

Whangarei District Council Meeting

Agenda

Date: Thursday, 9 July, 2020

Time: 1:00 pm

Location: Council Chamber
Forum North, Rust Avenue
Whangarei

Elected Members: Her Worship the Mayor Sheryl Mai
(Chairperson)
Cr Gavin Benney
Cr Vince Cocurullo
Cr Nicholas Connop
Cr Ken Couper
Cr Tricia Cutforth
Cr Shelley Deeming
Cr Jayne Golightly
Cr Phil Halse
Cr Greg Innes
Cr Greg Martin
Cr Anna Murphy
Cr Carol Peters
Cr Simon Reid

For any queries regarding this meeting please contact
the Whangarei District Council on (09) 430-4200.

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2. Declarations of Interest	
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Recommendations contained in the Council agenda may not be the
final decision of Council.

Please refer to Council minutes for final resolution.

4.1 Adoption of the 2020 – 2021 Annual Plan

Meeting: Whangarei District Council
Date of meeting: 9 July 2020
Reporting officer: Dominic Kula (General Manager – Strategy and Democracy)

1 Purpose

To adopt the 2020 – 2021 Annual Plan.

2 Recommendations

That Council

1. Adopt the 2020 – 2021 Annual Plan.
2. Resolve to carry forward unspent capital project budgets as at 30 June 2020 (in addition to those already forecast) into the 2020-21 year. These subsequent carry forwards will be part of a revised budget, which will be reported back to Council.
3. Authorise the Chief Executive to make any necessary drafting, typographical or corrections to the 2020 – 2021 Annual Plan.

3 Background

Each year, as part of the corporate planning cycle, Council must adopt an Annual Plan. Prior to COVID-19, the approach to the 2020-2021 Annual Plan had been consistent with Year 3 of the 2018-28 Long Term Plan (LTP), including a 4.2% increase general rate rise. As no significant or material changes were proposed there was no basis for meaningful consultation with our community.

However, with the arrival of COVID-19, and as part of a broader response package, Council reviewed the proposed rates rise for the 2020-2021 financial year. The response included:

- limiting the general rate rise for 2020-2021 to 2.2% (inflation as measured by the Local Government Cost Index)
- a targeted relief package of \$3m, and
- sourcing extra funding from central government.

The Consultation Document (CD) for the Annual Plan was adopted on 14 May 2020, with three weeks of consultation extending from 15 May and to 04 June. Over 120 submissions were received. Deliberation on submissions was on 16 June 2020.

4 Discussion

4.1 Consultation and submissions

A total of 125 formal submissions were received within the timeline. This included two duplicates, and one blank submission, resulting in 122 valid submissions. Of the 122 valid submissions:

- 94 submissions (77%) responded on the annual plan consultation question
- 28 submissions (23%) did not respond to the annual plan consultation question. These submissions provided feedback on topics that may inform the next LTP, and/or requested funding. These submissions are not part of the annual plan deliberation process.

Two late submissions were received outside the consultation period. These were accepted by Council.

Proposal for setting rates for 2020-21

The proposal to limit the general rate rise for 2020-2021 to 2.2% (inflation as measured by the Local Government Cost Index) as part of a broader package was Council's preferred response to COVID-19. The proposal was supported by 51% of submissions on this component of the response (noting that a total of 62% supported an increase of 2.2% or above). Through Council Deliberations on 16 June, Council endorsed the proposed rates rise of 2.2%.

Proposal for targeted relief package of \$3m

Of the submitters that commented on the targeted relief package, 81% were broadly in support of the proposal. Through Council Deliberations on 16 June, Council endorsed the proposed relief package.

Sourcing Central Government funding

All submitters that commented on Council's proposal to source extra funding from Central Government were in support.

4.2 Changes made as a result of consultation

A key issue raised through submissions from our community were the targeted rates for the Hikurangi Flood Management Scheme. The Hikurangi Flood Management Scheme is located north of Whangarei and is drained by the Wairua River. The scheme provides flood protection and flood management to about 5,600 hectares of farmland.

The 2018-2028 LTP planned for an 8% rise in 2020-2021. Submissions were received from the representatives of each of the flood scheme land pockets (whose landowners pay the targeted rates) requesting that the planned increase be reduced to 0%.

Although this was not a specific question in our consultation on the Annual Plan, Council resolved to accommodate a change in the rates, noting that the implications were not significant or material.

The reduction in revenue will not impact on the delivery of projects, but may result in the scheme going into deficit when capital works are undertaken in the later years of the current Long Term Plan. These issues will be worked through in the 2021-31 Long Term Plan.

