



# ANNUAL PLAN 2022-23



# Your Elected Members



## **Mayor Sheryl Mai**

All communications to Her Worship go to the Mayor's personal assistant.

Phone 09 470 3029

Email [mayor@wdc.govt.nz](mailto:mayor@wdc.govt.nz)



## **Councillor Greg Martin**

Hikurangi-Coastal Ward

Home 09 433 5629

Mobile 027 283 6147

Email [Cr.Martin@wdc.govt.nz](mailto:Cr.Martin@wdc.govt.nz)



## **Deputy Mayor Greg Innes**

Whangārei Heads Ward

Mobile 027 495 3382

Email [Cr.Innes@wdc.govt.nz](mailto:Cr.Innes@wdc.govt.nz)



## **Councillor Anna Murphy**

Hikurangi-Coastal Ward

Mobile 022 649 8730

Email [Cr.Murphy@wdc.govt.nz](mailto:Cr.Murphy@wdc.govt.nz)



## **Councillor Shelley Deeming**

Bream Bay Ward

Home 09 432 3779

Mobile 027 275 7330

Email [Cr.Deeming@wdc.govt.nz](mailto:Cr.Deeming@wdc.govt.nz)



## **Councillor Ken Couper**

Bream Bay Ward

Mobile 021 464 069

Email [Cr.Couper@wdc.govt.nz](mailto:Cr.Couper@wdc.govt.nz)



## **Councillor Vince Cocurullo**

Okara Ward

Mobile 021 438 952

Email [Cr.Cocurullo@wdc.govt.nz](mailto:Cr.Cocurullo@wdc.govt.nz)



## **Councillor Jayne Golightly**

Denby Ward

Home 021 186 1989

Mobile 021 348 079

Email [Cr.Golightly@wdc.govt.nz](mailto:Cr.Golightly@wdc.govt.nz)



## **Councillor Tricia Cutforth**

Denby Ward

Mobile 027 287 0366

Home 09 437 3481

Email [Cr.Cutforth@wdc.govt.nz](mailto:Cr.Cutforth@wdc.govt.nz)



## **Councillor Simon Reid**

Mangakahia-Maungatapere Ward

Mobile 021 938 268

Email [Cr.Reid@wdc.govt.nz](mailto:Cr.Reid@wdc.govt.nz)



## **Councillor Gavin Benney**

Denby Ward

Mobile 021 256 0126

Email [Cr.Benney@wdc.govt.nz](mailto:Cr.Benney@wdc.govt.nz)



## **Councillor Carol Peters**

Okara Ward

Home 09 437 0185

Mobile 021 557 498

Email [Cr.Peters@wdc.govt.nz](mailto:Cr.Peters@wdc.govt.nz)



## **Councillor Phil Halse**

Okara Ward

Home 09 430 2251

Mobile 027 303 5671

Email [Cr.Halse@wdc.govt.nz](mailto:Cr.Halse@wdc.govt.nz)



## **Councillor Nicholas Connop**

Okara Ward

Mobile 021 453 912

Email [Cr.Connop@wdc.govt.nz](mailto:Cr.Connop@wdc.govt.nz)



# MIHI

Tēnei au ka piki ngā paringa pā tūwatawata,  
pā maioro o Maunga Parihaka, kia kite atu  
ngā hapū me ngā maunga tapu e.

Ka huri whakaterāwhiti ko taku aro ki te  
kapua hōkaia ki rūnga Maunga Rangitihi.

Ka rere atu au ki te kohu tatao ana i ngā  
kōhatu teitei o Maunga Manaia.

Ka whakarērea te pou o te whare kia tau iho  
rā ki runga Maunga Rangiora.

Ka huri whakautā au kia rere atu ki runga  
Otaika ka tau ki Te Toetoe.

Ka hoki whakatehauāuru ki Maunga  
Tangihua, ki Maunga Whatitiri.

Ka huri whakararo taku titiro ki a Ngāti  
Kahu, ngā uri a Torongare, ko Hurupaki, ko  
Ngārārātunua, ko Parikiora ngā maunga e.

Ka haere whakaterāwhiti ki Maunga  
Maruata me Maunga Pukepoto.

Tēnei ka hoki ki Maunga Parihaka, kātahi au  
ka tau iho e

Ko te wehi kia Ihowa, te timatanga o te  
whakaaro nui, tona ingoa ki a whakapainga

Kia rātou kua wehe ki tua o te Arai, moe mai  
ra koutou, haere haere haere atu ra.

Hoki ngā kōrero ki a tatou te hunga ora

Ngā mihi o te wā kia tatou katoa.

Tēnā koutou, tēnā koutou, tēnā koutou  
katoa

Here I climb the embankments of the great  
fortress Mt Parihaka that I may see my  
tribal kinfolk and their sacred mountains.

Eastward does my gaze turn to the clouds  
pierced by Mt Rangitihi.

Now I fly onwards to the mists suspended  
above the lofty peaks of Mt Manaia.

I flee the post of the house to land upon Mt  
Rangiora.

Then I fly inland passing over Otaika to  
alight at Te Toetoe.

Then I go westward to Mt Tangihua and to  
Mt Whatitiri.

There I look northward to Ngāti Kahu  
the descendants of Torongare Hurupaki,  
Ngārārātunua and Parikiora are their  
mountains.

I turn eastward again, now to Mt Maruata  
and to Mt Pukepoto.

And so, I return to Mt Parihaka to where my  
journey began and now it ends.

Acknowledgements to the lord the  
beginning of wisdom, his name shall  
blessed.

To those that have departed, may you all  
rest eternally, farewell to you all.

I return to us the living and greet us all at  
this time.

Greetings to you all.



# MAYOR'S MESSAGE

## HE KUPU NĀ TE KOROMATUA

### TENA KOUTOU KATOA

Twelve months ago, we set our 10-year plan for creating a more inclusive, resilient and sustainable Whangārei District. Our 2021-31 Long Term Plan (LTP) confirmed the direction and outlined plans for addressing our District's key issues, challenges and opportunities.

We then had to come to terms with the arrival of Omicron – not an easy time for many; though the manaakitanga and flexibility of our community meant that we were able to look after one another, and for the most part, get on with our lives and mahi.

For us at Council, this also meant reviewing and seeking feedback on this year's Annual Plan – making sure it remained relevant as we navigate pandemic impacts, new economic pressures, climate change and upcoming Government reforms.

In response to rising property values across the District, we sought feedback from our community on adjusting how we calculate rates to keep the share of rates paid by property owners in each rating category in line with recent years. Through consultation, we saw support for this adjustment to ensure Whangārei's new property valuations didn't shift a greater rate burden onto lower value properties.

We also sought the community's input on water rates. New Government drinking water requirements have increased the cost for Council to treat and provide water. At the same time, the refinery at Marsden Point changed its operating model, which significantly reduces Council's revenue from water. Following feedback from the community on how to manage the shortfall, Council decided to increase the water consumption charge to \$3.03 per m<sup>3</sup> to make sure our revenue continues to cover outgoings.

We were also able to meet some funding requests from our community, including budget to progress investigations relating to the Forum North site (including a new lyric theatre), more funding for graffiti removal, a new playground at Ōakura Bay, and financial support for residents in Teal Bay to obtain a Northland Regional Council resource consent for sand scraping.

New rates relief for whenua Māori was also introduced following consultation on our 2022 Rates Remission and Postponement Policy for Māori Freehold Land. We will continue our mahi to support the development and occupation of whenua Māori.



Beyond this, our plan for the year ahead remains largely unchanged. We remain committed to investing in and prioritising mahi that will help us manage growth, prepare for climate change, improve roads and other ways of getting around, and revitalise our city centre.

We have much to look forward to over the coming year – stronger partnerships through co-governance of our housing strategy and climate change adaptation work, the introduction of a Māori Ward in the upcoming local government election, an outstanding new destination playground at Pohe Island, improvements to our shared path and cycleway networks, more seal extensions, new skateparks and playgrounds, and investments in our sportsfields.

The last few years have been turbulent; yet the outlook for our District remains bright. Our adaptability, momentum, and the strong whanaungatanga of our community will mean that we'll continue to grow sustainably, preserving what we love about our place, while making sure that we make the most of all the opportunities that come our way.

Ngā mihi nui

*Imai*





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# HOW WE BUILT THIS PLAN

## I PĒHEA MĀTOU TE HANGA O TĒNEI MAHERE



The Annual Plan 2022-23 is Year 2 of our Long Term Plan 2021-31, and is our financial forecast for the next 12 months. It identifies Council's activities, how they will be funded and where budget has been allocated from July 2022 to June 2023. You can read about Council's activities in pages 21 to 90 and the detailed financial information in pages 96-128.

## Our strategic drivers

### OUR VISION

*An inclusive, resilient and sustainable District*

### OUR COMMUNITY OUTCOMES



#### **Efficient and resilient core services**

- it is easy and safe for everyone to travel around the District
- there are opportunities to walk and cycle
- the District is well prepared for growth and can adapt to change
- services are supplied in ways that benefit the environment.



#### **Positive about the future**

- the District has productive land, people and a thriving City Centre
- there is a fair urban/rural balance
- Council has clear, simple documents and rules
- the District embraces new technology and opportunities.



#### **Caring for the environment**

- communities work to keep the environment clean and healthy
- access to the coast is protected
- open spaces in parks and streets are places where nature thrives
- the District is positively adapting to climate change.



#### **Proud to be local**

- the District is neat, tidy and looks attractive
- public areas feel and are safe
- there is always something to do and see
- there are opportunities for people of all abilities, ages and life stages to be active
- all of our cultures are valued and celebrated.

Everything Council does is guided by our four Community Outcomes – these are based on what our community tells us is most important to them.

## THE FOUR WELL-BEINGS

The four well-beings are outlined within the Local Government Act 2002. It sets out that as a council we play a broad role in promoting social, economic, environmental and cultural well-being of our communities. Each well-being is described below.



### ***Social well-being***

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



### ***Environmental well-being***

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



### ***Economic well-being***

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



### ***Cultural well-being***

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



## Partnership with Māori

Whangārei District Council is working towards its vision of enabling Māori participation in decision making. In 2020 the Te Kārearea Strategic Partnership Forum Standing Committee was established after many years of work by hapū and Council. Council also voted to establish one or more Māori wards for the 2022 and 2025 triennial Local Government elections. Partnership with Māori helps us deliver all our collective aspirations for Whangārei – working closely together on decision making, early project planning and programme delivery.



# WHERE WE ARE TODAY

## ĀNEI MĀTOU I TĒNEI WĀ



While we are mainly sticking with what we set out in the LTP, we proposed a few adjustments to the plan in response to some changes in our environment.

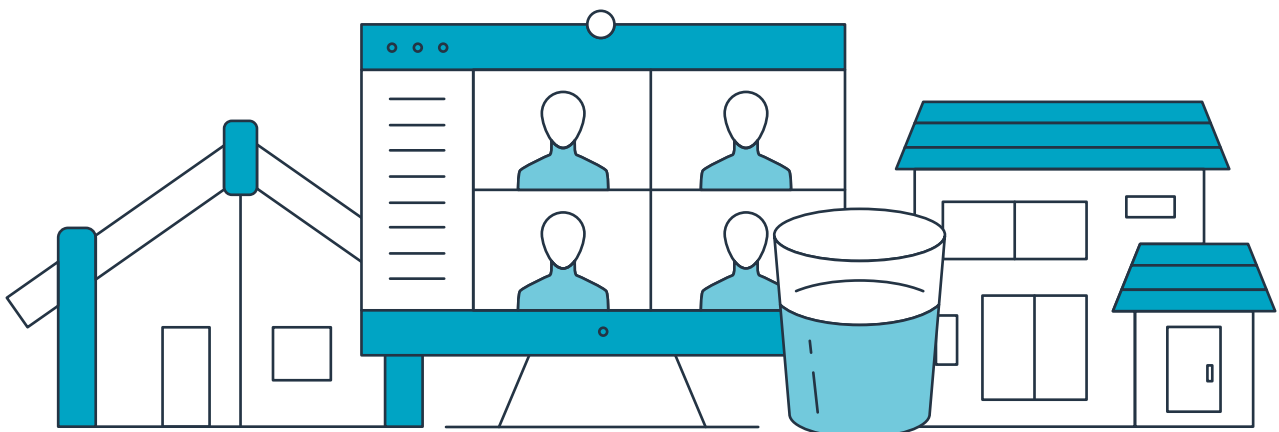
## Consultation and engagement overview

With this year's Annual Plan consultation occurring during the Omicron outbreak, Council ran a digital communications and engagement campaign, which was supported by print media. The online campaign included an explainer video, a webpage, and a print and social media campaign. We also invited our community to engage with us online via two webinars and an online hui.

The main focus of this consultation was some proposed changes to general and water rates. Also included in the Annual Plan consultation process were our proposed Fees and Charges for 2022-23 and our Draft 2022 Rates Remission and Postponement Policy for Māori Freehold Land.

We received 78 submission over the month-long consultation period, which ran from 6 April to 6 May 2022.

All submitters were also invited to speak to their submission at a hearing.





# Changes to general rates

As we built this Annual Plan, we considered some recent changes in our environment. We then asked for feedback from our community on some proposed adjustments to our rates in response to things that have changed around us.

## SIGNIFICANT HOUSE PRICE GROWTH

New Zealand has seen significant house price growth in recent years and Council's three-yearly property revaluations released in 2021 confirmed that property values have risen across all sectors and locations in Whangārei. The share of the general rates that each property owner pays depends in part on their property's land value, compared to that of other properties in the District. That means the way the new valuations affect individuals depends on how their property's land value has changed.

## DOES PROPERTY VALUE GROWTH MEAN THAT COUNCIL COLLECTS MORE RATES?

No. Even if the value of a property has increased significantly, that doesn't mean rates will rise by the same amount. Revaluation doesn't impact the total amount of rates we collect, instead it helps us work out everyone's share of rates.

## IMPACT OF THE 2021 REVALUATION ON RATES

While the total amount of rates collected by Council has not significantly changed from that agreed in the LTP, if a property's land value changes a lot compared to the average change for properties in the same sector (e.g. residential, commercial or rural) this can influence the size of an individual property's rates increase.

In the 2021 general revaluation, land value increases were much higher in some areas than in others. Some of the biggest increases in land values were in areas that have traditionally had lower property values, meaning their rates increase will be higher than the average household. With this in mind, we sought feedback from the community on a proposed adjustment to ensure the distribution of rates is fair and affordable.





## HOW RATES WORK

General rates are made up of two components:

- the Uniform Annual General Charge (UAGC) charged on each separately used or inhabited part of a rating unit; and
- the value-based rate (calculated using the land value of a property).

Typically, the UAGC represents the minimum amount of general rates each ratepayer should contribute to funding Council's services. The higher the UAGC is, the more the rates burden shifts to lower value properties.

We asked our community if they'd like us to adjust the way we calculate the general rates to keep the share of the rates paid by each property owner as fair as possible and more in line with what it's been in recent years.

## WHAT WE ADJUSTED AFTER SEEKING COMMUNITY FEEDBACK

The 2021-31 Long Term Plan determined that the UAGC and the land-value based rate will increase by 2% plus the Local Government Cost Index (inflation rate for councils – LGCI), which is projected to be 2.4% for the 2022-23 financial year. That is a total 4.4% increase in Council's total general rates income.

In response to the impact of rising property prices in the 2021 revaluation, we put forward the option of reducing the UAGC to \$650 in this year's Annual Plan consultation, which would keep more or less the same distribution of general rates across both low and high value properties as what we had in previous years.

Feedback from the community showed support for this change, so Council reduced the 2022-23 UAGC from the \$756 originally set in the LTP to \$650. This counters some of the impacts of the revaluation and help us keep the share of rates paid by each property owner more in line with the share they've paid in recent years.







## Changes to water rates

Our current LTP outlined a proposed water rates increase of inflation/LGCI only. For the 2022-23 financial year this was 2.4%. Since the LTP was adopted, two key changes have occurred. The Government has introduced new drinking water requirements and the refinery at Marsden Point has changed its operating model. Combined these will cause a major shortfall in the funding of our water services, so we proposed an increase in the rate charged per cubic metre of water.

### NEW DRINKING WATER REQUIREMENTS

Taumata Arowai became New Zealand's new and independent water services regulator in November 2021. The new regulator's new drinking water requirements and rules will replace New Zealand's current Drinking Water Standards on 1 July 2022.

Our District's three water systems (wastewater, stormwater and drinking water) are among the most successful in the country, and we welcome the implementation of both the new regulator and the new drinking water requirements, to help ensure safe, reliable, and affordable water services across New Zealand. That said, the new requirements will increase compliance costs for all councils. We will need to invest an extra \$905,000 each year in treating and providing water.

### REDUCED WATER CONSUMPTION

In November 2021, Refining NZ confirmed its decision to change the operating model of the Marsden Point oil refinery. With the refinery being one of the highest water users in the District, this operational change reduces our water income by about \$2.5m each year.

### WHAT WE ADJUSTED FOLLOWING COMMUNITY FEEDBACK

To offset the increased cost of providing drinking water and the loss of income following the new refinery operating model, Council proposed increasing our water consumption charge for a cubic metre of water from \$2.38 (as originally set in the 2021-31 LTP) to \$3.03 in our Annual Plan consultation. Following community support for this option, Council has increased the water consumption charge per cubic metre of water to \$3.03 (including GST) in this year's Annual Plan.

### WHERE DOES THREE WATERS REFORM COME INTO THIS?

The Government is currently working on the Three Waters Reform Programme, which intends to reform local government three waters service delivery arrangements. The reform's effect on our water services are uncertain while we wait for decisions to be made and passed through legislation. This Annual Plan was prepared as if these services will continue to be provided by Council, but future decisions may result in significant changes.



## Other changes made in response to feedback

Extra funding across a small number of areas was added to the Annual Plan in response to community feedback:

- \$200,000 to progress project investigations relating to the Forum North Site, including investigations into a new lyric theatre
- capital funding of \$80,000 in the Annual Plan 2022-23 for a playground at Ōakura Bay
- capital funding of \$20,000 and a one-off \$10,000 grant to the community in Teal Bay to obtain a Northland Regional Council resource consent for sand scraping
- funding of \$50,000 for graffiti removal
- reduce the Hikurangi Swamp Scheme targeted rate to an amount that will provide sufficient revenue to fund the operating and capital expenditure budgeted for the activity in 2022-23 – the targeted rate will be reviewed after the working group explores operating the scheme as a Trust
- bring forward capex budget of \$221k from Year 4 of the LTP into 2022-23 for a new skatepark at Parua Bay.





# Financial adjustments to our operating budget

The starting point for our budget is based on Year 2 of our 2021-31 Long Term Plan. With the ongoing impacts of the COVID-19 pandemic on the economy, local government changes, and activity specific to our District, we have needed to make some adjustments to reflect the environment we are now operating in. Some notable operating income and expenditure adjustments are:

- the metered water rate has increased to offset increased compliance costs from the new drinking water requirements as well as reduced water revenue due to the change in operations of Refining NZ
- the LTP 2021-31 proposed a flood protection rate increase of LGCI (2.4% for the 2023 year); however in response to community feedback and Council deliberations this rate has reduced while the future operation of this scheme is being determined – the rates collected will provide sufficient revenue to fund the operating and capital expenditure budgeted for that activity in the 2022-23 year
- delays in completing our capital works programme during the 2021-22 year have resulted in central government subsidies originally planned to be received in 2021-22 now being pushed out to 2022-23 – this has increased our subsidies and grants revenue
- operational expenditure budgets have been increased where indications were that the LGCI increase of 2.4% was insufficient such as maintenance contracts, insurance, electricity, and personnel costs. Budgets were also increased due to the introduction of new drinking water requirements effective from 1 July 2022.
- our depreciation budget has been increased to reflect higher values we are anticipating as a result of the June 2022 draft asset revaluation
- finance costs are higher than the LTP due to interest rates increasing.

After these changes, we still have a balanced budget and remain within the financial parameters set in the LTP Financial Strategy 2021-31.



## Adjustments we made to our projects budget

The 2021-31 LTP set an ambitious capital expenditure budget and we face an ongoing challenge to deliver our capital works programme.

The LTP projects budget for 2022-23 (Year 2) was set at \$85.8m.

However, this Annual Plan now has a projects budget of \$146.4m as:

- we forecast that in the 2021-22 financial year we will not complete a significant number of projects and these will need to be carried forward and delivered in 2022-23 and beyond instead
- escalating project costs driven by high inflation has increased the value of our projects.



## Central government funding

Council continues to take advantage of Central Government funding available. We have been successful in securing funding from the COVID-19 response, Crown Infrastructure Partners (CIP) programme for 'shovel ready' projects, and Tourism Infrastructure Funding. This has helped to stimulate our local economy.

Council continues to seek additional funding, including considering whether Council will apply for Three Waters 'better off' funding. Given the uncertainty around this funding, additional revenue and project spend has not been included within the budget. If we're successful in securing additional funding, we may need to adjust the timing of projects to incorporate those where other funding is available (i.e. delivering some projects in future years). This would allow us to make the most of any external funding, while still meeting our commitments to our community.



## Local government reforms

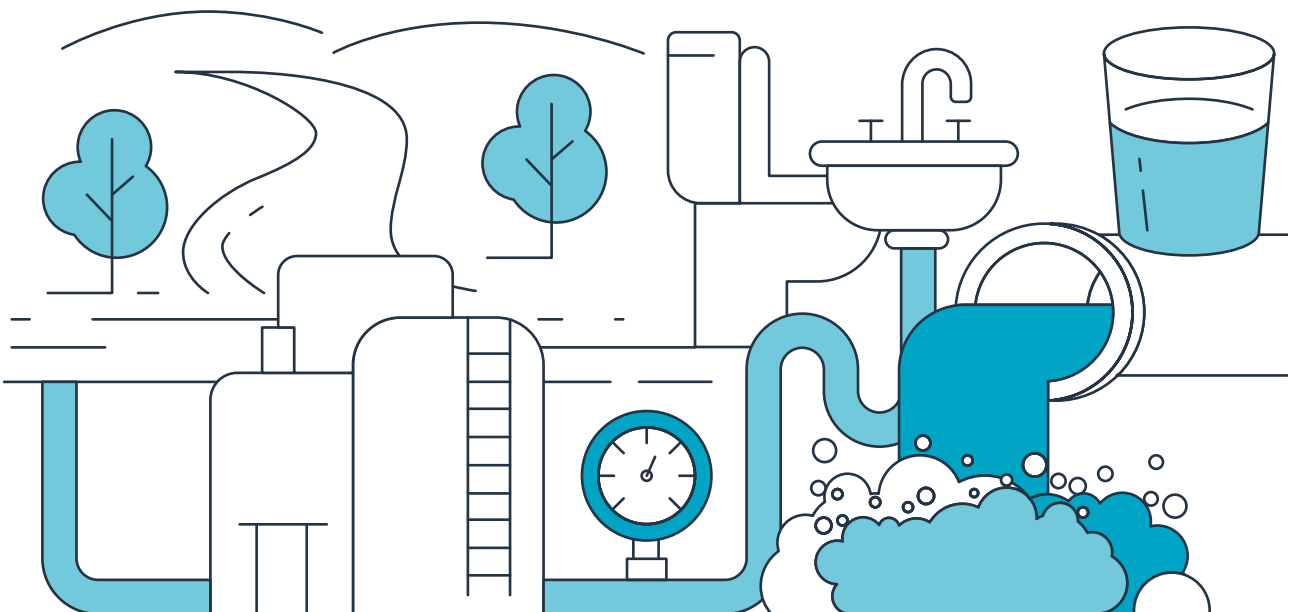
There are three significant reform and review processes currently in progress that will have an impact on local government – Three Waters, Resource Management and the Future for Local Government.

What the reforms have in common are that they aim to achieve better outcomes for communities and the environment, efficiency improvements, and give effect to the principles of Te Tiriti o Waitangi. They are however progressing on different timelines and add to an increasingly complex and uncertain operating environment for local government.

Taken together the reviews and reforms provide considerable opportunity to further the purpose of local government and will fundamentally change the system that local government operates within, including how decisions are made and by whom, what local government does and how it does it, and who local government needs to work with to enable community wellbeing.

In 2021 the Government announced that it would proceed with proposals to change the way three waters are delivered. The proposal is that three waters assets would be removed from councils and all the council's three water assets and any liabilities related to three waters would transfer to an entity. The proposed transfer is currently intended to happen on 1 July 2024.

Similar to our 2021-31 LTP, this Annual Plan takes a 'steady as she goes' approach while the above reforms continue to progress and we gain more certainty about what this means for our Council and the District.





# OUR PLAN AT A GLANCE

## THE WHAKAATURANGA POTO



### Our major projects

Here's a preview of some of the projects set to be delivered by Council this year.



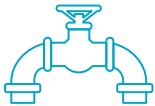
#### **FUTURE PROOFING OUR WATER SUPPLY – POROTĪ WATER TREATMENT PLANT AND KAMO RESERVOIRS**

As part of our drought resilience work, we will be investing in a full upgrade of the Porotī Water Treatment Plant, as well constructing new treated water storage reservoirs for the growing northern part of the city.



#### **WHANGĀREI WASTEWATER TREATMENT PLANT AUGMENTATION WORKS**

To maintain our critical infrastructure and to comply with Resource Consent requirements, we will be upgrading the Whangārei Wastewater Treatment Plant over the course of the LTP.



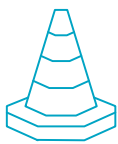
#### **WASTEWATER UPGRADE PROJECTS**

To provide additional capacity in our pipe system for new connections and high rainfall events, we are upgrading in the One Tree Point/Ruakākā and Whangārei Heads areas. We are also upgrading the technology with which we monitor and remotely control our pump stations to avoid overflows and help keep our harbour clean.



#### **MORE MONEY FOR SEALING GRAVEL ROADS**

We're investing more in getting around with an increase of \$47m over our 10-year LTP period for sealing gravel roads. We want to increase our level of service in this area, and better meet the expectations of our communities.



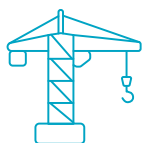
### **PORT RD/KIOREROA RD INTERSECTION IMPROVEMENTS**

A \$6.7m roundabout will be built at the intersection of Port Road and Kioreroa Road to improve traffic flows in a heavily used area. This work builds off the Ministry of Business, Innovation and Employment investment to widen the Port Road Bridge, which is nearing completion. Around 53% of the roundabout has been funded by Waka Kotahi, the rest by Whangārei ratepayers.



### **IMPROVING OUR CYCLEWAY AND SHARED PATH NETWORK**

We have \$37m in our LTP to keep improving our cycleway and shared path network. The final stages of the Raumanga Shared Path are being funded by the Ministry of Business, Innovation and Employment and are currently being designed and constructed. The final stage of Kamo Shared Path is planned, which will take the path right through to Kamo Village.



### **CIVIC CENTRE**

We are constructing a new Civic building in the City Centre, which will provide a welcoming, inclusive and easily accessible customer experience for Whangārei residents. Building this while managing the effects of COVID-19 has been extremely challenging, with significant price increases for the construction sector leading to escalations in our original budget, which we have increased to \$59m to complete the building in line with our latest forecasts.



