Targeted rates are used where a Council service provides a specific activity or a benefit to a specific group of people and consequently it is these beneficiaries that are charged the cost of providing the service. It may apply to all ratepayers or a specific group of ratepayers.

### SEWAGE DISPOSAL

The activity for which the targeted rate is set is the operation and maintenance of the sewage disposal system. The targeted rate will be set and assessed per separately used or inhabited part of a rating unit connected to Council's wastewater system on a differential basis based on the number of toilet pans except for residential connections which will pay a fixed amount regardless of the number of toilet pans. Other premises, i.e. not residential, having no more than two toilet pans or urinals will pay a fixed amount. Where other premises have more than two pans, the charge will be based on the number of pans or urinals.

### DISTRICT-WIDE REFUSE MANAGEMENT

The activity funded by this targeted rate is primarily to provide refuse services not funded by user charges at transfer stations or the per bag charge (paid by stickers or official rubbish bags) for refuse collected at the kerbside. The targeted rate will be applied on a uniform basis to all rateable properties and assessed to all separately used or inhabited parts of a rating unit.

It funds kerbside and other recycling, litter bins, clearing of refuse from parks/reserves and streets, roadside rubbish, dealing with hazardous wastes, removing abandoned vehicles and the seasonal clean-ups required at beaches and other tourist locations. Some costs associated with Council's waste minimisation programme are also included.

Also included is the cost of staffing transfer stations to ensure appropriate waste management of hazardous substances and to recover material such as steel and timber to minimise the items that would normally be dumped as waste through the landfill. These are services that benefit the whole District rather than individual users of the District's rubbish collection and disposal services.

## WATER SUPPLY

Water Supply rates are set under Section 19 of the Local Government (Rating) Act 2002. The activity for which the targeted rate is set is for the catchment, storage, treatment and distribution of water throughout various parts of the District. Water consumption is charged as a targeted rate on the basis of water consumed as recorded by a water meter. For all connected properties a uniform targeted rate set under Sec 16 per SUIP of a rating unit for the annual supply charge will also apply.

For those premises where consumption of water is not recorded through a meter, but they are connected to any of the District's water supply systems, a uniform targeted rate set per SUIP of a rating unit under Sec 16 will apply. Where premises are capable of being connected as they are situated within 100 meters of any public water supply reticulation system, and capable of connection, a targeted rate per SUIP of a rating unit for availability will apply.

Targeted rates for back flow prevention applies to all properties which have a back flow preventer connected. The revenue will be used for the monitoring and maintenance of the back flow preventers and will be assessed on the size of the back flow preventer.

## SPECIAL RATES AND ROADING SCHEMES

Targeted rates are set for specific activities under Sec 16 of the Local Government Rating Act 2002 and apply to properties within a defined area of benefit either for the provision of a service, or where they are capable of being connected to the service. Rates for the schemes noted below recover a contribution of the costs of capital works over a five year period. They are:

### Ruakaka sewerage extension



Ruakaka South sewerage extension area of benefit.

This scheme provided wastewater reticulation to the Ruakaka South area. The projects was partly subsidised by the Ministry of Health. For their share of the costs, ratepayers were given the option of paying a lump sum contribution or over five years by way of a targeted rate. The cost to non-residential properties included additional costs for treatment and disposal. This rate is assessed as an amount per SUIP of a rating unit, differentiated for residential and non-residential differential categories.

2016-17 is the final year of this charge.

### Roading – Seal Extensions – Whangaruru North Road



Whangaruru North Road – Area of benefit

The sealing of Whangaruru North Road was undertaken by Council and an agreed portion of the costs were to be recovered by those in the area of benefit.

The costs were to be recovered by way of a targeted rate over five years as a fixed amount per rating unit.

2016-17 is the second year of this charge

## Roading – Seal Extensions – McKinley Road



### McKinley Road – Area of benefit

The sealing of McKinley Road is being undertaken by Council and an agreed portion of the costs were to be recovered by those in the area of benefit.