4.3 Other submissions

A number of submissions were received which fell outside of the scope of consultation of this year's Annual Plan. This included submissions requesting funding for new projects. These submissions will be used to inform the 2021-31 Long Term Plan process.

4.4 Financial Considerations

The draft financial statements included within the Consultation Document (CD) were prepared under urgency and during a period of uncertainty. While a considerable amount of uncertainty remains, we have made some changes to the final Annual Plan where we now have more information. These adjustments have not resulted in material or significant differences from Year 3 of the LTP, or the changes consulted on. A summary of these items is included below:

Capital Projects Programme

The capital projects within the CD included March's forecast of current year carry forwards. This forecast represented the estimated projects that weren't going to be completed by year end, and therefore needed to be carried forward into the 2020-21 Annual Plan. The forecast for current year carry forwards was updated in May 2020 to reflect delays in delivery as a result of COVID-19. The May forecast more accurately reflected the known impacts of COVID-19 on our ability to progress projects, resulting in an additional \$9.5m of projects carried forward into the 2020-21 Annual Plan.

In order to retain an achievable programme, and one at a similar level to that included within the CD, carry forwards out of the 2020-21 Annual Plan needed to increase by a similar level. Some of these projects had an impact on operating expenditure due to associated subsidies.

One of the key projects that was carried forward was the Springs Flat roundabout as this project was subject to a central government subsidy, which has become increasingly unlikely. Other projects carried forward include the Bus Terminal Development/Relocation, the Southern Entrance Intersection Improvement, and Whangarei City Centre Plan Implementation. The budgets for various other projects had changes in the timing of completion, but were not completely shifted out of 2020-2021. The timing of these projects will continue to be reviewed throughout the 2020-2021 financial year, with funding being brought back from future years if required.

The Annual Plan is based on forecast carry forwards at a point in time, which will differ to the final result depending on work performed in the final month of the financial year (particularly given the catchup from COVID-19.) A recommendation has therefore been included to allow Finance to finalise the 2019-2020 carry forwards position, and update the 2020-2021 revised budget ready for reporting in the new financial year. Any changes will be reported back to Council.

Operating Income and Expenses

Subsidy revenue has decreased in the final Annual Plan due to changes made to the timing of capital projects (notably the Springs Flat Roundabout). This has resulted in a reduction in subsidy revenue budgeted, which has impacted on our balanced budget benchmark.

Staff reviewed the structure of our interest rates swaps, and cancelled some swaps in the 2019-2020 year. The impact of this was two-fold. It enabled us to get back within our hedging limits in our treasury policy, and also resulted in reduced budgeted finance costs for the 2020-2021 year. These savings were then used to help address areas where proposed operating expenditure cuts were likely to impact levels of service.

Balanced Budget Benchmark

As signalled above, reduced subsidy revenue has a direct impact on our balanced budget benchmark. While the CD indicated a result of 99%, the final Annual Plan shows a slightly lower balanced budget benchmark result of 98%. However, Council is still balanced under section 100 of the Local Government Act, meaning we are budgeting an overall operating surplus.

5 Significance and engagement

5.1 Significance

Deviations from the Year 3 of the Long Term Plan 2018 – 2020 in response to COVID-19 were considered material, but not significant. As a result, public consultation was undertaken on a reduced general rate increase of 2.2%, the provision of a \$3m relief fund and seeking central government funding.

5.2 Engagement

An engagement plan was outlined in the agenda for adoption of the CD. The public were consulted with changes made as a result of deliberations being incorporated into the Annual Plan.

6 COVID-19 Impacts

This Annual Plan has been prepared with the forecast impacts of COVID-19 in mind. As noted above the Annual Plan has been modified from Year 3 of the LTP to address direct impacts (such as revenue reductions), mitigation of those impacts (e.g. reduced operating expenditure budgets) and measures Council has taken to provide targeted relief to ratepayers. This process relied on a number of assumptions; meaning regular reviews of actual results will be undertaken as the year progresses and any adjustments or responses made during the year as required.

7 Attachment

2020 – 2021 Annual Plan



Your Elected Members



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



Message from the Mayor

Tēnā tātou katoa i tēnei wā o te haumarū whai ake ngā wero o te mate urutā huri noa i Te Ao. Mā mātou hoki ngā whakamoemiti. Ngā mihi ki ngā mate. E ngā iwi o Whangārei Te Terenga Paraoa ka mihi kia koutou, tēnā koutou katoa.

