



WHANGAREI
DISTRICT COUNCIL

2017 ANNUAL PLAN 18



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)

CONTENTS

● PART ONE

INTRODUCTION 5

An Introduction to the 2017-18 Annual Plan	6
Mayor's Message	7
Council Structure – Political.	8
Mayor and Councillors	9
Council Structure – Organisational	10
Our Strategic Direction.	11
Our Plan at a Glance	13

● PART TWO

COUNCIL ACTIVITIES 17

Introduction	18
1. Transportation	21
2. Water	24
3. Solid Waste	27
4. Wastewater.	30
5. Stormwater.	33
6. Flood Protection & Control Works	36
7. Community Facilities & Services	38
8. Economic Growth	45
9. Planning & Regulatory Services	47
Support Services	52
Capital Projects Planned for 2017-18.	55

● PART THREE

FINANCIAL STATEMENTS 61

Forecast Financial Statements	62
Financial Prudence Benchmarks	67
Accounting Policies.	72
Significant Forecasting Assumptions.	83
Reserve Funds	87
Funding Impact Statement.	89

● PART FOUR

GENERAL INFORMATION. 99

Abbreviations and Acronyms	100
Glossary.	101
Index.	103





PART ONE

INTRODUCTION



AN INTRODUCTION TO THE 2017-18 ANNUAL PLAN

This year's Annual Plan covers year three 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 2017 to June 2018. It also states how these things will be funded.

We did not consult this year as the plan has not changed significantly from when we formally consulted on the LTP in 2015.

We are continuing the 'steady as you go' approach adopted in the LTP and continue to invest in our infrastructure to enable our assets to serve us into the future.

MAYOR'S MESSAGE

I am proud to introduce Whangarei District Council's Annual Plan for 2017-2018, which outlines a solid programme of work and clear forecast of income and expenditure.

The coming year, beginning 1 July 2017, is based on year three of our 10-year Long Term Plan (LTP) 2015-2025. It remains very close to what was planned when we consulted with our community in 2015.

We have made some small changes to ensure a balanced budget and shifted the timings for some projects.

On the income side, our overall rates increase will not be quite as high as anticipated, at 3.9% plus growth, rather than the 4.53% plus growth forecast in the LTP, due to lower inflation.

Other changes include allocating \$1.25m, including a 53% NZTA subsidy, for seal extension work on Wright and McCardle Roads and holding off on some planned Hikurangi Swamp work.

We have also allocated some extra funding to the Marsden City Wastewater Project, Ruakaka Wastewater Treatment Plant upgrade, Marsden City Stormwater project and remediation of the old Ballance site in Port Road.

When combined, these changes mean we end the year with a closing debt of \$150.5 million, below our budget level of \$170.5 million, and ensure that we retain a surplus and maintain a balanced budget.

There is a lot of work planned and this is outlined in detail in this plan. A few of the highlights I am looking forward to include: enhancing walking and cycling through the Kamo Urban cycleway; upgrading tracks in Parihaka Scenic Reserve; further investigations into resiting Whangarei's airport; resolving dust problems in rural areas; and improving pensioner housing.

While Council is only contributing a small portion of the overall project cost, I am very excited to see the beginning of the transformation of the Old Harbour Board Building into the Hundertwasser Wairau Maori Arts Centre.

There is something for everyone in this plan, taking into account the year's major projects, and the wide array of services and facilities we provide as a matter of course for our District every day of the year.

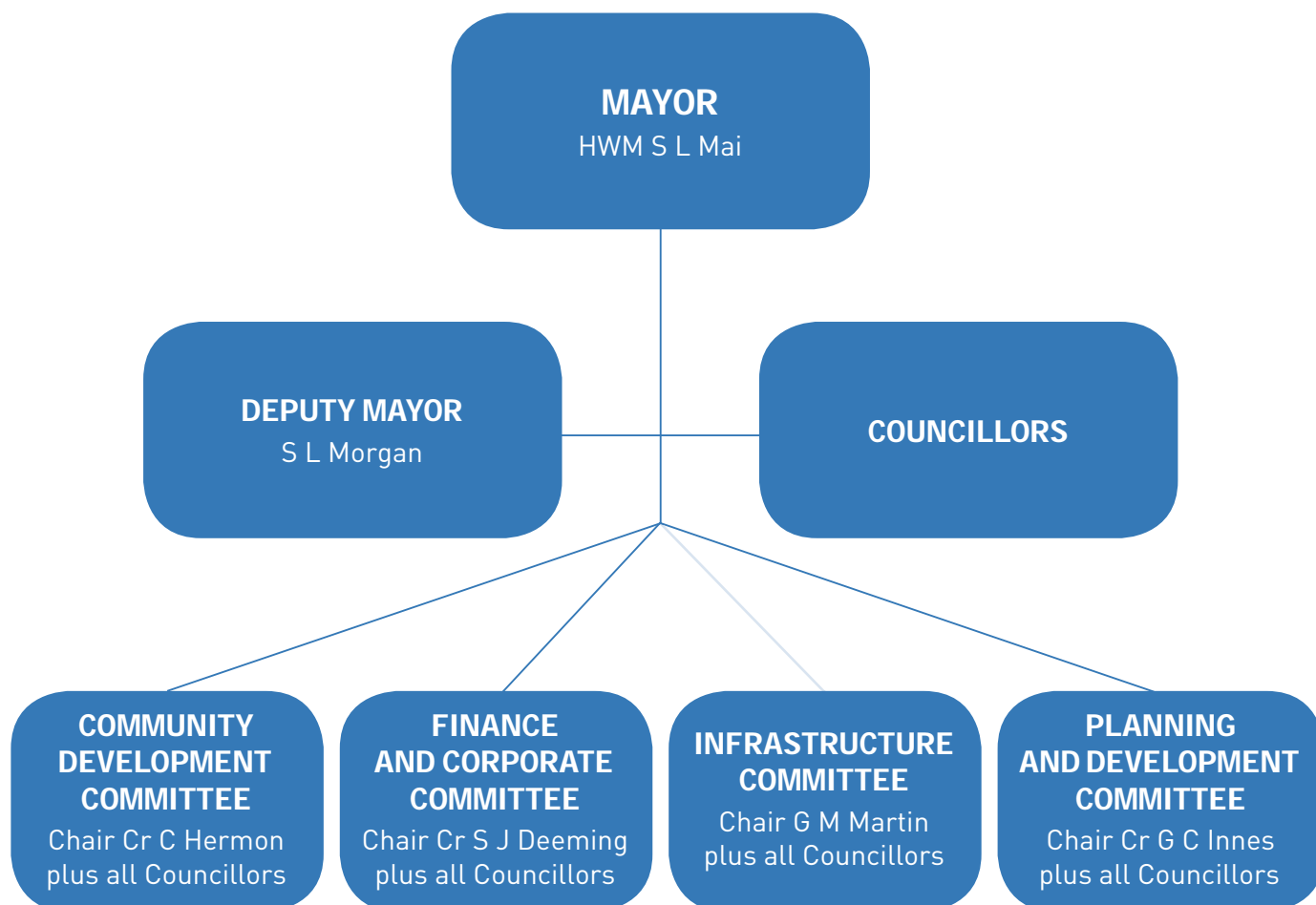
I'd like to end by encouraging you to look through this plan, to study it and think about the future. We have already started talking with our community about aims, aspirations and needs for the next 10 years, and will start formal planning for that next year. If you see gaps, tell us about them. Go to our website heretowhere.co.nz to find out how to take part in shaping our future.



A handwritten signature in black ink that reads "Sheryl Mai".

HER WORSHIP THE
MAYOR
SHERYL MAI

COUNCIL STRUCTURE – POLITICAL



SPECIALIST COMMITTEES

DISTRICT LICENSING COMMITTEE

Chair Commissioner

AIRPORT NOISE MANAGEMENT CONSULTATIVE COMMITTEE

Chair Independently Appointed

AUDIT AND RISK COMMITTEE

Chair Deputy Mayor S L Morgan

CIVIC HONOURS SELECTION COMMITTEE

Chair Cr C B Christie

CE REVIEW COMMITTEE

Chair HWM S L Mai

EXEMPTIONS AND OBJECTIONS SUBCOMMITTEE

Chair Cr G C Innes

COMMUNITY FUNDING SUBCOMMITTEE

Chair Cr C Christie

MĀORI LIAISON

TE KĀREAREA STRATEGIC PARTNERSHIP FORUM

Chair HWM S L Mai

MAYOR AND COUNCILLORS



MAYOR SHERYL MAI

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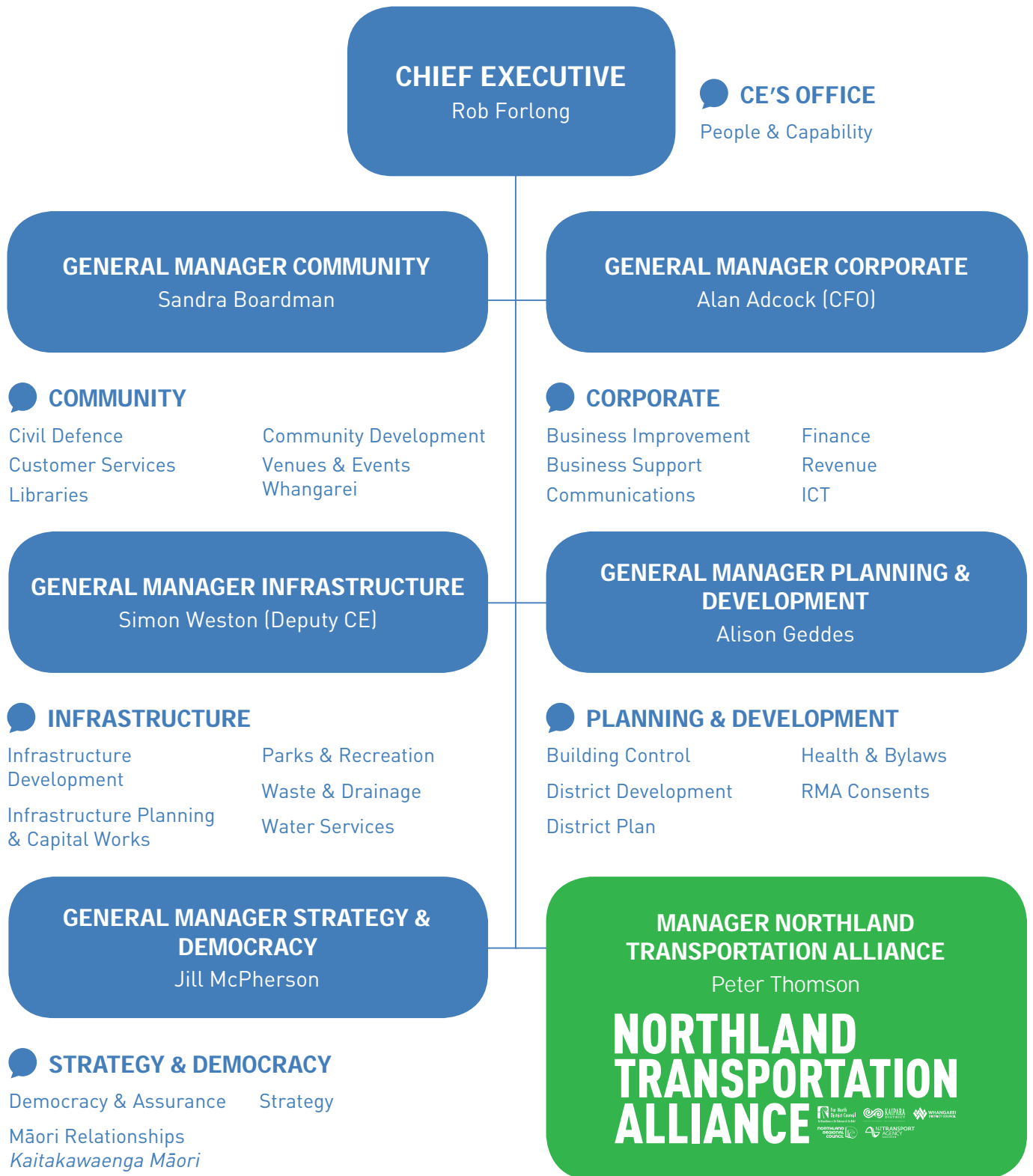
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COUNCIL STRUCTURE – ORGANISATIONAL



OUR STRATEGIC DIRECTION

This 2017-18 Annual Plan continues to follow the strategic direction we set in the LTP.

Our strategic direction is underpinned by the Sustainable Futures 30/50 Growth Strategy. This strategy established a blueprint for future growth which allows us to maintain the features that make Whangarei an attractive place to live, work, play and invest.

It also identified the sorts of development that will contribute most to environmental, social, cultural and economic benefits for our region.

When the Sustainable Futures 30/50 Growth Strategy was developed, our population was expected to increase by 1% per year through to 2045. The Growth Strategy will be reviewed and updated during the next 10 years.

The financial and infrastructure strategies set in the LTP have been designed to invest enough for our District to grow and prosper, while continuing to work within our means and focus on maintaining current assets and service levels.

FINANCIAL STRATEGY

Our Financial Strategy continues to be 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”.

It 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 LTP.

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

INFRASTRUCTURE STRATEGY

We also have a 2015-45 Infrastructure Strategy which is supported by detailed Asset Management Plans, which was developed alongside the LTP. It 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.

We have also included Parks & Recreation assets because this activity consumes significant resources and contributes strongly to our community outcomes.

COUNCIL AND MĀORI WORKING IN PARTNERSHIP

The strength of our relationships with tangata whenua, both hapū and iwi, continues to grow and remain a priority for us.

Te Kārearea, our Strategic Partnership Forum, has recently begun a new round of discussions to agree on priorities for the next three years.