### **CIVIC PRECINCT**

We are making landscaping improvements to the area surrounding the new Civic Centre (including around the Central Library, Old Library, and Lovers Lane) to ensure there is a cohesive civic precinct that connects the surrounding public spaces and facilities.

The Lovers Lane Bridge, which connects Second Ave to the Civic Centre, Central Library and Rust Ave (which will link the Kamo and Raumanga Shared Paths) is being replaced, as are our stormwater assets in this area.



### **ANIMAL SHELTER**

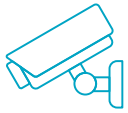
Council will be constructing a new animal shelter facility, which will meet all regulatory requirements, provide a secure, safe and friendly environment and meet increasing demand as the population grows.



### **CIVIL DEFENCE AND EMERGENCY OPERATIONS MANAGEMENT**

Council has provided for increased investment in the renewal and upgrading of tsunami sirens, along with an operational grant for increased space within the Northland Regional Council's Emergency Operations Centre. This facility will provide greater capacity for Northland to respond to any major emergency events, like tsunami or floods.





## **FUNDING FOR COMMUNITY**

We are continuing our investment in community funding. We are also maintaining our Community Led Project budgets in Tikipunga, Maungatapere, Raumaunga, Waipu and Onerahi. Additional funding for CCTV will also be made available.



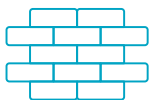
## **POHE ISLAND DEVELOPMENT**

More elements from the William Fraser Memorial Park on Pohe Island Master Plan will be delivered, including a destination playground and new toilets. Bike Northland will also finalise the last elements of the Bike Park hub, including learn to ride and bike skills areas as well as a revamped bike building, more toilets and bike storage.



## **HIKURANGI AND PARUA BAY SKATEPARKS AND RAUMANGA AND ŌAKURA PLAYGROUNDS**

We're gathering feedback from the local community on what they'd like to see in the upcoming refresh of the Hikurangi skatepark, a new skatepark at Parua Bay and new playgrounds at Raumanga Valley Road and Ōakura.



## **NGUNGURU SEAWALL REPLACEMENT**

We are investing in climate adaption and replacing the Ngunguru seawall, which is designed to be modified in response to rising sea levels.



## **SPORTSFIELDS**

We are working with the Ministry of Education to develop a community sportsfield at Parua Bay. We are also developing two new fields at Ruakākā and providing further support to the Tikipunga Football Hub.



## **OLD MUNICIPAL BUILDING**

Work is planned to repair the Old Municipal Building following the 2019 fire. We'll be reinstating all fire damaged areas, replacing the roof, completing seismic strengthening, and redesigning the layout to improve accessibility and meeting spaces, as well as installing a lift to allow better access to the upper floor.



## **RUGBY WORLD CUP 2021 (NOW PLAYING IN 2022)**

Whangārei and Auckland were partners in the successful bid by New Zealand Rugby for Rugby World Cup 2021. The tournament will take place between 8 October and 12 November 2022 with the Northland Events Centre hosting a number of matches, including two quarter finals.



## **INVESTMENTS IN OUR LIBRARIES**

Over \$900k has been budgeted for library resources, including book and eBook purchases and IT system upgrades and equipment.



## Our finances

### WHAT WE SAID IN THE LTP



**\$85.8  
million**

Capital works programme

(note this includes some opex)



**64%**

of capex focused on core  
infrastructure



**\$185.2  
million**

Operational revenues



**\$168.9  
million**

Operational spending



**\$211.9  
million**

External net debt



**4.5%**

General rates rise

### WHAT WE PLAN NOW



**\$146.4  
million**

Capital works programme

Our increased capital works programme includes projects that were carried forward from the 2021-22 financial year. This figure also reflects escalating project costs driven by high inflation.

(note this includes some opex)



**56%**

of capex focused on core  
infrastructure



**\$202.0  
million**

Operational revenues



**\$180.5  
million**

Operational spending



**\$201.8  
million**

External net debt



**4.4%**

General rates rise



# COUNCIL ACTIVITIES

## NGĀ MAHI O TE KAUNIHERA

### Introduction

#### WHAT DOES THIS SECTION INCLUDE?

The information provided about each of the activities includes:

- purpose and strategic fit across the organisation
- how the activity contributes to our Community Outcomes
- how the activity aligns with social, economic, environmental and cultural well-beings
- Levels of Service (what Council will provide and to what extent)
- performance measures and targets (these will be used to report Council's achievements back to the community each year in the Annual Report – they're how you will be able to tell whether we have done what we said we would do)
- the money we have budgeted for the activity
- the capital projects associated with the activity.



## OUR ACTIVITIES

The work that Council does has been grouped into 10 key activities.

Activity	What it covers
 <b>1. Transportation</b>	Integrated transport system, public transport infrastructure, walking and cycling, carparking
 <b>2. Water</b>	Water quality and safety and resilience of supply
 <b>3. Solid Waste</b>	Waste minimisation, collection and disposal
 <b>4. Wastewater</b>	Wastewater network and treatment
 <b>5. Stormwater</b>	Stormwater management and freshwater quality and catchment planning
 <b>6. Flood Protection</b>	Hikurangi Flood Protection Scheme
 <b>7. Community Facilities and Service</b>	
 <b>Parks and Recreation</b>	Sports and active recreation, playgrounds, walking tracks, natural areas, cemeteries and public toilet facilities
 <b>Libraries</b>	Public libraries
 <b>Community Property</b>	Pensioner housing and community halls
 <b>Community Development</b>	Community-led development, grants and community funding, community safety and advisory groups
 <b>Venues and Events</b>	Council-owned venues and events
 <b>Customer Services</b>	Contact centres and visitor information centre
 <b>Civil Defence</b>	Civil defence response

Activity	What it covers	
 <b>8. Planning and Regulatory Services</b>		
 <b>District Planning</b>	District Plan	
 <b>Resource Consents</b>	Resource consents and consent monitoring	
 <b>Building Control</b>	Building control, Project Information Memorandums and Land Information Memorandums	
 <b>Health and Bylaws</b>	Environmental health and bylaw enforcement	
 <b>9. Governance and Strategy</b>		
 <b>Democracy and Assurance</b>	Democracy, legal support and assurance and risk	
 <b>Strategy</b>	Strategy development, place-based planning, statutory policies and bylaws and corporate planning	
 <b>Māori Relationships</b>	Relationships with hapū and iwi	
 <b>District Development</b>	Economic development, destination marketing and commercial property	
 <b>10. Support Services</b>	Finance services, rates and revenue, people and capability, information and communications technology (ICT), communications and business support	

# Prospective Summary Funding Impact Statement

		\$'000		
LTP Year 1 2021-22		Annual Plan 2022-23	LTP Year 2 2022-23	Variance
<b>Sources of Operating Funding</b>				
73,194	General rates, uniform annual general charges, rates penalties	78,124	77,180	944
37,839	Targeted rates	40,019	39,776	243
8,071	Subsidies and grants for operating purposes	8,400	8,408	(8)
16,315	Fees and charges	17,027	16,715	312
1,696	Interest and dividends from investments	2,283	1,630	653
9,333	Local authorities fuel tax, fines, infringement fees and other receipts	9,123	9,307	(184)
<b>146,448</b>	<b>Total Operating Funding</b>	<b>154,976</b>	<b>153,015</b>	<b>1,960</b>
<b>Applications of Operating Funding</b>				
109,251	Payments to staff and suppliers	117,987	111,123	6,864
5,588	Finance Costs	8,992	7,059	1,934
-	Other operating funding applications	-	-	-
<b>114,839</b>	<b>Total Applications of Operating Funding</b>	<b>126,979</b>	<b>118,181</b>	<b>8,798</b>
<b>31,610</b>	<b>Surplus / (Deficit) of Operating Funding</b>	<b>27,997</b>	<b>34,834</b>	<b>(6,837)</b>
<b>Sources of Capital Funding</b>				
41,083	Subsidies and grants for capital expenditure	31,541	16,691	14,850
7,078	Development and financial contributions	7,078	7,078	-
33,317	Increase / (decrease) in debt	42,000	29,511	12,489
-	Gross proceeds from sale of assets	-	-	-
-	Other dedicated capital funding	-	-	-
-	Lump sum contributions	-	-	-
<b>81,477</b>	<b>Total Sources of Capital Funding</b>	<b>80,619</b>	<b>53,279</b>	<b>27,339</b>

\$000

LTP Year 1 2021-22		Annual Plan 2022-23	LTP Year 2 2022-23	Variance
Applications of Capital Funding				
Capital expenditure				
26,233	to meet additional demand	23,822	13,853	9,969
70,428	to improve levels of service	74,614	37,442	37,172
35,900	to replace existing assets	44,332	32,511	11,821
(19,474)	Increase / (decrease) in reserves	(34,152)	4,308	(38,460)
-	Increase / (decrease) of investments	-	-	-
113,087	Total Applications of Capital Funding	108,616	88,114	20,502
(31,610)	Surplus / (Deficit) of Capital Funding	(27,997)	(34,834)	6,837
-	Funding Balance	-	-	-



# Reconciliation between Prospective Statement of Comprehensive Revenue and Expenditure and Prospective Summary Funding Impact Statement

		\$000		
LTP Year 1 2021-22		Annual Plan 2022-23	LTP Year 2 2022-23	Variance
40,079	Surplus / (deficit) after taxation per Prospective Statement of Comprehensive Revenue and Expenditure	21,542	16,281	5,261
Items recognised as revenue in the Prospective Statement of Comprehensive Revenue and Expenditure and as capital expenditure funding sources in the Prospective Summary Funding Impact Statement:				
(41,083)	Subsidies and grants for capital expenditure	(31,541)	(16,691)	(14,850)
(7,078)	Development and financial contributions	(7,078)	(7,078)	-
Non-cash items recognised in the Prospective Statement of Comprehensive Revenue and Expenditure and not included in the Prospective Summary Funding Impact Statement:				
47,891	Depreciation and amortisation	53,479	50,726	2,753
(8,199)	Vested asset revenue	(8,405)	(8,404)	(1)
31,610	Surplus / (Deficit) of Operating Funding per Council Prospective Summary Funding Impact Statement	27,997	34,834	(6,837)



# 1. Transportation

## PURPOSE AND STRATEGIC FIT

The ease of movement of people and goods is of critical importance to our District. The way we move supports economic transactions, growth and development, social cohesion, health and the day-to-day running of our communities. It is one of the most important functions we provide and has been identified by our Council as one of the key strategic drivers for this Long Term Plan.

Strategically, as a core service it is important that our transport network is efficient and provides choice. As our District continues to grow, walking, cycling and public transport infrastructure will become more important.



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 our District and we are responsible for planning, creating, operating, maintaining and rehabilitating all roads (except State Highways) in a financially responsible manner.

## POTENTIAL NEGATIVE EFFECTS

Transportation activities contribute to various negative environmental effects including water quality, air quality, noise and safety-related issues. However, all activities are undertaken in accordance with environmental standards. We invest in walking and cycling across the District to help reduce some of these impacts.



## CONTRIBUTION TO THE FOUR WELL-BEINGS

A well-functioning, safe and integrated transport system makes an important contribution across all four well beings:

Key Transportation functions	Contribution to social, economic, environmental, and cultural well-being
<b>INFRASTRUCTURE FOR PUBLIC TRANSPORT, WALKING AND CYCLING</b>   	Active transport improves health (physical and mental) which supports social wellbeing.  Reduction in pollution and Greenhouse Gas emissions contributes to our environmental wellbeing.  More travel options for people to get to work, education and services supports both social and economic wellbeing.

Key Transportation functions	Contribution to social, economic, environmental, and cultural well-being
<b>INTEGRATED TRANSPORT SYSTEM</b> 	<p>Transportation is aligned with and supports growth and development. Provides access to places of work and education. Access to community assets and places of cultural importance including marae.</p>
<b>FREIGHT NETWORK AND THE MOVEMENT OF GOODS</b> 	<p>Ease and efficient movement of goods support economic activity. This also support existing local businesses and helps attract new businesses to our District.</p>
<b>SAFE TRANSPORT OPTIONS</b> 	<p>Reduced accidents and death which supports all four well-beings.</p> <p>A safer transport system will encourage more people to walk and cycle which support social, environmental and economic well being.</p>

## CONTRIBUTION TO COMMUNITY OUTCOMES

High contribution	Medium contribution
 <b>EFFICIENT AND RESILIENT CORE SERVICES</b> <p>Provide a transportation network that enables a range of transport options to facilitate easy and safe travel around our District.</p> <p>Transport networks are managed and planned in a way that ensures it aligns with our District's growth and is supplied in an efficient way.</p>	 <b>CARING FOR THE ENVIRONMENT</b> <p>Future transport infrastructure will recognise the need to adapt to effects of climate change.</p> <p>Walking and cycling can help to protect our environment.</p>

**POSITIVE ABOUT THE FUTURE**

Our transport network is of strategic importance to our future prosperity. Our transport networks are used by residents to and from work, by business to transport goods and by visitors to travel around our District.

**PROUD TO BE LOCAL**

Maintenance of our local streets helps our District look neat and tidy. The quality design of our streets can make our District safe and more attractive.

**LEVELS OF SERVICE**

 Mandatory performance measures

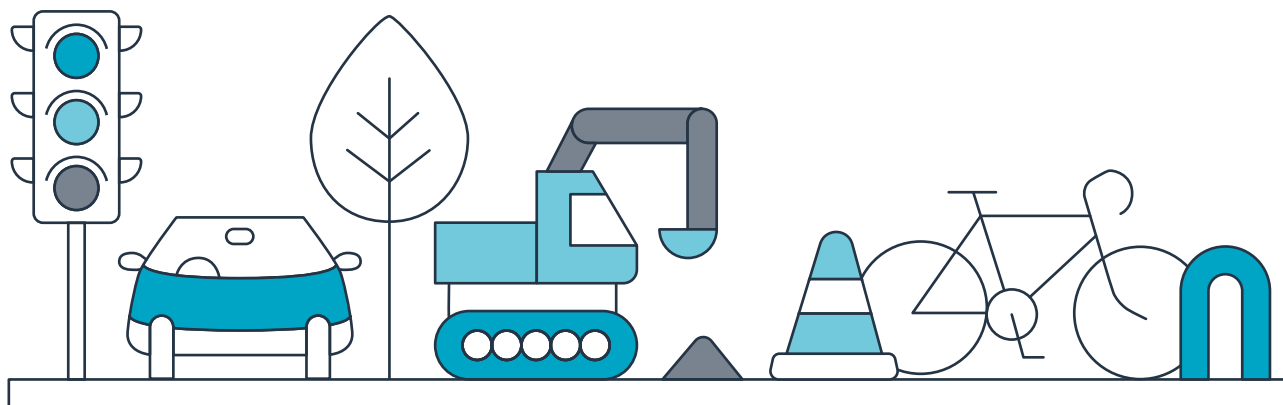
**1.1 Our District's roading network will be maintained in a satisfactory condition and in accordance with national safety and engineering standards.**

Performance measure	2021-22 target	2022-23 target	2023-24 target	2024-31 target
1.1.1 The change from the previous financial year in the number of fatalities and serious injury crashes on local road network, expressed as a number.*	≤0	≤0	≤0	≤0
1.1.2 The average quality of a ride on a sealed local road network, measured by smooth travel exposure.	≥85%	≥85%	≥85%	≥85%
1.1.3 The percentage of the sealed local road network that is resurfaced.	≥9%	≥9%	≥8%	≥8%

Performance measure	2021-22 target	2022-23 target	2023-24 target	2024-31 target
1.1.4 The maintenance of the roads meet Council's level of service targets as specified in our road maintenance contracts.	≥85%	≥85%	≥85%	≥85%
1.1.5 The percentage of the sealed local road network that is rehabilitated.	≥0.4%	≥0.4%	≥0.5%	≥0.5%
1.1.6 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.	≥95%	≥95%	≥95%	≥95%

## 1.2 We will support alternative transport methods.

Performance measure	2021-22 target	2022-23 target	2023-24 target	2024-31 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, Activity Management Plan, Asset Management Plan, annual works programme or LTP).	≥ 90% in fair or better condition	≥ 90% in fair or better condition	≥ 90% in fair or better condition	≥ 90% in fair or better condition





## 2. Water



### PURPOSE AND STRATEGIC FIT

We provide fresh, clean, healthy water to our District. This core service is essential for the wellbeing of our District. Our water supply provides water for households to drink and use and it 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. The water is delivered via a network of treatment plants, reservoirs, pump stations and pipelines.

Strategically, the focus for the future is on the quality and resilience of this service. We provide water that meets the necessary Ministry of Health standards. We also ensure our water supply is resilient to change through water efficiency programmes and infrastructure upgrades.

Increased periods of drought in the future have a potential impact on Whangārei's water supply at the same time our population and demand for water is likely to continue to grow. Climate change risk assessments will inform adaptive planning and designs in our asset's development and upgrades.








### POTENTIAL NEGATIVE EFFECTS

Provision of water can contribute to various negative environmental effects through the abstraction of water from bores and dams. However, all activities are undertaken in accordance with environmental standards. We invest in new technology and methods to assist in reducing some of these environmental impacts.






# CONTRIBUTION TO THE FOUR WELL-BEINGS

Water quality and resilient makes an important contribution across all four well beings:

Key Water functions	Contribution to social, economic, environmental, and cultural well-being
<b>WATER QUALITY AND SAFETY</b>   	<p>Safe drinking water is essential for community health across the District.</p> <p>Environmental standards help protect environmental and cultural well-being.</p>
<b>RESILIENCE OF SUPPLY</b>    	<p>A resilient supply helps support community health and wellbeing, particularly in periods of drought. Resilience is also necessary to support economic activity including industry and agriculture.</p> <p>Water efficiency and limiting water takes can support cultural, environmental and economic well-being.</p>

# CONTRIBUTION TO COMMUNITY OUTCOMES

High contribution
 <b>EFFICIENT AND RESILIENT CORE SERVICES</b> <p>The provision of water is a core service. It supports our communities and our commercial, industrial and agricultural activities.</p> <p>Water is supplied in a planned, managed and efficient way to ensure it aligns with our District’s growth.</p>
 <b>CARING FOR THE ENVIRONMENT</b> <p>The management of our water supply can support a clean and healthy environment through initiatives such as water conservation.</p>
 <b>POSITIVE ABOUT THE FUTURE</b> <p>New technology will be used to monitor to the quality of our drinking water.</p> <p>The provision of water to appropriate locations across urban and rural areas of our District enables productivity,</p>



## LEVELS OF SERVICE

### Mandatory performance measures

#### 2.1 We provide safe, high-quality drinking water to all our customers

Performance measure	2021-22 target	2022-23 target	2023-24 target	2024-31 target
2.1.1 Whangārei District's four water supply areas have approved Water Safety Plans as determined by a Ministry of Health drinking water assessor.	4	4	4	4
2.1.2 Compliance with the 2005 New Zealand Drinking Water Standards' requirements for bacterial monitoring.	100%	100%	100%	100%
2.1.3 Residents satisfaction with the water quality provided by Council (Recorded through the Residents Survey).	≥90%	≥90%	≥90%	≥90%
2.1.4 The extent to which the local authority's drinking water supply complies with: (a) part 4 of the drinking-water standards (bacteria compliance criteria), and (b) part 5 of the drinking-water standards (protozoal compliance criteria).	Fully complies	Fully complies	Fully complies	Fully complies
2.1.5 The total number of complaints received by the local authority 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.	≤17	≤17	≤17	≤17



Performance measure	2021-22 target	2022-23 target	2023-24 target	2024-31 target
2.1.6 Where the local authority (LA) attends a callout in response to a fault or unplanned interruption to its networked reticulation system, the following median response times measured:				
(a) attendance for urgent callouts: from the time the LA received notification to the time service personnel reach the site	≤ less than 1hr	≤ less than 1hr	≤ less than 1hr	≤ less than 1hr
(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	≤ less than 4hrs	≤ less than 4hrs	≤ less than 4hrs	≤ less than 4hrs
c) attendance for non-urgent callouts: from the time that the LA receives notification to the time that the LA receives notification to the time that service personnel reach the site; and	≤ less than 12hrs	≤ less than 12hrs	≤ less than 12hrs	≤ less than 12hrs
(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.	≤ less than 24 hrs	≤ less than 24 hrs	≤ less than 24 hrs	≤ less than 24 hrs

## 2.2 The water supplied is continuous and is adequate for customers' use.

Performance measure	2021-22 target	2022-23 target	2023-24 target	2024-31 target
2.2.1 Residents satisfaction with the water flow and pressure provided by Council. (Recorded through the Residents Survey).	≥90%	≥90%	≥90%	≥90%

### 2.3 In times of emergency there is adequate water supply available.

Performance measure	2021-22 target	2022-23 target	2023-24 target	2024-31 target
2.3.1 Whangārei City Water Supply Area can meet a one in 50-year drought (based on 2009-10 event data adjusted for growth and losses).	≥81%	≥81%	≥79%	≥79%
2.3.2 Water restrictions imposed due to drought (less than one in 50 years).	0	0	0	0

### 2.4 We manage the water supply system in a sustainable way that also caters for growth.

Performance measure	2021-22 target	2022-23 target	2023-24 target	2024-31 target
2.4.1 Residents in our District annually adopt water conservation techniques in their homes and/or businesses (Recorded through the Residents Survey).	≥65%	≥65%	≥65%	≥65%
2.4.2 The percentage of real water loss from the local authority's networked reticulation system (including a description of the methodology used to calculate this). WaterNZ Benchloss	≤ Less than 25%	≤ Less than 25%	≤ Less than 25%	≤ Less than 25%
2.4.3 The average consumption of drinking water per day per resident within the territorial authority district.	≤ Less than 500 litres	≤ Less than 500 litres	≤ Less than 500 litres	≤ Less than 500 litres

*Note: At the time of preparing this Annual Plan, performance measures as a result of the new Drinking Water requirements had not yet been finalised by Taumata Arowai . As a result, the performance measures included are those adopted as part of the 2021-31 Long Term Plan.*





## 3. Solid waste

### PURPOSE AND STRATEGIC FIT

We collect, process, dispose of and recycle solid waste in our District. Whangarei District Council is bound by legislation to ensure that our solid waste is managed in an effective and efficient manner reducing any potential environmental impact and protecting the public health.

Council's responsibilities for solid waste management come from the Waste Minimisation Act 2008. The District's Waste Management and Minimisation Plan was adopted by Council in 2017. The vision statement in the Plan is: "To deliver community benefits and work towards zero waste to landfill. Whangārei businesses and households will be provided with efficient and effective waste minimisation and management services that recognise waste as a resource."

Waste management and minimisation play an important role for the ongoing sustainability of our District. Waste minimisation, as part of broader sustainability outcomes, was identified as key priority for this Long Term Plan. Our aim is to provide Whangārei District with efficient, effective and safe solid waste services which reduce the quantity of waste generated and discarded, protect public health and protect the environment.

As individuals, communities, companies and governments develop new approaches to managing waste and resources, Council will need to continue to support and influence these developments and react to the changes in the market or in legislation.



## POTENTIAL NEGATIVE EFFECTS

Waste can have negative effects on air, land and water. To mitigate these effects, we comply with consents relating to the operation of our transfer station network. The volumes of rubbish disposed of are minimised through effective recycling.

If not appropriately collected and disposed of, solid waste can have significant negative effects on public health. To mitigate negative effects, Council has a reliable collection service and transfer station network available across our District.

## CONTRIBUTION TO THE FOUR WELL-BEINGS

The management of solid waste plays an important contribution across all four well beings:

Key Solid Waste functions	Contribution to social, economic, environmental, and cultural well-being
<b>WASTE MINIMISATION</b>    	Waste minimisation and recycling help reduce the potential adverse effects of waste on our environment.  Waste minimisation and circular economy principles can have positive economic, social and cultural outcomes.
<b>WASTE COLLECTION AND DISPOSAL</b>   	Safe collection and disposal of waste supports community health and environmental outcomes.  The management of waste is an important service for local businesses and industry contributing to economic well-being.

## CONTRIBUTION TO COMMUNITY OUTCOMES

High contribution	Medium contribution
 <b>CARING FOR THE ENVIRONMENT</b>  Waste minimisation, recycling and waste collection limits potential adverse effects on our environment.	 <b>EFFICIENT AND RESILIENT CORE SERVICES</b>  Council and its partners provide waste management infrastructure and services for the District including providing a network of rubbish and recycling transfer stations, landfill.
 <b>PROUD TO BE LOCAL</b>  A clean environment across our District is vital to our wellbeing as well as our attractiveness to visitors and investors.	



## LEVELS OF SERVICE

### Mandatory performance measures

#### **3.1 Council will provide kerbside waste and recycling collection services and transfer stations will be operated throughout our District.**

Performance measure	2021-22 target	2022-23 target	2023-24 target	2024-31 target
3.1.1 Residents satisfaction with solid waste collection and recycling services and transfer stations (Recorded through the Residents Survey).	≥85%	≥85%	≥85%	≥85%

#### **3.2 Council will foster waste minimisation by supporting recycling and waste reduction practices.**

Performance measure	2021-22 target	2022-23 target	2023-24 target	2024-31 target
3.2.1 To reduce waste disposed of to landfill to below 500 kg per person.	<500	<500	<500	<500
3.2.2 To recycle at least 35% of waste collected at the roadside from households.	≥35%	≥35%	≥35%	≥35%
3.2.3 Council will recycle, compost or reuse at least 50% of materials at transfer stations.	≥50%	≥50%	≥50%	≥50%

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

Performance measure	2021-22 target	2022-23 target	2023-24 target	2024-31 target
3.3.1 Residents satisfaction with litter control. (Recorded through the Residents Survey).	≥75%	≥75%	≥75%	≥75%



## 4. Wastewater

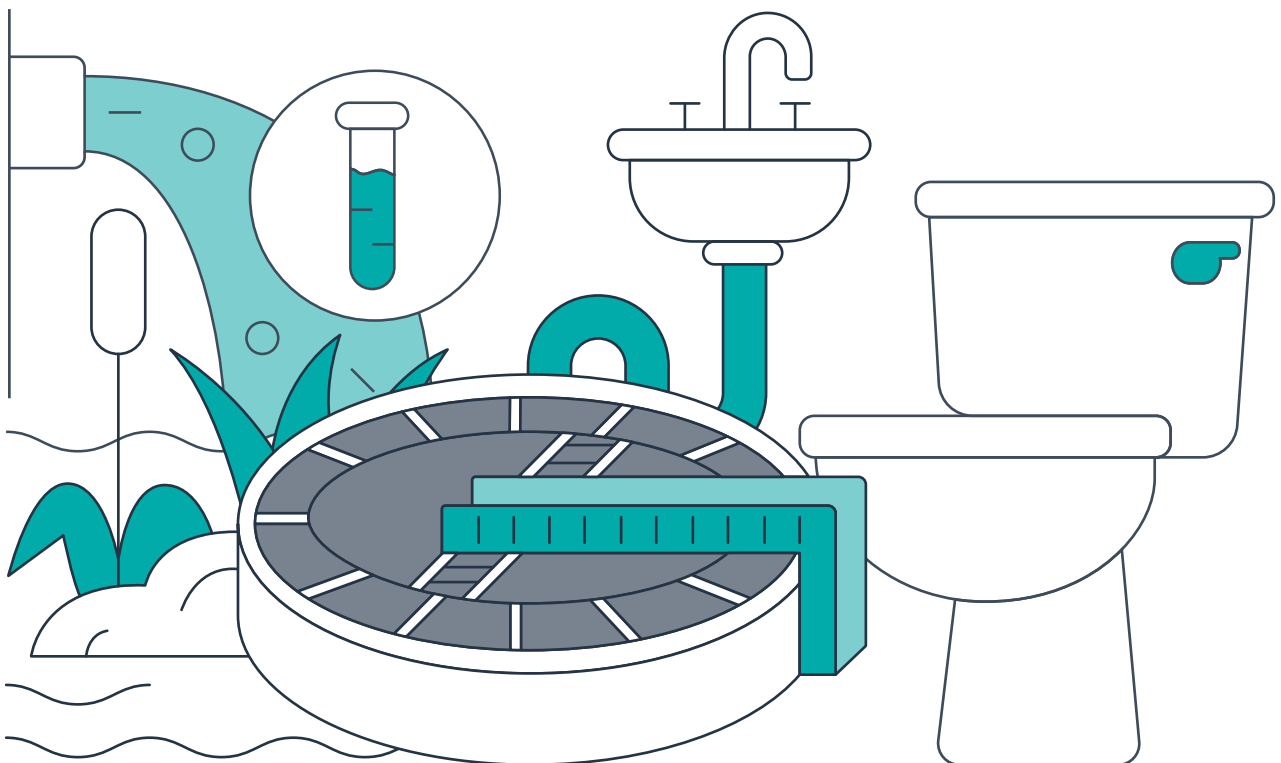
### PURPOSE AND STRATEGIC FIT

Wastewater management is a core service that keeps our communities safe, healthy and clean. Strategically, this is an essential service for the overall well-being of our community.