Greetings to all at this time of safety following the challenges of the worldwide pandemic. We are thankful. Farewell to our loved ones. All the people of Whangārei greetings to you, greetings to all.

With COVID-19 sweeping the globe, 2020 has been a year like no other. Our 2020-21 Annual Plan reflects this as we adapt to the challenges and uncertainty of this time.

The pandemic has interrupted a sustained period of growth for Whangārei District. In the following pages, you will find a plan for Year 3 of our 2018-2028 Long Term Plan (LTP) that focuses on kotahitanga, whanaungatanga, collective action, care and recovery.

Before adopting this plan, we sought feedback on a reduced general rates rise of 2.2% (inflation) and a \$3m targeted Relief Package to support our ratepayers, community groups and businesses. Working within the restrictions of COVID-19, we were still able to connect and engage, receiving just over 120 submissions on this year's proposed plan.

With a majority of submitters in support of the draft Annual Plan, Council voted to reduce its rates rise to 2.2% this year and proceed with the \$3m Relief Package.

Our District now has in place a plan that allows us to continue providing almost all services at the same standard you've been used to. It also enables us to keep delivering what you told us was important in our last Long Term Plan (LTP).

Delivery of Council's capital programme will play an important part in our District's economic recovery. At the same time, our Relief Package means we have support available for any ratepayers, businesses and community groups who need some extra help today.

We now move ahead with our eyes forward and our hearts open. We will take every opportunity to make our place a more environmentally sustainable, inclusive and resilient home for us all.

Ngā mihi nui

Sheryl Mai
Mayor of Whangārei



To find more
information on
our 2018-28 LTP,
take a look at
www.wdc.govt.nz/ltp

This is your District

96,000
Population

As at 30 June 2019

270,000
hectares

\$14.7 billion

Land value of rateable property in the District (3 June 2020)

\$29.0 billion

Capital value of rateable property in the District (3 June 2020)

44,944

Rateable properties

\$1.94 billion
of assets

201,070

Items available for loan in all of our Libraries

646
kilometres

Sewerage system

1055
kilometres

Sealed roads

693
kilometres

Unsealed roads

740

Reserves and sports parks

56km

Maintained walking tracks

14km

Walk/cycleways

763
kilometres

Water distribution system

427
kilometres

Stormwater mains and service lines

What is the Annual Plan 2020-21?

The Annual Plan 2020-21 is Year 3 of our Long Term Plan 2018-28 (LTP), 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 2020 to June 2021. You can read about Council's activities in pages 23 to 82 and the detailed financial information in pages 89 to 121.





Our Vision

A vibrant, attractive and thriving District

Everything we do is guided by our vision and community outcomes. These are based on what you told us is important to you, during engagement on the LTP.

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.



Overview of the 2020-21 Annual Plan

Our original budget and work programme for this coming year was prepared as part of the 2018–28 LTP for a different looking future. We have readjusted and directed our focus toward building business confidence and helping relieve the burden of COVID-19 on our people and communities.

Our original plan had been to increase our revenue so that we could continue to build and maintain the infrastructure our growing District needs – things like roads, water pipes and wastewater systems. To pay for this we had proposed a rates increase of 4.2%.

We have now changed these plans to recognise the financial pressure people are under.

At the same time, we have reviewed our budgets to enable us to invest in Whangārei's recovery.

This year we will have a smaller rates rise of 2.2%. We will also have a new \$3m Relief Package and we will be seeking funding from central government for key infrastructure and economic development projects.

This approach allows us to balance rates affordability, while continuing to pay for the things the District needs day-to-day and deliver planned programmes.

However, COVID-19 may still prevent us from meeting some of our service levels for highly affected areas, like Venues and Events. Our commitment is to do the best we can here, while working within the guidance from central government.

As we look towards our next 10-year plan, we will move from our initial response to COVID-19 to put in place actions and funding to reset our economy to be more resilient, equitable and sustainable.



COVID-19 response

This year we are faced with challenges of the economic impacts of COVID-19. Our Council was quick to set a framework to respond to COVID-19, which was the key focus of the Annual Plan consultation.

The COVID-19 pandemic has swept across the globe and is expected to continue to place pressure on communities as we move out of lockdown and into the new normal.

Our 10-Point Economic Recovery Response is designed to provide immediate benefit to businesses and households in our District through this time. These things are being put in place now to help restart the economy, reduce future pressure on the community and support the District's recovery. As you read on, you will see many of these points have been included in this plan.