Te Kārearea is made up of representatives of Council and major hapū groupings from within the District and together, these representatives advocate for Māori in Whangarei District.

The hapū representatives meet in their own forum named Te Huinga to discuss common issues that affect the hapū. These issues are then discussed with Whangarei District Councillors who are members of Te Kārearea.

The current mandated hapū representatives receive their mandates from their hapū forums.

The purpose of Te Kārearea 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 Te Kārearea 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 tutuki te Kawanatanga a-rohe, ka puawai hoki te kotahitanga me ona tini kaupapa' – Local Government that works through effective partnerships and provides practical solutions.

Nga Tikanga/Principles

1. **He kitenga mutunga kore, mahi tahi, mahi pono** – Strategic partnership working collaboratively and in good faith.
2. **Kia maia** – Providing leadership through courage.
3. **Te Manawatapu** – Of one heart and mind. We are stronger working together.
4. **Anga Mua** – Progressive and proactive.
5. **Me korero tika, tau noa nga take** Being open and frank with mutually agreed outcomes.

At the operational level, Council staff are continuously looking for ways to collaborate with hapū/iwi on a project by project basis. By being collaborative with Māori organisations, the collective result for all parties is empowered communities.

OUR PLAN AT A GLANCE

BASED ON YEAR THREE OF THE LTP

In June 2015, Council adopted its 2015-25 Long Term Plan (LTP), following consultation with the communities of the District. The LTP outlined the direction, work programme and income, year by year to 30 June 2025.

Every year we create a new Annual Plan to ensure that the plans agreed on following consultation, remain on track. When an Annual Plan varies significantly from what was agreed for its year in the LTP, we consult with the public again before adopting it.

This year we did not consult on the Annual Plan as there were no significant or material differences from year three of the LTP.

WHERE ARE WE INVESTING?

We are continuing to focus on consolidation this year, investing time and money on important improvements to our infrastructure and services. Some of the highlights of the year's programme are mentioned below and further information can be found in the LTP.

Transportation

Logging traffic and other heavy traffic from throughout the Northland region is having a significant impact on Whangarei's road network. We will continue rehabilitation works on our sealed roading network across the District to address this issue.

Dust suppression on unsealed roads remains an issue for people travelling along and living on logging routes across the District. Last year we asked the New Zealand Transport Agency (NZTA) for further subsidy to continue to extend the seal on Wright and McCardle Roads. The NZTA has approved funding to seal a further 2.5km on this route. We will also work together with other members of the Northland Transportation Alliance to lobby Government for further subsidies for dust suppression work.

This year we will continue to invest in projects that will make walking and cycling easier for Whangarei residents. Funded in part by the Government's Urban Cycleway fund, the new Kamo Urban cycleway will connect all schools along the route from Rust Ave to Kamo.

Water

Water Services capital projects will proceed as laid out in year three of the LTP, and we expect the design of the new Whau Valley Water Treatment Plant to be close to completion by the end of the year.

Another major project for the year is replacing the 100-year-old pipeline that runs from the Maunu Springs supply to the Ruddell's Water Treatment Plant. We will also take this opportunity to review treatment options at the plant to provide more robust compliance with the Ministry of Health's Drinking Water Standards.

Wastewater

Stage 1 of the Hikurangi sewer network upgrade, started in early 2017, will now span two financial 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 will include two new pump stations and rising mains that will reduce the amount of stormwater flowing into the sewers during rain. Stage 2 of the works, which is to rebuild pipework in the township, will be designed in 2017-18 and will be built the following year. Work has already advanced on the wastewater storage and treatment tank in Tarewa Park, the last major project of Council's wastewater overflow management strategy, and should be completed in the 2017-18 financial year.

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. If required, investment would have been this financial year to manage the gas. Investigations have indicated that there is less gas than previously thought and this has allowed some savings to be diverted to other works.

Parks & Recreation

The Pohe Island management plan has been adopted and includes a variety of recreation opportunities which will be developed over the next four years. The Hatea Loop will receive more lighting and CCTV cameras. Work to reduce wet weather closures of Otaika Sports Park will continue and lighting will be improved. Parihaka walking tracks will be renewed and walkers will be redirected to the newly completed Western Hills Pukenui forest tracks while this work is done.

We will also be commencing the Carpark to Park project. This project envisages the transformation of the informal carpark area between the Canopy Bridge and Dent Street into a regionally significant park that will provide a vital connection between the CBD and the Town Basin.

Ngunguru foreshore erosion protection will progress in stages to renew seawalls at the estuary and Sandy Bay erosion control will take place in winter.

Libraries

This year we will focus on any refinements needed following the major projects of upgrading the public internet system and the installation of RFID (radio frequency identification). We will continue with furniture replacement and the purchase of new items for the library's collections.

New airport

Investigations into the potential development of a new airport will continue this year. The current location (Onerahi) is expected to have inadequate runway length for commercial airline fleets within the next decade. The 2017-18 financial year is year three of a four-year programme to investigate different options fully, find a suitable site and progress consenting.

Council premises

The project to bring all Council's administration together in one location to create operational efficiencies has been delayed while options are being identified and investigated and LTP funding allocated for this project has been carried forward. When we have some firm options we will seek community feedback.

Development of the Old Harbour Board Building

Following a binding referendum, the Whangarei Art Museum, together with Prosper Northland Trust, have been raising funds for the development of the Hundertwasser Wairau Maori Arts Centre at the Town Basin. Having met the two key requirements of fundraising and securing underwriting of any operating losses, this project is likely to begin in 2017. Allowance has been made for \$1.469 million of capital funding as Council's contribution to the project this year as per the LTP.

Support Services

Last year we successfully completed the first stage of a major overhaul of our computer systems. We are continuing our journey to become a 'digital council', focussing this year on digitising an enormous amount of paper records, implementing an end-to-end electronic Council agenda and minutes system, and 'mobilising' information technology processes so they can be used away from the office.

We are also taking steps to convert part of our vehicle fleet to electric vehicles, with immediate environmental and cost benefits.

EVENTS AND ADJUSTMENTS

Some minor adjustments were made to this year's Annual Plan to accommodate events and developments that have occurred since the LTP was developed in 2015. In making these changes we have not deviated from our overall Financial and Infrastructure strategies, modified service levels or compromised the delivery of capital programs that span multiple years of the LTP.

Operating budgets altered

- Lower inflation rates have been taken into account.
- Staff numbers and personnel costs have increased, primarily in response to increased economic activity, with the resulting fee income offsetting a significant portion of the increased salary costs.
- Minor adjustments have been made to ensure a balanced budget is achieved.
- There will be no impacts on service levels.

- Despite the changes to revenue and expenditure we will still have a surplus (slightly higher than anticipated), and we will still have a balanced budget.

Changes to rates

- In the LTP we signalled a general rates increase of 2% beyond inflation (as well as the normal growth in the number of ratepayers as our District grows). This approach has not changed, but the inflation rate is lower than we expected at that time.
- The overall increase in general rates will now be 3.9% (plus 1% growth in the rating database) not 4.53% as indicated (due to lower inflation).
- The revenue sought from the uniform annual general charge and targeted rates set on a uniform basis is 23.8% of the total revenue from all rates sought.

Capital project plans altered

- Minor timing differences have brought some projects forward (from later LTP years) to be completed earlier, while some have been carried forward to later years due to delays.
- Work that was budgeted for this year and is already underway but will not be completed by year end will be added to the schedule for next year.
- Projects that were in year three of the LTP but have changed include:
 - » 100% Subsidised Seal Extensions of \$1.6m for Wright/McCardle Roads; instead \$1.25m has been budgeted, including 53% NZTA subsidy
 - » Hikurangi Swamp Non-pump renewals deferred - \$105k.
- Additional funding is required for some projects now that more information is available and final cost estimates have been made
 - » Marsden City Wastewater Project - \$200k
 - » Ruakaka Wastewater Treatment Plant upgrade - \$50k
 - » Marsden City Stormwater project - \$500k
- Adjustments have been made to a number of components of our overall IT program (Trilogy) to reflect refined project scoping, vendor licensing changes project inter-dependencies and capitalisation of some costs. The overall cost of this program remains on budget.
 - » One Council project (Information Technology) - \$318k
 - » Information technology network upgrades - \$60k
 - » Performance management system - \$174k
 - » Accounts payable automation - \$60k.
- New capital project budgets include:
 - » Remediation of the old Ballance site at Port Rd, which was previously allowed for in operating expenses
 - » Health & safety office equipment \$10k
 - » Parking upgrades at Carruth St \$100k.

Our closing debt level has been reduced

- By making all these changes our closing debt is planned to be \$150.5 million which is below the budgeted LTP level of \$170.5 million.

Rating Structure Review

In February 2017 we commenced a comprehensive review of the way we structure our rates. This included several public meetings held in May to seek community feedback on the way we set the rates and what changes should be considered. Ratepayers' feedback will provide valuable information to be included in assessing a range of rate structure outcomes.

The rating structure review includes the following elements:

- General Rates (including the use of Land Value or Capital Value)
- The use and definition of Separately Used or Inhabited Parts (SUIP)

- Stepped Rates
- Sector Splits (Residential, Rural and Commercial)
- Targeted Rates
- Remission and Postponement Policies.

Following the public feedback sessions, the various rating structure options will be modelled so the implications can be understood and be appropriately assessed. This process will assist us as we determine our preferred rating structure option, which may include retaining the status quo. Any proposed changes will be set out in a formal Statement of Proposal and will be included in the 2018-28 Long Term Plan (LTP).

Formal consultation for the LTP will take place in March 2018, and any rates structure changes would come into effect on 1 July 2018.

Rates Remission and Postponement Policies and other Rating Policies

There have been no changes to Council's Rates Remission and Postponement Policies or Rating Policies this year.

TO SUM UP

Highlights for the 2017-18 Annual Plan include:

- Design of the new water treatment plant close to Whau Valley Dam
- Walking and cycling – constructing the Kamo Urban cycleway
- Road resurfacing and rehabilitation
- Ruddell Road raw water line renewal
- Wright and McCardle roads seal extension
- Completion of wastewater upgrades at Hikurangi and Tarewa Park
- Pensioner housing improvements
- Further work on the new airport investigations
- Pohe Island Park masterplan development – including shared paths, carparks and lighting within the park
- Transforming the parking area near the Canopy Bridge into a fabulous new park
- Renewal to tracks at Parihaka Scenic Reserve
- Ongoing programme of seawall renewal at Ngunguru foreshore
- Investigating the best options for one council building
- Continuing our program to become a digital council

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	 Community Services
		 Libraries	 Venues & Events
		 Community Property	
8	 Economic Growth	Economic Growth	
9	 Planning & Regulatory Services	 Policy & Monitoring	 Building Compliance
		 Resource Consents	 Regulatory Services
	 Support Services	<p>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.</p>	

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 2 2016 - 17 \$000		ANNUAL PLAN 2017 - 18 \$000	LTP YEAR 3 2017 - 18 \$000	VARIANCE \$000
SOURCES OF OPERATING FUNDING				
50,885	General rates, uniform annual general charges, rates penalties	53,564	53,753	(189)
37,873	Targeted rates	38,796	38,978	(182)
6,410	Subsidies and grants for operating purposes	6,629	6,763	(134)
19,407	Fees and charges	21,112	20,072	1,040
311	Interest and dividends from investments	1,508	308	1,200
3,366	Local authorities fuel tax, fines, infringement fees and other receipts	3,076	3,678	(602)
118,252	Total Operating Funding	124,685	123,552	1,133
APPLICATIONS OF OPERATING FUNDING				
				-
80,674	Payments to staff and suppliers	88,561	83,230	5,331
9,001	Finance Costs	8,009	9,185	(1,176)
-	Other operating funding applications	-	-	-
89,675	Total Applications of Operating Funding	96,570	92,415	4,155
28,577	Surplus / (Deficit) of Operating Funding	28,115	31,137	(3,022)
SOURCES OF CAPITAL FUNDING				
12,737	Subsidies and grants for capital expenditure	13,312	11,354	1,958
2,139	Development and financial contributions	3,028	2,159	869
2,540	Increase / (decrease) in debt	18,314	9,047	9,267
10,500	Gross proceeds from sale of assets	-	-	-
-	Other dedicated capital funding	-	-	-
-	Lump sum contributions	53	-	53
27,916	Total Sources of Capital Funding	34,707	22,560	12,147
APPLICATIONS OF CAPITAL FUNDING				
	Capital expenditure			
2,112	to meet additional demand	4,628	2,572	2,056
11,151	to improve levels of service	13,669	11,710	1,959
43,092	to replace existing assets	43,697	38,615	5,082
138	(Increase) / decrease in reserves	828	800	28
-	(Increase) / decrease of investments	-	-	-
56,493	Total Applications of Capital Funding	62,822	53,697	9,125
(28,577)	Surplus / (Deficit) of Capital Funding	(28,115)	(31,137)	3,022
-	Funding Balance	-	-	-