Collectively, our population produces a large amount of wastewater every year. Our job is to maintain 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 of the environment.

Our wastewater network comprises wastewater systems and treatment plants and processes wastewater from over 23,000 connections across our District. We also provide a network of public toilets that contribute to the wellbeing of visitors as well as the local community.

Increasing average temperatures and changes to rainfall patterns will increase pressure on the wastewater network and treatment infrastructure. Coastal hazards will also impact Council's low-lying assets in the wastewater network. We also understand we have a responsibility to manage these risks and protect natural environment and communities. Our climate change risk assessment will inform adaptation opportunities in our wastewater activities.





# POTENTIAL NEGATIVE EFFECTS




Sewage discharges to air, land and water affect the receiving environment and public health. Council has invested in targeted programmes to prevent and mitigate the effects of treated and untreated sewage discharges. Compliance with resource consent conditions ensures adverse effects to the environment are avoided, mitigated or remedied.

# CONTRIBUTION TO THE FOUR WELL-BEINGS

The management of wastewater plays an important contribution across all four well beings:

Key Wastewater functions	Contribution to social, economic, environmental, and cultural well-being
<b>WASTEWATER NETWORK</b> 	The collection of wastewater is essential for the health of our communities as well as supporting economic activity.
<b>WASTEWATER TREATMENT</b> 	Safe treatment of wastewater that meets environmental, public health and Resource Management Act requirements is essential for both cultural and environmental outcomes.

# CONTRIBUTION TO COMMUNITY OUTCOMES

High contribution	Medium contribution
 <b>EFFICIENT AND RESILIENT CORE SERVICES</b> <p>The management of wastewater is a core service. It supports our communities, our commercial, industrial and agricultural activities and aligns with our District’s growth.</p> <p>Wastewater is managed and planned in a way that is efficient and is able to withstand large rainfall events.</p>	 <b>POSITIVE ABOUT THE FUTURE</b> <p>New technology will be used at our wastewater treatment plants, including waste-to-energy processes.</p> <p>The management of wastewater in appropriate locations across urban and rural areas of our District enables productivity.</p>
 <b>CARING FOR THE ENVIRONMENT</b> <p>Managing wastewater to agreed standards, with discharges from wastewater treatment plants having no detrimental environmental impact.</p>	



## LEVELS OF SERVICE

### Mandatory performance measures

**4.1 In defined areas, 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	2021-22 target	2022-23 target	2023-24 target	2024-31 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 received by the territorial authority in relation those resource consents.	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.	≤1.35	≤1.35	≤1.35	≤1.35
4.1.3 Residents' satisfaction with the wastewater network and treatment (Recorded through the Residents Survey).	≥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.	≤20	≤20	≤20	≤20



Performance measure	2021-22 target	2022-23 target	2023-24 target	2024-31 target
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:				
(a) attendance time: from the time that the TA receives notification to the time that service personnel reach the site; and	≤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.	≤7 hr	≤7 hr	≤7 hr	≤7 hr





## 5. Stormwater

### PURPOSE AND STRATEGIC FIT

Our stormwater network prevents flooding. Stormwater management is a core service and needs to align with the following legislative requirements:

- assess, from a public health perspective, the adequacy of stormwater services available to communities – this includes the actual or potential consequences of discharges
- preparing catchment management plans in accordance with the Northland Regional Plan
- adhering to the freshwater quality objectives of the Northland Regional Plan.

The appropriate management of stormwater is important to ensure the resilience of our communities and the success of our economy.

A changing climate will result in an increase in the number and severity of storms and rainfall events. These will put pressure on our stormwater networks. Our climate change risk assessment will help inform our investment in stormwater infrastructure.







### POTENTIAL NEGATIVE EFFECTS





Inadequate stormwater services have the potential to increase flood damage to property, incurring costs and elevated insurance premiums. This can be mitigated through identification of flood-susceptible land through catchment management and District Plans.

Insufficient treatment of stormwater has the potential to adversely affect our environment. This can be addressed through resource consents for stormwater discharges being monitored for compliance against consent conditions. Catchment management plans and environmental engineering standards identify issues and specify treatment, respectively, in relation to the stormwater activities.




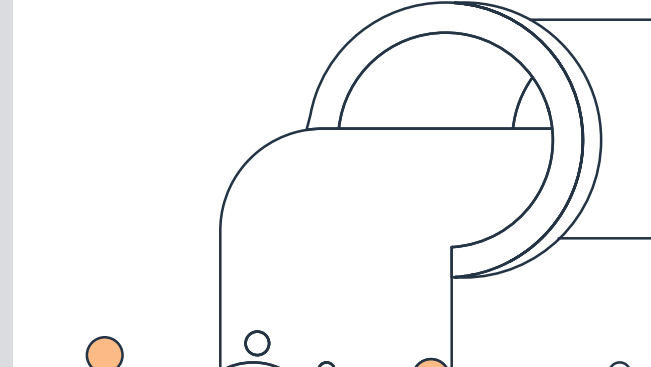
### CONTRIBUTION TO THE FOUR WELL-BEINGS

The management of stormwater makes an important contribution across all four well beings:

Key Stormwater functions	Contribution social, economic, environmental, and cultural well-being
<b>STORMWATER MANAGEMENT</b>    	The management of stormwater is essential to protect against flood damage. Flooding can cause loss of life and property. Therefore, this activity is essential in relation to all four well-beings.

Key Stormwater functions	Contribution social, economic, environmental, and cultural well-being
<b>FRESHWATER QUALITY AND CATCHMENT PLANNING</b>    	<p>Catchment planning supports our biodiversity and water quality and therefore our environmental and cultural wellbeing.</p> <p>A healthy water and marine environment also supports economic and social well-being, through tourism and water based activities.</p>

## CONTRIBUTION TO COMMUNITY OUTCOMES

High contribution	Medium contribution
 <b>EFFICIENT AND RESILIENT CORE SERVICES</b> <p>The management of stormwater is a core service. It supports our communities, our commercial, industrial and agricultural activities and aligns with our District's growth.</p> <p>Stormwater is managed in a way that is efficient and climate change rainfall events and sea level rise is planned for.</p>	 <b>POSITIVE ABOUT THE FUTURE</b> <p>The management of stormwater in appropriate locations across urban and rural areas of our District enables productivity.</p>
 <b>CARING FOR THE ENVIRONMENT</b> <p>Investment into infrastructure and natural systems seeks to minimise environmental effects of stormwater run-off into our waterways.</p> <p>Stormwater water management through catchment management plans, resource consents and engineering standards mitigate and manage potential adverse environmental effects.</p>	

## LEVELS OF SERVICE

### Mandatory performance measures

#### 5.1 Council will manage the stormwater network to minimise flood risks within defined service areas.

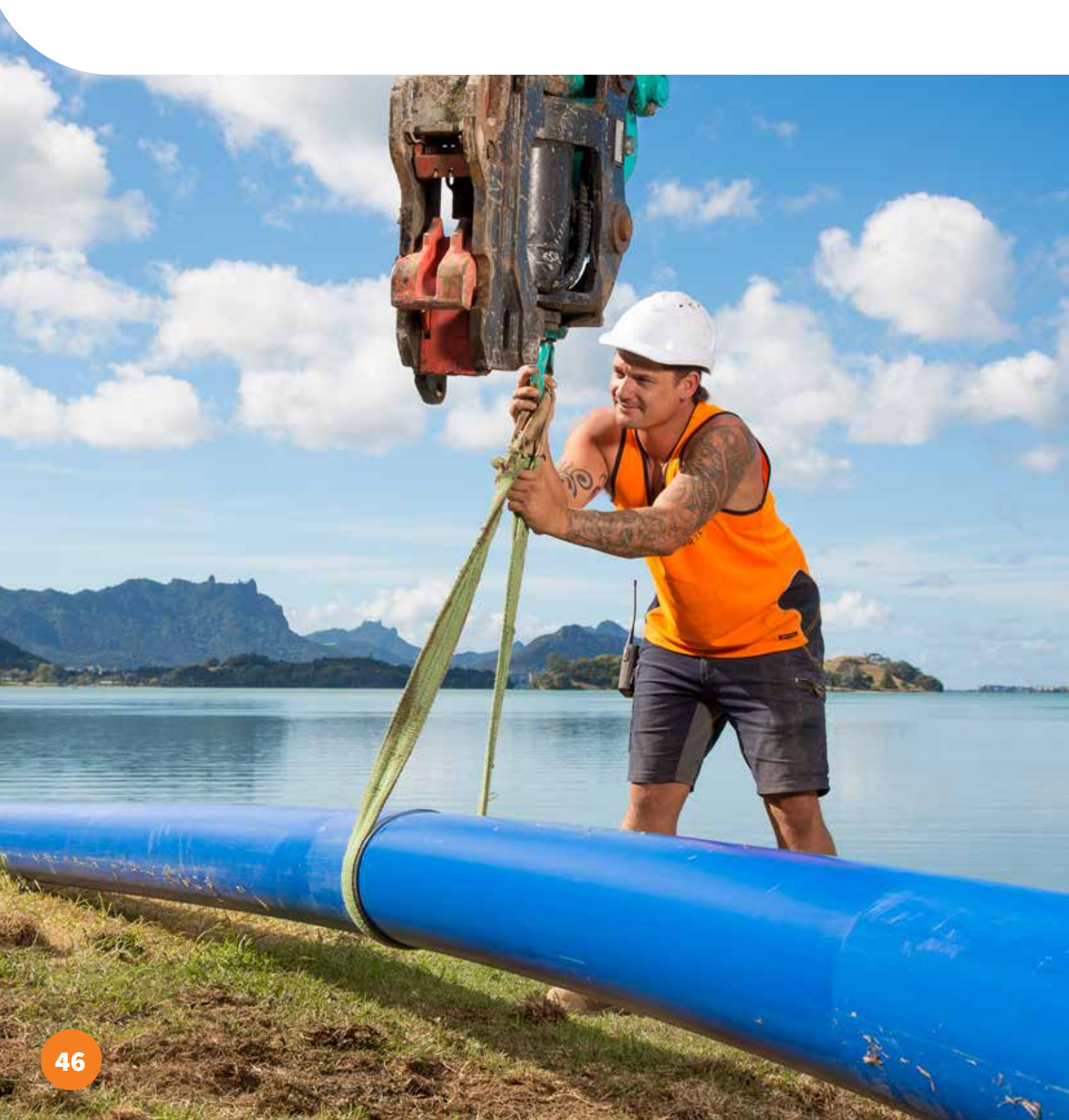
Performance measure	2021-22 target	2022-23 target	2023-24 target	2024-31 target
5.1.1 Compliance with the territorial authority's (TA) resource consents for discharge from its stormwater system, measured by the number of: (a) abatement notices (b) infringement notices (c) enforcement orders; and (d) convictions received by the TA in relation to those resource consents.	0	0	0	0
5.1.2 Residents' satisfaction with stormwater drainage service (Recorded through the Residents Survey).	≥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. <sup>c</sup>	≤16	≤16	≤16	≤16
(a) The number of flooding events <sup>a</sup> that occur in a TA district; and (b) for each flooding event <sup>a</sup> the number of habitable floors affected <sup>b</sup> expressed per 1000 properties connected to the TA's stormwater system.	0	0	0	0
5.1.4 The median response time to attend a flooding event, measured from the time that the TA receives notification to the time service personnel reach the site. <sup>a</sup>	≤1 hr	≤1 hr	≤1 hr	≤1 hr





## Notes

- a A flooding event means an overflow of stormwater from a territorial authority's stormwater system that enters a habitable floor (Department of Internal Affairs, 2014). It does not therefore apply outside declared stormwater service areas, or to non-habitable structures such as garages and sheds, or to flooding of yards.
- b While all flooding events will be recorded as per DIA requirements, the target is immunity from storm events with an annual exceedance probability (AEP) of more than 2% (one in 50 year ARI). This is consistent with District Plan rules for minimum floor level.
- c This target expresses per 1000 properties rather than a total, which would have resulted in a target of 15.7 per 1000 properties. In 2017-18 Annual Plan this was expressed as per 400 properties across the District.





## 6. Flood Protection

### PURPOSE AND STRATEGIC FIT

The Hikurangi Flood Protection 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 the 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.

Increasing intensity of rainfall events and frequency of flooding will impact Council's flood protection and make farming increasingly unaffordable.

Funding of costly capital improvements or asset renewals e.g. the replacement of pumps with fish 'friendlier' pumps remains a contentious issue. Pumps and pump stations are approximately 50 years old and a renewals strategy needs to be determined and agreed upon. It is estimated that these renewals/upgrades will cost upwards of \$40m which makes funding through targeted rates problematic. It is considered important that the entire funding and ownership model for the scheme is reviewed over the first couple of years of the LTP.







### POTENTIAL SIGNIFICANT NEGATIVE EFFECTS

The scheme impacts on the native fish population, specifically tuna (eels), by presenting barriers to upstream and downstream migration and causing fish fatalities via the pumps. Tuna are of important cultural significance for Māori. To address this, Council is implementing an interim pump operation protocol in which pumps will not be switched on for a period prior to an event in order to allow hapū to manually relocate tuna. The Fishery Management Plan, prepared previously, is considered outdated and Council will be working with stakeholders including hapū, farmers, Department of Conservation and Fonterra to revise this Plan in order to better protect the native fish Taonga. In developing this approach Council has actively engaged with local iwi/hapū and other stakeholders on a wider catchment basis.

# CONTRIBUTION TO THE FOUR WELL-BEINGS

Flood protection makes an important contribution across all four well beings:

Key Flood Protection functions	Contribution to social, economic, environmental, and cultural well-being
<b>FLOOD PROTECTION IN HIKURANGI SWAMP</b>    	<p>The management of floodwater maintain the economic activity associated with agriculture, which contributes to the wider economic wellbeing of the District.</p> <p>Working alongside hapū, farmers, DoC and Fonterra to update Fishery Management Plans and practices will protect native biodiversity and support cultural and environmental well-being outcomes.</p>


# CONTRIBUTION TO COMMUNITY OUTCOMES

High contribution	
	<b>EFFICIENT AND RESILIENT CORE SERVICES</b> <p>Flood protection provides resilience for agricultural land in Hikurangi.</p>
	<b>CARING FOR THE ENVIRONMENT</b> <p>Investment in flood protection assists in the improvements in water quality within the Kaipara Moana catchment.</p>



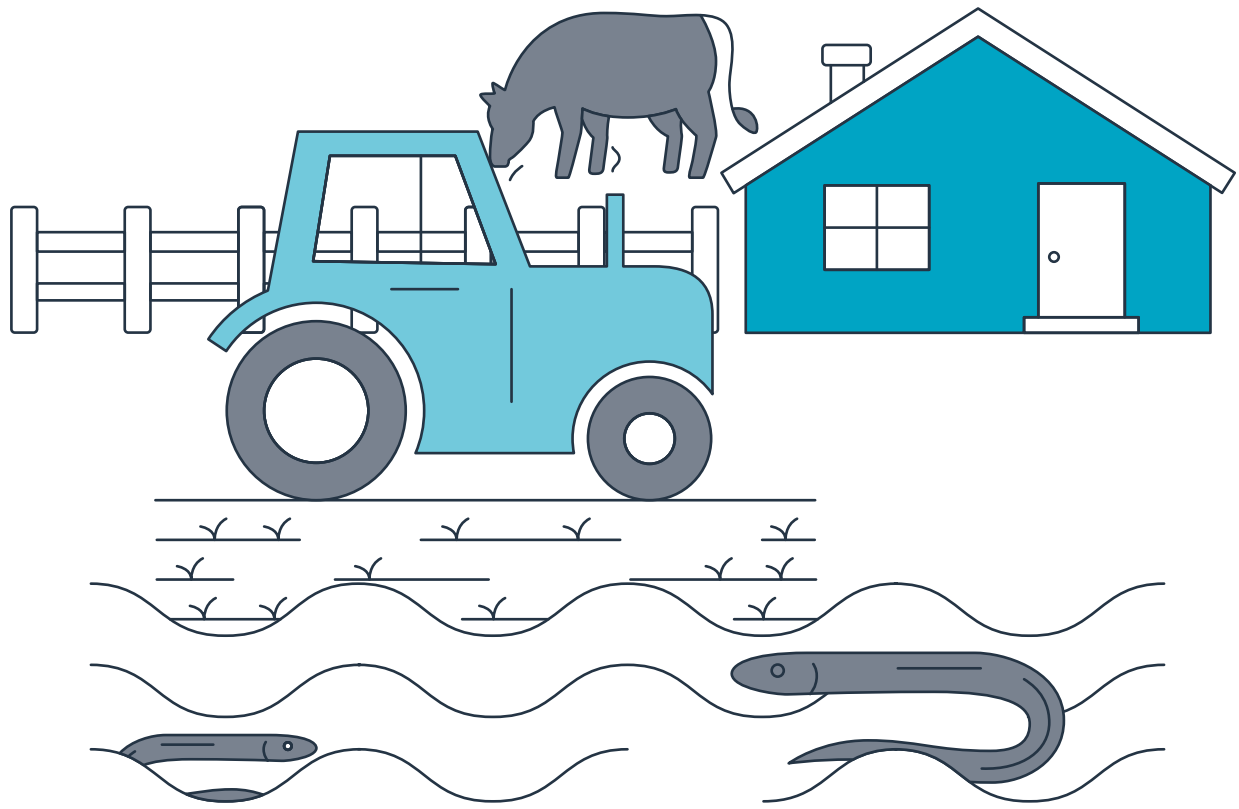


# LEVELS OF SERVICE

 Mandatory performance measures

**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	2021-22 target	2022-23 target	2023-24 target	2024-31 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 Activity Management Plan, Asset Management Plan, annual works programme or Long Term Plan).	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





## 7. Community facilities and services

Community facilities and services are a key contributor our District's social, economic, environmental and cultural wellbeing. These facilities and services are also highly valued by our community and contribute to our vision of inclusive, resilient and sustainable District.

This activity includes our:



Parks and Recreation



Libraries



Community Property



Community Development



Venues and Events



Customer Services



Civil Defence





# Parks and Recreation

## PURPOSE AND STRATEGIC FIT

Council provides parks and reserves for sport and recreation, landscapes and green places. We administer 2,122.88 hectares of land as open space, with an asset value of \$57.7m. This includes:

- sportsfields, playgrounds and skateparks
- natural areas such as native bush, river and coastal margins and regenerating bushlands
- city parks, gardens, street trees and public art
- cemeteries
- public toilets

Strategically, our objective is to create, operate, maintain, renew and dispose of assets to provide for existing and future customers in the most cost-effective manner. Our Active Recreation and Sports Strategy sets out a pathway to ensure our community has access to and can participate in sports and recreation across our District.

The quality of our spaces and the activities that take place on them contribute to the attractiveness and vibrancy of our District. Our parks and associated facilities are significant assets which are used and appreciated by residents and visitors.

## POTENTIAL NEGATIVE EFFECTS



The undersupply of public space could be detrimental to the wider community, particularly in urban areas. To address this, Council will regularly review our open space requirements to help guide the provision of public space.

## CONTRIBUTION TO THE FOUR WELL-BEINGS



The provision of Parks and Recreation makes an important contribution across all four well-beings:

Key Parks and Recreation functions	Contribution to social, economic, environmental, and cultural well-being
<b>SPORTS AND ACTIVE RECREATION</b> 	The provision of sports and active recreation facilities supports a healthy community. Sports hubs can also act as important community focal points.



Key Parks and Recreation functions	Contribution to social, economic, environmental, and cultural well-being
<b>WALKING TRACKS</b>   	Walking tracks provide access to our natural environment and places of cultural importance. They also promote and support activity which benefits health and well-being.
<b>NATURAL AREAS</b>    	The management of natural areas plays an important role to maintain biodiversity, manage pests and ultimately be of benefit to our cultural and environmental wellbeing. Access to our natural areas can also have both economic and social well-being outcomes.
<b>CEMETERIES</b>  	The provision of cemeteries is an essential service and has important social and cultural outcomes.
<b>PUBLIC TOILET FACILITIES</b>  	The provision of public toilets facilities are used by our community and visitors. They play an important role in our social and economic wellbeing.

## CONTRIBUTION TO COMMUNITY OUTCOMES

High contribution	Medium contribution
 <b>CARING FOR THE ENVIRONMENT</b> <p>Our Parks team supports community initiatives to improve biodiversity such as community planting days, as well as managing weeds and pests.</p> <p>Design and landscaping in our public spaces and streets enables nature to thrive.</p>	 <b>EFFICIENT AND RESILIENT CORE SERVICES</b> <p>The adequate provision of open space is needed to support the development of an attractive, vibrant and thriving community.</p> <p>Opportunities for walking and cycling are provided through public spaces.</p>

## High contribution



### PROUD TO BE LOCAL

Maintenance of our parks and public spaces ensures our District looks neat and tidy. Our public spaces and parks are the venue for many community and cultural events and activities.

Our parks and sports grounds and walking tracks provide opportunities for people to be active and healthy.

## Medium contribution



### POSITIVE ABOUT THE FUTURE

Open space is distributed across our District, therefore contributing to a fair urban and rural balance.

Population growth is supported through the provision of neighbourhood parks and reserves as part of new developments.

## LEVELS OF SERVICE

**7.1 Council will provide and maintain recreational facilities to support and promote active recreation of the community through participation in both organised and informal recreational activities aligned with Active Recreation and Sports Strategy.**

Performance measure	2021-22 target	2022-23 target	2023-24 target	2024-31 target
7.1.1 Sportsparks will be provided to meet the community's needs by providing minimum hours available at a sportspark per 10,000 people during the winter season.	≥180hrs	≥180hrs	≥180hrs	≥180hrs
7.1.2 Percentage annual increase in community participation in active recreation and sports activities (Recorded through the Residents Survey)	≥1%	≥1%	≥1%	≥1%



**7.2 Council will provide and maintain a range of parks, reserves and playgrounds to meet the needs of the community as well as protecting and enhancing the natural environment.**

Performance measure	2021-22 target	2022-23 target	2023-24 target	2024-31 target
7.2.1 Residents' satisfaction with the range and quality of public spaces, including parks, playgrounds and reserves. (Recorded through the Residents Survey).	≥90%	≥90%	≥90%	≥90%
7.2.2 Residents have adequate access to a local recreational opportunities.	0.9Ha/ 1000 people	0.9Ha/ 1000 people	0.9Ha/ 1000 people	0.9Ha/ 1000 people

**7.3 Council will provide and maintain cemeteries and a crematorium in a satisfactory manner.**

Performance measure	2021-22 target	2022-23 target	2023-24 target	2024-31 target
7.3.1 Residents' satisfaction with cemeteries. (Recorded through the Residents Survey).	≥90%	≥90%	≥90%	≥90%

**7.4 Council will provide well maintained and accessible public toilets in high use areas.**

Performance measure	2021-22 target	2022-23 target	2023-24 target	2024-31 target
7.4.1 Residents' satisfaction with public toilets (Recorded through the Residents Survey).	≥75%	≥75%	≥75%	≥75%





# Libraries

## PURPOSE AND STRATEGIC FIT

Libraries provide the people in our community with opportunities for life-long learning, access to information, leisure and reading. This all contributes to a vibrant and thriving District.

Public libraries provide free and open access to knowledge and services. They are a neutral, respected gateway to information and a safe place that offers equal access for all community members.

The Local Government Act 2002 requires that, where such a service is provided, residents can join the library free of charge.

## POTENTIAL NEGATIVE EFFECTS

No potential negative effects have been identified for libraries.

## CONTRIBUTION TO THE FOUR WELL-BEINGS

The provision of and access to libraries makes an important contribution across all four well beings:

### Key Libraries functions

### Contribution to social, economic, environmental, and cultural well-being

#### PUBLIC LIBRARIES



The access to libraries and there resources provides the community with free access to knowledge and services. This is key contributor to social and cultural wellbeing. Learning and knowledge gain through the library can also contribute to economic and environmental outcomes.



## CONTRIBUTION TO COMMUNITY OUTCOMES

### High contribution

### Medium contribution



#### PROUD TO BE LOCAL

Our libraries are key community facilities providing equitable access to life-long learning as well as fulfilling leisure and recreational needs.

Access to information about our cultural and heritage through the library can help promote positive cultural outcomes.



#### POSITIVE ABOUT THE FUTURE

Our libraries embrace technology to improve the customer's access to information through initiatives such as providing internet access, e-books and self-service checkouts.

## LEVELS OF SERVICE

**7.5 Council will provide library services to our District via the central library, the mobile and branch libraries.**

Performance measure	2021-22 target	2022-23 target	2023-24 target	2024-31 target
7.5.1 Percentage of population who have used a library in the past year.	≥60%	≥60%	≥60%	≥60%
7.5.2 Residents' satisfaction with the resources (books, magazines etc.) the library service provides. (Recorded through the Residents Survey).	≥95%	≥95%	≥95%	≥95%







# Community property

## PURPOSE AND STRATEGIC FIT

Council is committed to providing appropriate pensioner housing and community buildings for our District to use. Our property service will help to build thriving and vibrant 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

Poor quality of housing for elderly people can have negative effects on the health and well-being of the occupants. This is mitigated through funding for maintenance of the housing portfolio.



## CONTRIBUTION TO THE FOUR WELL-BEINGS

Community property makes an important contribution to the social wellbeing of our community:

Key Community Property functions	Contribution social, economic, environmental, and cultural well-being
<b>PENSIONER HOUSING</b> 	The provision of rental housing for elderly people in our community contributes significantly to their health and well-being and this in turn has broad social well-being benefits for our District.
<b>COMMUNITY HALLS</b> 	Community halls are a social and cultural hub of communities across the District, particularly in rural and coastal areas.