The costs were to be recovered by way of a targeted rate over five years as a fixed amount per rating unit.

2016-17 is the second year of this charge

## Hikurangi Swamp Rating Districts

A targeted rate applies to properties in the Hikurangi Swamp Special Rating District. The land within this special rating district is divided into classes based on benefit or effect of the scheme on a property. The targeted rate is based on a differential graduated scale according to the class of the property and the area of land within the rating unit. Some properties may have land which falls into several classes. A second targeted rate applies to properties in the Hikurangi Swamp Drainage Rating District, based on a differential graduated scale according to the class of the property and the area of land within the rating unit. The revenue is used to defray the costs and charges of the schemes.

The Hikurangi Swamp rates are projected to increase 8% this year to fund additional expenditure required to maintain the effectiveness of the scheme as outlined in the LTP.

# TARGETED RATES FOR THE 2016-17 FINANCIAL YEAR

Details of rates and the amount of revenue sought for the 2016-17 year is:

TYPE OF RATE	BASIS OF ASSESSMENT	RATE OR CHARGE 2016-17 (GST INCLUSIVE)	REVENUE SOUGHT 2016-17 (GST INCLUSIVE)
<b>SEWERAGE RATES (CONNECTED TO WASTEWATER SYSTEM)</b>			<b>\$18,714,000</b>
Residential	Per separately used or inhabited part of a rating unit	\$660.00	
Other – non-residential up to two pans	Per separately used or inhabited part of a rating unit	\$660.00	
Other – non-residential three or more pans	Per pan or urinal.	\$429.00	
<b>DISTRICT-WIDE REFUSE MANAGEMENT CHARGE</b>			<b>\$7,227,000</b>
(All rateable properties)	Per separately used or inhabited part of a rating unit	171.00	
<b>WATER RATES</b>			<b>\$15,479,000</b>
Consumption Charge	Volume of metered water consumed per cubic metre	\$2.22	
Supply charge (metered)	Provision of service per separately used or inhabited part of a rating unit	\$34.00	
Availability charge	Availability of service per separately used or inhabited part of a rating unit	\$34.00	
Uniform charge (unmetered )	Provision of service per separately used or inhabited part of a rating unit.	\$467.00	
Backflow preventer charge	Provision of service per connection based on the nature of connection		
	15/20mm connection	\$77.15	
	25mm connection	\$78.20	
	32mm connection	\$92.51	
	40mm connection	\$94.67	
	50mm connection	\$98.22	
	80/100mm connection	\$247.39	
	150mm connection	\$289.61	
	200mm connection	\$479.66	

TYPE OF RATE	BASIS OF ASSESSMENT	RATE OR CHARGE 2016-17 (GST INCLUSIVE)	REVENUE SOUGHT 2016-17 (GST INCLUSIVE)
<b>SPECIAL RATES</b>			
<b>ROADING SCHEMES</b>			
Whangaruru North Road Seal Extension (Year two of five)	Per rating unit in a specified and defined area of benefit	\$575.00	\$16,675
McKinley Road Seal Extensions (Year two of five)	Per rating unit in a specified and defined area of benefit	\$575.00	\$21,850
<b>MAINS EXTENSION – SEWER</b>			
Ruakaka South Wastewater (Year five of five)	Per separately used or inhabited part of a rating unit in a specified and defined area of benefit which is connected or capable of being connected.		
	-Residential	\$2,342.95	\$419,388
	-Non-Residential	\$3,466.87	\$10,400
<b>STORMWATER</b>			
Hikurangi Swamp Major Scheme Rating District to defray costs and charges within the Hikurangi Swamp special rating area.	Per hectare of land in the Hikurangi Swamp Special Rating area		\$993,240
	Class A approx 2,937ha	\$161.25	
	Class B approx 1,446 ha	\$144.82	
	Class C approx 1,476 ha	\$112.89	
	Class D approx 1,900 ha	\$16.16	
	Class E approx 950 ha	\$8.13	
	Class F approx 32,365 ha	\$3.25	
Hikurangi Swamp Drainage Rating District to defray costs and charges within the Hikurangi Swamp drainage rating area	Per hectare of land in the Hikurangi Swamp Drainage Rating District		\$116,826
	Class A approx 5,051 ha	\$18.65	
	Class F approx 12,098ha	\$1.87	

## DISCOUNT FOR FULL PAYMENT OF ANNUAL RATES

Where the total year's land rates and any arrears are paid in full by the due date of the first instalment a discount will apply. Full details of the actual discount amount available will be included on the rates assessment/invoice.