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 a 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	≥80% in fair or better condition	≥80% in fair or better condition	≥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 2 2016 - 17 \$000		ANNUAL PLAN 2017 - 18 \$000	LTP YEAR 3 2017 - 18 \$000	VARIANCE \$000
SOURCES OF OPERATING FUNDING				
14,509	General rates, uniform annual general charges, rates penalties	14,164	15,327	(1,163)
39	Targeted rates	35	39	(4)
6,351	Subsidies and grants for operating purposes	6,569	6,703	(134)
1,791	Fees and charges	2,540	1,799	741
-	Internal charges and overheads recovered	-	-	-
2,471	Local authorities fuel tax, fines, infringement fees and other receipts	3,145	2,520	625
25,161	Total Operating Funding	26,453	26,388	65
APPLICATIONS OF OPERATING FUNDING				
15,014	Payments to staff and suppliers	16,114	15,847	267
4,075	Finance Costs	4,164	4,228	(64)
1,292	Internal charges and overheads applied	1,603	1,347	256
-	Other operating funding applications	-	-	-
20,381	Total Applications of Operating Funding	21,881	21,422	459
4,780	Surplus / (Deficit) of Operating Funding	4,572	4,966	(394)
SOURCES OF CAPITAL FUNDING				
12,737	Subsidies and grants for capital expenditure	13,312	11,354	1,958
822	Development and financial contributions	1,277	830	447
(1,365)	Increase / (decrease) in debt	5,078	5,518	(440)
5,250	Gross proceeds from sale of assets	-	-	-
-	Other dedicated capital funding	-	-	-
-	Lump sum contributions	-	-	-
17,444	Total Sources of Capital Funding	19,667	17,702	1,965
APPLICATIONS OF CAPITAL FUNDING				
	Capital expenditure			
1,938	to meet additional demand	4,341	2,499	1,842
5,198	to improve levels of service	5,799	4,434	1,365
14,326	to replace existing assets	15,800	13,623	2,177
762	Increase / (decrease) in reserves	(1,701)	2,112	(3,813)
-	Increase / (decrease) of investments	-	-	-
22,224	Total Applications of Capital Funding	24,239	22,668	1,571
(4,780)	Surplus / (Deficit) of Capital Funding	(4,572)	(4,966)	394
-	Funding Balance	-	-	-



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

Provision of safe drinking water to the community has some negative effects to the environment through the drawing of water from rivers, bores and dams. We also need to be mindful of the high cultural significance for Māori and that 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 2 2016 - 17 \$000		ANNUAL PLAN 2017 - 18 \$000	LTP YEAR 3 2017 - 18 \$000	VARIANCE \$000
SOURCES OF OPERATING FUNDING				
-	General rates, uniform annual general charges, rates penalties	-	-	-
13,461	Targeted rates	14,068	13,884	185
-	Subsidies and grants for operating purposes	-	-	-
328	Fees and charges	363	336	26
-	Internal charges and overheads recovered	-	-	-
824	Local authorities fuel tax, fines, infringement fees and other receipts	1,227	731	496
14,613	Total Operating Funding	15,658	14,951	707
APPLICATIONS OF OPERATING FUNDING				
6,008	Payments to staff and suppliers	6,616	6,309	307
-	Finance Costs	-	-	-
2,290	Internal charges and overheads applied	2,711	2,368	343
-	Other operating funding applications	-	-	-
8,298	Total Applications of Operating Funding	9,327	8,677	650
6,315	Surplus / (Deficit) of Operating Funding	6,331	6,274	57
SOURCES OF CAPITAL FUNDING				
-	Subsidies and grants for capital expenditure	-	-	-
553	Development and financial contributions	616	558	58
-	Increase / (decrease) in debt	-	-	-
-	Gross proceeds from sale of assets	-	-	-
-	Other dedicated capital funding	-	-	-
-	Lump sum contributions	-	-	-
553	Total Sources of Capital Funding	616	558	58
APPLICATIONS OF CAPITAL FUNDING				
	Capital expenditure			
-	to meet additional demand	-	-	-
-	to improve levels of service	-	-	-
8,530	to replace existing assets	3,705	10,759	(7,054)
(1,662)	Increase / (decrease) in reserves	3,242	(3,927)	7,169
-	Increase / (decrease) of investments	-	-	-
6,868	Total Applications of Capital Funding	6,947	6,832	115
(6,315)	Surplus / (Deficit) of Capital Funding	(6,331)	(6,274)	(57)
-	Funding Balance	-	-	-



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 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 or enforcement action is taken, as needed.

Landfills have negative effects on the environment and closed landfills can create potentially hazardous and 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 2 2016 - 17 \$000		ANNUAL PLAN 2017 - 18 \$000	LTP YEAR 3 2017 - 18 \$000	VARIANCE \$000
SOURCES OF OPERATING FUNDING				
-	General rates, uniform annual general charges, rates penalties	-	-	-
6,256	Targeted rates	6,467	6,478	(11)
-	Subsidies and grants for operating purposes	-	-	-
3,171	Fees and charges	3,205	3,251	(46)
-	Internal charges and overheads recovered	-	-	-
5	Local authorities fuel tax, fines, infringement fees and other receipts	22	5	17
9,432	Total Operating Funding	9,694	9,734	(40)
APPLICATIONS OF OPERATING FUNDING				
6,286	Payments to staff and suppliers	6,317	6,443	(126)
615	Finance Costs	417	470	(53)
310	Internal charges and overheads applied	347	323	24
-	Other operating funding applications	-	-	-
7,211	Total Applications of Operating Funding	7,081	7,236	(155)
2,221	Surplus / (Deficit) of Operating Funding	2,613	2,498	115
SOURCES OF CAPITAL FUNDING				
-	Subsidies and grants for capital expenditure	-	-	-
-	Development and financial contributions	-	-	-
(1,943)	Increase / (decrease) in debt	(2,613)	(2,480)	(133)
-	Gross proceeds from sale of assets	-	-	-
-	Other dedicated capital funding	-	-	-
-	Lump sum contributions	-	-	-
(1,943)	Total Sources of Capital Funding	(2,613)	(2,480)	(133)
APPLICATIONS OF CAPITAL FUNDING				
	Capital expenditure			
-	to meet additional demand	-	-	-
278	to improve levels of service	-	17	(17)
-	to replace existing assets	-	-	-
-	Increase / (decrease) in reserves	-	(1)	1
-	Increase / (decrease) of investments	-	-	-
278	Total Applications of Capital Funding	-	18	(18)
(2,221)	Surplus / (Deficit) of Capital Funding	(2,613)	(2,498)	(115)
-	Funding Balance	-	-	-



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 2 2016 - 17 \$000		ANNUAL PLAN 2017 - 18 \$000	LTP YEAR 3 2017 - 18 \$000	VARIANCE \$000
SOURCES OF OPERATING FUNDING				
-	General rates, uniform annual general charges, rates penalties	-	-	-
16,815	Targeted rates	17,183	17,180	3
-	Subsidies and grants for operating purposes	-	-	-
1,066	Fees and charges	972	1,093	(121)
-	Internal charges and overheads recovered	-	-	-
616	Local authorities fuel tax, fines, infringement fees and other receipts	611	625	(14)
18,497	Total Operating Funding	18,766	18,898	(132)
APPLICATIONS OF OPERATING FUNDING				
5,306	Payments to staff and suppliers	6,213	5,522	691
1,901	Finance Costs	1,215	1,406	(191)
1,369	Internal charges and overheads applied	1,241	1,415	(174)
-	Other operating funding applications	-	-	-
8,576	Total Applications of Operating Funding	8,669	8,343	326
9,921	Surplus / (Deficit) of Operating Funding	10,097	10,555	(458)
SOURCES OF CAPITAL FUNDING				
-	Subsidies and grants for capital expenditure	-	-	-
660	Development and financial contributions	738	666	72
(682)	Increase / (decrease) in debt	(3,461)	(8,399)	4,938
-	Gross proceeds from sale of assets	-	-	-
-	Other dedicated capital funding	-	-	-
-	Lump sum contributions	53	-	53
(22)	Total Sources of Capital Funding	(2,670)	(7,733)	5,063
APPLICATIONS OF CAPITAL FUNDING				
	Capital expenditure			
41	to meet additional demand	-	42	(42)
349	to improve levels of service	123	315	(192)
9,577	to replace existing assets	6,316	2,319	3,997
(68)	Increase / (decrease) in reserves	987	145	842
-	Increase / (decrease) of investments	-	-	-
9,899	Total Applications of Capital Funding	7,426	2,821	4,605
(9,921)	Surplus / (Deficit) of Capital Funding	(10,097)	(10,555)	458
-	Funding Balance	-	-	-



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 prevent harm to people and 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 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 dwellings.

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



A 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 2 2016 - 17 \$000		ANNUAL PLAN 2017 - 18 \$000	LTP YEAR 3 2017 - 18 \$000	VARIANCE \$000
SOURCES OF OPERATING FUNDING				
1,782	General rates, uniform annual general charges, rates penalties	2,381	1,890	491
-	Targeted rates	-	-	-
-	Subsidies and grants for operating purposes	-	-	-
6	Fees and charges	-	6	(6)
755	Internal charges and overheads recovered	1,002	779	223
95	Local authorities fuel tax, fines, infringement fees and other receipts	6	95	(89)
2,638	Total Operating Funding	3,389	2,770	619
APPLICATIONS OF OPERATING FUNDING				
742	Payments to staff and suppliers	1,162	816	346
-	Finance Costs	131	-	131
1,261	Internal charges and overheads applied	1,623	1,303	320
-	Other operating funding applications	-	-	-
2,002	Total Applications of Operating Funding	2,916	2,119	797
636	Surplus / (Deficit) of Operating Funding	473	651	(178)
SOURCES OF CAPITAL FUNDING				
-	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	-	-	-
-	Total Sources of Capital Funding	-	-	-
APPLICATIONS OF CAPITAL FUNDING				
	Capital expenditure			
-	to meet additional demand	-	-	-
636	to improve levels of service	473	652	(179)
-	to replace existing assets	-	-	-
-	Increase / (decrease) in reserves	-	(1)	1
-	Increase / (decrease) of investments	-	-	-
636	Total Applications of Capital Funding	473	651	(178)
(636)	Surplus / (Deficit) of Capital Funding	(473)	(651)	178
-	Funding Balance	-	-	-



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.

CONTRIBUTION TO COMMUNITY OUTCOMES



A GROWING RESILIENT ECONOMY

Flood protection work 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 2 2016 - 17 \$000		ANNUAL PLAN 2017 - 18 \$000	LTP YEAR 3 2017 - 18 \$000	VARIANCE \$000
SOURCES OF OPERATING FUNDING				
-	General rates, uniform annual general charges, rates penalties	-	-	-
959	Targeted rates	1,043	1,036	7
-	Subsidies and grants for operating purposes	-	-	-
73	Fees and charges	61	75	(14)
-	Internal charges and overheads recovered	-	-	-
1	Local authorities fuel tax, fines, infringement fees and other receipts	3	1	2
1,033	Total Operating Funding	1,107	1,112	(5)
APPLICATIONS OF OPERATING FUNDING				
735	Payments to staff and suppliers	501	781	(280)
109	Finance Costs	65	100	(35)
-	Internal charges and overheads applied	-	-	-
-	Other operating funding applications	-	-	-
844	Total Applications of Operating Funding	566	881	(315)
189	Surplus / (Deficit) of Operating Funding	541	231	310
SOURCES OF CAPITAL FUNDING				
-	Subsidies and grants for capital expenditure	-	-	-
-	Development and financial contributions	-	-	-
(189)	Increase / (decrease) in debt	(541)	(126)	(415)
-	Gross proceeds from sale of assets	-	-	-
-	Other dedicated capital funding	-	-	-
-	Lump sum contributions	-	-	-
(189)	Total Sources of Capital Funding	(541)	(126)	(415)
APPLICATIONS OF CAPITAL FUNDING				
-	Capital expenditure	-	-	-
-	to meet additional demand	-	-	-
-	to improve levels of service	-	-	-
-	to replace existing assets	-	105	(105)
-	Increase / (decrease) in reserves	-	-	-
-	Increase / (decrease) of investments	-	-	-
-	Total Applications of Capital Funding	-	105	(105)
(189)	Surplus / (Deficit) of Capital Funding	(541)	(231)	(310)
-	Funding Balance	-	-	-



7. COMMUNITY FACILITIES & SERVICES

Our community facilities and services are based around the 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

Council 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.



A 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

Council 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, eight volunteer libraries in the District.

Potential negative effects

No potential negative effects have been identified for Libraries.