## CONTRIBUTION TO COMMUNITY OUTCOMES

High contribution	Medium contribution
 <b>PROUD TO BE LOCAL</b> Our community facilities ensure activities and facilities are available across our District for people of all abilities ages and lifestyles.	 <b>POSITIVE ABOUT THE FUTURE</b> Our community facilities are located across our District to ensure there is a fair urban and rural balance.

# LEVELS OF SERVICE

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

Performance measure	2021-22 target	2022-23 target	2023-24 target	2024-31 target
7.6.1 Percentage occupancy rate of housing for elderly people.	≥90%	≥90%	≥90%	≥90%
7.6.2 Residents' satisfaction with the standard of housing for elderly people.	≥80%	≥80%	≥80%	≥80%





# Community development

## PURPOSE AND STRATEGIC FIT

Council is committed to a community development framework that aims to work with our communities to ensure they are vibrant and thriving as well as cohesive and sustainable. This is achieved through various initiatives including:

- community-led development programmes
- grants and community funding
- crime reduction and community safety programmes such as City Safe
- support for our positive aging, disability and youth advisory groups.





It seeks to help strengthen and enhance our District by ensuring that people feel safe, able to access and participate in activities and are supported in becoming more vibrant and resilient.

## POTENTIAL NEGATIVE EFFECTS

No potential negative effects have been identified for community services.

## CONTRIBUTION TO THE FOUR WELL-BEINGS

Community development makes an important contribution to the social wellbeing of our community:

Key Community Development functions	Contribution to social, economic, environmental, and cultural well-being
<b>COMMUNITY LED DEVELOPMENT</b> 	This programme provides opportunity for the community to lead projects and programmes in their own community. The process and outcomes can make a significant contribution to a community's social well-being.
<b>GRANTS AND COMMUNITY FUNDING</b>   	Grants and funding enable the community to deliver projects which can have wide ranging social, cultural and economic benefits.



## Key Community Development functions

## Contribution to social, economic, environmental, and cultural well-being

### COMMUNITY SAFETY



Community safety is largely focused on our City Centre. A safer City Centre can lead to lower crime rates, but also support economic activity and well-being.

### ADVISORY GROUPS



Advisory groups provide the key sectors of the community to engage directly with Council and inform decision making.

## CONTRIBUTION TO COMMUNITY OUTCOMES

### High contribution



#### POSITIVE ABOUT THE FUTURE

Through the Community Development Framework our communities will be involved across both rural and urban parts of our District.



#### PROUD TO BE LOCAL

Community development enhances and strengthens our communities to ensure people feel safe and can participate in a range of events and opportunities.





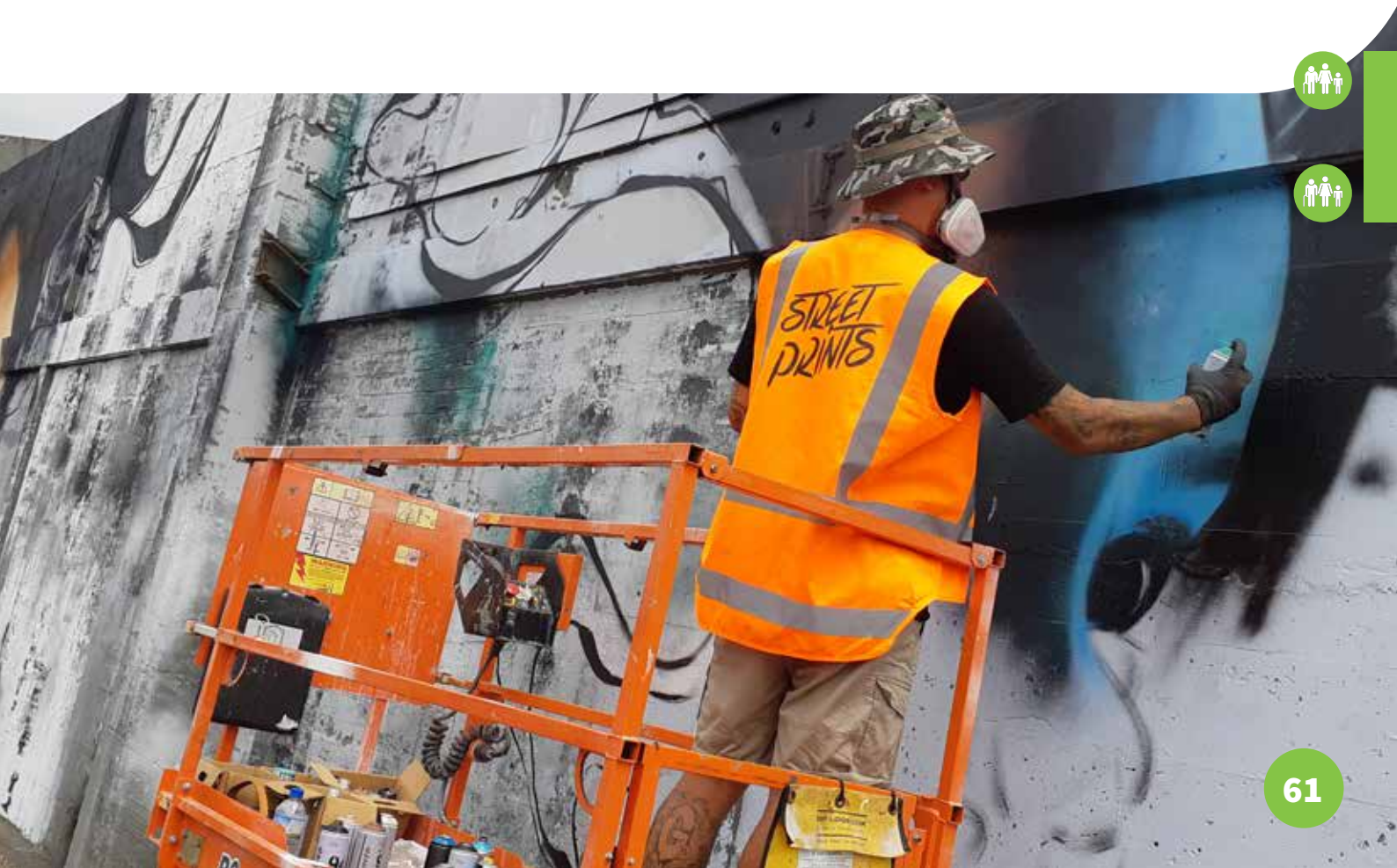
## LEVELS OF SERVICE

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

Performance measure	2021-22 target	2022-23 target	2023-24 target	2024-31 target
7.7.1 Percentage of grant applicants who understand and are satisfied with the grants' application process.	≥80%	≥80%	≥80%	≥80%

**7.8 Council is actively involved in youth, positive ageing, accessibility and other groups of interest issues.**

Performance measure	2021-22 target	2022-23 target	2023-24 target	2024-31 target
7.8.1 Effectiveness of Advisory Group engagement with Council to inform projects, programmes and District developments. (Measured through the survey of participants in Advisory Group engagement projects.)	≥80%	≥80%	≥80%	≥80%





# Venues and Events

## PURPOSE AND STRATEGIC FIT

We provide venues for events in Whangārei. We also manage and produce events that contribute to the cultural and social fabric of our community. These venues and events form a prominent contribution to our District's attractiveness and vibrancy. This helps to create opportunities for residents and visitors who contribute to our District's economy.



Experience Local: Whangārei Events Strategy 2019-24 provides the strategic direction for events in our District based on the principles of experience, manaaki, outlook and know-how.

## POTENTIAL NEGATIVE EFFECTS



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

## CONTRIBUTION TO THE FOUR WELL-BEINGS

Our venues and events make an important contribution to the social, cultural and economic wellbeing of our community:

Key Venues and Events functions	Contribution to social, economic, environmental, and cultural well-being
<b>VENUES</b> 	Quality and appropriate venues are important to enable events to take place in our District and therefore contribute to our cultural and economic well-being.
<b>EVENTS</b> 	The wide range of events play an important role in promoting and celebrating our culture. Events also provide an opportunity for our communities to come together to enjoy a range of performances and art which supports social well-being.

## CONTRIBUTION TO COMMUNITY OUTCOMES

High contribution	Medium contribution
 <b>POSITIVE ABOUT THE FUTURE</b> Venues and Events have a District focus, ensuring there is a fair balance between rural and urban areas.	 <b>PROUD TO BE LOCAL</b> Venues and Events provide a wide variety of activities ensure there always something to see and do for both residents and visitors. Events can promote and celebrate our culture.



## LEVELS OF SERVICE

**7.9 Our venues and events will deliver the outcomes of the Experience Local: Whangārei Events Strategy and will provide for customer satisfaction.**

Performance measure	2021-22 target	2022-23 target	2023-24 target	2024-31 target
7.9.1 Percentage of Council delivered events that include two or more of the local experience categories (as per the Experience Local Whangārei Events Strategy 2019-24).	≥70%	≥70%	≥70%	≥70%
7.9.2 Customer satisfaction with the quality of Council venues. (Recorded through the Residents Survey of people who attended an event at a Council run venue.)	≥80%	≥80%	≥80%	≥80%





# Customer Services

## PURPOSE AND STRATEGIC FIT

Customer Services is our interface with our communities and with our visitors. This is where questions are received and where transactions take place. Customer Services is delivered through our contact centres, our various customer service centres across our District and our visitor information centre.






A satisfactory customer experience and access to the right information is essential for our District to be inclusive, resilient and sustainable.

## POTENTIAL NEGATIVE EFFECTS

No potential negative effects have been identified for Customer Services.

## CONTRIBUTION TO THE FOUR WELL-BEINGS

Customer services makes an important contribution to the four wellbeings of our District:

Key customer service functions	Contribution to social, economic, environmental, and cultural well-being
<b>CUSTOMER SERVICE (CONTACT CENTRE)</b>    	Customer service requests are an important mechanism for the community to let Council know of problems in the District, this can support all four well-beings.
<b>CUSTOMER SERVICE (VISITOR INFORMATION CENTRE)</b> 	Providing information and guidance to the visitors of our District is important to promote and support our tourism sector, this in turn supports the economic wellbeing of the District.



## CONTRIBUTION TO COMMUNITY OUTCOMES

### High contribution



#### PROUD TO BE LOCAL

Our Customer Services are a key point of contact with our community. This interface enables us to work with the community to ensure our District is inclusive, resilient and sustainable.

### Medium contribution



#### POSITIVE ABOUT THE FUTURE

Customer Services assists the community to do business and understand our documents, rules and processes.

## LEVELS OF SERVICE

**7.10 The community has access to Council's activities through our service centres and contact centre, which provide a 'first point of contact' service.**

Performance measure	2021-22 target	2022-23 target	2023-24 target	2024-31 target
7.10.1 Contact centre service calls answered in under 20 seconds.	≥85%	≥85%	≥85%	≥85%
7.10.2 Wait time for walk-in customers.	No more than six mins	No more than six mins	No more than six mins	No more than six mins

**7.11 Council will provide, through the Whangārei visitor centres, an accurate booking and information service which influences more visitors to stay longer and spend more.**

Performance measure	2022-23 target	2022-23 target	2023-24 target	2024-31 target
7.11.1 Visitors' satisfaction with the service provided by the information consultants at our information centre.	≥80%	≥80%	≥80%	≥80%





# Civil Defence

## PURPOSE AND STRATEGIC FIT

The Civil Defence Emergency Management Act sets out how civil defence should be managed around New Zealand. Whangarei District Council is part of the Northland Region Civil Defence Emergency Management (CDEM) Group that manages Civil Defence activities. The other Northland councils and agencies such as the police and fire service, are all members of this group.

The CDEM Group works together to:

- reduce the potential effects of hazards;
- promote community and Council readiness (preparedness) to respond to emergencies; and
- help the community to recover after an event.

The higher risk emergency events for our community include:





- **Flooding:** River flooding caused by localised heavy rain/thunderstorms. A changing climate is likely to make such events more frequent as well as more severe.
- **Tsunami:** A locally generated tsunami resulting in 10-15m inundation above sea level has the potential to cause significant damage, though the probability is very low.
- **Electricity failure:** The network has single points of vulnerability with the potential to cause widespread loss of service.
- **Human pandemic;** We have experience the impact of COVID-19 and this risk of future pandemics is acknowledged as key risk.

## POTENTIAL NEGATIVE EFFECTS


Negatives effects could be associated with failure to implement the Northland Civil Defence Emergency Management Plan. This could result in negative impacts to our community during and following an emergency.

# CONTRIBUTION TO THE FOUR WELL-BEINGS

Civil Defence makes an important contribution to all four wellbeing:

Key Civil Defence functions	Promotion of social, economic, environmental, and cultural well-being
<p><b>CIVIL DEFENCE RESPONSE</b></p> <div></div>	<p>Civil Defence response to an emergency can save lives and enable a quicker recovery, which is important to the overall wellbeing of communities impacted by an event.</p> <p>Our ability to recover and support our communities is crucial for our economy.</p>

# CONTRIBUTION TO COMMUNITY OUTCOMES

High contribution
<div><p><b>PROUD TO BE LOCAL</b></p><p>A co-ordinated emergency response and recovery is key to our community and economy and can support greater resilience.</p></div>





## 8. Planning and Regulatory Services

We are required to undertake planning, monitoring and enforcement activities that meet the requirements of a wide range of legislation, such as the Resource Management Act (RMA), Health Act and Food Act. This includes:



Maintenance and review of the District Plan.



Issuing resource consents and ensuring they meet required conditions.



Issuing building consents and Project Information Memorandums and Land Information Memorandums



Providing health and alcohol licences and monitoring and enforcing bylaws such as animal and noise control, health, liquor and parking.

The functions within this activity are covered by four separate departments: District Planning, Resource Consents, Building Control and Health and Bylaws.

The outcomes of these functions are important in ensuring our District is inclusive, resilient and sustainable.







# District Planning

## PURPOSE AND STRATEGIC FIT

As Whangārei continues to grow it is important that we appropriately manages the District's resources. Council's District planning function delivers planning outcomes and environmental regulation through the RMA.

Our District Plan manages how and where our District develops. It is therefore essential to ensuring our District is inclusive, resilient and sustainable through good design and protecting our valuable natural environment.

## POTENTIAL NEGATIVE EFFECTS

Lack of appropriate planning controls can lead to adverse environmental effects. This is mitigated through adherence to the RMA and an ongoing review of our District Plan.

## CONTRIBUTION TO THE FOUR WELL-BEINGS

District Planning makes an important contribution across all four well beings:

### Key District Planning functions

### Contribution to social, economic, environmental, and cultural well-being

#### DISTRICT PLAN



The District Plan is an RMA document that addresses a number of matters relating the environment (such as biodiversity), land use and development, cultural heritage and community. It therefore promotes all four well-beings.

## CONTRIBUTION TO COMMUNITY OUTCOMES

### High contribution

### Medium contribution



#### CARING FOR THE ENVIRONMENT

The District Plan is a key regulatory tool to manage the effects on our environment.

Provisions in our District Plan ensure existing public access to coastal areas are maintained and new opportunities are provided, where appropriate.



#### EFFICIENT AND RESILIENT CORE SERVICES

The District Plan aligns with core infrastructure provision to enable planned and integrated growth in appropriate locations.



## High contribution



### POSITIVE ABOUT THE FUTURE

This District Plan can support urban design outcomes which promote activity, safety and attractive built forms and public spaces. The District Plan manages the effects on sites of cultural significance.

## Medium contribution



### PROUD TO BE LOCAL

The District Plan enables productive land uses and activities across our District.

## LEVELS OF SERVICE

**8.1 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	2021-22 target	2022-23 target	2023-24 target	2024-31 target
8.1.1 Plan changes are researched, proposed, consulted and reported on as required by Council in accordance with the relevant statutory requirements.	100%	100%	100%	100%



# Resource Consents

## PURPOSE AND STRATEGIC FIT

The RMA directs the resource consent process. The outcomes of resource consents is directed by the RMA and key documents such as our District Plan. Resource consents can cover a range activities and development. The appropriate consenting of these activities will:









- promote the sustainable management of natural and physical resources in our District
- ensure the District is resilient, inclusive and sustainable.

## POTENTIAL NEGATIVE EFFECTS

Negative environmental effects can result from poor decision making on resource consent applications. This is mitigated by the approval of applications being delegated to senior staff members. Negative economic results can occur if consents are not processed in a timely manner and there are delays the start of activities. External resources are used to ensure that statutory timeframes are met during times of high volume.




## CONTRIBUTION TO THE FOUR WELL-BEINGS

Resource consents makes an important contribution across all four well beings:

Key Resource Consents functions	Contribution to social, economic, environmental, and cultural well-being
<b>RESOURCE CONSENTS</b>    	The processing of resource consent in a timely manner helps support our economic wellbeing. The decision making process in line with the RMA and the outcomes specified in our District Plan helps ensure our environmental, social and cultural wellbeing.
<b>CONSENT MONITORING</b>    	The monitoring of consents ensure that the conditions of a consent are being followed. This helps to ensure the environment, social, economic and cultural wellbeing of our District.



## CONTRIBUTION TO COMMUNITY OUTCOMES

High contribution	Medium contribution
 <b>CARING FOR THE ENVIRONMENT</b> <p>Resource consents enact the District Plan and RMA to ensure the long-term maintenance and protection of significant stands of bush, outstanding landscapes and other natural features that contribute to a valued environment.</p>	 <b>POSITIVE ABOUT THE FUTURE</b> <p>The resource consent processes are clear and simple, guided by the District Plan and RMA.</p>
 <b>PROUD TO BE LOCAL</b> <p>Ensuring compliance with District Plan rules and conditions of resource consents contributes to the appearance of the District and a community's enjoyment of places and spaces.</p> <p>The consent process can help identify and protect places of cultural and heritage value for our District.</p>	

## LEVELS OF SERVICE

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

Performance measure	2021-22 target	2022-23 target	2023-24 target	2024-31 target
8.2.1 Percentage of non-notified resource consent applications processed within statutory timeframes.	≥95%	≥95%	≥95%	≥95%
8.2.2 Percentage of Section 223 and Section 224 applications for subdivision consents under the RMA within statutory timeframes.	≥95%	≥95%	≥95%	≥95%



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

Performance measure	2021-22 target	2022-23 target	2023-24 target	2024-31 target
8.3.1 Percentage of land-use consent conditions monitored	100%	100%	100%	100%
Note: time frames will be dependent on priorities based on potential environmental risk associated with non-compliance.				





# Building Control

## PURPOSE AND STRATEGIC FIT

Building Control ensures that buildings in our District are designed and constructed to the agreed standards and quality. These standards are set by central government through the Building Act.





The Building Control processes are important to promote the safe and sanitary use of living and public facilities, as well as access for people with disabilities. We will act against owners of buildings that pose a risk to the general safety and well-being of the public.

## POTENTIAL NEGATIVE EFFECTS

Negative effects from not administering the related statutes can range from dangerous and insanitary public use and residential buildings and non-compliant housing stock. Not issuing building consents and failing to meet the requirements of accreditation may result in a loss of confidence and accreditation to perform these functions as a building consent authority.

## CONTRIBUTION TO THE FOUR WELL-BEINGS

Building Control makes an important contribution across all four well beings:

Key Building Control functions	Contribution to social, economic, environmental, and cultural well-being
<b>BUILDING CONTROL</b>    	The processing of building consents in a timely manner helps support our economic wellbeing. Ensuring that buildings are safe and constructed to the appropriate standard promotes the health and social wellbeing of our community.

## CONTRIBUTION TO COMMUNITY OUTCOMES

High contribution



**POSITIVE ABOUT THE FUTURE**

Building control processes are clear and simple and enable economic activity whilst appropriately protecting our communities from unsafe and poor quality building practices.

## Medium contribution



### CARING FOR THE ENVIRONMENT

The building control measures around construction methods ensures our environment is protected.



### PROUD TO BE LOCAL

Building compliance ensures that built structures are safe and durable.

## LEVELS OF SERVICE

**8.4 Council will responsively and accurately manage the building consents and compliance process.**

Performance measure	2021-22 target	2022-23 target	2023-24 target	2024-31 target
8.4.1 Percentage of building consents applications processed within statutory timeframes.	≥96%	≥96%	≥96%	≥96%
8.4.2 Percentage of inspections completed within two days.	≥95%	≥95%	≥95%	≥95%





# Health and Bylaws

## PURPOSE AND STRATEGIC FIT

This 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 two teams:







- Environmental Health is responsible for registering, monitoring, verifying, inspecting, enforcing and ensuring general compliance in the food, health and alcohol licensing work areas
- Bylaws – Armourguard Security is contracted to provide services relating to animal management, dog and stock control, parking enforcement, excessive noise control, freedom camping and general bylaw enforcement.

## POTENTIAL NEGATIVE EFFECTS

Local authorities are required to monitor and enforce central government legislation. Failure to effectively enforce and monitor legislation can lead to significant adverse environmental, health and nuisance concerns across our District. This is mitigated through an appropriate enforcement and monitoring regime.




## CONTRIBUTION TO THE FOUR WELL-BEINGS

Health and Bylaws make an important contribution across all four well beings:

Key Health and Bylaws functions	Contribution to social, economic, environmental, and cultural well-being
<b>ENVIRONMENTAL HEALTH</b>  	Ensuring compliance with food, health and alcohol licensing is an important function that promotes the health and well-being of our District. The timely processing of licensing helps ensure our economic wellbeing is maintained.
<b>BYLAW ENFORCEMENT</b>    	Bylaw enforcement and the control of dogs, stock and noise helps to ensure the environment, social, economic and cultural wellbeing of our District.



## CONTRIBUTION TO COMMUNITY OUTCOMES

High contribution	Medium contribution
 <b>CARING FOR THE ENVIRONMENT</b> <p>The enforcement of bylaws and the provision and implementation of the Health Act 1956 through the Environmental Health team ensures our environment is protected.</p>	 <b>POSITIVE ABOUT THE FUTURE</b> <p>Regulatory processes are clear and simple and enable economic activity whilst appropriately protecting our communities from nuisance activities.</p>
 <b>PROUD TO BE LOCAL</b> <p>Ensuring compliance with our bylaws and the Health Act 1956 contributes to the appearance of our District and the community's enjoyment of places and spaces.</p>	

## LEVELS OF SERVICE

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

Performance measure	2021-22 target	2022-23 target	2023-24 target	2024-31 target
8.5.1 Percentage of complaints responded to within contracted timeframes.	≥85%	≥85%	≥85%	≥85%

**8.6 Council will protect and promote public health by monitoring those premises, which under the Health Act 1956 require annual registration and inspection.**

Performance measure	2021-22 target	2022-23 target	2023-24 target	2024-31 target
8.6.1 Percentage of Health Act registered premises inspected annually.	100%	100%	100%	100%



**8.7 Council will promote food safety by registering and verifying those food businesses which the Food Act 2014 specifies that local authorities can register and verify.**

Performance measure	2021-22 target	2022-23 target	2023-24 target	2024-31 target
8.7.1 Percentage of food businesses verified within timeframes as specified by the Food Act 2014.	100%	100%	100%	100%

**8.8 Council will aim to reduce alcohol-related harm by annually inspecting alcohol licensed premises to ensure compliance with the Sale and Supply of Alcohol Act 2012 and licensing conditions in general.**

Performance measure	2021-22 target	2022-23 target	2023-24 target	2024-31 target
8.8.1 Percentage of alcohol licensed premises inspected annually.	100%	100%	100%	100%







## 9. Governance and Strategy

Governance and Strategy activity includes a number of important functions that support our District being inclusive, resilient and sustainable. This activity includes:



Democracy and Assurance which runs our governance functions and manages our risks.



Strategy department focuses on the key issues such as climate change. This department also looks after our policies and bylaws, spatial planning projects and our corporate plans such as the LTP.



Māori Relationships which supports our partnership with hapū and the Te Kārearea Strategic Standing Committee.



District Development and Commercial Property, which support economic activity in the District and manages our commercial property portfolio.

Combined the functions of this activity also promote the social, economic, environmental and cultural well-being of the District.





# Democracy and Assurance

## PURPOSE AND STRATEGIC FIT

This activity includes the democratic and assurance functions of our organisation, which drive robust and transparent decision-making. Governance functions include supporting all Council meetings, briefings and workshops, alcohol licensing hearings, provision of consultation advisory services and support for community engagement.









The activity also covers Council's risk and assurance processes, including working across the business to identify and categorise risks, provision of the internal legal function, and support for Council Organisations. Executive support for the Mayor's office is also provided through the democracy and assurance function.

## POTENTIAL NEGATIVE EFFECTS

No potential negative effects have been identified for the Democracy and Assurance activity.


## CONTRIBUTION TO THE FOUR WELL-BEINGS

Democracy and Assurance make an important contribution across all four well beings:

Key Democracy and Assurance functions	Contribution to social, economic, environmental, and cultural well-being
<b>DEMOCRACY</b>    	Participation in the democratic process is a crucial component of social wellbeing. The democracy function also ensures that decision making happens appropriately and is transparent.
<b>ASSURANCE AND RISK</b>    	Identification and management of risk is crucial to Council and the wider District. Risks can relate to social, economic, environmental and cultural outcomes and therefore this function helps to promote all four wellbeings.


# CONTRIBUTION TO COMMUNITY OUTCOMES

High contribution



POSITIVE ABOUT THE FUTURE

Democracy functions ensure transparent and robust decision-making.



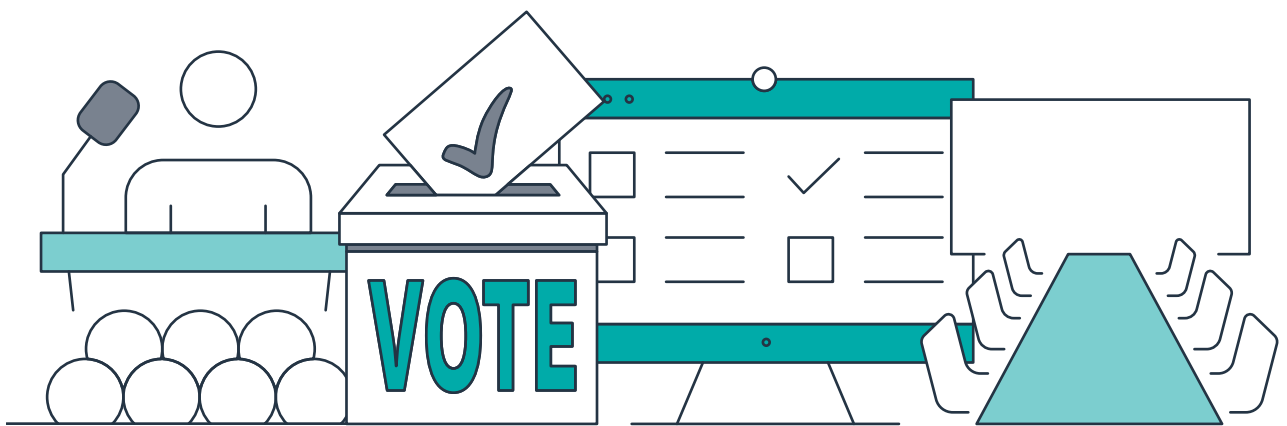
PROUD TO BE LOCAL

The democracy function enables community participation in local governance.