Please note: Some targeted rates may not have discount applied.

	DUE DATE	DISCOUNT
Full payment of annual land rates and any arrears. (Water rates no longer receive discount for early payment)	22 August 2016	Discount 3.0%

## DUE DATES FOR RATES PAID BY INSTALMENTS

### Due dates and penalty dates for land rates

A penalty will be added to the amount of each instalment which remains unpaid after the due date for payment.

	DUE DATE	LATE PAYMENT PENALTY	DATE PENALTY APPLIED
Instalment One	22 August 2016	Penalty 10%	25 August 2016
Instalment Two	21 November 2016	Penalty 10%	24 November 2016
Instalment Three	20 February 2017	Penalty 10%	23 February 2017
Instalment Four	22 May 2017	Penalty 10%	25 May 2017

## Due dates and penalty dates for water rates

Water accounts are processed monthly, two-monthly or six-monthly. The due dates of these accounts will be relative to the consumer's cyclic billing period and will show on the water rates invoice. A penalty of 10% will apply to amounts unpaid seven days after the applicable due date.

## Payment options

A ratepayer may elect to pay both land and water rates weekly, fortnightly monthly, quarterly or annual by direct debit.

Payments can also be made online with a debit or credit card. Additional charges may apply.

# ADDITIONAL CHARGES

## Additional penalty on arrears for land rates

All rates (including penalties previously added) from the previous rating years that still remain unpaid as at 5 July 2016 will have a further 10% penalty added. This penalty will be added on 2 September 2016.

## Additional penalty on arrears for water rates

A further penalty of 10% will be applied to any water rates arrears (including penalties previously added) which continue to remain unpaid at every six monthly interval after the due date.

# REMISSION AND POSTPONEMENT POLICIES

Remission and postponement policies are applied where Council has adopted a policy to alter the amount of rates payable in specific circumstances. These policies may be obtained from our website or on request in person or by phone.

# SAMPLE OF PROPERTIES SHOWING RATES FOR 2016-17

Randomly selected sample of properties from each category

		2015-16		2016-17
<b>RESIDENTIAL PROPERTY IN URBAN AREA WITH A NEW LAND VALUE OF \$90,000</b>		LV 78,000		LV 90,000
General rate – LV 90,000 @ \$0.0031918		257.33		287.26
Uniform Annual General Charge		406.00		422.00
Sewerage pan charge (where connected)		639.00		660.00
District-wide refuse management		166.00		171.00
<b>Total</b>		<b>1,468.33</b>		<b>1,540.26</b>
<b>RESIDENTIAL PROPERTY IN URBAN AREA WITH A NEW LAND VALUE OF \$195,000</b>		LV 165,000		LV 195,000
General rate – LV 195,000 @ \$0.0031918		544.35		622.40
Uniform Annual General Charge		406.00		422.00
Sewerage pan charge (where connected)		639.00		660.00
District-wide refuse management		166.00		171.00
<b>Total</b>		<b>1,755.35</b>		<b>1,875.40</b>
<b>LIFESTYLE PROPERTY WITH A NEW LAND VALUE OF \$320,000</b>		LV 315,000		LV 320,000
General rate – LV \$320,000 @ \$0.0031918		1,039.22		1,021.38
Uniform Annual General Charge		406.00		422.00
District-wide refuse management		166.00		171.00
<b>Total</b>		<b>1,611.22</b>		<b>1,614.38</b>