CONTRIBUTION TO COMMUNITY OUTCOMES



A 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%



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 & EVENTS WHANGAREI

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



A 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 2 2016 - 17 \$000		ANNUAL PLAN 2017 - 18 \$000	LTP YEAR 3 2017 - 18 \$000	VARIANCE \$000
SOURCES OF OPERATING FUNDING				
23,672	General rates, uniform annual general charges, rates penalties	23,110	25,008	(1,898)
-	Targeted rates	-	-	-
59	Subsidies and grants for operating purposes	59	60	(1)
2,139	Fees and charges	2,217	2,191	26
-	Internal charges and overheads recovered	-	-	-
545	Local authorities fuel tax, fines, infringement fees and other receipts	601	561	40
26,415	Total Operating Funding	25,987	27,820	(1,833)
APPLICATIONS OF OPERATING FUNDING				
16,309	Payments to staff and suppliers	17,069	16,622	447
4,328	Finance Costs	4,727	4,662	65
5,184	Internal charges and overheads applied	6,142	5,368	774
-	Other operating funding applications	-	-	-
25,821	Total Applications of Operating Funding	27,938	26,652	1,286
594	Surplus / (Deficit) of Operating Funding	(1,951)	1,168	(3,119)
SOURCES OF CAPITAL FUNDING				
-	Subsidies and grants for capital expenditure	-	-	-
104	Development and financial contributions	396	105	291
1,805	Increase / (decrease) in debt	9,568	9,284	284
5,250	Gross proceeds from sale of assets	-	-	-
-	Other dedicated capital funding	-	-	-
-	Lump sum contributions	-	-	-
7,159	Total Sources of Capital Funding	9,964	9,389	575
APPLICATIONS OF CAPITAL FUNDING				
	Capital expenditure			
-	to meet additional demand	-	-	-
2,267	to improve levels of service	4,259	4,395	(136)
4,724	to replace existing assets	5,456	4,053	1,403
762	Increase / (decrease) in reserves	(1,701)	2,109	(3,810)
-	Increase / (decrease) of investments	-	-	-
7,753	Total Applications of Capital Funding	8,014	10,557	(2,543)
(594)	Surplus / (Deficit) of Capital Funding	1,951	(1,168)	3,119
-	Funding Balance	-	-	-



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



A 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 2 2016 - 17 \$000		ANNUAL PLAN 2017 - 18 \$000	LTP YEAR 3 2017 - 18 \$000	VARIANCE \$000
SOURCES OF OPERATING FUNDING				
2,633	General rates, uniform annual general charges, rates penalties	1,322	2,687	(1,365)
-	- Targeted rates	-	-	-
-	- Subsidies and grants for operating purposes	-	-	-
-	- Fees and charges	-	-	-
-	- Internal charges and overheads recovered	-	-	-
1,166	Local authorities fuel tax, fines, infringement fees and other receipts	1,877	1,189	688
3,799	Total Operating Funding	3,199	3,876	(677)
APPLICATIONS OF OPERATING FUNDING				
2,291	Payments to staff and suppliers	1,761	2,335	(574)
363	Finance Costs	269	363	(94)
1,119	Internal charges and overheads applied	1,143	1,152	(9)
-	- Other operating funding applications	-	-	-
3,773	Total Applications of Operating Funding	3,173	3,850	(677)
26	Surplus / (Deficit) of Operating Funding	26	26	-
SOURCES OF CAPITAL FUNDING				
-	- 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	-	-	-
-	Total Sources of Capital Funding	-	-	-
APPLICATIONS OF CAPITAL FUNDING				
	Capital expenditure			
5	to meet additional demand	5	5	-
-	to improve levels of service	-	-	-
20	to replace existing assets	21	21	-
1	Increase / (decrease) in reserves	-	-	-
-	- Increase / (decrease) of investments	-	-	-
26	Total Applications of Capital Funding	26	26	-
(26)	Surplus / (Deficit) of Capital Funding	(26)	(26)	-
-	Funding Balance	-	-	-



9. PLANNING & REGULATORY SERVICES

As a local council, we are required to undertake planning, monitoring and enforcement activities to meet the requirements of a wide range of statutes. This includes issuing resource consents and building consents and ensuring that they meet conditions; auditing and registering food businesses and other registered premises; undertaking statutory functions relating to alcohol licensing; dog control; excessive noise control; parking enforcement; fencing of swimming pools; 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 on the District's resources. Policy & Monitoring develops long, 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.



A 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 used by 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 has a direct bearing on our residents' health and quality of 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 good 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 responsively 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 consent 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%



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 registration and auditing of food businesses under the Food Act 2014 and other registered premises, reporting and licensing of alcohol licensed premises under the Sale and Supply of Alcohol Act 2012 and other public health functions such as investigation of health nuisances, measurement relating to noise rules and water testing.
- 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.
- A Contractor undertakes functions relating to dog control and registration, parking enforcement, excessive noise control, fencing of swimming pools and investigation of bylaw complaints.

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

Auditing of food safety in food businesses ensures that food is safe to eat and the health of the community protected.

● **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 2 2016 - 17 \$000		ANNUAL PLAN 2017 - 18 \$000	LTP YEAR 3 2017 - 18 \$000	VARIANCE \$000
SOURCES OF OPERATING FUNDING				
7,776	General rates, uniform annual general charges, rates penalties	9,079	8,203	876
-	Targeted rates	-	-	-
-	Subsidies and grants for operating purposes	-	-	-
6,615	Fees and charges	7,837	7,033	804
2,225	Internal charges and overheads recovered	3,003	2,297	706
1,869	Local authorities fuel tax, fines, infringement fees and other receipts	1,285	1,891	(606)
18,485	Total Operating Funding	21,204	19,424	1,780
APPLICATIONS OF OPERATING FUNDING				
9,274	Payments to staff and suppliers	9,798	9,828	(30)
-	Finance Costs	-	-	-
9,211	Internal charges and overheads applied	11,386	9,598	1,788
-	Other operating funding applications	-	-	-
18,485	Total Applications of Operating Funding	21,184	19,426	1,758
-	Surplus / (Deficit) of Operating Funding	20	-	20
SOURCES OF CAPITAL FUNDING				
-	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	-	-	-
-	Total Sources of Capital Funding	-	-	-
APPLICATIONS OF CAPITAL FUNDING				
	Capital expenditure			
-	to meet additional demand	-	-	-
-	to improve levels of service	-	-	-
-	to replace existing assets	20	-	20
-	Increase / (decrease) in reserves	-	-	-
-	Increase / (decrease) of investments	-	-	-
-	Total Applications of Capital Funding	20	-	20
-	Surplus / (Deficit) of Capital Funding	(20)	-	(20)
-	Funding Balance	-	-	-



SUPPORT SERVICES

Council support services focus on supporting the nine activity areas so they are best positioned to deliver 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.

Civil Defence

Civil Defence provides emergency management services for the District. A comprehensive emergency management plan is in place 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 everyday customer interactions from our ratepayers, residents and visitors. It also looks to identify ways of providing future services which meet and exceed changing community requirements and customer expectations.

The Customer Services Team supports all Council activities by being the first point of contact for many enquiries and applications. The team try to make it easy for the customer by providing easy to understand information. The Frontline team meet customers mainly face to face whilst the Contact Centre use many communication channels including email, phone and social media.

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.

People & Capability

People & Capability 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 information 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.

Democracy & Assurance

Democracy and Assurance assists in organisation-wide decision-making and accountability.

This covers core statutory functions of Council such as meetings, hearings, workshops, agendas and elections under the legal and democracy arm, managing risk and assurance activities for Council such as the insurance programme, providing sound legal advice, and overseeing Council Organisations and Council Controlled Organisations.

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.

Capital Projects, Planning and Development Engineering

The Capital Projects, Planning, and Development Engineering functions of this activity provide technical and administrative support to the Infrastructure Group. This includes design, planning, contract and general administration, asset management systems and databases and project and contract management. They also provide engineering support to Resource Consents.

PROSPECTIVE FUNDING IMPACT STATEMENT FOR SUPPORT SERVICES

LTP YEAR 2 2016 - 17 \$000		ANNUAL PLAN 2017 - 18 \$000	LTP YEAR 3 2017 - 18 \$000	VARIANCE \$000
SOURCES OF OPERATING FUNDING				
513	General rates, uniform annual general charges, rates penalties	3,508	637	2,871
-	Targeted rates	-	-	-
-	Subsidies and grants for operating purposes	-	-	-
4,217	Fees and charges	3,918	4,288	(370)
21,256	Internal charges and overheads recovered	25,288	22,101	3,187
2,574	Local authorities fuel tax, fines, infringement fees and other receipts	2,863	2,912	(49)
28,560	Total Operating Funding	35,577	29,938	5,639
APPLICATIONS OF OPERATING FUNDING				
22,518	Payments to staff and suppliers	26,596	22,641	3,955
289	Finance Costs	493	586	(93)
2,199	Internal charges and overheads applied	3,096	2,303	793
-	Other operating funding applications	-	-	-
25,006	Total Applications of Operating Funding	30,185	25,530	4,655
3,554	Surplus / (Deficit) of Operating Funding	5,392	4,408	984
SOURCES OF CAPITAL FUNDING				
-	Subsidies and grants for capital expenditure	-	-	-
-	Development and financial contributions	-	-	-
4,915	Increase / (decrease) in debt	10,284	5,248	5,036
-	Gross proceeds from sale of assets	-	-	-
-	Other dedicated capital funding	-	-	-
-	Lump sum contributions	-	-	-
4,915	Total Sources of Capital Funding	10,284	5,248	5,036
APPLICATIONS OF CAPITAL FUNDING				
	Capital expenditure			
128	to meet additional demand	282	26	256
2,424	to improve levels of service	3,014	1,898	1,116
5,914	to replace existing assets	12,380	7,735	4,645
3	Increase / (decrease) in reserves	-	(3)	3
-	Increase / (decrease) of investments	-	-	-
8,469	Total Applications of Capital Funding	15,676	9,656	6,020
(3,554)	Surplus / (Deficit) of Capital Funding	(5,392)	(4,408)	(984)
-	Funding Balance	-	-	-

CAPITAL PROJECTS PLANNED FOR 2017-18

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 2016-17 \$000	PROJECTS 2017-18 \$000	TOTAL ANNUAL PLAN 2017-18 \$000	LTP YEAR THREE 2017-18 \$000
TRANSPORTATION					
Coastal Protection	Coastal Protection Structures - Rooding	-	80	80	80
Cycleways - Subsidised	Cycleways - Programmed Work	-	3,827	3,827	2,107
Footpaths	Footpaths Renewals	-	340	340	340
	New Footpaths	-	104	104	104
Minor Improvements to Rooding Network	Minor Improvements to Network	-	2,608	2,608	2,395
Parking	Parking Renewals	-	124	124	124
	Parking Upgrades	-	100	100	-
Rooding Drainage	Drainage Renewals	-	444	444	444
Seal Extensions	Seal Extensions - Wright/McCardle	-	1,250	1,250	1,601
Sealed Road Pavement Rehabilitation	Sealed Road Pavement Rehabilitation	-	6,840	6,840	6,840
Sealed Road Resurfacing	Sealed Road Resurfacing	-	3,736	3,736	3,736
Sense of Place	Lower James Street Upgrade	-	518	518	518
Southern Entrance Intersection Improvement	Southern Entrance Intersection Improvement	-	645	645	-
Streetlights	LED Streetlight Upgrades	-	2,175	2,175	-
Structures Component Replacement	Structures Component Replacement	-	429	429	429
Traffic Signs & Signals	Traffic Sign & Signal Renewals	-	529	529	529
Unsealed Road Metalling	Unsealed Road Metalling	-	1,102	1,102	1,102
Urban Intersection Upgrades	Urban Intersection Upgrades	-	1,088	1,088	-
Total Capital Expenditure Transportation		-	25,939	25,939	20,349
WATER					
Water Meters	Water Meter Renewals	-	368	368	368
Water Reservoirs	Reservoir Rehabilitation - Programmed Work	-	315	315	315
Water Reticulation	Minor Projects - Emergency Works	-	315	315	315
	Pipeline Bridges - Programmed Work	-	21	21	21
	Reticulation - Programmed Work	-	654	654	654
	Ruddells Raw Water Line Renewal	-	1,052	1,052	1,052
Water Treatment Plants	Water Treatment Plant & Equipment Replacement	-	315	315	315

PROGRAMME	PROJECT	CARRIED FORWARD FROM 2016-17 \$000	PROJECTS 2017-18 \$000	TOTAL ANNUAL PLAN 2017-18 \$000	LTP YEAR THREE 2017-18 \$000
Whau Valley Water Treatment Plant	Whau Valley New Water Treatment Plant	1,000	-	1,000	7,719
Total Capital Expenditure Water		1,000	3,040	4,040	10,759
WASTEWATER					
Laboratory	Laboratory Equipment Renewals & Upgrades	-	19	19	19
Public Toilets	Public Toilets	50	-	50	315
Wastewater Asset Management	Wastewater Assessment	-	42	42	42
	Wastewater Strategy - Programmed Work	-	100	100	-
Wastewater City Service Level Improvements	Wastewater City Service Level Improvements	1,000	3,933	4,933	1,157
Wastewater Earthquake Assessments	Wastewater Structures Earthquake checks	-	32	32	32
Wastewater Network	Hikurangi Sewer Network Upgrade	-	810	810	-
	Wastewater Projects	-	200	200	-
Wastewater Pump Stations	Motor Starter Assessment & Upgrades	-	16	16	16
	Pump Station Upgrades	-	368	368	368
	Purchase New Portable Generator	41	-	41	-
Wastewater Treatment Plants	Ruakaka Waste Water Treatment Plant Upgrade	-	50	50	-
	Treatment Plant Remote Monitoring	-	52	52	52
	Treatment Plant Upgrades	-	622	622	622
	Tutukaka Wastewater WWTP Renewals	-	52	52	52
Total Capital Expenditure Wastewater		1,091	6,296	7,387	2,675
STORM WATER					
Stormwater Asset Management	Stormwater Catchment Management Plans & Assessments	85	126	211	126
Stormwater Improvements	Stormwater Projects - Programmed Work	-	934	934	526
Total Capital Expenditure Storm Water		85	1,060	1,145	652
COMMUNITY FACILITIES & SERVICES					
PARKS & RECREATION					
Cemeteries	Cemeteries Level of Service	-	85	85	-
	Cemeteries Renewals	-	144	144	144
Coastal Structures	Coastal Structures Renewal	-	389	389	224
	Seawalls Renewal	-	705	705	509
Neighbourhood & Public Gardens	Neighbourhood & Public Gardens Renewals	-	896	896	781
Playgrounds & Skateparks	Playgrounds & Skateparks Level of Service	-	105	105	105
	Playgrounds & Skateparks Renewals	-	105	105	105
Sense of Place	Emerald Necklace - Sense of Place	-	215	215	315
	Hatea Activity Loop	-	65	65	315