## LEVELS OF SERVICE

### 9.1 Our democratic functions are transparent and meet the legislative requirements.

Performance measure	2021-22 target	2022-23 target	2023-24 target	2024-31 target
9.1.1 Responses to requests for information made under the Local Government Official Information Act 1987 and the Privacy Act 2020 are provided within relevant statutory timeframes.	95%	95%	95%	95%
9.1.2 Percentage of Council, committee and hearing agendas that meet relevant legislative timeframes.	100%	100%	100%	100%





# Strategy

## PURPOSE AND STRATEGIC FIT

This activity addresses the key strategic issues facing the District and ensures that Council responds in an integrated way. This activity includes:

- strategy development for key issues such as District growth and climate change
- place-based planning across the District
- statutory policies and bylaws
- corporate planning, including our Long Term Plan
- monitoring and reporting on key trends and data.

New government policy such as the National Policy Statement on Urban Development is placing greater emphasis on the need for strategic planning in areas with high rates of growth and development. Future reforms of the RMA are likely to place more emphasis on strategic and place-based planning.

Climate change is a key focus across our policy and strategy framework. The initial focus will be working across Council in delivery of climate change risk assessments which will inform future investment and planning decisions. We will also support sustainability outcomes and green house gas emissions reduction through our Action Plan and Sustainability Strategy.











## POTENTIAL NEGATIVE EFFECTS

Ineffective strategies or the absence of strategic direction could lead to adverse environmental effects. This is mitigated through a review of our Growth Strategy to ensure it is relevant and based on current information.

## CONTRIBUTION TO THE FOUR WELL-BEINGS

Strategy make an important contribution across all four well beings:

Key Strategy functions	Contribution to social, economic, environmental, and cultural well-being
<b>STRATEGY AND MONITORING</b>    	Strategy development covers issues which can support all four well-beings, including climate change mitigation and adaptation, economic development, biodiversity and housing.

Key Strategy functions	Contribution to social, economic, environmental, and cultural well-being
<b>PLACE-BASED PLANNING</b>    	Place-based planning, such as our placemaking programme, enables communities to directly engage with the future of their communities. This support all four well-beings for that place.
<b>STATUTORY POLICIES AND BYLAWS</b>  	Bylaws and statutory policies help protect the environment and amenity of our District as well as the safety of our communities.
<b>CORPORATE PLANNING</b>    	Our Long Term Plan and Annual Plan sets out what Council will do how we pay for it. It therefore can contribute to all four well-beings.

## CONTRIBUTION TO COMMUNITY OUTCOMES

High contribution	
 <b>EFFICIENT AND RESILIENT CORE SERVICES</b>	Our strategic planning ensures that core infrastructure is provided to meet the demands of growth in a managed and coordinated way.
 <b>CARING FOR THE ENVIRONMENT</b>	Strategic planning ensures our environment is cared for and that we plan for future climate related risks.
 <b>POSITIVE ABOUT THE FUTURE</b>	Strategic planning and implementation of key projects allows our City Centre to thrive.







PROUD TO BE LOCAL

Placemaking allows the community to plan for the future of their community.

LEVELS OF SERVICE

9.2 Our policies and strategies remain up to date and relevant to the community.

Performance measure	2021-22 target	2022-23 target	2023-24 target	2024-31 target
9.2.1 Percentage of policies, bylaws and strategies that are reviewed with the relevant statutory timeframes.	100%	100%	100%	100%







# Māori Relationships

## PURPOSE AND STRATEGIC FIT

Fostering meaningful and sustainable relationships with hapū, iwi and mātāwaka (a term that applies for all Māori who live in our District but who generally whakapapa to an area outside of it) organisations across our District is a crucial function of this activity.

Partnership enables us to work towards more robust decision-making and direction setting. Te Kārearea Strategic Standing Committee is a key decision making forum for our partnership with hapū.





Relationships also exist through operational programmes of work, as well as through key projects and initiatives.

## POTENTIAL NEGATIVE EFFECTS

Failure to engage with our Māori partners will lead negative impacts across our environment and communities. To mitigate this we have operational processes and relationships for engagement with Māori, and have further strengthened our partnership with hapū through establishing Te Kārearea as a Standing Committee of Council.

## CONTRIBUTION TO THE FOUR WELL-BEINGS

Māori Relationships make an important contribution to our cultural wellbeing:

Key Māori relationship functions	Promotion of social, economic, environmental, and cultural well-being
<b>MĀORI RELATIONSHIPS</b>    	Partnership with hapū is essential to ensure our decision making promotes the cultural wellbeing of our District. This approach has wider benefits to the environmental, social and economic well being of our Māori communities.



## CONTRIBUTION TO COMMUNITY OUTCOMES

### High contribution



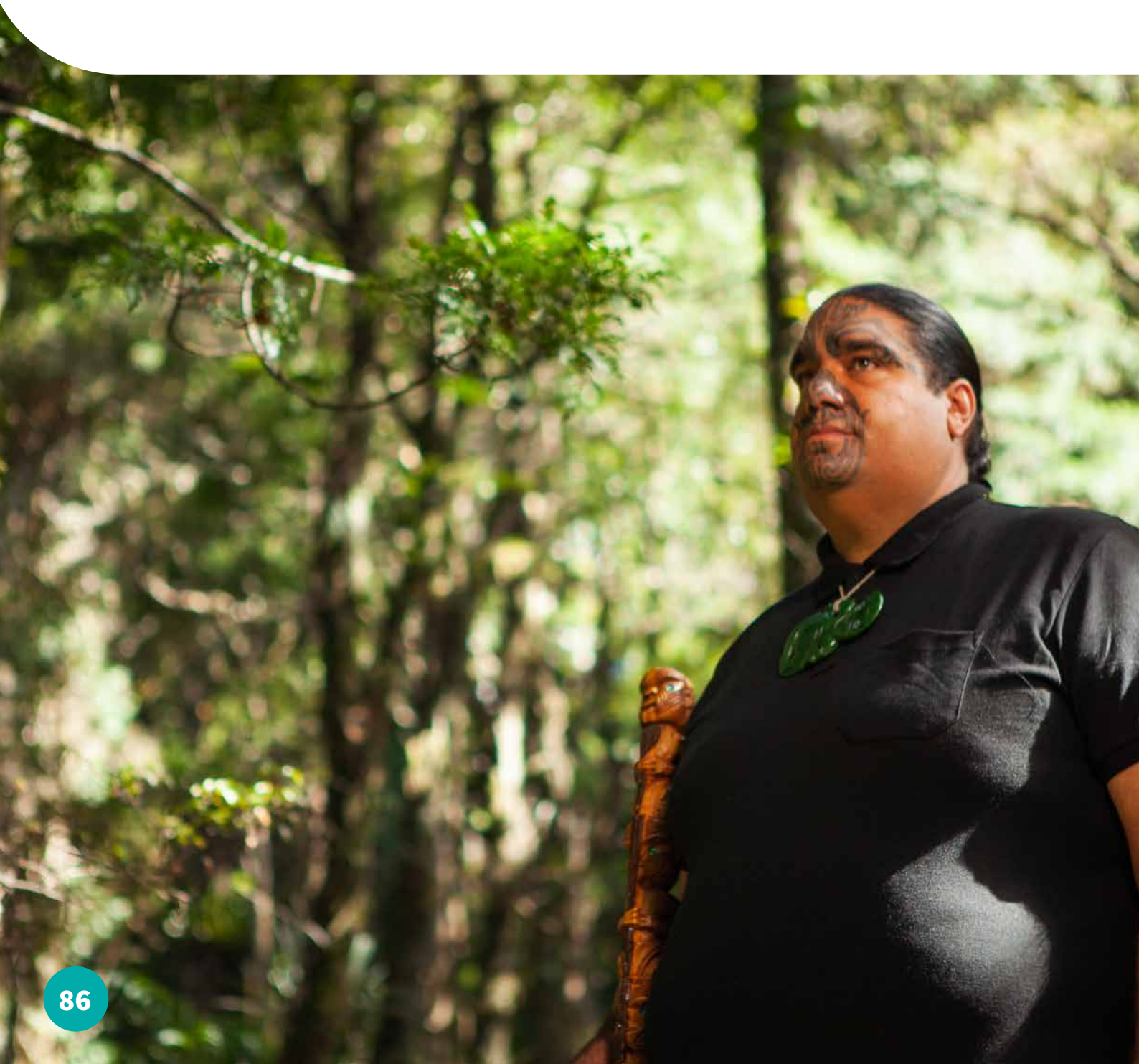
#### CARING FOR THE ENVIRONMENT

Partnership helps promote the importance of the environment and native biodiversity.



#### PROUD TO BE LOCAL

Partnership with hapū and relationships with Māori communities is essential for the social and cultural wellbeing of the District.





# District Development

## PURPOSE AND STRATEGIC FIT

Enabling and promoting economic activity in the District is a key strategic driver for District Development. This activity includes:

- the promotion of our District for tourism and business activity
- supporting business and key projects through the development process
- working with Northland Inc, the region's economic development agency.




This activity includes the management of our commercial property portfolio. This involve maintenance of buildings and tenancy management as well as property purchases and sales. The commercial property portfolio is guided by our Commercial Property Committee.

## POTENTIAL NEGATIVE EFFECTS

Failure to work in partnership with businesses can have a negative impact on our economy.

## CONTRIBUTION TO THE FOUR WELL-BEINGS

District Development make an important contribution to our economic and social wellbeing:

Key District Development functions	Contribution to social, economic, environmental, and cultural well-being
<b>DISTRICT DEVELOPMENT</b>  	Promoting our District and supporting business activity benefits our economic wellbeing. The creation of jobs and income can support our social wellbeing.
<b>COMMERCIAL PROPERTY</b> 	The management of our commercial property enables economic activity to take place.





## CONTRIBUTION TO COMMUNITY OUTCOMES

### High contribution



#### POSITIVE ABOUT THE FUTURE

Strategic management of commercial property can enable our District to grow and thrive.

Promotion of tourism will support a number of local businesses across the District.



#### PROUD TO BE LOCAL

Partnership with local businesses can support our Districts economy.





## 10. Support Services

Support services are focussed on supporting the nine activity areas so that they are best positioned to deliver their various goods and services to the community. The following provides a brief background to the various support activities.

### **FINANCE SERVICES, RATES AND REVENUE**

These departments play a key stewardship role. As well as facilitating the development of an effective Financial Strategy, we support Council in managing its financial resources on a day-to-day basis, as well as in the long-term. These departments provide services in respect of planning, monitoring and reporting to Council's financial and business resources and our treasury function actively manages Council's debt and investment positions for both the short and long-term.

We also administer transactional functions including rates, water billing, accounts receivable and receipting, including the efficient administration and maintenance of property records by ensuring the Rating Information Database and other property information systems 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 timely follow up of overdue amounts mean that arrears are kept to a minimum. Our team also supports some Council Controlled Organisations by providing shared financial services to them.

### **PEOPLE AND CAPABILITY**

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

### **CAPITAL PROJECTS, PLANNING AND DEVELOPMENT ENGINEERING**

This department provides technical and administrative support to the Infrastructure Group. This includes planning, contract and general administration, asset management systems, databases, project and contract management.



## **ICT**

This department supports the technical and informational function requirements of Council. From desktop systems to the management of data and documentation, we ensure accurate information is readily available and can be easily stored and accessed. We also ensure that our technology and systems allow Council to comply with its legislative requirements. Council's website plays a vital role as an interactive service for providing extensive resources for public information, documents and publications, consultations and GIS (Geographic Information System) mapping (including District Plan and hazard overlays).

The team 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 access to information.

## **COMMUNICATIONS**

How we communicate with the community is essential in raising awareness of what Council does and why. It is also key to promoting projects and events that occur across our District. This team drives strategic communications, branding and internal, digital, corporate and daily media communications through various channels to acknowledge our District's diversity.

The department also efficiently produces all written, visual and audio content for digital and print publication – ensuring it is aligned to strategy, brand, legislation, media law and our audience's needs. Additionally, we support all Council functions in responding to daily media enquiries and various team members also serve as Public Information Managers in any Civil Defence events within our District.

## **BUSINESS SUPPORT**

Business support provides a raft of support services to Council including premises, office furniture, vehicle fleet, phones, contracts (including tenancy agreements and security) and custodial and mail services.

This department also provides centre of expertise and organisational co-ordination for procurement and contract management functions. The team lead knowledge management disciplines including digitisation, management of physical and digital records, and compliance with relevant documentation.



# Group entities

## COUNCIL CONTROLLED ORGANISATIONS

Council currently delivers a variety of services through Council Controlled Organisations (CCOs).

Council delivers strategic services or initiatives through a CCO where it considers this is a more effective, efficient and financially viable option compared to other means of delivery.

The Local Government Act 2002 defines a CCO as either:

A company:

- in which equity securities carrying 50% or more of the voting rights at a meeting of the shareholders of the company are:
  - held by one or more local authorities; or
  - controlled, directly or indirectly, by one or more local authorities; or
- in which one or more local authorities have the right, directly or indirectly, to appoint 50% or more of the directors; or

An entity in respect of which one or more local authorities have, whether or not jointly with other local authorities or persons:

- control, directly or indirectly, of 50% or more of the votes at any meeting of the members or controlling body of the organisation; or
- the right, directly or indirectly, to appoint 50% or more of the trustees, directors or managers (however described) of the entity.

Council has an interest in seven organisations that meet these definitions:

- Hatea Art Precinct Trust
- Northland Events Centre (2021) Trust
- Whangārei District Airport
- Northland Regional Landfill Limited Partnership
- Whangārei Waste Ltd
- Springs Flat Contractors Ltd
- Local Government Funding Agency.

The Local Government Funding Agency is a CCO by nature of many local authorities jointly having at least 50 per cent shareholding. There are 31 shareholders, of which Council is one.

Each of these organisations are required to complete a Statement of Intent (SOI), unless an exemption under the Local Government Act 2002 has been granted. Under the Act if an entity is exempt then it is not a CCO. Whangārei Waste Ltd and Springs Flat Contractors Ltd are exempt organisations.

The non-exempt entities are:

## ***Hatea Art Precinct Trust (HAPT)***

The Whangārei Art Museum and the Hundertwasser Art Gallery with Wairau Māori Art Centre are managed by the Hatea Art Precinct Trust (HAPT).

The Hundertwasser Art Centre with Wairau Māori Art Gallery opened in February 2022. HAPT is incorporated as a Trust Board under the Charitable Trusts Act 1957. The board comprises seven positions, four appointed by Council. HAPT receives funding from Council alongside its own revenue generation activity. The HAPT owns the Hundertwasser Art Centre building, and the Whangārei Art Museum is located in Council-owned premises.

HAPT operates to a number of strategic objectives, aligning to:

- Artistic Excellence
- Visitor Experience
- People – Collaborations for the benefit of our community
- Sustainability

These strategic objectives are expanded in the HAPT Statement of Intent 22-23.

### **KEY PERFORMANCE TARGETS AND MEASURES**

- Operate within agreed financial budgets
- Report on achievement against the strategic objectives and action areas (as outlined in the SOI) in the Half-yearly and Annual Reports
- Annually assess operation hours and exhibition quality to meet agreed funding
- Acquire and document all new items in accordance with HAPT collection management policy and procedure
- Ensure less than 1% of art work handled by staff or the public will suffer irreparable losses or damage
- Improve visitor experience
- Strengthen community engagement through programs, events and collaborative initiatives
- Evidence of 10 programs, events or initiatives developed or in development annually
- Improve awareness and attendance at HAPT

## ***Northland Events Centre (2021) Trust (NECT)***

The NECT operates Semenoff Stadium at Okara Park. NECT is a charitable trust that was established on 1 December 2021. Council appoints up to five trustees that make up the Board, with four appointed to date and a fifth trustee to be appointed from local hapū.

Council provides funding to NECT by way of an annual operating grant. The building, turf, and underground assets are Council owned.

NECT operates for the purpose of:

- Operation and maintenance of a high-quality multipurpose events centre

- Providing a regional sporting, cultural, convention and events centre for use by community organisations, sports bodies, arts, musical, social and cultural organisations and public bodies
- Holding a wide range of activities and events for the benefit of the Region

### **KEY PERFORMANCE TARGETS AND MEASURES**

- Deliver large events for the benefit of Northland Te Tai Tokerau
- Deliver Rugby World Cup 2021 (playing in 2022)
- Develop an event management service to contract to other event organisers
- Develop closer relationships with Tangata Whenua
- Increase commercial revenue
- Improve the visitor experience
- Delivery of one or more events that are sustainable and support zero waste
- Operate within agreed financial budgets

### ***Whangārei District Airport (WDA)***

The WDA is a fully serviceable airport for the use of visitors, residents and ratepayers and is required to meet the needs of scheduled and non-scheduled aviation operators and their customers.

It is a key activity that standards of safety are promoted and maintained, recognising the Civil Aviation Authority (CAA) and other safety and health requirements.

Our District Airport is a joint venture with the Crown through the Ministry of Transport. The principal activity is the provision of airport and landing facilities. The land is owned 100% by the Crown. Council's ownership consists of 100% of buildings and lighting and 50% interest in all other assets, liabilities and net surplus. Council operates the airport as the Airport Authority under the Airport Authorities Act 1966 (section 3) and its objectives are to run the airport in a cost effective and efficient manner while meeting Ministry of Transport requirements. Day-to-day management is effected by way of a management contract with Northland Aviation Limited.

### **KEY PERFORMANCE TARGETS AND MEASURES**

- Operate within agreed financial budgets
- Actual spend ≤ budget
- Encourage new business development and existing business expansion by engaging alternative aviation and airport service providers and enabling business to grow through lease management and land use consent process
- Maintain user satisfaction through achieving satisfactory and very satisfactory ratings on the annual user survey
- Maintain best practice noise management process

- Explore sustainability opportunities
- Maintain Airport Certification by continuing to meet certification standards required by the Civil Aviation Authority
- Meet required legislative timeframes under the Local Government Act 2002 and Civil Aviation Act 1990
- Maintain an effective safety management system

## **COUNCIL CONTROLLED TRADING ORGANISATIONS**

A Council Controlled Trading Organisation (CCTO) is a CCO that operates a trading operation for making profit.

Council has one CCTO: the Northland Regional Landfill Limited Partnership.

### ***Northland Regional Landfill Limited Partnership (NRLLP)***

The NRLLP is operated under a limited partnership agreement between the limited partners Whangārei District Council and Northland Waste Limited. The General Partner is Whangārei Waste Limited.

Council's Prospective Statement of Financial Position records Council's investment in the Limited Partnership.

The day-to-day operational activities of the Partnership are managed by Quay Contracting Limited, a subsidiary of Northland Waste Limited through a management agreement with Whangārei Waste Limited. The main activity of the Partnership is to provide waste disposal facilities in the Whangārei District.

The scope of activities of the Limited Partnership is to:

- own and operate the Puwera Landfill
- own, operate and manage ReSort Resource Recovery Park
- conduct such other and waste management activities as the parties agree shall be dealt with by the Limited Partnership from time to time.

### **KEY PERFORMANCE TARGETS AND MEASURES**

- Open both the Puwera Landfill and Re-Sort facilities for a minimum of 40 hours each week
- Achieve no notifiable health and safety incidents occurring at all operational sites owned by NRLLP
- Ensure Re-Sort facilitates a minimum of 40% diversion away from landfill of all material being handled through the site
- Maintain compaction of 0.7 tonnes of placed refuse per cubic metre of airspace used
- Ensure six months landfill capacity is maintained at all times
- Achieve a minimum of 70% landfill gas destruction
- An additional target for 2023 is the completion of the Puwera gas to energy plant project with some electricity generated from landfill gas.

## LOCAL GOVERNMENT FUNDING AGENCY

The Local Government Funding Agency (LGFA) is not a subsidiary of Council. It is a separate entity, jointly owned by the Crown and 30 local authorities, including Council. The LGFA raises debt funding either domestically and/or offshore in either New Zealand dollars or foreign currency and provides debt funding to New Zealand local authorities.

The LGFA will operate with the primary objective of optimising debt funding terms and conditions for participating Local Authorities. Among other things this includes:

- providing debt to participating local authorities at the lowest possible interest rates commensurate with the relevant maturity
- making longer-term borrowing available to participating local authorities
- enhancing the certainty of access to debt markets for participating local authorities, subject always to operating in accordance with sound business practice.

The LGFA is a Council Controlled Organisation and provides Council with a Statement of Intent, Half-yearly Report, and an Annual Report under the Local Government Act 2002.



FINANCIAL

# INFORMATION

TE PĀRONGO AHUMONI



# Forecast financial statements

## Prospective Statement of Comprehensive Revenue and Expenditure

		\$'000		
LTP Year 1 2021-22		Annual Plan 2022-23	LTP Year 2 2022-23	Variance
<b>Revenue</b>				
111,033	Rates	118,143	116,955	1,188
7,078	Development and other contributions	7,078	7,078	-
49,154	Subsidies and grants	39,941	25,099	14,842
16,315	Fees and charges	17,027	16,715	312
136	Interest revenue	798	136	662
19,093	Other revenue	19,013	19,206	(193)
<b>202,809</b>	<b>Total revenue</b>	<b>202,000</b>	<b>185,189</b>	<b>16,811</b>
<b>Expenses</b>				
78,418	Other expenditure	83,508	79,183	(4,325)
47,891	Depreciation and amortisation	53,479	50,726	(2,753)
5,588	Finance costs	8,992	7,059	(1,933)
30,833	Personnel costs	34,479	31,940	(2,539)
<b>162,730</b>	<b>Total expenses</b>	<b>180,458</b>	<b>168,908</b>	<b>(11,550)</b>
<b>40,079</b>	<b>Surplus / (deficit) before taxation</b>	<b>21,542</b>	<b>16,281</b>	<b>5,261</b>
-	- Taxation charge	-	-	-
<b>40,079</b>	<b>Surplus / (deficit) after taxation</b>	<b>21,542</b>	<b>16,281</b>	<b>5,261</b>
<b>Other comprehensive revenue and expenses</b>				
78,595	Gain / (loss) on infrastructure asset revaluation	21,878	21,878	-
-	- Gain / (loss) on other asset revaluations	-	2,314	(2,314)
<b>118,674</b>	<b>Total comprehensive income</b>	<b>43,420</b>	<b>40,473</b>	<b>2,947</b>

## Prospective Statement of Changes in Net Assets/Equity

		\$000	
LTP Year 1 2021-22		Annual Plan 2022-23	LTP Year 2 2022-23
1,718,363	Opening balance as at 1 July*	1,922,480	1,837,037
118,674	Total comprehensive revenue and expense	43,420	40,473
-	Adjustments and contributions to net assets/equity	-	-
<b>1,837,037</b>	<b>Total recognised net assets/equity as at 30 June</b>	<b>1,965,900</b>	<b>1,877,510</b>

\* The opening balance for the Annual Plan 2022-23 is taken from a revised forecast for 2021-22.

# Prospective Statement of Financial Position

\$'000

LTP Year 1 2021-22		Annual Plan 2022-23	LTP Year 2 2022-23
<b>Assets</b>			
<b>Current assets</b>			
26,565	Cash and cash equivalents	32,196	27,054
20,596	Debtors and receivables	16,898	18,606
-	Derivative financial instruments	-	-
532	Other financial assets	487	532
1,369	Other current assets	1,180	1,069
-	Assets held for sale	-	-
<b>49,062</b>	<b>Total current assets</b>	<b>50,761</b>	<b>47,261</b>
<b>Non-current assets</b>			
-	Derivative financial assets	98	-
Other financial assets:			
11,223	- Investments held in joint ventures and subsidiaries	10,707	11,103
3,046	- Investments held in other entities	3,760	3,046
-	Other non-current assets	3,434	-
1,944,800	Property plant and equipment	2,064,979	2,012,147
12,394	Intangible assets	12,575	12,434
819	Forestry assets	854	819
78,492	Investment properties	99,853	81,644
<b>2,050,774</b>	<b>Total non-current assets</b>	<b>2,196,260</b>	<b>2,121,193</b>
<b>2,099,836</b>	<b>Total assets</b>	<b>2,247,021</b>	<b>2,168,454</b>

\$000

LTP Year 1  
2021-22Annual Plan  
2022-23LTP Year 2  
2022-23**Liabilities****Current liabilities**

28,600	Payables and deferred revenue	29,053	26,710
142	Derivative financial instruments	452	142
30,000	Current borrowings	28,000	28,000
3,124	Employee benefits liabilities	3,489	3,186
47	Provisions	114	94
<b>61,913</b>	<b>Total current liabilities</b>	<b>61,108</b>	<b>58,132</b>

**Non-current liabilities**

20,923	Derivative financial instruments	12,571	20,923
179,000	Non-current borrowings	206,000	211,000
420	Employee benefits liabilities	499	428
453	Provisions	600	371
90	Payables and deferred revenue	343	90
<b>200,886</b>	<b>Total non-current liabilities</b>	<b>220,013</b>	<b>232,812</b>
<b>262,799</b>	<b>Total liabilities</b>	<b>281,121</b>	<b>290,944</b>

<b>1,837,037</b>	<b>Net assets</b>	<b>1,965,900</b>	<b>1,877,510</b>
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**Equity**

1,007,134	Retained earnings	1,046,529	1,015,061
59,819	Other reserves	65,955	68,173
770,084	Asset revaluation reserve	853,416	794,276
<b>1,837,037</b>	<b>Total equity attributable to Council</b>	<b>1,965,900</b>	<b>1,877,510</b>

# Prospective Statement of Cash Flows

		\$000	
LTP Year 1 2021-22		Annual Plan 2022-23	LTP Year 2 2022-23
<b>Cash flows from operating activities</b>			
110,767	Receipts from rate revenue	117,939	118,342
49,098	Subsidies and grants received	39,897	25,390
16,385	Other revenue including development contributions	16,173	16,519
16,282	Fees and charges received	16,998	16,888
135	Interest received	798	141
35	Dividends received	26	35
(114,033)	Payments to suppliers and employees	(116,712)	(111,750)
(5,588)	Interest paid	(8,992)	(7,059)
<b>73,081</b>	<b>Net cash flow from operating activities</b>	<b>66,127</b>	<b>58,506</b>
<b>Cash flows from investing activities</b>			
-	Proceeds from fixed assets	-	-
1,522	Receipts from investments and loans	1,716	1,716
(112,343)	Purchase and development of fixed assets	(109,005)	(89,733)
-	Purchase of investments and loans provided	-	-
<b>(110,821)</b>	<b>Net cash flow from investing activities</b>	<b>(107,289)</b>	<b>(88,017)</b>
<b>Cash flows from financing activities</b>			
37,000	Proceeds from borrowings	42,000	30,000
-	Loan repayments received	-	-
-	Repayment of borrowings	-	-
-	Loans granted	-	-
<b>37,000</b>	<b>Net cash flow from financing activities</b>	<b>42,000</b>	<b>30,000</b>
(740)	Net increase/(decrease) in cash, cash equivalents and bank overdrafts	838	489
27,305	Cash, cash equivalents and bank overdrafts at the beginning of the year*	31,358	26,565
26,565	Cash, cash equivalents and bank overdrafts at the end of the year	32,196	27,054

\* The amount at the beginning of the Annual Plan year is taken from a revised forecast for 2021-22.