		2015-16		2016-17	
LIFESTYLE PROPERTY WITH A NEW LAND VALUE OF \$1,750,000		LV	1,675,000	LV	1,750,000
General rate – LV up to \$668,000 @ \$0.0031918			2,266.48		2132.12
LV from \$668,001 to \$1,336,000 @ \$0.0015959			1,133.28		1066.06
LV over \$1,336,000 @ \$0.0007980			248.26		330.37
Uniform Annual General Charge			406.00		422.00
District-wide refuse management			166.00		171.00
<b>Total</b>			<b>4,220.02</b>		<b>4,121.56</b>
RURAL PROPERTY WITH A NEW LAND VALUE OF \$750,000		LV	790,000	LV	750,000
General rate – LV \$750,000 @ \$0.0029121			2,108.59		2184.08
Uniform Annual General Charge			406.00		422.00
District-wide refuse management			166.00		171.00
<b>Total</b>			<b>2,680.59</b>		<b>2,777.08</b>
RURAL PROPERTY WITH A NEW LAND VALUE OF \$2,200,000		LV	1,920,000	LV	2,200,000
General rate – LV \$2,200,000 @ \$0.0029121			5,124.67		6406.62
Uniform Annual General Charge			406.00		422.00
District-wide refuse management			166.00		171.00
<b>Total</b>			<b>5,696.67</b>		<b>6,999.62</b>
COMMERCIAL PROPERTY WITH A NEW LAND VALUE OF \$510,000		LV	600,000	LV	510,000
General rate – LV \$510,000 @ \$0.0203299			10,318.02		10,368.25
Uniform Annual General Charge			406.00		422.00
District-wide refuse management			166.00		171.00
Sewerage charge – five pans @ \$429.00			2,080.00		2145.00
<b>Total</b>			<b>12,970.02</b>		<b>13,106.25</b>
INDUSTRIAL PROPERTY WITH A NEW LAND VALUE OF \$2,480,000		LV	2,475,000	LV	2,480,000
General rate – LV \$ 2,480,000 @ \$0.0203299			42,561.83		50418.15
Uniform Annual General Charge			406.00		422.00
District-wide refuse management			166.00		171.00
Sewerage charge – five pans @ \$429.00			2,080.00		2145.00
<b>Total</b>			<b>45,213.83</b>		<b>53,156.15</b>

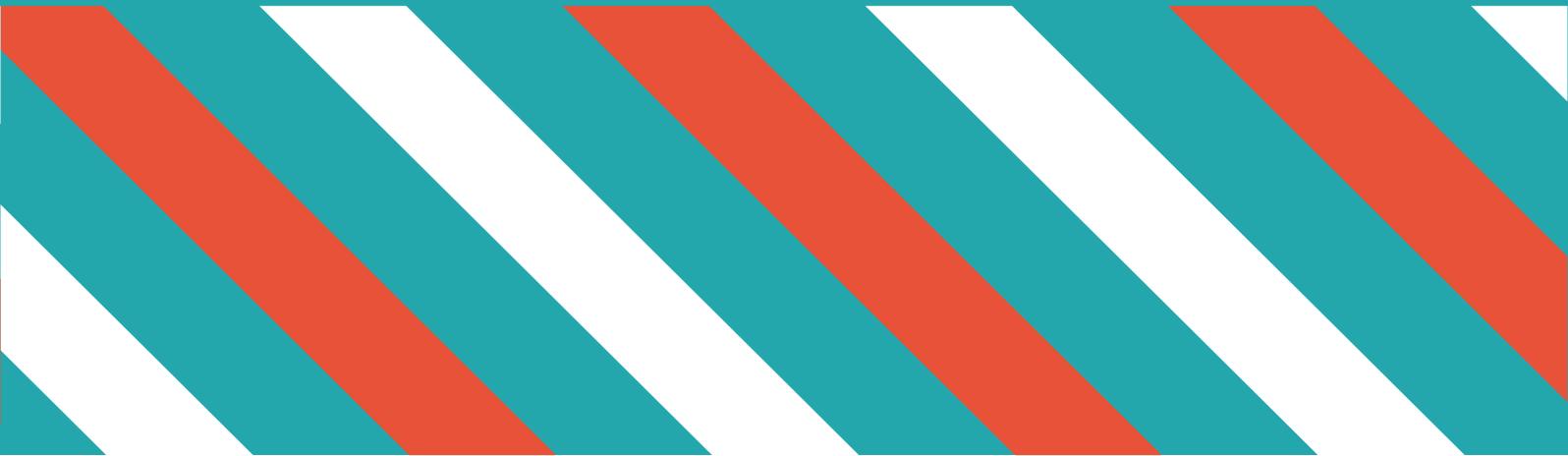
\* Comparisons are difficult in a revaluation year. The sample properties' land values have been included to assist in comparisons.