PROGRAMME	PROJECT	CARRIED FORWARD FROM 2016-17 \$000	PROJECTS 2017-18 \$000	TOTAL ANNUAL PLAN 2017-18 \$000	LTP YEAR THREE 2017-18 \$000
	Parks Interpretation Information	-	42	42	42
	Public Art	-	42	42	42
	Town Basin - Conversion of Carpark to Park	-	1,271	1,271	1,506
	Urban Design - Themed Communities & Settlements	20	146	166	126
Sportsfields & Facilities	Sport & Recreation Level of Service	800	1,901	2,701	1,901
	Sport & Recreation Renewals	300	564	864	379
Walkways and Tracks	Walkway & Track Level of Service	-	21	21	21
	Walkway & Track Renewals	-	427	427	342
Total Capital Expenditure Parks & Recreation		1,120	7,123	8,243	6,857
LIBRARIES					
Library IT Programme	IT Equipment Replacement	-	97	97	97
Library Asset Renewals	Furniture Renewals	-	5	5	5
Library Books	Book Purchases	-	627	627	627
Library Improvements	Library Improvements	-	50	50	-
Total Capital Expenditure Libraries		-	779	779	729
COMMUNITY PROPERTY					
Council-Owned Community Buildings	Community Buildings Renewals & Improvements	-	24	24	24
Pensioner Housing	Pensioner Housing Renewals & Improvements	-	486	486	486
Total Capital Expenditure Community Property		-	510	510	510
COMMUNITY SERVICES					
CCTV Network	CCTV Upgrades & Improvements	-	53	53	53
Total Capital Expenditure Community Services		-	53	53	53
VENUES & EVENTS					
Forum North Venue	FN Venue - Catering Kitchen Upgrades	36	-	36	-
	FN Venue - Conference Centre Upgrades	120	79	199	79
	FN Venue - Electrical Distribution Upgrades	51	52	103	52
	FN Venue - Entrance/ Lighting Enhancements	27	21	48	21
	FN Venue - Furniture Upgrades	20	21	41	21
	FN Venue - Health & Safety Upgrades	15	-	15	-
	FN Venue - Theatre Technical Equipment Upgrades	50	84	134	84
Northland Events Centre	NEC - Exterior General Renewals	34	21	55	21
	NEC - Floor Covering Renewals	60	-	60	-
	NEC - Interior General Renewals	38	21	59	21
Total Capital Expenditure Venues & Events		451	299	750	299

PROGRAMME	PROJECT	CARRIED FORWARD FROM 2016-17 \$000	PROJECTS 2017-18 \$000	TOTAL ANNUAL PLAN 2017-18 \$000	LTP YEAR THREE 2017-18 \$000
Total Capital Expenditure Community Facilities & Services		1,571	8,764	10,335	8,448
ECONOMIC GROWTH					
Twin Coast Signage	Twin Coast Signage	-	5	5	5
Whangarei City Entrance Signage	Whangarei City Entrance Signage & Beautification	-	21	21	21
Total Capital Expenditure Economic Growth		-	26	26	26
PLANNING & REGULATORY SERVICES					
Dog Pound	Dog Pound Renewals	-	20	20	-
Total Capital Expenditure Planning & Regulatory Services		-	20	20	-
SUPPORT SERVICES					
Civil Defence & Emergency Management	Civil Defence Emergency Management Equipment Renewals	-	21	21	21
	Emergency Operations Centre - New Equipment	-	3	3	3
	Tsunami Signage	-	11	11	11
	Tsunami Sirens Renewals	-	17	17	17
Commercial Property	Parihaka Transmission Mast Upgrade	692	315	1,007	315
	Water Services Building Renewals	20	-	20	-
	Port Road Site Remediation	-	1,500	1,500	-
Council Premises	Council Premises	3,010	7,274	10,284	5,248
Council Vehicle Replacements	Council Vehicle Replacements	-	210	210	210
Human Resources	Office Furniture	-	10	10	-
Library IT Programme	Accounts Payable Automation	-	60	60	-
	Computer Tech for Building, Animal Control & Parking	-	40	40	-
	IB Project	-	53	53	53
	IT Network Upgrades	-	60	60	-
	OC Project	-	318	318	457
	Performance Management System Development	-	174	174	-
	Web & Intranet Development	-	337	337	337
	Workflow Systems Development	-	158	158	158
New Airport Evaluation	New Airport Evaluation	200	990	1,190	840
Old Harbour Board Building	Old Harbour Board Building Development	-	1,469	1,469	1,469
Total Capital Expenditure Support Services		3,922	13,020	16,942	9,139
Grand Total		7,669	58,165	65,834	52,048

LTP YEAR THREE PROJECTS NOT PROCEEDING IN 2017-18

PROGRAMME	PROJECT	LTP YEAR 3 \$000
TIMING OF PROJECTS BOUGHT FORWARD TO 2016-17 FINANCIAL YEAR		
Seal Extensions	Seal Extensions - House Frontage Sealing	207
Library IT Programme	Customer Access - Online Services	30
	Decision Support System Development	53
	Digitisation of Records	332
	InCompass	105
PROJECT REMOVED		
Hikurangi Swamp	Hikurangi Swamp Non-Pump Renewals	105
Pohe Island Gas Management	Pohe Island - Gas Management	17



PART THREE
**FINANCIAL
STATEMENTS**



FORECAST FINANCIAL STATEMENTS

PROSPECTIVE STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE

LTP YEAR 2 2016 - 17 \$000		ANNUAL PLAN 2017 - 18 \$000	LTP YEAR 3 2017 - 18 \$000	VARIANCE
88,743	Rates	92,376	92,713	(337)
2,139	Development and Other Contributions	3,028	2,159	869
19,147	Subsidies and Grants	19,941	18,117	1,824
13,135	Fees and charges	14,654	13,679	975
60	Interest revenue	394	58	336
22,467	Other Revenue	11,516	12,522	(1,006)
250	Share of profit / (loss) from joint ventures	1,075	250	825
145,941	Total Income	142,984	139,498	3,486
EXPENDITURE				
56,175	Other Expenditure	60,174	58,174	2,000
40,784	Depreciation and Amortisation	41,329	42,083	(754)
9,001	Finance Costs	8,059	9,185	(1,126)
24,499	Personnel Costs	27,744	24,989	2,755
130,459	Total Operating Expenditure	137,306	134,431	2,875
15,482	Surplus / (Deficit) Before Taxation	5,678	5,067	611
-	Taxation Charge	-	-	-
15,482	Surplus / (Deficit) After Taxation	5,678	5,067	611
OTHER COMPREHENSIVE REVENUE AND EXPENSES				
37,742	Gain on Infrastructure Asset Revaluation	-	-	-
53,224	Total Comprehensive Revenue	5,678	5,067	611

VARIANCES TO LTP YEAR THREE

KEY FINANCIAL INFORMATION	ANNUAL PLAN 2017-18 \$000	LTP YEAR THREE 2017-18 \$000	COMMENTS
STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE			
Total Revenue	142,984	139,498	Total revenue is higher than LTP year three by \$3.5 million. This is largely due to an increase in DC's, Subsidies & Grants and Fees & Charges.
Total Expenses	137,306	134,431	Total operating expenses are higher than LTP year three by \$2.9 million due to: <ul style="list-style-type: none"> Other Expenditure is higher than LTP year three by \$2.0 million primarily due to reclassification of project costs that had been budgeted as capital expenditure in the LTP. Depreciation and Amortisation is lower than LTP year three by \$0.7 million primarily due to less Property, Plant & Equipment. Finance Costs are lower than LTP year three by \$1.1 million due to lower debt levels. Personnel Costs are higher than LTP year three by \$2.8 million due to growing business pressures and Council's restructure. Increased salary costs are partially offset by additional fee income.
Surplus/ (deficit)	5,678	5,067	Total favourable variance for the year is \$0.6 million.
STATEMENT OF FINANCIAL POSITION			
Total Assets	1,706,948	1,771,494	Total assets are lower than LTP year three by \$64.5 million due to: <ul style="list-style-type: none"> Debtors and receivables are \$3.1 million above LTP year three due to actual amounts being lower than assumptions made on opening balances in the LTP. Property plant and equipment is \$68.1 million lower than LTP year three due to carrying forward more CAPEX projects than anticipated in LTP years one and two, and a major undertaking to tidy up the coding and treatment of many of our assets. Intangible assets is \$2.7 million greater than LTP year three due to tidying up the coding and treatment of our assets. Investment Properties is \$3.0 million less than LTP year three due to the sale of a number of Investment Properties.
Total Liabilities	188,289	198,527	Total liabilities are lower than LTP year three by \$10.2 million due to: <ul style="list-style-type: none"> Trade and other payables are \$1.6 million above LTP year three due to assumptions made on opening balances. Total Borrowings are \$21.6 million below LTP year three due to issuing more short term borrowings, as well as carry forwards explained in PPE. Derivative financial liabilities are \$9.0 million greater than LTP year three due to an assumption of no movement in the LTP and a loss on derivatives occurring in 2015-16.
Net Assets/ Equity	1,518,659	1,572,967	Total variance for the year is \$54.3 million.

PROSPECTIVE STATEMENT OF CHANGES IN NET ASSETS / EQUITY

LTP YEAR 2 2016 - 17 \$000		ANNUAL PLAN 2017 - 18 \$000	LTP YEAR 3 2017 - 18 \$000
1,514,676	Opening balance as at 1 July	1,512,981	1,567,900
15,482	Surplus/(deficit) after tax	5,678	5,067
-	Adjustments and contributions to equity	-	-
37,742	Adjustments to revaluation reserve	-	-
1,567,900	Total recognised net assets/equity as at 30 June	1,518,659	1,572,967

PROSPECTIVE STATEMENT OF FINANCIAL POSITION

LTP YEAR 2 2016-17 \$000		ANNUAL PLAN 2017-18 \$000	LTP YEAR THREE 2017-18 \$000
ASSETS			
CURRENT ASSETS			
380	Cash and cash equivalents	281	580
14,595	Debtors and receivables	18,093	15,028
313	Other financial assets	266	314
195	Inventories	183	198
-	Derivative financial assets	-	-
308	Prepayments	533	313
-	Assets held for sale	-	-
15,791	Total current assets	19,356	16,433
NON CURRENT ASSETS			
441	Derivative financial assets	-	441
11,801	Other financial assets	13,573	11,801
1,668,665	Property plant and equipment	1,613,362	1,681,486
3,474	Intangible assets	6,632	3,967
56,267	Investment properties	53,225	56,267
1,099	Biological assets	800	1,099
1,741,747	Total non current assets	1,687,592	1,755,061
1,757,538	Total assets	1,706,948	1,771,494

LTP YEAR 2 2016-17 \$000		ANNUAL PLAN 2017-18 \$000	LTP YEAR THREE 2017-18 \$000
LIABILITIES			
CURRENT LIABILITIES			
19,629	Trade and other payables	20,744	19,382
41	Derivative financial liabilities	382	41
20,000	Borrowings	29,000	10,000
1,929	Employee benefits liabilities	2,262	1,967
322	Provisions	358	329
41,921	Total current liabilities	52,746	31,719
NON CURRENT LIABILITIES			
376	Trade and other payables	589	376
3,054	Derivative financial liabilities	12,009	3,054
142,073	Borrowings	121,477	161,120
874	Employee benefits liabilities	365	891
1,340	Provisions	1,103	1,367
147,717	Total non current liabilities	135,543	166,808
189,638	Total liabilities	188,289	198,527
1,567,900	Net assets	1,518,659	1,572,967
EQUITY			
920,848	Retained earnings	855,622	928,942
51,135	Reserves and special funds	67,412	48,108
595,917	Asset revaluation reserve	595,625	595,917
1,567,900	Total equity attributable to Council	1,518,659	1,572,967

PROSPECTIVE STATEMENT OF CASHFLOWS

LTP YEAR 2 2016 - 17 \$000		ANNUAL PLAN 2017 - 18 \$000	LTP YEAR 3 2017 - 18 \$000
OPERATING ACTIVITIES			
CASH WAS PROVIDED FROM:			
88,557	Rates	91,669	92,490
10,681	Rates - Northland Regional Council	10,934	10,895
19,099	Subsidies received	19,792	18,060
3,347	Other revenue	3,103	3,655
16,363	Receipts from customers and services	19,023	16,942
61	Interest received	394	58
250	Dividends received	540	250
5,082	Rental of property	4,949	5,168
CASH WAS APPLIED TO:			
80,544	Payments to suppliers and employees	88,181	83,388
10,681	Rates - Northland Regional Council	10,934	10,895
9,001	Interest paid	8,009	9,185
43,214	Net cash from operating activities	43,280	44,050
INVESTING ACTIVITIES			
CASH WAS PROVIDED FROM:			
10,500	Proceeds from sale of property, plant & equipment, and investment properties	-	-
-	Maturity from investments and loans	-	-
CASH WAS APPLIED TO:			
56,354	Purchase and development of property, plant & equipment, and investment properties	61,994	52,897
-	Purchase of investments and loans provided	-	-
(45,854)	Net cash from investing activities	(61,994)	(52,897)
FINANCING ACTIVITIES			
CASH WAS PROVIDED FROM:			
2,540	Loans raised	18,314	9,047
-	Loan repayments received	-	-
CASH WAS APPLIED TO:			
-	Loans repaid	-	-
-	Loans granted	-	-
2,540	Net cash from financing activities	18,314	9,047
(100)	Net increase/(decrease) in cash, cash equivalents and bank overdrafts	(400)	200
480	Cash, cash equivalents and bank overdrafts at the beginning of the year	681	380
380	Cash, cash equivalents and bank overdrafts at the end of the year	281	580

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) for more information, including definitions of some of the terms used in this statement.

BENCHMARK	LIMIT	PLANNED	MET
Rates affordability benchmarks			
Income	70%	55%	Yes
Increases	4.9%	4.5%	Yes
Debt affordability benchmarks			
External debt	150%	105%	Yes
Net interest to rates revenue	25%	8%	Yes
External debt per capita	\$2,150	\$1,715	Yes
Balanced budget benchmark	100%	100%	Yes
Essential services benchmark	100%	105%	Yes
Debt servicing benchmark	15%	5.9%	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; 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 Long Term Plan.

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 Council's Long Term Plan.

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.