# Capital Expenditure

\$000's

## Capital Programme

2022-23



### Transportation

Amenity Lighting	94
Bridge and Structural Renewals	1,055
Bus Shelters	126
Coastal Protection Structures – Roothing	87
Community Led Development	614
Cycleways – Subsidised	5,882
Drainage Renewals	1,503
Footpaths Renewals	664
LCLR* Major Bridge Repairs	939
LCLR Minor Improvement Projects	1,260
LCLR Lighting Improvements	241
LCLR New Footpaths	630
LCLR Resilience Projects	1,311
LCLR Safety Improvements	2,099
LCLR Subsidised Seal Extensions	449
Lower James Street Upgrade	402
MBIE Projects	4,367
Parking Renewals	525
Seal Extensions – Unsubsidised	4,101
Sealed Road Pavement Rehabilitation	3,459
Sealed Road Resurfacing	5,295
Structures Component Replacement	1,624

\*LCLR = Low Cost Low Risk

## Capital Programme

2022-23

Subdivision Works Contribution	58
Traffic Sign & Signal Renewals	897
Transport Planning Studies & Strategies	104
Unsealed Road Metalling	2,368
Urban Intersection Upgrades	7,470
Whangārei City Centre Plan Implementation	420
<b>Transportation Total</b>	<b>48,041</b>



## Water

Fairway Drive Pump Station Upgrade	536
Kamo Reservoir Additional Capacity	4,364
Maungakaramaea Reservoir Additional Capacity	205
Minor Projects – Emergency Works	565
Reservoir Rehabilitation – Programmed Work	136
Reticulation – Programmed Work	2,974
Three Mile Bush Reservoir Additional Capacity	1,665
Treatment Plant Upgrades	262
Wairua River Source & Treatment	3,569
Water Meter Renewals	527
Water Treatment Plant & Equipment Replacement	525
Whau Valley New Water Treatment Plant	95
<b>Water Total</b>	<b>15,424</b>

## Capital Programme

2022-23



## Solid Waste

Transfer Station Renewals	52
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<b>Solid Waste Total</b>	<b>52</b>
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## Wastewater

Laboratory Equipment Renewals & Upgrades	17
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Sewer Network Renewal	1,554
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Sewer Network Upgrades	3,633
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Wastewater Assessment	105
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Wastewater Pump Station Remote Monitoring	630
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Wastewater Pump Station Renewals	313
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Wastewater Reticulation Upgrade	21
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Wastewater Strategy – Programmed Work	36
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Wastewater Treatment Plant Renewals	685
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Wastewater Treatment Plant Upgrades	5,832
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<b>Wastewater Total</b>	<b>12,825</b>
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## Stormwater

Blue/Green Network	612
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Stormwater Catchment Management Plans & Assessments	391
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Stormwater Renewals	2,430
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Stormwater Upgrades	446
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<b>Stormwater Total</b>	<b>3,879</b>
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## Capital Programme

2022-23



## Flood Protection

Gravity Drainage Gates	198
Level Sensor Renewals	23
Stop/Control Bank Renewals	285
<b>Flood Protection Total</b>	<b>507</b>



## Community facilities and Service



## Parks and Recreation

Blue/Green Network	840
Cemeteries Level of Service	210
Cemeteries Renewals	259
Cemetery Land Purchases	598
Coastal Structures Level of Service	99
Coastal Structures Renewal	2,007
Emerald Necklace – Sense of Place	65
Neighbourhood & Public Gardens Level of Service	3,310
Neighbourhood & Public Gardens Renewals	1,166
Parks Interpretation Information	67
Playgrounds & Skateparks Level of Service	545
Playgrounds & Skateparks Renewals	336
Pohe Island Development	1,294
Public Art	10
Public Toilets	346
Sport & Recreation Growth	510
Sport & Recreation Level of Service	777
Sport & Recreation Renewals	728
Walkway & Track Renewals	262

## Capital Programme

2022-23

Waterfront Programme	1,576
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## Libraries

Book Purchases	927
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Furniture Renewals	5
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IT Equipment Replacement	114
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Library Improvements	503
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## Community Property

Community Buildings Renewals & Improvements	4,921
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Pensioner Housing Renewals & Improvements	1,322
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## Community Development

CCTV Upgrades & Improvements	917
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Community Led Development	598
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## Venue and Events

Flags & Decorations	85
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Forum North Venue – Entrance/ Lighting Enhancements	21
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Forum North Venue – Furniture Upgrades	31
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Forum North Venue – Health & Safety Upgrades	31
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Forum North Venue – Theatre Technical Equipment Upgrades	63
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Northland Events Centre – Exterior General Renewals	92
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Northland Events Centre – Floor Covering Renewals	105
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Northland Events Centre Building Renewals	321
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## Civil Defence

Civil Defence Emergency Management Equipment Renewals	22
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Civil Defence Emergency Management New Equipment	5
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**Capital Programme****2022-23**

Tsunami Signage	91
Tsunami Sirens New	60
Tsunami Sirens Renewals	628
<b>Community Facilities and Services Total</b>	<b>25,869</b>

**Planning & Regulatory Services**

Dog Pound Renewals	4,652
<b>Planning and Regulatory Services Total</b>	<b>4,652</b>

**Governance and Strategy**

Airport Renewals & Improvements	136
Central City Carpark Upgrades & Improvements	197
New Airport Evaluation	2,142
Parihaka Transmission Mast Upgrade	936
Property Purchases	2,500
<b>Governance and Strategy Total</b>	<b>5,912</b>

**Support Services****Business Support**

Civic Centre	20,963
Council Vehicle Replacements	999
Forum North Venue Renewals	255
Furniture Renewals	41



\$000's

**Capital Programme**

**2022-23**

**ICT**

CiA Upgrade 1,507

Customer Access – Online Services 1,688

Security 410

IT Equipment New 1,625

Platform as a Service 1,679

**People and Capability**

Office Furniture 58

**Support Services Total 29,226**

**Total Capital Programme**

**146,387**

The above programme will be adjusted to incorporate the final position of projects still in progress that span the end of the 2022 financial year.

# Reserve funds

Balances of reserves held are:

					\$000
		Estimated opening balance 1 July 2022	Transfers in	Transfers out	Estimated closing balance 30 June 2023
Asset Revaluation Reserve		831,538	21,878	-	853,416
Total Asset Revaluation Reserve		831,538	21,878	-	853,416
Activity					
Trust Funds	Bequests held for specific purposes	11	-	-	11
Community Facilities and services	Community Development Fund 1 – to provide funding for land for reserves for community facilities on Council owned reserve land	3,664	136	-	3,800
	Community Development Fund 2 – to provide funding for community facilities on non-Council reserve land	7,356	295	-	7,651
	Community Development Fund 3 – to provide funding for performing arts activities	298	12	-	310
	Art Acquisitions – to fund acquisition of artworks	13	-	-	13
	Clock Purchases – to fund purchase of clocks for the Claphams Clocks Museum	52	-	-	52
	Leonard Library Reserve – bequest for the purchase of library books	212	-	-	212
Governance and Strategy	Property Reinvestment Reserve – to fund property purchases for a commercial return	19,433	389	2,500	17,322
Water	To hold any surpluses for future funding of water activities	24,194	-	8,347	15,847

		\$000			
		Estimated opening balance 1 July 2022	Transfers in	Transfers out	Estimated closing balance 30 June 2023
General reserve	To fund operational grants committed but not paid and capital grants received but not spent	43	-	-	43
Flood protection-Hikurangi	To hold any surpluses for future funding of Flood Protection activities	622	-	-	622
Wastewater	To hold any surpluses for future funding of Wastewater activities	14,562	5,510	-	20,072
Total Reserves and Special Funds		70,460	6,342	10,847	65,955

# Depreciation and amortisation by group of activities

		\$'000	
LTP Year 1 2021-22		Annual Plan 2022-23	LTP Year 2 2022-23
21,971	Transportation	21,973	22,873
6,571	Water	8,025	6,936
80	Solid waste	248	90
6,994	Wastewater	9,294	7,405
3,191	Stormwater	3,789	3,400
299	Flood protection	453	319
6,281	Community facilities and services	8,247	6,899
89	Governance and strategy	89	91
54	Planning and regulatory services	49	55
2,361	Support services	1,312	2,658
47,891	Total depreciation and amortisation	53,479	50,726

# Accounting Policies

## 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 to the community.

The relevant legislation governing Council's operations includes the Local Government Act 2002 and the Local Government (Rating) Act 2002.

Council's accounting policies include reference to Council and its controlled entities. The 2022-23 Annual Plan is prepared only with respect to the parent, Whangarei District Council. Non-exempt Council controlled entities prepare a Statement of Intent which includes a three-year budget. Due to the immateriality of the controlled entities budgets they are not consolidated into Council's Annual Plan.

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

## 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 of Council and the Group have been prepared in accordance with the requirements of the LGA and the Local Government (Financial Reporting and Prudence) Regulations 2014 (LG(FRP)R), which include the requirement to comply with generally accepted accounting practice in New Zealand (NZ GAAP).

The financial statements have been prepared in accordance with and comply with PBE Standards.

### *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*

The budget figures have been prepared in accordance with NZ GAAP, using accounting policies that are consistent with those adopted by Council in preparing these financial statements.

### *Three Waters Reform*

Following the announcement by the Local Government Minister on 27 October 2021 regarding central government proceeding with the three waters service delivery reforms using a legislated 'all-in' approach, Council continues to recognise its three water assets at

30 June 2023 in accordance with the accounting policies set out on pages 120 to 123. There has been no adjustment in these financial statements to reflect the expected future transfer of assets to the new water entity. It is expected central government will develop details around the mechanism for the transfer of the water assets and this will be completed prior to 1 July 2024. As further details are established this may acquire adjustments to Council's three water assets either in respect of disclosure or measurement.

## **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

### ***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:

- 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
- assumptions and estimates are applied in determining the fair value of infrastructure assets and pensioner housing
- 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. Movement in investment property values is not included within this budget.

### ***Critical judgements in applying accounting policies***

Management has exercised the following critical judgements in applying accounting policies for the budget figures:

- classification of property: Council owns a number of properties held to provide housing to pensioners. The receipt of market based rental from these properties is incidental to holding them. The properties are held for service delivery objectives as part of Council's social housing policy. The properties are therefore accounted for as property, plant, and equipment rather than as investment property
- revenue from exchange and non-exchange transactions: Council has exercised professional judgement when determining whether the substance of a transaction is that of non-exchange or exchange. Council has reviewed its revenue streams and referred to its Revenue and Financing Policy to identify activities partially funded by rates revenue. When this occurs, the revenue from that activity is treated as non-exchange. Council believes revenue recognition materially complies with the PBE accounting standards



- determine control/joint control: Council has determined in respect to associated entities its control or joint control when deciding inclusion or non-inclusion in Council and the Group's financials. Council considers 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.

See Significant Forecasting Assumptions on page 148 for additional assumptions applied to the prospective financial information.

## REVENUE

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.

## RATES

The following policies for rates have been applied:

- General rates, targeted rates (excluding water-by-meter), and uniform annual general charges are recognised at the start of the financial year to which the rates resolution relates. They are recognised at the amounts due. Council considers that the effect of payment of rates by instalments is not sufficient to require discounting of rates receivables and subsequent recognition of interest revenue.

- Rates arising from late payment penalties are recognised as revenue when rates become overdue.
- Revenue from water-by-meter rates is recognised on an accrual basis based on usage. Unbilled usage, as a result of unread meters at year end, is accrued on an average usage basis.
- Rates remissions are recognised as a reduction of rates revenue when Council has received an application that satisfies its rates remission policy.
- 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.

## **DEVELOPMENT AND FINANCIAL CONTRIBUTIONS**

Development and financial contributions are recognised as revenue when Council provides, or is able to provide, the service for which the contribution was charged. Otherwise, development and financial contributions are recognised as liabilities until such time as Council provides, or is able to provide, the service.

## **SUBSIDIES AND GRANTS**

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

## **FEES AND CHARGES**

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

Fees and charges for building and resource consent services are recognised when complete.

### ***Sale of goods***

Revenue from the sale of goods is recognised when a product is sold to the customer.

## **INTEREST REVENUE AND FINANCE COSTS**

Borrowing costs are expensed in the financial year in which they are incurred.

## **VESTED OR DONATED PHYSICAL ASSETS**

For assets received for no or nominal consideration, the asset is recognised at its fair value when Council obtains control of the asset. The fair value of the asset is recognised as revenue.

The fair value of vested or donated assets is usually determined by reference to Council's most recent valuation rates and useful lives.

## **SALARIES AND WAGES**

Salaries and wages are recognised as an expense as employees provide services.

## **SUPERANNUATION SCHEMES – DEFINED CONTRIBUTION SCHEMES**

Employer contributions to KiwiSaver, the Government Superannuation Fund and other defined contribution superannuation schemes are accounted for as defined contribution schemes and are recognised as an expense in the surplus or deficit when incurred.

## **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.

## **OPERATING LEASES**

An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset. Lease payments under an operating lease are recognised as an expense on a straight-line basis over the lease term. Lease incentives received are recognised in the surplus or deficit as a reduction of rental expense over the lease term.

## **INCOME TAX**

Council is not subject to income tax except for revenue derived from Council Controlled Organisations (Northland Regional Landfill Limited Partnership and Whangārei District Airport).

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

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

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

Deferred tax liabilities are generally recognised for all taxable temporary differences.

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

Deferred tax is not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition of an asset or liability in a transaction that affects neither accounting profit nor taxable profit.

Current tax and deferred tax are measured using tax rates (and tax laws) that have been enacted or substantively enacted at balance date.

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

## CASH AND CASH EQUIVALENTS

Cash and cash equivalents includes 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 in current liabilities in the statement of financial position.

The carrying value of cash at bank and short-term deposits with maturities less than three months approximates their fair value.

## DEBTORS AND RECEIVABLES

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

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

Rates are written-off:

- When remitted in accordance with Council's rates remission policy; and
- In accordance with the write-off criteria of sections 90A (where rates cannot be reasonably recovered) and 90B (in relation to Māori freehold land) of the Local Government (Rating) Act 2002.

Other receivables are written-off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include the debtor being in liquidation or the receivable being more than one year overdue.

## OTHER 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 financial assets at fair value through the statement of comprehensive revenue and expense. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its investments at initial recognition and re-evaluates this designation at every reporting date.

### ***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).

### ***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.

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.

### ***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 currently has no financial assets classified as held to maturity.

### ***Financial assets at fair value through the statement of comprehensive revenue and expense***

Financial assets at fair value through the statement of comprehensive revenue and expense 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.

## **NON-CURRENT ASSETS HELD FOR SALE**

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

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

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

Non-current assets are not depreciated or amortised while they are classified as held for sale.

## **INVESTMENT PROPERTIES**

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 at each reporting date. Gains or losses arising from a change in the fair value of 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.

## **FORESTRY ASSETS**

Standing forestry assets are independently revalued to fair value less estimated costs to sell for one growth cycle.

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

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



## 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.

### **Revaluation**

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.

### **Additions**

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

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

In most instances, an item of property, plant, and equipment is initially recognised at its cost. Where an asset is acquired through a non-exchange transaction, it is recognised at its fair value as at the date of acquisition.

Costs incurred subsequent to initial acquisition are recognised when the recognition criteria above is met. 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.

## **Disposals**

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

## **Subsequent measurement**

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).

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.

## **Depreciation**

Depreciation is provided 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.

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

Class of PP&E	Estimated useful life (years)
<b>Operating assets</b>	
Land	Indefinite
Buildings	10-100
Strategic land	Indefinite
Strategic buildings	35-50
Pensioner housing – land	Indefinite
Pensioner housing – buildings	14-80

Class of PP&E	Estimated useful life (years)
Library books	10
Motor vehicles	5
Office furniture and fittings	3-20
Plant and equipment	3-80
<b>Infrastructure assets</b>	
Land for roads*	Indefinite
<b>Roading network</b>	
Bridges	15-100
Carriageways	4-70
Formation	Indefinite
Culverts	35-80
Footpaths	10-55
Kerbs and channels	60
Street and road signs	15
Traffic services	15-40
<b>Water</b>	
Pipes	50-107
Plant and equipment	5-80
Treatment plant	60
<b>Wastewater</b>	
Pipes	30-101
Pumps and pump stations	20-100
Manholes	80-101
Treatment plant	15-100
<b>Stormwater</b>	
Pipes	11-125
Manholes	11-100
<b>Parks and recreation</b>	
Walkways, reserves and sportsfields	10-100
<b>Restricted assets</b>	
Heritage assets**	Indefinite
Parks and reserve land	Indefinite
Marina structures***	40-44

The residual value and useful life of an asset is reviewed, and adjusted if applicable, at each financial 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 Whangārei Marina and Tutukākā Marina (under the management of the Whangārei Harbour Marina Trust and the Tutukākā Marina Management Trust respectively).

### ***Impairment of property, plant and equipment***

Property, plant and equipment that have a finite useful life are reviewed 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.

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

If an asset's carrying amount exceeds its recoverable amount, the asset is regarded as impaired and the carrying amount is written-down to the recoverable amount. Impairment losses for revalued items are recognised in the same manner as revaluation decrements. Impairment losses for items carried at cost are recognised in the surplus or deficit.

### ***Value in use for non-cash-generating assets***

Non-cash-generating assets are those assets that are not held with the primary objective of generating a commercial return.

For non-cash-generating assets, value in use is determined as the present value of the asset's remaining service potential, which is the depreciated replacement cost of the asset.

### ***Value in use for cash-generating assets***

Cash-generating assets are those assets that are held with the primary objective of generating a commercial return.

The value in use for cash-generating assets is the estimated present value of expected future cashflows.

## **INTANGIBLE ASSETS**

### ***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.

Staff training costs are recognised in the surplus or deficit when incurred.

Costs associated with maintaining computer software are recognised as an expense when incurred.

Computer software assets are amortised using the straight line method over their estimated useful lives (3 to 10 years).

### **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.

### **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.

### **Amortisation**

The carrying value of an intangible asset with a finite life is amortised on a straight-line basis over its useful life. Amortisation begins when the asset is available for use and ceases at the date that the asset is derecognised. The amortisation charge for each financial year is recognised in the surplus or deficit.

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

Class of intangible asset	Estimated useful life (years)
Computer software	3-10

### **Impairment of intangible 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.

For further details, refer to the policy for impairment of property, plant, and equipment. The same approach applies to the impairment of intangible assets.

## **DERIVATIVE FINANCIAL INSTRUMENTS**

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.

## **PAYABLES AND DEFERRED REVENUE**

Short-term creditors and other payables are recorded at their face value.

## **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;
- it is probable that an outflow of future economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation 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'.

## **BORROWINGS**

Borrowings are initially recognised at their 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 Council or the Group has an unconditional right to defer settlement of the liability for at least 12 months after balance date.

## **EMPLOYEE ENTITLEMENTS**

### ***Short-term employee entitlements***

Employee benefits that are due to be settled wholly within twelve months after the end of the year in which the employee provides the related service are measured based on accrued entitlements at current rates of pay. These include salaries and wages accrued up to balance date and annual leave earned to, but not yet taken at balance date.



### ***Long-term employee entitlements***

Employee benefits that are due to be settled wholly before twelve months after the end of the reporting period in which the employee provides the related service, such as retirement and long service leave, have been calculated on an actuarial basis. The calculations are based on:

- likely future entitlements accruing to staff, based on years of service, years to entitlement, the likelihood that staff will reach the point of entitlement, and contractual entitlement information; and
- the present value of the estimated future cash flows.

### ***Presentation of employee entitlements***

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

### ***Defined contribution schemes***

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

## **EQUITY**

Equity is the community's interest in Council and is measured as the difference between total assets and total liabilities. Equity is disaggregated and classified into the following components:

- accumulated funds
- reserves and special funds
- asset revaluation reserve.

### ***Reserves and special funds***

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

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

Also included in reserves and special funds are reserves restricted by Council decision. Council may alter them without reference to any third party or the courts. Transfers to and from these reserves are at the discretion of Council.

### ***Asset revaluation reserves***

This reserve relates to the revaluation of property, plant and equipment to fair value.

## **CAPITAL COMMITMENTS AND OPERATING LEASES**

### ***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.

### ***The Group as a lessee***

The Group is a lessee in operating leases. Lease payments under an operating lease are recognised on a straight-line basis over the 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.

### ***Capital commitments***

Capital commitments represent capital expenditure contracted for at balance date but not yet incurred.

## **GOODS AND SERVICES TAX**

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.

## **PUBLIC BENEFIT ENTITY FINANCIAL REPORTING STANDARD 42 PROSPECTIVE FINANCIAL STATEMENTS (PBE FRS 42)**

Council has complied with PBE FRS 42 in the preparation of these prospective financial statements. The following information is included to satisfy the requirements of PBE FRS 42:

- i) Description of the nature of the entity's current operation and its principal activities:  
Whangarei District Council is a territorial local authority, as defined in the Local Government Act 2002. Council's principal activities are outlined within this Annual Plan.
- ii) Purpose for which the prospective financial statements are prepared: It is a requirement of the Local Government Act 2002 to present prospective financial statements that span one year and include them in the Annual Plan. This allows ratepayers and residents the opportunity to review Council's projected financial results and position. Information included in these prospective financial statements may not be appropriate for other purposes. Prospective financial statements are revised every year to reflect updated assumptions and costs.

- iii) Bases for assumptions, risks and uncertainties: The financial information has been prepared based on best estimate assumptions as to the future events which Council expect to take place. Council has considered factors that may lead to a material difference between information in the prospective financial statements and actual results. See Significant Forecasting Assumptions on page 148 for additional assumptions applied to the prospective financial information.
- iv) Cautionary note: The financial information is prospective. Actual financial results are likely to vary from the information presented and these variations may be material.
- v) Other disclosures: These prospective financial statements were adopted as part of the 2022-23 Annual Plan for Whangarei District Council on 30 June 2022. Council is responsible for the prospective financial statements presented, including the assumptions underlying the prospective financial statements and all other disclosures. The Annual Plan is prospective and as such contains no actual operating results.

# Annual plan disclosure statement for year ending 30 June 2023

## WHAT IS THE PURPOSE OF THIS STATEMENT?

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

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

Benchmark		Planned	Met
Rates affordability benchmarks			
• income	70%	50%	Yes
• increases	5.5%	5.2%	Yes
Debt affordability benchmark			
• external debt	175%	100%	Yes
Balanced budget benchmark	100%	103%	Yes
Essential services benchmark	100%	183%	Yes
Debt servicing benchmark	15%	5%	Yes

## NOTES

### 1 Rates affordability benchmark

(1) For this benchmark,—

- a) the council's planned rates income for the year is compared with quantified limits on rates contained in the financial strategy included in the council's long-term plan; and
- b) the council's planned rates increases for the year are compared with quantified limits on rates increases for the year contained in the financial strategy included in the council's long-term plan.

(2) The council meets the rates affordability benchmark if—

- a) its planned rates income for the year equals or is less than each quantified limit on rates; and
- b) its planned rates increases for the year equal or are less than each quantified limit on rates increases.

## ***2 Debt affordability benchmark***

- (1) For this benchmark, the council's planned borrowing is compared with quantified limits on borrowing contained in the financial strategy included in the council's long-term plan.
- (2) The council meets the debt affordability benchmark if its planned borrowing is within each quantified limit on borrowing.

## ***3 Balanced budget benchmark***

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

## ***4 Essential services benchmark***

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

## ***5 Debt servicing benchmark***

- (1) For this benchmark, the council's planned borrowing costs are presented as a proportion of planned revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant, or equipment).
- (2) Because Statistics New Zealand projects that the council's population will grow faster than the national population growth rate, it meets the debt servicing benchmark if its planned borrowing costs equal or are less than 15% of its planned revenue.

# 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 Long Term Plan (LTP) process. The amounts stated for 2022-23 are indicative.

## FINANCIAL DISCLOSURES

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

## 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 for all rateable land in our District.

The general rate will be made up of a uniform annual general charge (UAGC) and a value-based general rate.

### *Value-based general rates*

The value-based general rate will be assessed on the land value of each rateable rating unit in our District.

The general rate will be set on a differential basis based on the category of land use and the activities which are permitted, controlled or discretionary for the area in which the land is situated.

The objective of the differential rate is to achieve the total revenue sought from each category, as set out on page 134.

Where a property is used for more than one purpose, Council will consider apportioning the value of the property between the different categories. For properties where the additional use(s) is less than 30% of the rating unit's area and the apportioned land value is less than \$30,000, no rating apportionments will be created, and the rating unit will be categorised in the category that reflects the primary use.

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.

The value-based general rate for a given property will be assessed by multiplying the land value of the rating unit by the rate per dollar that applies to the differential.

These definitions are also used for the sewerage disposal rate.



## **DIFFERENTIAL BASIS**

All rating units in our District are allocated to the most appropriate category. The categories are:

### ***Category 1: Residential***

All rating units which are used principally for residential or lifestyle residential purposes including lifestyle retirement villages, flats and apartments, that are not categorised as multi-unit. This category includes all rating units that are unused or used for a purpose other than a commercial and industrial one but that on their own and/or in the context of the surrounding land have been created and/or developed for residential use and/or are zoned for residential use.

### ***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 commercial purposes, 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: Miscellaneous properties***

All rating units not otherwise categorised.

### ***Category 4: Rural***

All rating units which are used (solely or with other rating units) principally for agricultural, horticultural, forestry, pastoral or aquaculture purposes, or for the keeping of bees, poultry or other livestock. This does not include rating units which on their own or in the context of the surrounding land have been created and/or developed for commercial and industrial use and/or mixed use but that are being used for one of the rural purposes described in the preceding sentence and/or zoned for commercial and industrial use. Also included in this category are rating units of which the land is unused but is primarily developed for and capable of being used for rural uses.

### ***Category 5: Commercial and industrial***

All rating units used principally for commercial, industrial or related purposes. This category includes properties licensed under the Sale and Supply of Alcohol Act 2012, and private hospitals and private medical centres. This category also includes rating units which are not being used but on their own or in the context of the surrounding land have been created and/or developed for commercial and industrial use and/or mixed use and/or are zoned for commercial and industrial use. This category also includes rating units that are being used for rural purposes but on their own or in the context of the surrounding land have been created and/or developed for commercial and industrial use and/or mixed use and/or are zoned for commercial and industrial use.

In the context of these definitions:

- mixed use means the commercial and industrial and residential use
- lifestyle residential purposes means land generally zoned rural, where the predominant use is residential and is normally less than 20 hectares.

## ***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 part.

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.

A UAGC of \$650.00 (including GST) will apply per SUIP for 2022-23. This is estimated to produce \$29.477m (including GST) for 2022-23 and equates to 32 percent of general rates revenue and 21 percent of total rates revenue.

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

A separately used or inhabited part is defined as:

- any part of a property (rating unit) that is separately used or occupied, or is intended to be separately used or occupied by any person, other than the ratepayer, having a right to use or inhabit that part by virtue of a tenancy, lease, license, or other agreement
- any part of a rating unit that is separately used, or occupied, or intended to be separately used or occupied by the ratepayer.