This response is the first step in our COVID-19 Response Strategy. Through the Annual Plan we will be delivering support for our community with a \$3m relief package.

Our 10-point economic recovery response



1
Reviewing our planned rates increase



2
Operational budget review



3
Support for those struggling to pay rates, fees and charges



4
Community support



5
More frequent payments to Council suppliers



6
Rent relief for commercial and community tenants



7
Support for businesses



8
Boosting Council's capital programme to help the recovery



9
Emergency response



10
Forward planning reset

For more information about our 10-point Economic Recovery Response visit

www.wdc.govt.nz/Recovery



What does COVID-19 mean for the 2020-21 Annual Plan?

The hard reality of a recession in Whangārei will mean:

- job losses across all sectors, but particularly in manufacturing, tourism and construction
- slower than expected population growth in the short term
- a drop or holding pattern in major investment
- some local businesses closing, particularly small businesses
- contraction of the housing market.

The recession will hit Council too. Our non-rates revenue is expected to go down by as much as 5% in the 2020-21 year as a result of COVID-19.

We have adjusted our planned rates increase so that we can deliver our services and projects while reducing costs. This includes trimming expense budgets by \$3.7m from what we originally planned for and reducing staff costs by \$2m.

This Annual Plan begins our restart and recovery of the Whangārei economy. As we move through the next 12 months we will get a better understanding of how our businesses and communities have been impacted. These learnings will inform the direction of our next 10-year plan.





Changes to rates

Our current LTP proposed a General Rate rise of inflation plus 2%, which would have resulted in an average General Rate rise for the District of 4.2%. When set against other revenue and expenses this would have given us a small operating surplus, which we could have used to reduce debt or reserve for future years' programmes.

Through consultation we heard support for reducing the impact on community. However every dollar we reduce our rates by is a dollar we can't use to provide services for the community. If we cut our revenue too far, we will have a deficit that we will need to make up through bigger rate increases in later years.

We think the fairest way to manage this balancing act is to reduce our planned rates increase for next year – but only to the point where we're not too far 'in the red'.

For 2020-21, ratepayers will see their rates increase in line with inflation. General Rates and targeted rates for Wastewater and Refuse Management will increase by 2.2%.

Areas where no changes have been made

No increase will be made to Water Rates, as this is the one area where we have enough reserves built up from previous years to see us through for a while.

There will also be no increase in the targeted rates for the Hikurangi Flood Management Scheme.

What are the impacts of a 2.2% rates increase?

A 2.2% rates increase will allow us to keep providing most services at the same standard you've been used to so that we can keep delivering what you told us was important in our last LTP. The ability to keep these programmes going as planned is an important part of Whangarei's economic recovery (more maintenance and construction = more jobs).

We will also have an 'unbalanced budget' next year, where our operating expenses are higher than our revenue (with some exceptions). Refer to page 122. This means we will have less flexibility to respond to requests from the community for funding community initiatives in 2020-21 and we will need to catch-up in future years.

Changes to how rates are shared between sectors

To make sure that all ratepayers receive the same 2.2% increase, we have changed what's called the 'sector share' for general rates, which is how rates are split between different sectors (like residential or rural properties).

Each sector has experienced different levels of growth over the last few years. Following our 2018 general revaluation (and the subsequent settlement of objections), the total land value in the Commercial, Industrial, and Rural sectors has reduced.

Retaining the current 2019-20 sector shares would have resulted in disproportionately larger rates increases in these sectors compared to the Residential sector, so we consulted on the following adjustments to ensure all ratepayers receive the same 2.2% rates increase:

<i>Sector</i>	<i>2019-20 share</i>	<i>2020-21 share</i>
Residential properties	61.32%	62.66%
Multi-unit properties	0.20%	0.19%
Miscellaneous properties	0.48%	0.34%
Rural properties	9.50%	9.33%
Commercial and industrial properties	28.50%	27.48%



Targeted \$3m relief package for 2020-21

We have set aside \$3m for the following targeted relief package for community groups, businesses and ratepayers.