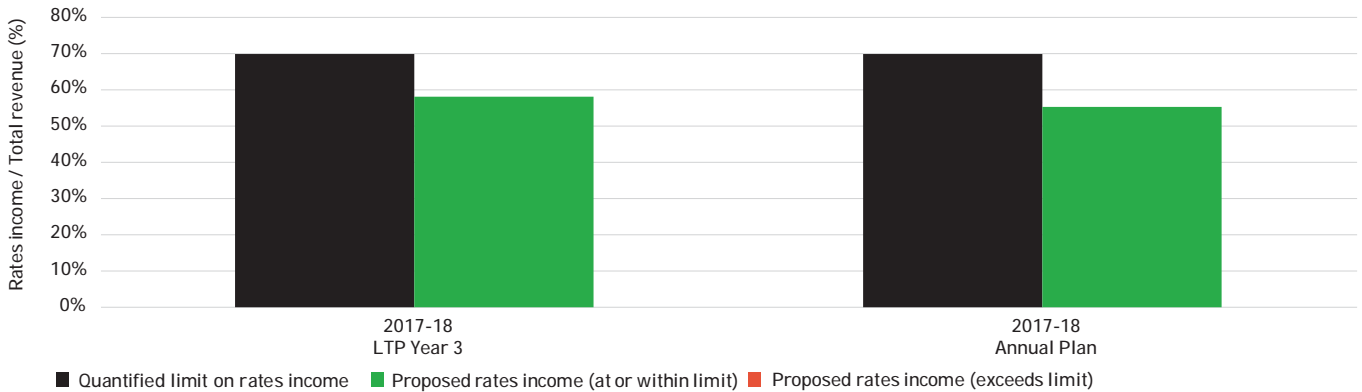
RATES AFFORDABILITY BENCHMARKS

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.

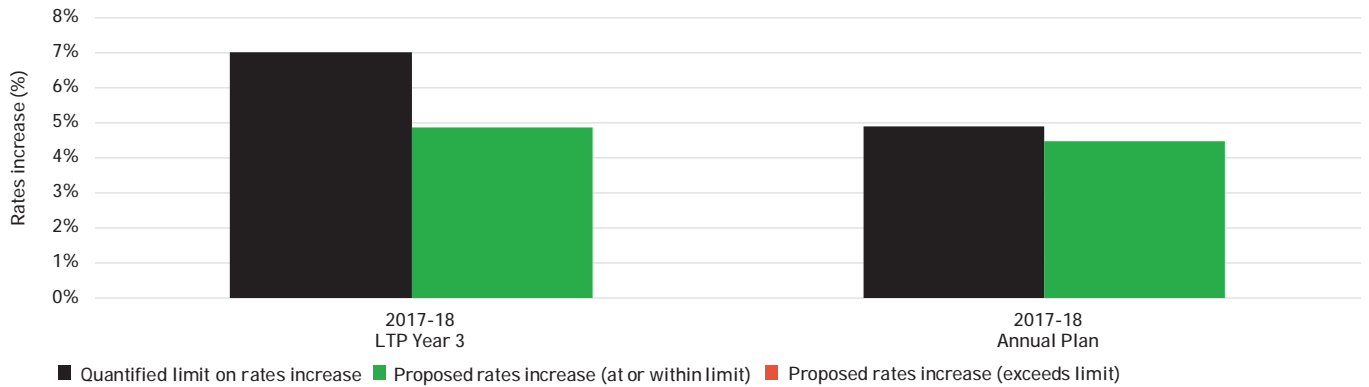
Rates (income) affordability

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

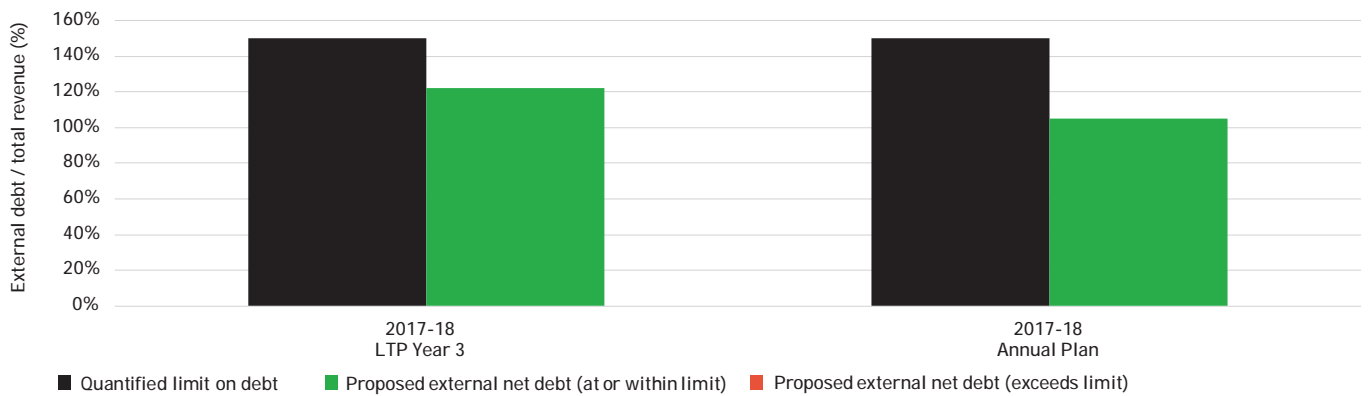


DEBT AFFORDABILITY BENCHMARKS

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

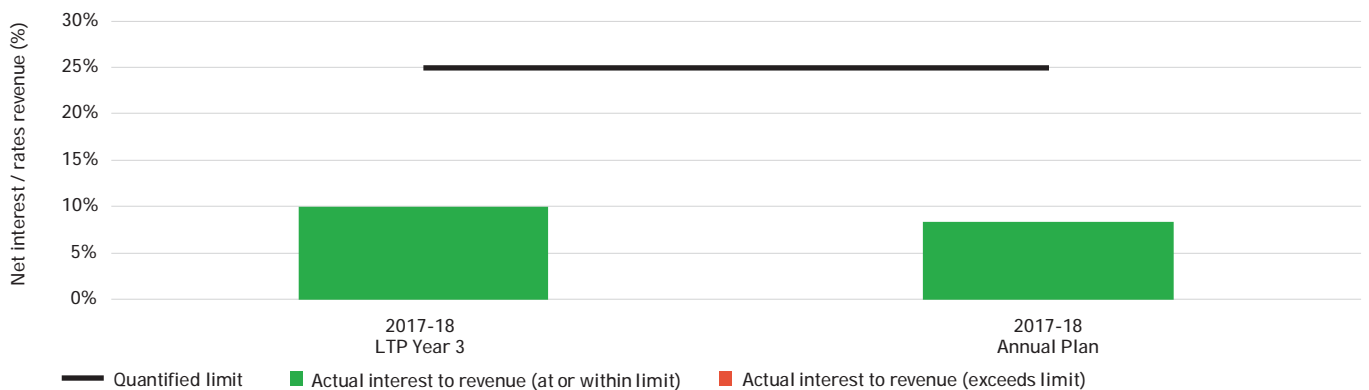
External debt

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



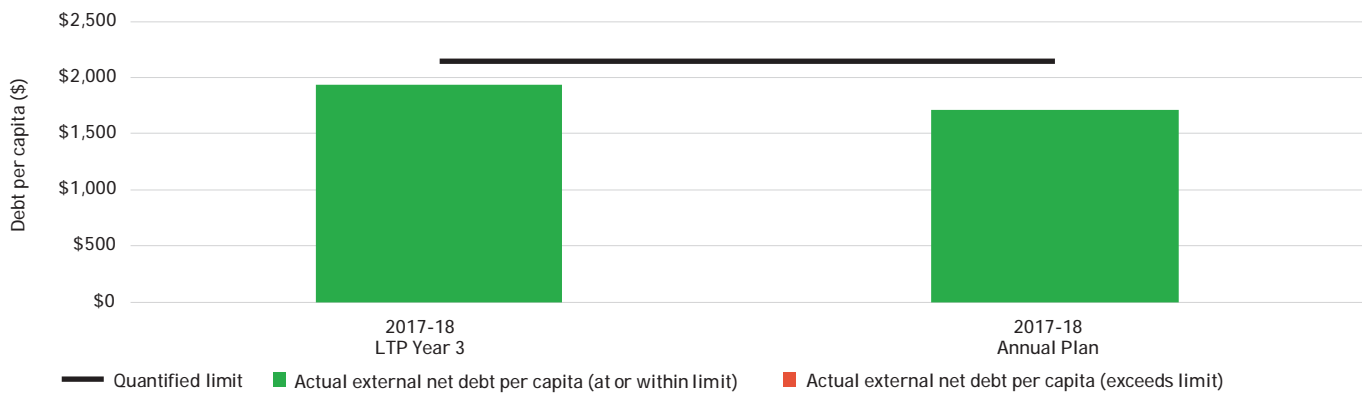
Net interest to rates revenue

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



External debt per capita

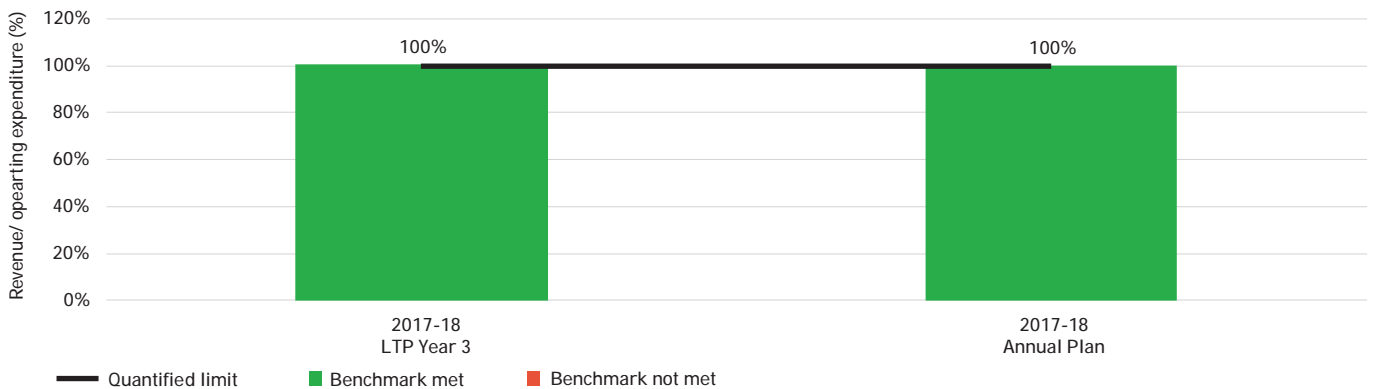
The following graph compares Council's planned debt with a quantified limit on borrowing contained in the financial strategy included in this long-term plan. The quantified limit is that external net debt per capita be less than \$2,150.



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).

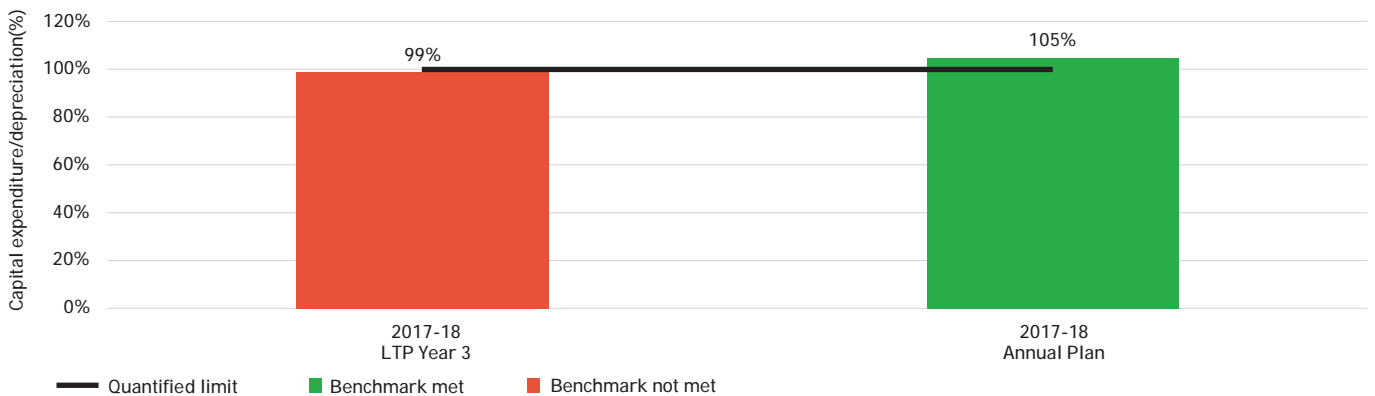
Council meets the balanced budget benchmark if its planned revenue equals or is greater than its planned operating expenses.



ESSENTIAL SERVICES BENCHMARK

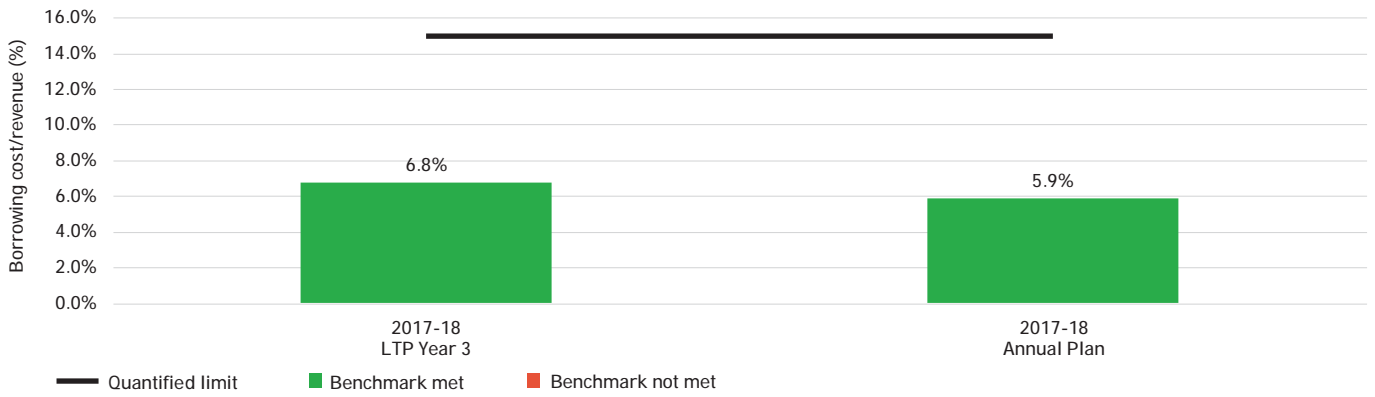
The following graph displays Council's planned capital expenditure on network services as a proportion of expected depreciation on those same network services.