The new rates are based on values assigned as at 1 September 2015.

Please note – Northland Regional Council rates are not included. Please refer to their Annual Plan for the impact of their rates on your property.



PART FOUR  
**GENERAL  
INFORMATION**



# ABBREVIATIONS AND ACRONYMS

**AMP**

Activity or Asset Management Plan

**BERL**

Business and Economic Research Limited

**CAA**

Civil Aviation Authority

**CCO**

Council Controlled Organisation

**CCTO**

Council Controlled Trading Organisation

**CE**

Chief Executive

**CO**

Council Organisation

**CPI**

Consumer Price Index

**DCP**

Development Contributions Policy

**FN**

Forum North

**GAAP**

Generally Accepted Accounting Practice

**GST**

Goods and Services Tax

**HWMAC**

Hundertwasser Wairau Māori Art Centre

**IPSAS**

International Public Sector Accounting Standards

**LA**

Local Authority

**LGA**

Local Government Act 2002

**LGCI**

Local Government Cost Index

**LGFA**

Local Government Funding Agency

**LTP**

Long Term Plan

**NEC**

Northland Events Centre

**NIF**

Northland Intersectoral Forum

**NRC**

Northland Regional Council

**NRLLP**

Northland Regional Landfill Limited Partnership

**NZIFRS**

New Zealand International Financial Reporting Standards

**NZTA**

New Zealand Transport Agency

**OCR**

Official Cash Rate

**PBE**

Public Benefit Entity

**PPE**

Property, Plant and Equipment

**RDF**

Regional Development Fund

**RPS**

Regional Policy Statement

**RFP**

Request for Proposal

**RMA**

Resource Management Act

**SOI**

Statement of Intent

**SCP**

Special Consultative Procedure

**SUIP**

Separately Used or Inhabited Part

**TA**

Territorial Authority

**UAGC**

Uniform Annual General Charge

**WAMT**

Whangarei Art Museum Trust

**WQGT**

Whangarei Quarry Gardens Trust

# GLOSSARY

## **Activity**

The goods or services that Council provides to the community.

## **Activity Management Plan (AMP)**

An operational plan that details policy, financial forecasting, engineering requirements and levels of service for non-asset-related Council activities.

## **Arrears**

Money that is owed and should have been paid earlier.

## **Assets**

Physical items owned by Council and used for the purpose of service provision to the community, for example property, plant and equipment.

## **Asset Management Plan (AMP)**

An operational plan that details policy, financial forecasting, engineering requirements and levels of service for asset-related Council activities.

## **Annual Plan**

An annual plan must be prepared by a council annually except in an LTP year, and it must be adopted before the commencement of the year in which it operates. The purpose of the annual plan is set out in the Local Government Act 2002, section 95 (5).

## **Capital expenditure**

The category of funding used for building new assets or increasing the value of existing assets.

## **Capital Value**

The total value of the land including improvements. This is the probable price that would have been paid for the property if it had sold at the date of the last general valuation.

## **Community**

The people of the area covered by Council.

## **Community Outcomes**

Outcomes that a local authority aims to achieve in meeting the current and future needs of communities for good quality local infrastructure, local public services and performance of regulatory functions. A local authority will consider these outcomes in the course of its decision making.