Examples include:

- each separate shop or business activity on a rating unit
- each occupied or intended to be occupied dwelling, flat, or additional rentable unit (attached or not attached) on a rating unit
- individually tenanted flats, including retirement units, apartments and town houses (attached or not attached) or multiple dwellings on Māori freehold land on a rating unit

## GENERAL RATES FOR THE 2022-23 FINANCIAL YEAR

Total general rates required for 2022-23 are \$91.794m GST inclusive. This is made up of the value based general rate and the uniform annual general charge.

The value-based general rate is set on land value and assessed on a differential basis. The differential rate in the dollar for each category of land use is set to achieve the share of the total revenue sought from each category. The percentage share of revenue sought from each category of land use for 2022-23 is:

Sector category	2022-23
Residential	66.50%
Multi-Unit	0.24%
Miscellaneous	0.31%
Rural	8.79%
Commercial and industrial	24.16%
<b>Total</b>	<b>100.00%</b>

The amount required from each category is divided by the total land value for that category to establish the cents in the dollar rate for each category. The relationship or differential between the categories will be the result of these calculations.

Details of the rates and the amount of revenue sought for the 2022-23 year is:

	\$ (GST inclusive)				
	Value-based general rates		Uniform Annual General Charge		
	Basis of assessment: Per \$ of land value		Basis of assessment: Per separately used or inhabited part of a rating unit		Total general rates
Type of rate	Rate 2022-23	Revenue sought 2022-23	Rate 2022-23	Revenue sought 2022-23	Revenue sought 2022-23
Residential category	0.0021618	34,801,000	650.00	26,248,000	61,049,000
Multi-Unit category	0.0043236	193,000	650.00	27,000	220,000
Miscellaneous category	0.0021618	157,000	650.00	125,000	282,000
Rural category	0.0030766	6,747,000	650.00	1,318,000	8,065,000
Commercial and Industrial category	0.0112786	20,419,000	650.00	1,759,000	22,178,000
<b>Total</b>		<b>62,317,000</b>		<b>29,477,000</b>	<b>91,794,000</b>

## TARGETED RATES FOR THE 2022-23 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.

### *Sewerage disposal rate*

The activity for which the targeted rate is set is the operation and maintenance of the sewerage disposal system. The targeted rate is set on a differential basis. Residential connections will pay an amount per separately used or inhabited part of a rating unit (as defined on page 133), regardless of the number of toilet pans or urinals. Other premises, i.e. non-residential, will pay a fixed charge per toilet pan or urinal. The rate is only assessed to rating units connected to Council's wastewater system.

Details of rates for and the amount of revenue sought from, targeted rates for sewage disposal are:

		\$ (GST inclusive)	
Type of rate	Basis of assessment	Rate 2022-23	Revenue sought 2022-23
Total			25,921,000
Residential category as defined in the value-based general rates category 1	Per separately used or inhabited part of a rating unit	836.00	20,719,000
Other non-residential as defined in the value-based general rates categories 2-5	Per toilet pan or urinal	541.00	5,202,000

### *Water rates*

The activity for which the targeted rates is set is for the catchment, storage, treatment and distribution of water throughout various parts of our 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. The targeted rate under section 19 will be calculated as a fixed charge per unit (cubic metre) of water consumed ('Volumetric consumption charge').

A fixed targeted rate set under section 16 of the Local Government (Rating) Act 2002 will apply to all connected and metered properties ('Supply charge'). This is in addition to the volumetric consumption charge.

A fixed targeted rate set under section 16 of the Local Government (Rating) Act 2002 will apply per provision of service 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 our District's water supply systems ('Uniform charge (unmetered)'). A supply charge is not assessed where the uniform unmetered water charge is assessed.

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

Targeted rates for back flow prevention apply 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. The rate will be assessed on the size of the back-flow preventer.

Details of rates for, and the amount of revenue sought from, targeted rates for water are:

Type of rate	Basis of assessment	(GST inclusive)	
		Rate 2022-23	Revenue sought 2022-23
Volumetric consumption charge	Volume of metered water consumed per cubic metre	3.03	17,822,000
Supply charge (metered)	Provision of service per separately used or inhabited part of a rating unit	36.00	868,000
Availability charge	Availability of service per separately used or inhabited part of a rating unit	36.00	6,000
Uniform charge (unmetered)	Provision of service per separately used or inhabited part of a rating unit	498.00	42,000
Backflow preventer charge	Provision of service per connection based on the nature of connection		122,000
	15/20mm connection	84.41	N/A
	25mm connection	85.56	N/A
	32mm connection	101.22	N/A
	40mm connection	103.59	N/A
	50/60mm connection	107.47	N/A
	80/100mm connection	270.68	N/A
	150mm connection	316.87	N/A
	200mm connection	524.81	N/A

## ***Flood protection rate***

### **HIKURANGI SWAMP RATING DISTRICTS**

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 the scheme on a property or part of a property. The activity funded by this targeted rate is to defray the costs of the Hikurangi Swamp Major Scheme set out on page 47 of the Annual Plan.

The targeted rate is based on a differential graduated scale according to the class of the property and the area of land within the rating unit. Some properties may have areas of land which fall into several classes and the rating differentials are applied accordingly. The targeted rate per hectare for each category (class) of land is set out on the diagram below.

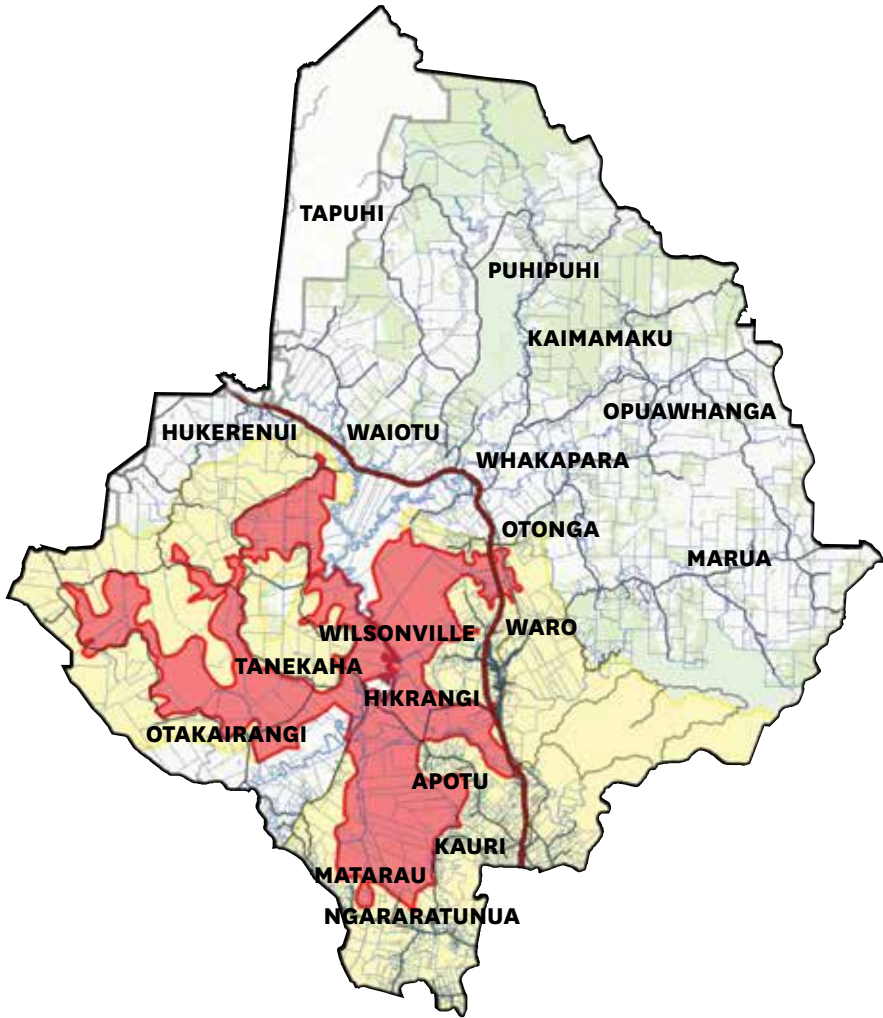
A second targeted rate applies to properties in the Hikurangi Swamp Drainage Rating District. The activity funded by this targeted rate is to defray the costs and charges of the Hikurangi Swamp draining scheme. The targeted rate applies differentially to two categories of land: class A and class F as set out in the Hikurangi Drainage District Diagram below. The targeted rate for each category is based on a differential graduated scale according to the class of the property and the area of land within the rating unit. The targeted rate per hectare for each category (class) of land is set out on the diagram below.



**Hikurangi Drainage District**

**CLASS**

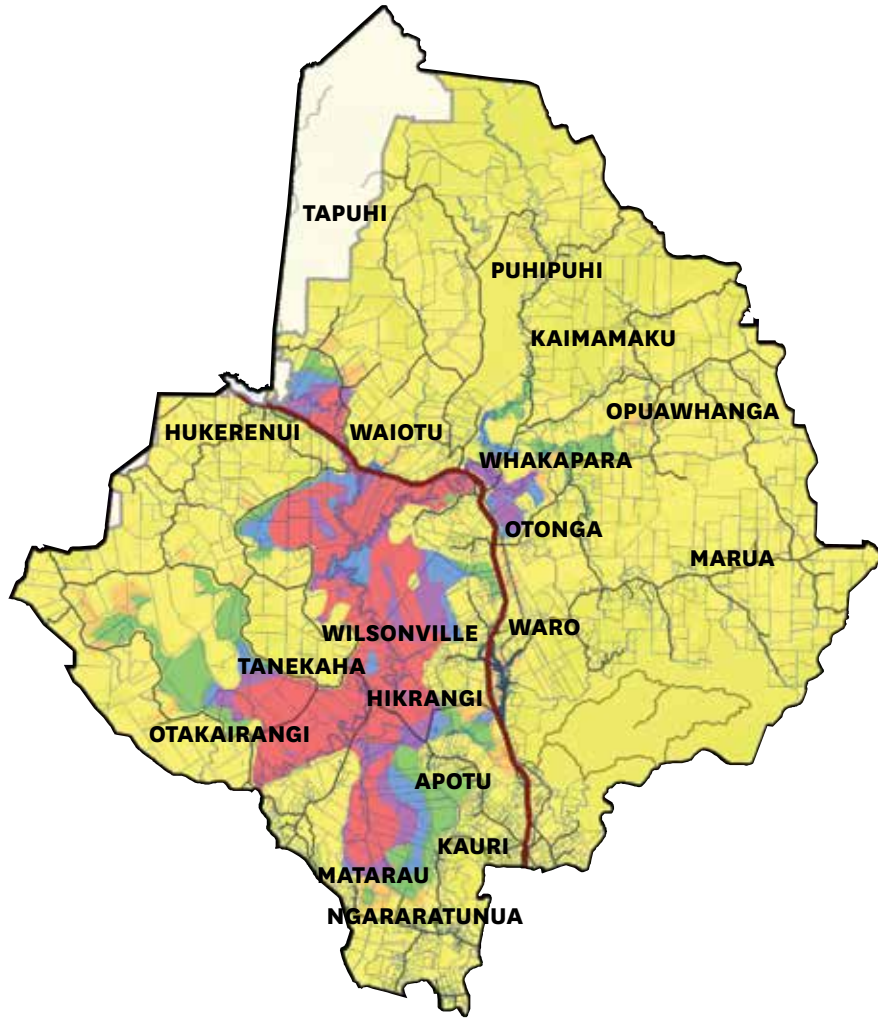
- A
- F



## Hikurangi Major Scheme

### CLASS

- A
- B
- C
- D
- E
- F



		\$ (GST inclusive)
BASIS OF ASSESSMENT	Rate 2022-23	Revenue sought 2022-23
<b>Total</b>		<b>1,324,000</b>
Per hectare of land in the Hikurangi Swamp Special Rating area		1,179,000
Class A approx 2,481ha	210.75	523,000
Class B approx 1,421ha	189.67	270,000
Class C approx 1,343ha	147.52	198,000
Class D approx 1,971ha	21.07	41,000
Class E approx 1,108ha	10.54	12,000
Class F approx 32,177ha	4.21	135,000
Per hectare of land in the Hikurangi Swamp Drainage Rating District		145,000
Class A approx 5,597ha	21.32	119,000
Class F approx 12,356ha	2.13	26,000

## ***Roading seal extension rates***

Council has a programme of roading seal extensions which are partially funded by ratepayers' contributions. The ratepayer contribution is \$4,600 GST inclusive per rating unit in the specified location/area of benefit. The ratepayer(s) may choose to pay the contribution in full or pay over five years. If the ratepayer chooses to pay over five years, the amount each year is \$920 GST inclusive per rating unit

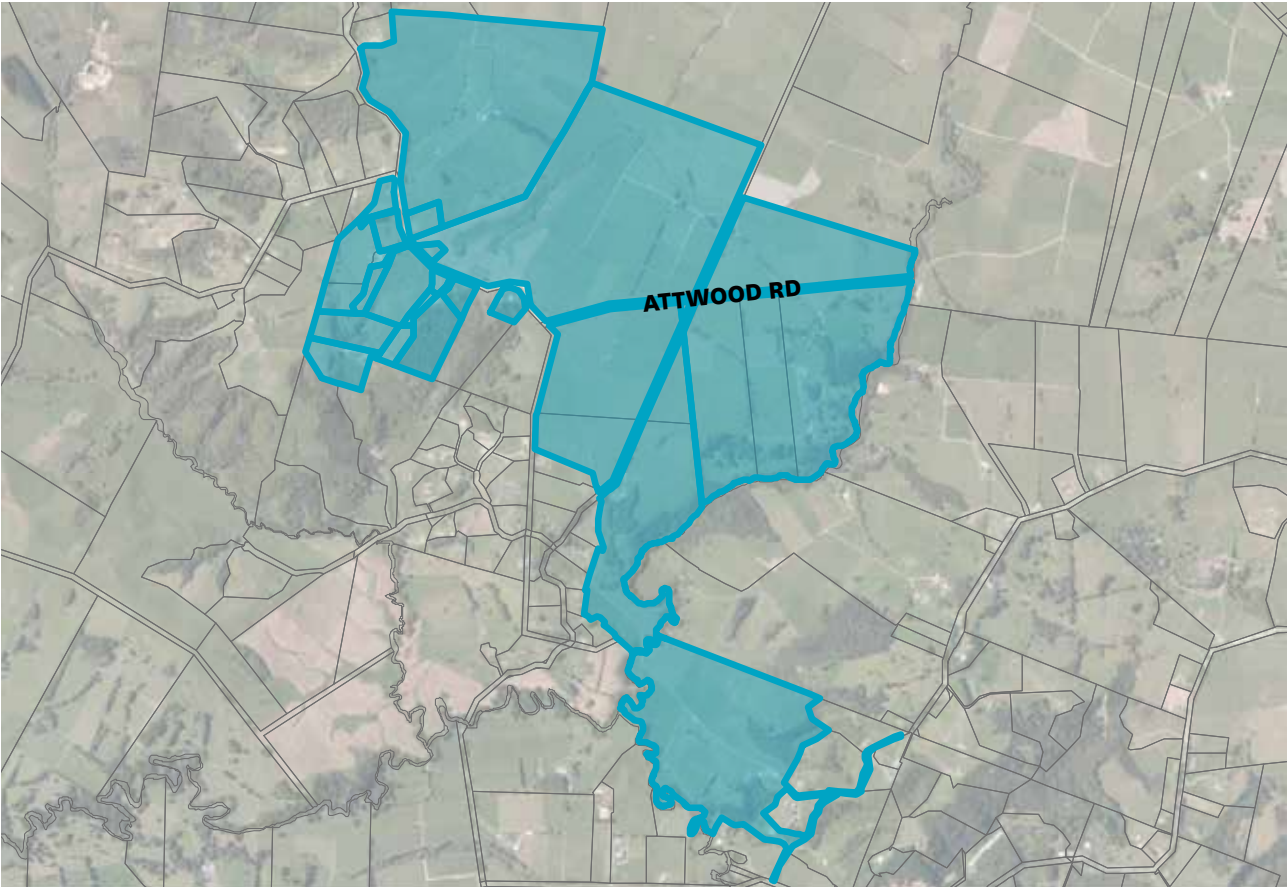
2021-22 was the first year of the roading seal extension programme, and rates are assessed for the rating units in the area of benefit for Attwood Road, Brooks Road, Massey Road, Nook Road and Tahunatapu Road. The ratepayer(s) choose to pay the contribution in full by 1 June 2021 or pay over five years from 1 July 2021 to 30 June 2026.

2022-23 is the second year of the roading seal extension programme, and rates are assessed for the rating units in the area of benefit for Waiotoi Road. The ratepayer(s) may choose to pay the contribution in full by 1 June 2022 or pay over five years from 1 July 2022 to 30 June 2027.

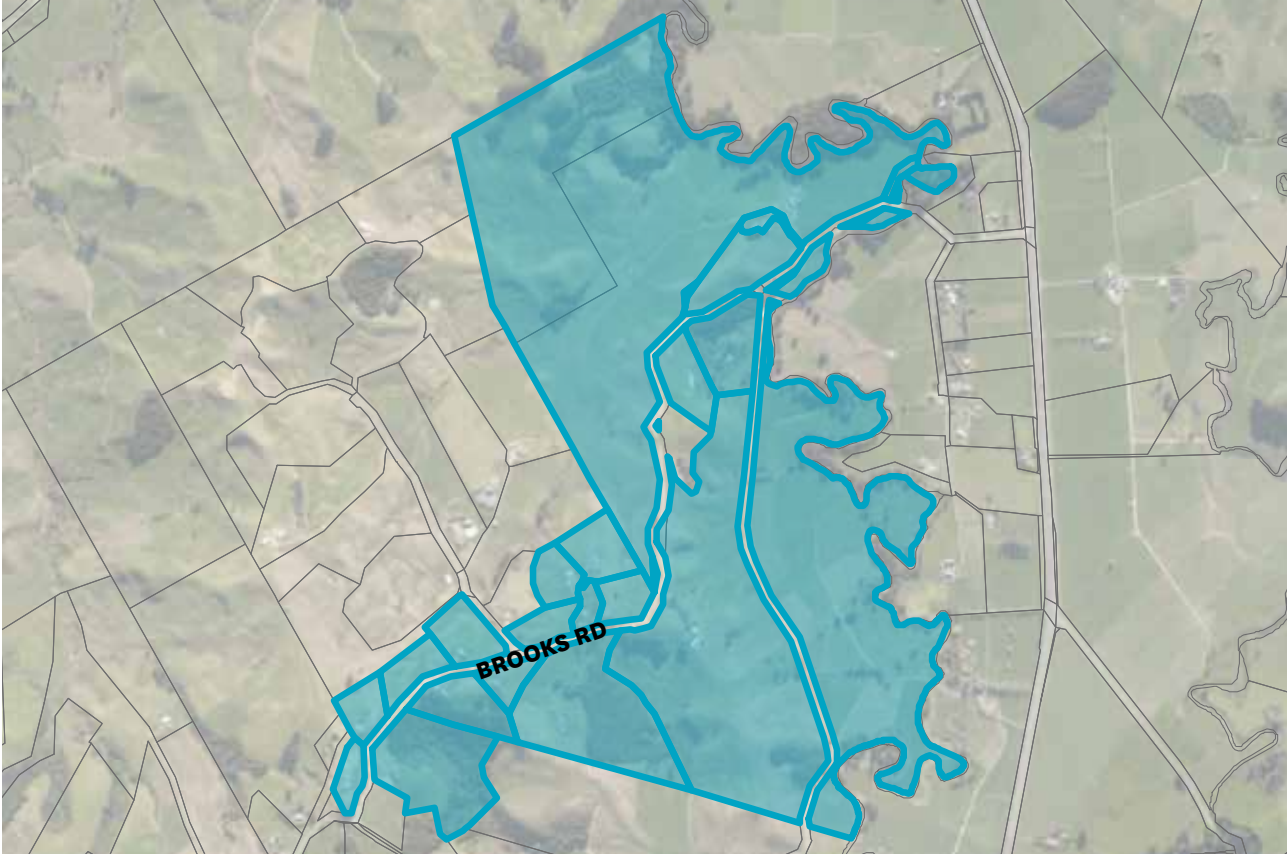
The seal extension programme and rates are:

			\$ (GST inclusive)	
Road	Area of benefit	Basis of assessment	Rate 2022-23	Revenue sought 2022-23
Attwood Road	Refer map A	Per rating unit	920.00	14,000
Brooks Road	Refer map B	Per rating unit	920.00	15,000
Massey Road	Refer map C	Per rating unit	920.00	21,000
Nook Road	Refer map D	Per rating unit	920.00	7,000
Tahunatapu Road	Refer map E	Per rating unit	920.00	13,000
Waiotoi Road	Refer map F	Per rating unit	920.00	10,000