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 2018

1.1 Reporting entity

Whangarei District Council ("Council") is a territorial local authority established under the Local Government Act 2002 (LGA) and is domiciled and operates in New Zealand. Council provides local infrastructure, local public services, and performs regulatory functions for the community.

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 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"), Council and the Group are public sector public benefit entities ("PBEs").

1.2 Basis of preparation

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

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.

PRESENTATION CURRENCY AND ROUNDING

The functional currency of Council, each of its subsidiaries and each of the joint ventures in which 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 1.16
- 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 will exercise the following critical judgements in applying accounting policies for the year ended 30 June 2018:

- 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 will exercise professional judgement when determining whether the substance of a transaction is that of non exchange or exchange. Council will review its revenue streams and refer to its Revenue and Financing Policy to identify activities partially funded by rates revenue. When this occurs, the revenue from that activity will be treated as non exchange.
- determine control/joint control: Council will determine in respect to associated entities its control or joint control when deciding inclusion or non inclusion in Council and the Group's financials. Council will consider various factors to determine control including: its capacity to control financing and operating policies, benefits obtained from the activities of the subsidiary, majority voting power on the governing body, trust deeds, as well as external advice.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1.3 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 of 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 deconsolidated from the date that control ceases.

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

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

JOINT VENTURE

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.

Council's interest in the Northland Regional Landfill Limited Partnership (NRLLP) and Whangarei District Airport (WDA) is equity accounted in both Council and the Group's financial statements. This means that the investments 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. Council's share of the surplus or deficit of the joint ventures is included in Council and the Group's surplus or deficit.

Profits or losses on transactions establishing the jointly controlled entity and transactions with the joint venture are eliminated to the extent of the Group's ownership interest until such time as they are realised by the jointly controlled entity on consumption or sale, unless they relate to an unrealised loss that provides evidence of the impairment of an asset transferred. Accounting policies of jointly controlled entities have been aligned where necessary to ensure consistency with the policies adopted by Council and the Group.

1.4 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.

Pledges are not recognised as revenue as the Group is unable to control the access to the funds. Pledges are disclosed as a contingent asset when the money is pledged and recognised as revenue when the pledged money is received.

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.

1.5 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.

1.6 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. Council's grants awarded have no substantive conditions attached.

1.7 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.

1.8 Leases

THE GROUP AS 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 AS 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.

1.9 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 Statements of Financial Position.

1.10 Debtors and other receivables

Debtors and other receivables and loans are recognised at fair value less any provision for impairment.

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.

Subsequent to initial recognition, receivables and loans are carried at amortised cost using the effective interest method less impairment.

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 of the provision 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.

1.11 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.

1.12 Financial assets

The Group classifies its financial assets in the following categories: financial assets at fair value through surplus or deficit, loans and receivables, held to maturity financial assets and available for sale financial assets. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its investments at initial recognition and reevaluates 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 financial assets 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.

1.13 Payables and deferred revenue

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.

1.14 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.

1.15 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.

Costs incurred in bringing each product to its present location and condition is accounted for as follows:

- 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.

1.16 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 is accumulated 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, except pensioner housing which is valued at market value.

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.

SUBSEQUENT COSTS

Subsequent costs that meet the recognition criteria above are recognised in the carrying value of the item of PPE. Such costs include the cost of replacing part of the PPE for long term construction projects if the recognition criteria are met. When significant parts of PPE are required to be replaced at intervals, Council recognises such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, the cost is recognised in the carrying amount of the asset as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in surplus or deficit as incurred.

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

ASSET CLASS	ASSETS IN CLASS	SUBSEQUENT MEASUREMENT	ESTIMATED USEFUL LIFE (YEARS)	DEPRECIATION RATES
Operating assets	Land	Cost	Indefinite	
	Buildings	Cost	40 100	1 2.5%
	Buildings 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	14 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%

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

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

* 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.

** 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.

*** 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).

1.17 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.

1.18 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 ten 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.

1.19 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.

1.20 Forestry assets

Standing forestry assets are revalued annually at fair value less estimated costs to sell. Fair value is determined based on the present value of expected future cash flows discounted at a current market determined rate.

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.

1.21 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, long term disability 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.

1.22 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

- 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 their cover period in which the injury occurred. At the end of the two year period, Council pay 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 under its resource consent to monitor and manage risks of the Puwera landfill post closure. The aftercare period is estimated to be 30 years.

1.23 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
GENERAL ASSUMPTIONS				
<p>District growth: the number of residential ratepayers in Whangarei is expected to grow 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>Development contributions: 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 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, reducing available funding for Council activity.
<p>Rate Increase: the following rates increases have been applied:</p> <p>In line with the LTP year three a 2% increase (excluding refuse rates), plus growth (in line with the WDC Growth Model 2014, plus LGCI</p> <p>This increase is 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>Inflation: 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. 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%, total revenue would vary by approximately \$1.429 million, total expenditure by approximately \$1.373 million, and the net surplus would move by approximately \$56k.
<p>User fees: increases are based on a percentage increase for District Growth, or in line with actual expected cost increase 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>Forestry revaluation: 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
<p>Rental Income: Council calculates increases on a reserved position based on historical data (previous rent reviews), timed to coincide with rental lease renewals.</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
Investment property revaluation: 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
Climate change: 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
EXPENDITURE ASSUMPTIONS				
Interest rates: the average cost of borrowing has been assumed to be 5.50% 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 program which protects against interest rate rises through the life of 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 \$162,200 pa.
Depreciation funding: money to fund depreciation comes from rates. 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
Unfunded depreciation: 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
CAPEX borrowings: 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
CAPEX: capital expenditure projects are assumed to be completed in the years in which they are budgeted for. Any carry forwards in a year are usually at a similar level to the previous year, resulting in a minimal net effect.	Medium	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
ASSET ASSUMPTIONS				
Subsidies: New Zealand Transport Agency (NZTA) subsidies have been included based on Central Government contributions to certain Capital Expenditure - subsidies average 53%. All subsidies are disclosed within the operating revenue and are contingent on the applicable capital projects taking place. Council has assumed that there are no changes to the subsidy rates in this Annual 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.	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 the existing balanced budget (from a DIA perspective) to become unbalanced.
Depreciation: depreciation rates for each asset group have been calculated using rates included in the Accounting Policies. Depreciation rates on infrastructural assets are based on the 2014 revaluation rate average for each activity.	Low	Not applicable	Medium	Not applicable
Useful lives: 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.	Low	Not applicable	Low	Not applicable
Vested Assets: 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 in the Plan. Vested asset income has no cash impact.	Low	Not applicable	Low	Not applicable
Funding sources: future replacement of significant assets is assumed to be funded in line with the Revenue and Financing Policy.	Low	Not applicable	Low	Not Applicable
Other Financial Assets: 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.	Low	Not applicable	Low	Not Applicable
Investment Properties: 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
Biological Assets and Derivative Financial Assets: 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
LIABILITY ASSUMPTIONS				
Interest: 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
Borrowings: it is assumed that Council will have the facilities to secure funding as required.	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
Derivative Financial Liabilities: 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
STRATEGIC				
Resource Consents: 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
OTHER ASSUMPTIONS				
Strategic assets: 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
Forecasts: Business and Economic Research Limited (BERL) constructed the forecast increases in revenues (excluding rates) and costs for Local Authorities in September 2016 for use in their budgeting processes for the Plan. It is assumed these factors are appropriate for Council forecasts.	Medium	Not applicable	Medium	Not applicable
Currency movement: Council does not have any significant exposure to currency movements and consequently has not specifically taken them into account.	Low	Not applicable	Low	Not applicable
Emissions trading scheme: 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
Local Government reorganisation: 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
Flood and storm damage: 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
SUBSIDIARY ASSUMPTIONS				
NRLLP: It is assumed that Council will receive an annual dividend from Northland Regional Landfill Limited Partnership.	Low	Not applicable	Low	Not applicable
Northern Transportion Alliance (NTA): 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) was established on 1 July 2016. The activities of the NTA attract subsidy on subsidised projects. Council has made provision for gaining subsidy on the NTA activities for these subsidised projects.	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 2017-18.

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:

2018	BALANCE 1 JULY	TRANSFERS IN	TRANSFERS OUT	BALANCE 30 JUNE
Fishermans Levy - to fund maintenance and upgrading of marine facilities for use by commercial fishing vessels	109	-	-	109
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	3,987	104	104	3,987
Community Development Fund 2 - to provide funding for community facilities on non-Council reserve land	6,314	268	-	6,581
Community Development Fund 3 - to provide funding for performing arts activities	294	8	-	301
Art Acquisitions - to fund acquisition of artworks	5	-	-	5
Clock Purchases - to fund purchase of clocks for the Claphams Clocks Museum	51	-	-	51
AH Reed Reserve - residual balance	3	-	-	3
Leonard Library Reserve - bequest for the purchase of library books	291	-	50	241
Property Reinvestment Reserve - to fund property purchases for a commercial return	28,828	577	-	29,405
Water Reserve - to hold any surpluses for future funding of water activities	23,374	3,242	-	26,615
Dog Reserve - to hold any surpluses for future funding of Dog activities	290	-	197	93
Kamo Sports Charitable Trust Reserve - to fund the building of new cricket/tennis pavilion	90	-	90	-
Old Boys/Northland Rugby Union grant - to fund Pohe Island clubrooms	450	-	450	-
Total	64,105	4,197	890	67,412

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 Annual 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 20 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 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 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 residential rating units described in Category 1 (above), on that portion of the property value, where the land value is between \$668,001 (being approximately 3.5 times the average residential land value) and \$1,336,000 (being approximately seven times the average residential land value). The full residential charge applying to Category 1 is applied to first \$668,000 of land value.

Category 1(b) – Residential Step 2

All residential rating units described in Category 1 (above), on that portion of the property value, where the land value exceeds \$1,336,001 (being approximately seven times the District average residential land value). The full residential charge applying to Category 1 is applied to first \$668,000 of land value and the charge applying to Category 1(b) is applied to the land value falling between \$668,001 and \$1,336,000.

Category 2 – Multi-Unit

All 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 and Supply of Alcohol Act 2012.

Category 3 – Rural

All 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 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 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.

The UAGC is calculated according to the judgement of Council on what is the proper balance between the fixed and variable parts of the general rate and on any consequential impacts on individuals and groups of ratepayers.

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 2017-18 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 \$63,323,998 GST inclusive.

SHARE REQUIRED FROM EACH SECTOR		
Residential, miscellaneous and multi-unit properties	62.0% of \$63,323,998 =	\$39,260,879
Commercial and industrial properties	28.5% of \$63,323,998 =	\$18,047,339
Rural properties	9.5% of \$63,323,998 =	\$6,015,780
		\$63,323,998

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 2017-18 year are:

TYPE OF RATE	BASIS OF ASSESSMENT	RATE OR CHARGE (GST INCLUSIVE)	REVENUE SOUGHT (GST INCLUSIVE)
GENERAL RATES			
Uniform Annual General Charge	Per separately used or inhabited part of a rating unit	\$440.50	\$18,770,654
Residential category	Per \$ of land value	\$0.0033396	\$22,213,770
Residential Step 1	Per \$ of land value	\$0.0016698	\$354,822
Residential Step 2	Per \$ of land value	\$0.0008349	\$57,278
Multi-unit category	Per \$ of land value	\$0.0066793	\$125,183
Rural category	Per \$ of land value	\$0.0029774	\$4,851,419
Commercial/Industrial category	Per \$ of land value	\$0.0212801	\$16,800,669
Miscellaneous category	Per \$ of land value	\$0.0033396	\$150,203
TOTAL GENERAL RATES			\$63,323,998

TARGETED RATES FOR THE 2017-18 FINANCIAL YEAR

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 where it is connected to Council's wastewater system. The targeted rate is set on a differential basis. Residential connections will pay a fixed amount regardless of the number of toilet pans or urinals. Other premises, i.e. non-residential, that have up to two toilet pans or urinals will pay the same fixed amount as residential connections. Where other, non-residential premises have three or more toilet pans or urinals, the fixed charge per pan will be applied to the actual number of toilet 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

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. A targeted rate set under section 19 of the Local Government (Rating) Act 2002 will apply for water consumption based on water consumed as recorded by a water meter on a per cubic metre basis. For all connected properties, a uniform targeted rate set under Section 16 of the Local Government (Rating) Act 2002 per SUIP of a rating unit for the annual supply charge will also apply.

A uniform targeted rate set under Section 16 of the Local Government (Rating) Act 2002 will apply per SUIP of a rating unit for availability where premises are capable of being connected as they are situated within 100 meters of any public water supply reticulation system, but are not connected.

A uniform targeted rate set under Section 16 of the Local Government (Rating) Act 2002 will apply per SUIP of a rating unit for those premises where consumption of water is not recorded through a meter, but the property is connected to any of the District's water supply systems. A further supply charge is not applied where the uniform unmetered water charge is set.