For more information about our Targeted Relief Package visit

www.wdc.govt.nz/Covid19Relief



Community groups

\$900,000 (30%)

- Support for operational projects and delivery of community service
- Enhanced operational funding for applications through the Annual Operating Grant and Community Funding pools
- An operational reserve for specific projects as needed



Support for businesses

\$1,350,000 (45%)

- Funding for partnerships to provide relief to the business community
- Rent relief for tenants of Council commercial property
- Funding to incentivise city centre regeneration and inner city living
- Grant to offset license fees



Ratepayer support

\$750,000 (25%)

Support for ratepayers who are struggling to pay rates by offering:

- More time to pay the first rates instalment of 2020-21
- The option to pause rates payments for 3-6 months
- Reducing penalties for those who fall behind in their payments from 10% to 5%



Our Plan at a glance

Highlights of the 2020-21 Annual Plan

This map gives a snapshot of the wide range of services that Council provides throughout our District and some of the key projects we are getting on with in 2020-21.



- A** Hikurangi Flood Protection Scheme
- B** Cemeteries
- C** Drinking water
- D** Roads and footpaths
- E** Pensioner housing
- F** Working in partnership with Māori
- G** Community-led development
- H** Recycling and rubbish collection
- I** Parks and walking tracks
- J** Civil defence
- K** Wastewater
- L** Servicing high-growth areas
- M** Libraries

- 1** New Whau Valley Water Treatment Plant
- 2** New Northland Football Hub at Tikipunga
- 3** Stadium upgrades
- 4** New skate parks
- 5** Urban intersection upgrades
- 6** New Town Basin Park and children's playground upgrade
- 7** CCTV upgrades
- 8** Pohe Island redevelopment
- 9** Stormwater system improvements
- 10** Seal extensions on rural roads
- 11** Sportsfield improvements
- 12** Walkways and tracks
- 13** City Centre Plan
- 14** Civic Centre at RSA/Forum North

2020-21 key projects



1. NEW WHAU VALLEY WATER TREATMENT PLANT

This new treatment plant will future-proof our supply of fresh drinking water.



2. NEW NORTHLAND FOOTBALL HUB AT TIKIPUNGA

We have started on this \$1.2 million investment, supporting the creation of a regional hub for this growing sport and nurturing the development of our future All Whites.



3. STADIUM UPGRADES

To prepare for the Women's Rugby World Cup we will be investing in the pitch, roof and lighting at Semenoff Stadium.



4. NEW SKATE PARKS

We are investing in our young people by building a new skate park at Waipu.



5. URBAN INTERSECTION UPGRADES

We have invested \$2.4 million in the Maunu Road and Porowini Avenue intersection and are in planning for Central Avenue intersection improvements. These upgrades will help with congestion on these main routes.



6. NEW TOWN BASIN PARK AND CHILDREN'S PLAYGROUND UPGRADE

The old car park next to the Canopy Bridge will be transformed into an amazing new park linking the waterfront to the city centre, while the existing children's playground will get new equipment.



7. CCTV UPGRADES

We will continue the rollout of the fibre optic upgrade in the City Centre and furthering wireless capability to the suburbs.



8. POHE ISLAND REDEVELOPMENT

Work here will create an attractive destination for visitors and locals while providing for sporting activities. Projects included in the LTP are two new carparks, a destination playground, public toilets, waterfront area, bike hub, youth zone/skate park upgrade, marine hub area and various connecting paths.



9. STORMWATER SYSTEM IMPROVEMENTS

We're putting more money into stormwater to make sure we are set up for the future, meeting the challenges of climate change and improving water quality.



10. SEAL EXTENSIONS ON RURAL ROADS

Sealing of unsealed roads to help improve safety and reduce dust from road traffic.



11. SPORTSFIELD IMPROVEMENTS

New drainage at Hikurangi, Tikipunga and Parua Bay sportfields will improve their playing surfaces and decrease wet weather closures. Fields at Otangarei will get new lights.



12. WALKWAYS AND TRACKS

We live in a District of great natural beauty and our 56km of walking tracks provide plenty of options for getting out in nature. We continually renew our tracks with the Tikipunga extension between the Whangarei Falls and Vinegar Hill a focus this year.



13. CITY CENTRE PLAN

This year we will continue to support the revitalization of our city centre with improved connections from Rose Street bus station to Vine Street.



14. CIVIC CENTRE

Whangarei District's Civic Centre will be a central hub for democratic processes, customer services, administrative functions and Council staff. The design focus is on providing a welcoming, inclusive and easily accessible customer experience, in a building that strongly reflects our cultural identity and heritage. Our vision is to create a fit-for-purpose building with sustainable design and construction, delivering a more efficient service for our District.



Sourcing extra funding from central government

Council is also seeking additional Government funding through COVID-19 response programmes like the Crown Infrastructure Partners (CIP) programme for ‘shovel ready’ projects.