**Map A: Attwood Road**

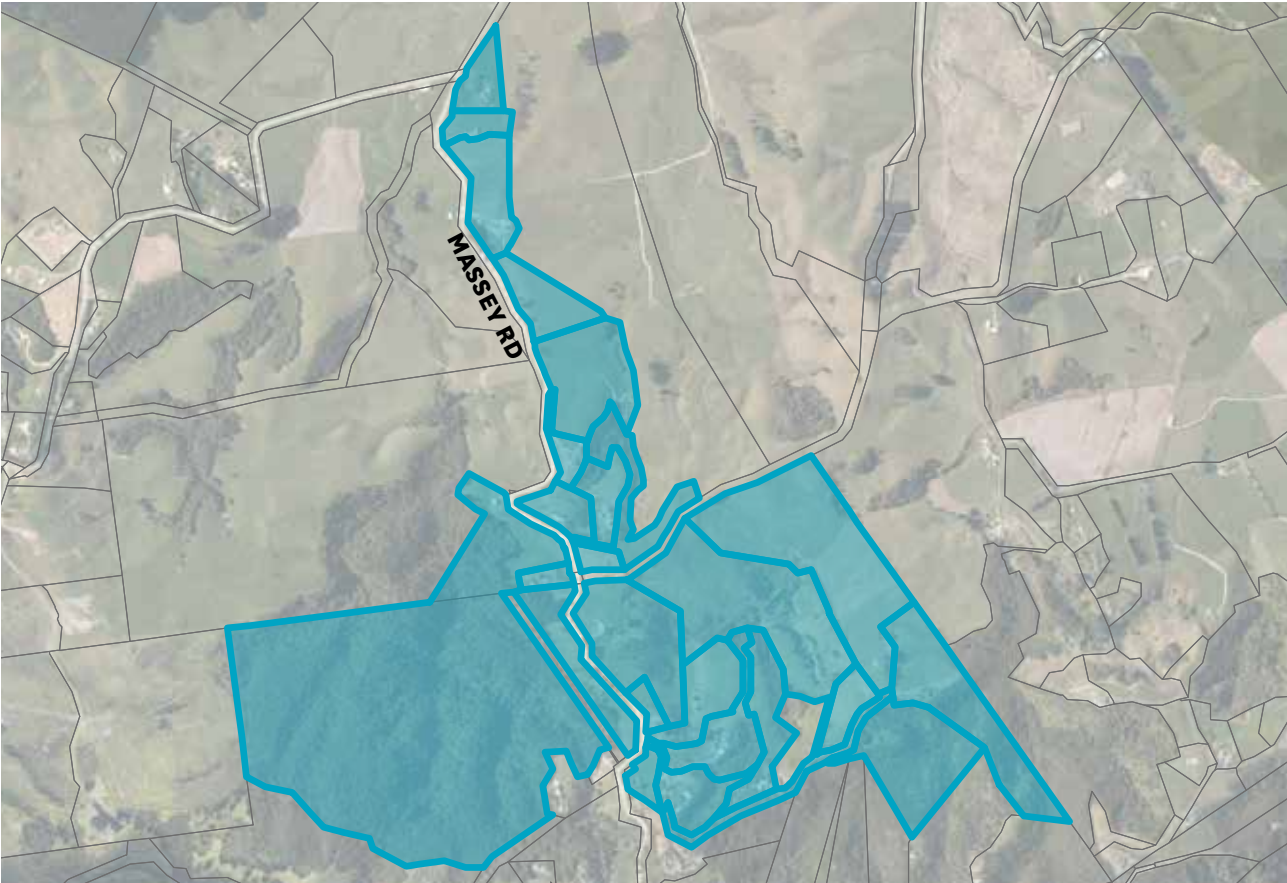


**Map B: Brooks Road**





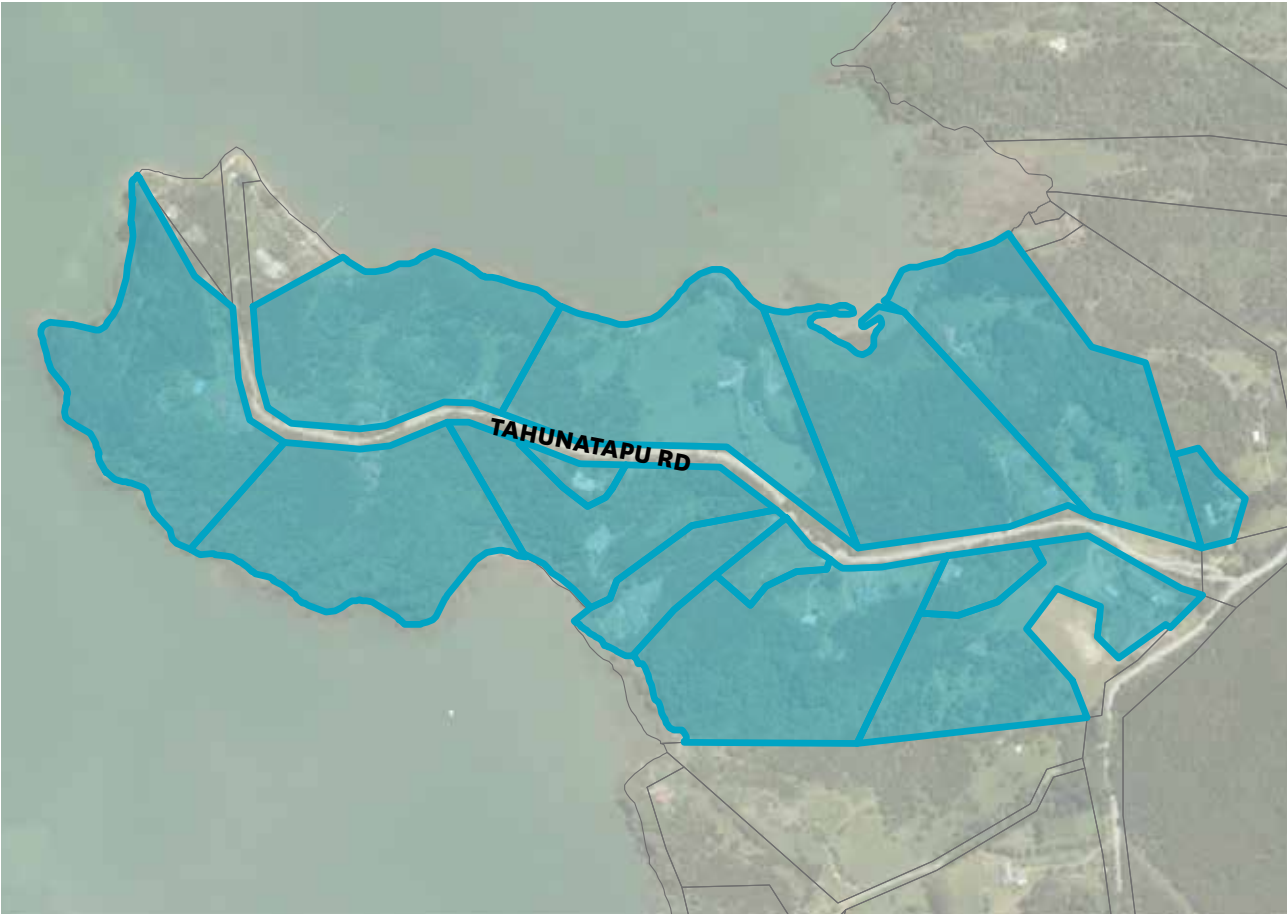
**Map C: Massey Road**



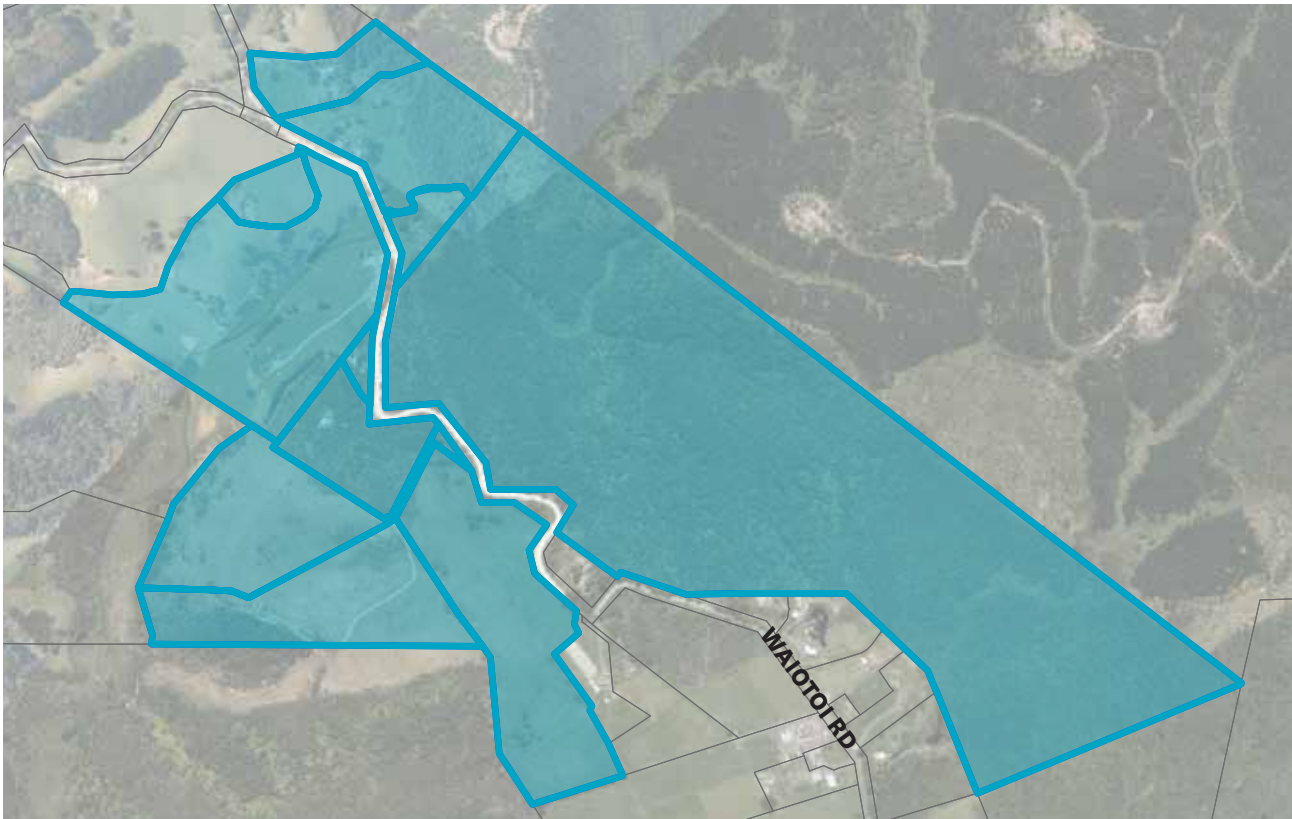
**Map D: Nook Road**



**Map E: Tahunatapu Road**



**Map F: Waiotoi Road**





## LUMP SUM CONTRIBUTIONS

Lump sum contributions will not be invited or accepted in respect of any targeted rate.

## DISCOUNT FOR FULL PAYMENT OF ANNUAL RATES

No discount will be allowed for any rates.

## DUE DATES FOR RATES

### ***Due dates and penalty dates for rates other than metered water (volumetric, supply and backflow preventer charges) rates paid by instalments***

Rates other than the volumetric, supply and backflow preventer charges for water will be invoiced in four equal instalments.

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	20 August 2022	Penalty 10%	24 August 2022
Instalment two	20 November 2022	Penalty 10%	23 November 2022
Instalment three	20 February 2023	Penalty 10%	23 February 2023
Instalment four	20 May 2023	Penalty 10%	24 May 2023

### ***Due dates and penalty dates for metered water (volumetric, supply and backflow preventer charges) rates***

Water accounts are processed monthly, two-monthly or six-monthly. The supply and backflow preventer charges are invoiced in equal instalments, based on the frequency with which the water account is processed. 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	20 August 2022	24 August 2022
August	20 September 2022	23 September 2022
September	20 October 2022	26 October 2022
October	20 November 2022	23 November 2022
November	20 December 2022	23 December 2022
December	20 January 2023	25 January 2023
January	20 February 2023	23 February 2023

February	20 March 2023	23 March 2023
March	20 April 2023	26 April 2023
April	20 May 2023	24 May 2023
May	20 June 2023	23 June 2023
June	20 July 2023	25 July 2023

## ***Payment options***

Payments for rates can be made:

- by direct debit weekly, fortnightly, monthly, quarterly or annually – our preferred method
- online at [www.wdc.govt.nz/Payit](http://www.wdc.govt.nz/Payit) with a debit or credit card (please note additional charges may apply)
- internet banking
- by cash, EFTPOS or credit card at our offices: Rust Avenue, Whangārei or 8 Takutai Place, Ruakākā.

All payments will be credited first to the oldest amount due.

## **ADDITIONAL CHARGES**

### ***Additional penalty on arrears of rates***

All rates (land and water) from the previous rating years that remain unpaid as at 7 July 2022 will have a further 10% penalty added. This penalty will be added on 7 September 2022.

## **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, clause 20A:

- the projected number of rating units within Whangārei District at 30 June 2022 is 44,309
- the projected total capital value of rating units within Whangārei District at 30 June 2022 is \$40,877,610,000
- the projected total land value of rating units within Whangārei District at 30 June 2022 is \$21,307,257,000

## SAMPLE OF PROPERTIES SHOWING RATES FOR 2022-23

Randomly selected sample of properties from each category.

The rates are based on values assigned as at 1 July 2021. Please note – Northland Regional Council rates are not included. Please refer to their Annual Plan for the impact of their rates on your property.

Road seal extension rates, water rates and flood protection rates are not included.

	\$	
Sample properties	2021-22	2022-23
<b>Residential property in urban area with a land value of \$200,000 (2018 \$122,000)</b>		
General rate – land value	314.00	432.36
Uniform Annual General Charge	724.00	650.00
Sewerage disposal rate	803.00	836.00
<b>Total</b>	<b>1,841.00</b>	<b>1,918.36</b>
<b>Residential property in urban area with a land value of \$235,000 (2018 \$140,000)</b>		
General rate – land value	360.33	508.02
Uniform Annual General Charge	724.00	650.00
Sewerage disposal rate	803.00	836.00
<b>Total</b>	<b>1,887.33</b>	<b>1,994.02</b>
<b>Residential (lifestyle) property with a land value of \$620,000 (2018 \$500,000)</b>		
General rate – land value	1,286.90	1,340.32
Uniform Annual General Charge	724.00	650.00
<b>Total</b>	<b>2,010.90</b>	<b>1,990.32</b>
<b>High value residential (lifestyle) property with a land value of \$3,100,000 (2018 \$2,063,000)</b>		
General rate – land value	3,952.71	4,864.05
Uniform Annual General Charge	724.00	650.00
<b>Total</b>	<b>4,676.71</b>	<b>5,514.05</b>
<b>Rural property with a land value of \$950,000 (2018 \$800,000)</b>		
General rate – land value	2,616.72	2,922.77
Uniform Annual General Charge	724.00	650.00
<b>Total</b>	<b>3,340.72</b>	<b>3,572.77</b>
<b>Rural property with a land value of \$3,250,000 (2018 \$2,705,000)</b>		
General rate – land value	8,847.78	9,998.95
Uniform Annual General Charge	724.00	650.00
<b>Total</b>	<b>9,571.78</b>	<b>10,648.95</b>

Sample properties	2021-22	2022-23
<b>Commercial property with a land value of \$780,000 (2018 \$496,000)</b>		
General rate – land value	8,271.49	8,797.31
Uniform Annual General Charge	724.00	650.00
Sewerage disposal rate (1 pan)	513.00	541.00
<b>Total</b>	<b>9,508.49</b>	<b>9,988.31</b>
<b>Industrial property with a land value of \$3,750,000 (2018 \$2,339,000)</b>		
General rate – land value	39,006.10	42,294.75
Uniform Annual General Charge	724.00	650.00
Sewerage disposal rate (5 pans)	2,565.00	2,705.00
<b>Total</b>	<b>42,295.10</b>	<b>45,649.75</b>

# Significant forecasting assumptions

	Financial risk	Impact for high financial risk assumptions	Level of uncertainty	Financial impact for assumptions with high level of uncertainty
<b>General assumptions</b>				
<p><b>District growth:</b> the number of residential ratepayers is expected to grow each year as more dwellings are built or properties divided – details of expected areas of growth are outlined in Council's Growth Strategy which can be viewed on Council's website.</p> <p><b>Development contributions:</b> the value of development contributions collected is dependent on the number of subdivision lots developed and on the level of new service connections taking place. A conservative approach is taken to forecasting DC revenue which may vary from the growth model and actuals. Council has assumed no significant or material 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.	High	Every 1% of Development Contribution revenue not achieved will lead to a reduction in income of approximately \$71k, reducing available funding.
<p><b>Rates Increase:</b> the following rates increases have been applied in line with the Financial Strategy contained in the 2021-31 Long Term Plan:</p> <ul style="list-style-type: none"> <li>• General rates: a 2% increase, plus growth* plus LGCI</li> <li>• Water targeted rates (excluding metered water): increase by growth* and LGCI (refer below for Metered water assumptions)</li> <li>• Wastewater targeted rates: a 2% increase, plus growth* plus LGCI</li> <li>• Transport targeted rates: rate to contribute towards cost of new sealing, refer to Rating FIS on page 131.</li> </ul> <p>Deliberations on the Annual Plan 2022-23 resulted in a change from the 2021-31 Long Term Plan for the Flood Protection targeted rates. These rates have now been decreased by 1.5%.</p> <p>*A growth component is factored into the rates revenue budget to reflect the increase in rateable properties in our District. Growth for water and wastewater is set at 80% of the general rates growth as not every new rateable property connects to water and wastewater.</p>	Low	Not applicable	Low	Not applicable

	Financial risk	Impact for high financial risk assumptions	Level of uncertainty	Financial impact for assumptions with high level of uncertainty
<b>Metered water:</b> increased charges to \$3.03 m <sup>3</sup> GST inclusive (31% increase). The LTP assumed an increase of LGCI only, plus growth). The larger increase is a result of Refining NZ confirming its decision to close the Marsden Point oil refinery and transition to an import-only fuel terminal business, as well as increased costs to comply with new drinking water requirements.	Medium	Not applicable	Medium	Not applicable
<p><b>Inflation:</b> the impact of inflation has been factored into producing the prospective financial statements. This has been achieved by using a price level adjustor of 2.4% which is sourced from Business and Economic Research Limited (BERL) who constructed the forecast increases for Local Authorities in October 2021, referred to as Local Government Cost Index (LGCI)</p> <p>The main financial risk for Council is that operating and capital expenditure items rise faster than revenue items. Due to the recent inflation increases being reported, the inflation risk is considered to be high.</p>	High	The impact of inflation increases is difficult to budget and carries a high level of uncertainty.	High	If inflation is 1% more/less than the BERL price level adjustor of 2.4%, operating expenditure (excluding finance and depreciation) would increase/decrease by \$1.2m and capital expenditure by \$1.4m.
<b>COVID-19 Impacts:</b> modelling follows assumptions that New Zealand remains in the COVID-19 Protection Framework, avoids widespread lockdowns, border restrictions are eased and the New Zealand economy gradually recovers.	High	The impact of COVID-19 is difficult to budget and carries a high level of uncertainty.	High	The impact of COVID-19 is uncertain and may result in variances against budget for the 2022-23 year.
<b>Water reforms:</b> this Annual Plan assumes that Council will continue to deliver water services over the 2022-23 financial year. Better off funding has not been included in this Annual Plan as Council are still considering this matter.	Low	Not applicable	Low	Not applicable



	Financial risk	Impact for high financial risk assumptions	Level of uncertainty	Financial impact for assumptions with high level of uncertainty
<p><b>Future for Local Government Review:</b> In April 2021 the Minister of Local Government announced a Ministerial Inquiry into the Future for Local Government. A draft report with recommendations to be issued for public consultation is planned for September 2022 with the final report due on 30 April 2023.</p> <p>While the review could recommend significant change to what local government is and does, any recommendations would take effect after the financial year covered by this Annual Plan.</p>	Low	Not applicable	Low	Not applicable
<p><b>Property Transactions:</b> Council have budgeted for commercial property purchases of \$2.5m with no sales in this Annual Plan.</p>	Low	Not applicable	Low	Not applicable
<p><b>User fees:</b> the majority of user fees have increased by inflation. These increases are assumed to be sufficient for funding purposes and will be reviewed annually to ensure compliance with Council's Revenue and Financing Policy.</p>	Medium	Not applicable	Medium	Not applicable
<p><b>Rental Income:</b> Council has assumed rental increases will be based on the anticipated increases, timed to coincide with rental lease renewals.</p>	Low	Not applicable	Low	Not applicable
<p><b>Crown Infrastructure Partners (CIP) and Tourism Infrastructure Fund (TIF):</b> Council applied and were approved for Government funding for projects through the COVID-19 CIP programme and TIF. These projects and the funding have been included in the Annual Plan where the projects are forecast to continue beyond the 2021-22 financial year.</p>	Low	Not applicable	Low	Not applicable

	Financial risk	Impact for high financial risk assumptions	Level of uncertainty	Financial impact for assumptions with high level of uncertainty
<p><b>Climate change:</b> Council adopted a Corporate Sustainability Strategy in 2018 with the aim of becoming carbon neutral and in 2019 Council declared a Climate Emergency. At a regional level Council has been working with Climate Adaptation Taitokerau (CATT) to develop a region wide consistent and collaborative approach for adapting to the impacts of climate change across Northland. This work includes the Te Tai Tokerau Climate Change Adaptation Strategy and an associated 10 year work programme that identifies and addresses priority issues at key locations at both a regional and district level. The Strategy was adopted by all Northland councils in 2022. Staff will now take the actions specific to Council and integrate them into the draft Climate Action Plan for Whangārei which includes draft mitigation and adaptation responses for both Council and the community.</p>	Low	Not applicable	Medium	Not applicable
<b>Expenditure assumptions</b>				
<p><b>Interest rates:</b> Council uses a forecast annual rate to calculate interest expense. The average rate has been assumed to be 4.21% for existing and new debt. This is based on the weighted average cost of capital calculated across the period of the Annual Plan. Projected future interest rates are calculated by using interest and debt forecasting models provided by external Treasury advisers. Council has a comprehensive interest rate hedging programme which protects against interest rate rises through the life of the plan.</p>	Low	Not applicable	Low	Not applicable
<p><b>Staff costs:</b> Budgets have been increased due to growth and resourcing for the new drinking water requirements, as well as estimated market movement.</p>	Medium	Not applicable	Medium	Not applicable
<p><b>Depreciation funding:</b> 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.</p>	Medium	Not applicable	Medium	Not applicable

	Financial risk	Impact for high financial risk assumptions	Level of uncertainty	Financial impact for assumptions with high level of uncertainty
<b>Unfunded depreciation:</b> Council does not fund depreciation on transportation assets to the extent that Waka Kotahi New Zealand Transport Agency (NZTA) funds renewals, and this replacement capital expenditure is based on current NZTA funding rates.	Low	Not applicable	Low	Not applicable
<b>Capital expenditure:</b> for the purposes of modelling debt, adjustments have been made to allow for estimated projects not completed during the 22-23 financial year and carried forward and for potential cost escalations. Actual results may vary to this estimate.	Medium	Not applicable	Medium	Not applicable
<b>Asset assumptions</b>				
<b>Subsidies:</b> NZTA subsidies have been included based on Central Government contributions to certain capital expenditure – subsidies average 53%. All subsidies are disclosed within operating revenue and are contingent on the applicable capital projects taking place.	High	If a planned capital project that has a capital subsidy associated with it is not delivered Council will not receive the budgeted capital subsidy income.	High	NZTA subsidies not approved will reduce capital subsidy income, and operating surplus. This would impact Council's Financial Prudence Balanced Budget Benchmark result and could cause an existing balanced budget in a given year to become unbalanced unless compensating adjustments are made.  The timing of completion of the relevant capital projects may also differ to the plan.

	Financial risk	Impact for high financial risk assumptions	Level of uncertainty	Financial impact for assumptions with high level of uncertainty
<p><b>Depreciation:</b> depreciation rates for each asset group have been calculated using rates included in the Accounting Policies.</p> <p>Depreciation rates on infrastructure assets are based on an estimated 2022 revaluation increase for each activity.</p>	Low	Not applicable	Medium	Not applicable
<p><b>Asset revaluations:</b></p> <ul style="list-style-type: none"> <li>Infrastructure assets: an assumption has been made that revaluation of infrastructure assets will occur every three years, with the next revaluation due 30 June 2022.</li> <li>Roading Assets: revaluation of roading assets will occur yearly.</li> <li>Pensioner Housing: the revaluation of pensioner housing will remain at five- year intervals.</li> <li>Investment properties: no movement in the value of investment properties has been budgeted given the difficulty of predicting future values. Any valuation change does not impact cash requirements.</li> <li>Biological assets and derivative financial assets: no movement in the value of biological assets and derivative financial assets has been budgeted given the difficulty of predicting future values. Any movements in these assets would have no cash impact on the plan.</li> <li>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 budget.</li> </ul> <p>Budgeted revaluation increases are estimated and may differ from the actual results.</p>	Medium	Not applicable	Medium	Not applicable
<p><b>Useful lives:</b> useful lives for each asset group have been listed in the Accounting Policies, refer page 121.</p>	Low	Not applicable	Low	Not applicable
<p><b>Vested assets:</b> vested asset income is inconsistent from year to year and as a consequence is difficult to forecast. It has been reflected at \$8.4m in the plan. Vested asset income has no cash impact therefore any financial risk is low.</p>	Low	Not applicable	Low	Not applicable

	Financial risk	Impact for high financial risk assumptions	Level of uncertainty	Financial impact for assumptions with high level of uncertainty
<b>Funding sources:</b> future replacement of significant assets is assumed to be funded in line with the Revenue and Financing Policy.	Low	Not applicable	Low	Not Applicable
<b>Liability assumptions</b>				
<b>Interest:</b> interest is calculated on average debt and the impact of current and forecasted interest rate hedging.	Low	Not applicable	Low	Not applicable
<b>Borrowings:</b> it is assumed that Council will have the facilities to secure funding as required.	Low	Not applicable	Low	Not applicable
<b>Derivative Financial Liabilities:</b> no movement in the value of derivative financial liabilities has been reflected in the plan due to difficulty in forecasting future values. Any movements in these liabilities would have no cash impact on the plan.	Low	Not applicable	Low	Not applicable
<b>Strategic assumptions</b>				
<b>Resource Consents:</b> the necessary resource consents required for capital projects will be applied for in due course to align with the planned project timeframes. We assume conditions for resource consents will not alter budgeted project costs significantly.	Medium	Not applicable	Low	Not applicable
<b>Other assumptions</b>				
<b>Strategic assets:</b> Council has not planned for the ownership of any strategic assets to be transferred to another party. Council receives vested assets in satisfaction of various development contribution charges.	Low	Not applicable	Low	Not applicable
<b>Currency Movement:</b> Council does not have any significant exposure to currency movements and consequently has not specifically taken them into account.	Low	Not applicable	Low	Not applicable
<b>Flood and Storm Damage:</b> Council does not budget for storm events, as referred to in the 2021-2051 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

	Financial risk	Impact for high financial risk assumptions	Level of uncertainty	Financial impact for assumptions with high level of uncertainty
<b>Subsidiary assumptions</b>				
<b>Northern Regional Landfill Limited Partnership (NRLLP):</b> it is assumed that Council will receive an annual distribution from NRLLP in the plan.	Low	Not applicable	Low	Not applicable
<b>Northern Transportation Alliance (NTA):</b> a shared services agreement between four Northland councils (Kaipara District Council, Far North District Council, Northern Regional Council, Whangarei District Council) and 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





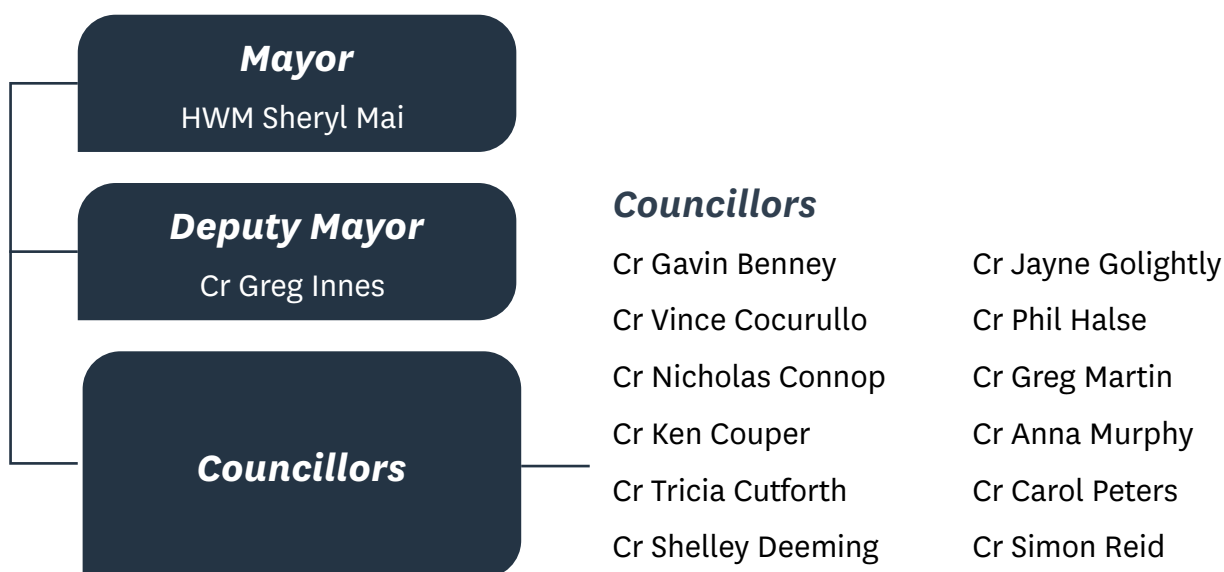
GENERAL

# INFORMATION

TE PĀRONGO WHĀNUI

# Governance structure

Current as at July 2022. The next Local Government Election takes place in October 2022.



## *Committees of the Whole*

### **COMMUNITY DEVELOPMENT COMMITTEE**

Chair Cr Gavin Benney and all Councillors

### **INFRASTRUCTURE COMMITTEE**

Chair Cr Greg Martin and all Councillors

### **STRATEGY, PLANNING AND DEVELOPMENT COMMITTEE**

Chair Cr Shelley Deeming and all Councillors

### **RISK AND AUDIT COMMITTEE**

Independent Chair John Isles and all Councillors

## *Specialist committees*

### **COMMERCIAL PROPERTY COMMITTEE**

Deputy Mayor Greg Innes

### **DISTRICT LICENSING COMMITTEE**

Chair Commissioner

### **CIVIC HONOURS SELECTION COMMITTEE**

Chair Cr Vince Cocurullo

## **CE REVIEW COMMITTEE**

Chair HWM Sheryl Mai

## **EXEMPTIONS AND OBJECTIONS SUBCOMMITTEE (OF STRATEGY, PLANNING & DEVELOPMENT COMMITTEE)**

Chair Cr Shelley Deeming

## *Māori Partnership*

## **TE KĀREAREA STRATEGIC PARTNERSHIP STANDING COMMITTEE**

Chair Cr Phil Halse – Whangarei District Council

Chair Len Bristowe – Hapū

Members:

Her Worship the Mayor Sheryl Mai

Councillors Gavin Benney, Ken Couper, Greg Innes, Anna Murphy, Carol Peters, Simon Reid and Phil Halse.

Eight mandated hapū representatives:

Delaraine Armstrong, Jade Kake, Tame TeRangi, Jared Pitman, Mira Norris, Aorangi Kawiti, Deborah Harding and Len Bristowe.

# Organisational structure



# Abbreviations and acronyms

**AMP**

Activity or Asset  
Management Plan

**BERL**

Business and Economic  
Research Limited

**CAA**

Civil Aviation Authority

**CAPEX**

Capital expenditure

**CCO**

Council Controlled  
Organisation

**CCTO**

Council Controlled Trading  
Organisation

**CE**

Chief Executive

**CO**

Council Organisation

**CPI**

Consumer Price Index

**DCP**

Development Contributions  
Policy

**FIS**

Funding Impact Statement

**FN**

Forum North

**GAAP**

Generally Accepted  
Accounting Practice

**GIS**

Geographic Information  
System

**GST**

Goods and Services Tax

**HAPT**

Hatea Arts Precinct Trust

**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

**OPEX**

Operational expenditure

**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

**WQGT**

Whangārei 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.

### ***Levels 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 Whangārei districts.

### ***Special Consultative Procedure (SCP)***

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

### ***Strategic asset***

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



**Targeted rate**

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

**Territorial Authority (TA)**

A city council or a district council.

**Uniform Annual General Charge (UAGC)**

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

**Valuation**

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

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Private Bag 9023, Te Mai, Whangārei 0143, New Zealand

Forum North Building, Rust Avenue, Whangārei

Ruakākā Service Centre, Takutai Place, Ruakākā

P: +64 9 430 4200

E: [mailroom@wdc.govt.nz](mailto:mailroom@wdc.govt.nz)

W: [www.wdc.govt.nz](http://www.wdc.govt.nz)

[Facebook.com/WhangareiDC](https://www.facebook.com/WhangareiDC)