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.

Roading Schemes

Targeted rates are set for specific activities under Section 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:

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.

2017-18 is the third 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.

2017-18 is the third year of this charge.

Stormwater

HIKURANGI SWAMP RATING DISTRICT

A targeted rate applies to properties in the Hikurangi Swamp Special Rating District. The area of land within this special rating district is divided into classes based on location and area of 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 each class of the rating unit. Some properties may have areas of land which fall into several classes and the rating differentials are applied accordingly.

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 cover the costs and charges of the scheme.

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.

Details of rates and the amount of revenue sought for the 2017-18 year

TYPE OF RATE	BASIS OF ASSESSMENT	RATE OR CHARGE 2017-18 (GST INCLUSIVE)	REVENUE SOUGHT 2017-18 (GST INCLUSIVE)
SEWERAGE RATES (CONNECTED TO WASTEWATER SYSTEM)			\$19,631,000
Residential	Per separately used or inhabited part of a rating unit	\$683.00	
Other – non-residential up to two pans	Per separately used or inhabited part of a rating unit	\$683.00	
Other – non-residential three or more pans	Per pan or urinal.	\$445.00	
DISTRICT-WIDE REFUSE MANAGEMENT RATE			\$7,436,000
(All rateable properties)	Per separately used or inhabited part of a rating unit	174.50	
WATER RATES			\$16,378,000
Consumption charge	Volume of metered water consumed per cubic metre	\$2.26	
Supply charge (metered)	Provision of service per separately used or inhabited part of a rating unit	\$34.50	
Availability charge	Availability of service per separately used or inhabited part of a rating unit	\$34.50	
Uniform charge (unmetered)	Provision of service per separately used or inhabited part of a rating unit.	\$474.00	
Backflow preventer charge	Provision of service per connection based on the nature of connection		
	15/20mm connection	\$78.62	
	25mm connection	\$79.69	
	32mm connection	\$94.27	
	40mm connection	\$96.47	
	50mm connection	\$100.09	
	80/100mm connection	\$252.09	
	150mm connection	\$295.11	
200mm connection	\$488.77		
ROADING SCHEMES			
Whangaruru North Road Seal Extension (Year three of five)	Per rating unit in a specified and defined area of benefit	\$575.00	\$16,675
McKinley Road Seal Extensions (Year three of five)	Per rating unit in a specified and defined area of benefit	\$575.00	\$21,850
STORMWATER			
Hikurangi Swamp Major Scheme Rating District to cover costs and charges within the Hikurangi Swamp special rating area	Per hectare of land in the Hikurangi Swamp Special Rating area		\$1,072,699
	Class A approx 2,937ha	\$174.15	
	Class B approx 1,446 ha	\$156.41	
	Class C approx 1,476 ha	\$121.92	
	Class D approx 1,900 ha	\$17.45	
	Class E approx 950 ha	\$8.78	
	Class F approx 32,365 ha	\$3.51	
Hikurangi Swamp Drainage Rating District to cover costs and charges within the Hikurangi Swamp drainage rating area	Per hectare of land in the Hikurangi Swamp Drainage Rating District		\$126,172
	Class A approx 5,051 ha	\$20.15	
	Class F approx 12,098ha	\$2.02	

LUMP SUM CONTRIBUTIONS

Lump Sum contributions will not be accepted in respect of any targeted rate.

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 a discount applied.

	DUE DATE	DISCOUNT
Full payment of annual land rates and any arrears. (Water rates no longer receive discount for early payment)	21 August 2017	Discount 3.0%

DUE DATES FOR RATES PAID BY INSTALMENTS

Due dates and penalty dates for land rates

A 10% penalty will be added to the amount of each instalment which remains unpaid after the due date for payment as shown in the following table:

	DUE DATE	LATE PAYMENT PENALTY	DATE PENALTY APPLIED
Instalment One	21 August 2017	Penalty 10%	24 August 2017
Instalment Two	20 November 2017	Penalty 10%	23 November 2017
Instalment Three	20 February 2018	Penalty 10%	23 February 2018
Instalment Four	21 May 2018	Penalty 10%	24 May 2018

Due dates and penalty dates for water rates

Water accounts are processed monthly, two-monthly or six-monthly. Council agrees that the due dates of these accounts will be relative to the consumer's cyclic billing period and will show on the water rates invoice in accordance with the table that follows. A penalty of 10% will be applied to amounts unpaid after the due date, in accordance with the following table:

MONTH WATER RATES INVOICE ISSUED	DUE DATE FOR PAYMENT	DATE PENALTY WILL BE ADDED
July	21 August 2017	24 August 2017
August	20 September 2017	25 September 2017
September	20 October 2017	23 October 2017
October	20 November 2017	23 November 2017
November	20 December 2017	8 January 2018
December	22 January 2018	25 January 2018
January	20 February 2018	23 February 2018
February	20 March 2018	23 March 2018
March	20 April 2018	23 April 2018
April	21 May 2018	24 May 2018
May	20 June 2018	25 June 2018
June	20 July 2018	23 July 2018

Payment options

A ratepayer may elect to pay both land and water rates weekly, fortnightly, monthly, quarterly or annually 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 and water rates.

All rates (land and water) from the previous rating years that remain unpaid as at 6 July 2017 will have a further 10% penalty added. This penalty will be added on 4 September 2017.

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.

RATING BASE INFORMATION

The following information is required to be provided by the Local Government Act 2002, Schedule 10, section 20A:

- the projected number of rating units within the Whangarei District at 30 June 2017 is 41,760
- the projected total capital value of rating units the Whangarei District at 30 June 2017 is \$20,390,450,000
- the projected total land value of rating units within the Whangarei District at 30 June 2017 is \$9,824,545,000.

SAMPLE OF PROPERTIES SHOWING RATES FOR 2017-18

Randomly selected sample of properties from each category

	2016-17	2017-18
RESIDENTIAL PROPERTY IN URBAN AREA WITH A LAND VALUE OF \$90,000		
General rate – LV 90,000 @ \$0.0033396	287.26	300.56
Uniform Annual General Charge	422.00	440.50
Sewerage pan charge (where connected)	660.00	683.00
District-wide refuse management	171.00	174.50
Total	1,540.26	1,598.56
RESIDENTIAL PROPERTY IN URBAN AREA WITH A NEW LAND VALUE OF \$195,000		
General rate – LV 195,000 @ \$0.0033396	622.40	651.22
Uniform Annual General Charge	422.00	440.50
Sewerage pan charge (where connected)	660.00	683.00
District-wide refuse management	171.00	174.50
Total	1,875.40	1,949.22
LIFESTYLE PROPERTY WITH A LAND VALUE OF \$320,000		
General rate – LV \$320,000 @ \$0.0033396	1,021.38	1,068.67
Uniform Annual General Charge	422.00	440.50
District-wide refuse management	171.00	174.50
Total	1,614.38	1,683.67

	2016-17	2017-18
LIFESTYLE PROPERTY WITH A LAND VALUE OF \$1,750,000		
General rate – LV up to \$668,000 @ \$0.0033396	2132.12	2230.85
LV from \$668,001 to \$1,336,000 @ \$0.00166982	1066.06	1115.44
LV over \$1,336,000 @ \$0.00083491	330.37	345.65
Uniform Annual General Charge	422.00	440.50
District-wide refuse management	171.00	174.50
Total	4,121.56	4,306.94
RURAL PROPERTY WITH A LAND VALUE OF \$750,000		
General rate – LV \$750,000 @ \$0.0029774	2184.08	2233.50
Uniform Annual General Charge	422.00	440.50
District-wide refuse management	171.00	174.50
Total	2,777.08	2,848.50
RURAL PROPERTY WITH A LAND VALUE OF \$2,200,000		
General rate – LV \$2,200,000 @ \$0.0029774	6406.62	6550.28
Uniform Annual General Charge	422.00	440.50
District-wide refuse management	171.00	174.50
Total	6,999.62	7,165.28
COMMERCIAL PROPERTY WITH A LAND VALUE OF \$510,000		
General rate – LV \$510,000 @ \$0.0212801	10,368.25	10,852.85
Uniform Annual General Charge	422.00	440.50
District-wide refuse management	171.00	174.50
Sewerage charge – five pans @ \$445.00	2145.00	2225.00
Total	13,106.25	13,692.85
INDUSTRIAL PROPERTY WITH A NEW LAND VALUE OF \$2,480,000		
General rate – LV \$ 2,480,000 @ \$0.0212801	50418.15	52774.65
Uniform Annual General Charge	422.00	440.50
District-wide refuse management	171.00	174.50
Sewerage charge – five pans @ \$445.00	2145.00	2225.00
Total	53,156.15	55,614.65

The rates are based on land 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.

INDEX

- A**
- Abbreviations, 100
 - Accounting Policies, 72–82
 - airport, 7, 14, 16
 - animal control. *See* Regulatory Services
- B**
- balanced budget, 7, 11, 14, 15, 67, 70
 - Balance Sheet. *See* Financial Statements: Statement of Financial Position
 - Building Compliance, 49
- C**
- capital expenditure. *See* Capital Projects
 - Capital Projects, 53, 55
 - Carpark to Park, 14, 16
 - CCTV, 14
 - Civil Defence, 52
 - Committees, 8
 - Audit and Risk Committee
 - CE Review Committee
 - Civic Honours Selection Committee
 - Community Development Committee
 - District Licensing Committee
 - Finance and Corporate Committee
 - Infrastructure Committee
 - Planning and Development Committee
 - Community Development, 10
 - Community Facilities & Services, 38–43
 - Community Outcomes, 19
 - Community Property, 41
 - Community Services, 42
 - consultation, 13, 16
 - Council departments, 10
 - Building Control
 - Business Improvement
 - Business Support
 - Civil Defence
 - Communications
 - Customer Services
 - Democracy & Assurance
 - District Development
 - District Plan
 - Financial Services
 - Health & Bylaws
 - ICT
 - Infrastructure Development
 - Infrastructure Planning & Capital Works
 - Libraries
 - Māori Relationships
 - Parks & Recreation
 - People & Capability
 - Revenue
 - Strategy
 - Venues & Events Whangarei
 - Water Services
 - Councillors, 8, 9
 - Council premises, 14, 16
 - Council Structure
 - Organisational, 10
 - Political, 8
 - Customer Services, 52
 - cycleways. *See* walking and cycling
- D**
- debt, 7, 15, 69–71
 - Democracy & Assurance, 53
- E**
- Economic Growth, 45–46
 - events. *See* Venues & Events Whangarei
- F**
- Financial Prudence Benchmarks, 67
 - Financial Services, 52
 - Financial Statements, 62–66
 - Statement of Cashflows, 66
 - Statement of Changes in Net Assets / Equity, 63
 - Statement of Comprehensive Revenue and Expense, 62
 - Statement of Financial Position, 64–65
 - Variances to LTP Year Three, 63
 - Financial Strategy, 11
 - Flood Protection & Control Works, 36–37
 - Forecasting Assumptions, 83–86
 - Funding Impact Statement, 20, 89

- G**
Glossary, 101
- H**
Hatea Loop, 14
Hikurangi sewer network, 13, 16
Hikurangi Swamp, 7, 15, 36, 59, 93
Hundertwasser Wairau Maori Arts Centre, 7, 14
- I**
inflation, 7, 14, 15
information technology, 14, 16, 53
Infrastructure Strategy, 11
- K**
Kamo Urban cycleway, 7, 13, 16
- L**
landfills. *See* Solid Waste
Libraries, 14, 40
library upgrades, 14
logging routes, 7, 13
Long Term Plan 2015-25, 6, 11, 13
- M**
Māori Liaison, 8, 12
Māori Relationships, 52
Marsden City Stormwater, 7, 15
Marsden City Wastewater Project, 7, 15
Mayor, 7, 8, 9
Mayor's Message, 7
McCardle Road Sealing, 7, 13, 15, 16
Mission Statement, 2
- N**
New Zealand Transport Agency, 7, 13, 15
Ngunguru foreshore, 14, 16
Northland Transportation Alliance, 10, 13
- O**
One Council. *See* Council premises
Otaika Sports Park, 14
Our Plan at a Glance, 13
- P**
Parihaka Scenic Reserve, 7, 14, 16
Parks & Recreation, 11, 14, 38
pensioner housing, 7, 16. *See also* Community Property
People & Capability, 53
Planning and Development Engineering, 53
Planning & Regulatory Services, 47–51
Pohe Island, 13, 14, 16
Policy & Monitoring, 47
Property (Commercial), 53
- R**
rates, 7, 11, 14–16, 67–71, 89–97
 increases, 7, 15
 Rating Policies, 16
 Rating Structure Review, 15
 Remission and Postponement Policies, 16
Regulatory Services, 50
Reserve Funds, 87–88
Resource Consents, 48
RMA Consents, 10
road sealing, 7, 13, 16
Ruakaka Wastewater Treatment Plant, 7, 15
Ruddell's Water Treatment Plant, 13, 16
- S**
seal extensions. *See* road sealing
Solid Waste, 13, 27–29
Stormwater, 33–35
Strategic Direction, 11
Support Services, 14, 52–61
Sustainable Futures 30/50 Growth Strategy, 11
- T**
Tarewa Park, 13, 16
Te Kārearea, 8, 12
Transportation, 13, 21–23
 subsidies, 7, 15
- V**
Values Statement, 2
Variances to Long Term Plan, 63
Venues & Events Whangarei, 43
- W**
walking and cycling, 7, 13, 14, 16. *See also* Kamo Urban cycleway
Waste & Drainage, 10
waste management. *See* Solid Waste
Wastewater, 13, 30–32
Water, 13, 24–26
Whau Valley Water Treatment Plant, 13, 16
Wright Road sealing, 7, 13, 15, 16



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