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

An organisation for which Council maintains at least 50% voting rights or has the right to appoint at least 50% of the directors or trustees. CCOs are generally operated without the objective of making a surplus or profit, and are usually set up to independently manage Council facilities or deliver specific services.

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

As for a Council Controlled Organisation but with the objective of making a profit.

## **Depreciation**

The accounting expense that reflects the annual consumption of an asset's economic life.

## **Development Contributions (DC)**

Payments received from developers to fund growth-related capital expenditure. These charges recover part of the cost of additional or upgraded infrastructure that is required to service new developments, e.g. roading, water, wastewater.

## **General rate**

The rates charge against each rateable unit. It comprises the Uniform Annual General Charge (UAGC) and the rate in the dollar calculated in accordance with Council rating policies.

## **Inflation**

The Consumer Price Index (CPI) is the inflation rate that relates to household price increases while the Local Government Cost Index (LGCI) is the rate that relates to local government cost increases.

## **Infrastructure**

Fixed utility assets including roads, sewerage, stormwater, water and waste.

## **Intergenerational equity**

A common term used to express the spread of benefits across time. Much of the expenditure of a local authority is for infrastructure assets that have long service lives (such as roading networks). Current ratepayers should not be expected to fund all the benefits of future users, so costs are spread across current and future users.

## **Land Value**

The assessment of the probable price that would have been paid for the bare land as at the date of the last general valuation.

## **Level of service**

Describes in measurable terms the standard of services that Council will provide for each activity undertaken.

## **Local Authority (LA)**

A regional council or territorial authority.

## **Local Government Act 2002 (LGA)**

The key legislation that defines what Council's purpose and responsibilities are to the community and how they must be fulfilled and reported on.

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

A 10-year plan adopted every three years that sets out the planned activities, budgets and service provision of Council.

## **Official Cash Rate (OCR)**

The interest rate set by the Reserve Bank to meet the inflation target specified in the Policy Targets Agreement. The Agreement, dated September 2002,

requires the Reserve Bank to keep inflation at between 1% and 3% per annum.

**Operating expenditure**

The category of expenditure incurred as a result of Council's normal business operations.

**Penalty (rates)**

A charge that is added to rates that remain outstanding after the due date for payment.

**Rating unit**

One Certificate of Title equals one rating unit which will receive one rates assessment.

**Rates postponement**

A postponement delays the payment of rates until a later time (such as when the property is eventually sold).

**Rates remission**

Policies to provide assistance in the form of rates relief to ratepayers who meet specific criteria.

**Regional Council**

A council charged with managing the natural resources of its region including water, soil and air. Our regional council is the Northland Regional Council which represents the communities of the Far North, Kaipara and Whangarei Districts.

**Special Consultative Procedure (SCP)**

The procedure that councils are required to undertake in certain decision-making circumstances, as defined by the Local Government Act 2002 (section 83).

**Strategic asset**

An asset or group of assets that the local authority needs to retain to maintain its capacity to promote any outcome it considers important to the current or future well-being of the community.

**Targeted rate**

A rate collected to fund a specific activity. A rate that is targeted can only be used for the purpose of which it was collected. Targeted rates are only charged to people who will benefit from the activity.

**Territorial Authority (TA)**

A city council or a district council.

**Uniform Annual General Charge (UAGC)**

A rate of fixed dollar amount applied to all properties. This is not related to the value of the property.

**Valuation**

An estimation of a property's worth. Council carries out property revaluations every three years.

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**WHANGAREI**  
DISTRICT COUNCIL

Private Bag 9023, Whangarei 0148, New Zealand  
Forum North Building, Rust Avenue, Whangarei  
Ruakaka Service Centre, Takutai Place, Ruakaka  
P: +64 09 430 4200 | F: +64 09 438 7632  
E: [mailroom@wdc.govt.nz](mailto:mailroom@wdc.govt.nz) | W: [www.wdc.govt.nz](http://www.wdc.govt.nz)  
Facebook & Twitter: WhangareiDC