Many of the projects we’ve applied for are already in Council’s LTP. If successful, we’ll be able to bring projects forward, and deliver them on a larger scale, to help stimulate our local economy.

If we’re successful in securing this funding, we’d seek to undertake these projects in addition to those included within our 2020-21 Annual Plan.

However, given uncertainty around this 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 of the LTP).

This would allow us to make the most of any external funding, while still meeting our commitment to you, our community, under the LTP.





Checking in with our community

Council carried out a 3-week consultation on the Annual Plan 2020-21. The consultation focused on the proposed changes for Year 3 of our LTP in response to COVID-19. This included reducing the overall General Rate rise to 2.2%, providing \$3m in targeted relief and sourcing extra funding from central government.

A print, radio and social media campaign linked people back to an online submission form on our website. We also invited feedback from over 250 stakeholders around our District, including resident and ratepayer groups. This year no community meetings or formal hearings were held due to COVID-19, and time restrictions.

During the consultation, we received over 120 formal submissions. The majority of submitters supported a rates increase of 2.2% or above for 2020-21. Of the submitters that commented on the targeted relief package, a majority were in support of the proposal. All submitters that commented on Council's proposal to source extra funding from Central Government were in support.

Changes made as a result of consultation

A key issue raised through submissions from our community were the targeted rates for the Hikurangi Flood Management Scheme. The Hikurangi Flood Management Scheme is located north of Whangarei and is drained by the Wairua River. The scheme provides flood protection and flood management to about 5,600 hectares of farmland.

In our LTP we had originally planned for an 8% rise in 2020-21. Submissions were received from the representatives of each of the flood scheme land pockets (whose landowners pay the targeted rates) to request that the planned increase be reduced to 0%. Although this was not a specific question in our consultation on the Annual Plan, Council resolved to accommodate a change in the rates, noting that the implications were not significant or material.

The reduction in revenue will not impact on the delivery of projects, but may result in the scheme going into deficit when capital works are undertaken in the later years of the current LTP. These issues will be worked through in the 2021-31 LTP.

A number of submissions were received which fell outside of the scope of consultation of this year's Annual Plan. This includes submissions requesting funding for new projects. All of these submissions will be used to inform the 2021-31 Long Term Plan process.

What we said in the LTP

\$84.6 million

Capital works programme

(note this includes some opex)



of capex focused on core
infrastructure

\$160.3 million

Operational revenues

\$146.2 million

Operational spending

\$204.6 million

External net debt

4.2%

General rates rise

What we plan now

\$90.9 million

Capital works programme

(note this includes some opex)



of capex focused on core
infrastructure

\$152.9 million

Operational revenues

\$149.8 million

Operational spending

\$149.1 million

External net debt

2.2%

General rates rise

**\$3.0
million**

Targeted COVID-19 relief
package

We have made adjustments to our operating budget

Our original budget and work programme for the 2020-21 year was prepared as part of the 2018-28 LTP for a different looking future. Due to COVID-19 we needed to readjust and direct our focus toward building business confidence and helping relieve the burden on our people and communities. Some of the key operating income and expenditure adjustments include:

- A smaller general rates rise of 2.2% (2018-28 LTP included a 4.2% increase)
- No increase to the targeted rates for the Hikurangi Flood Management

Scheme (2018-28 LTP included an 8% increase)

- A targeted \$3m COVID-19 relief package to support community groups, businesses and ratepayers
- Reduced operational budgets and staff costs
- Reduced non-rates revenue budgets

These changes mean we do not achieve the balanced budget benchmark. This means that our operating expenses are more than our operating revenue (with some exclusions). See page 122 for further information about the balanced budget benchmark.

We have tweaked our major projects budget

In past years, while heavy work programmes were approved and funded, we were often unable to get through as much of the planned work as we expected. Over the past six years we have increased our capital expenditure budget by more than 70% – going from an annual budget of \$49 million to \$85 million. Our actual spend has almost doubled (from \$29 million to around \$57.2 million) and the proportion of the work programme completed every year has increased from 59% to 70%.

Even so, we face an ongoing challenge to complete our increasingly ambitious

capital works programme. This can be due to a number of factors, including contractor capacity, physical resources, changing circumstances or a desire to make sure community views are properly considered.

COVID-19 did delay some projects due to the ability to carry out works during the period of lock down. This delay has resulted in carry forwards into 2020-21 financial year.

It will also require ongoing management of the timing of projects in order to deliver an ambitious capital programme.



Council and Māori working in partnership

Council is committed to developing stronger relationships with tangata whenua at governance and operational levels. While progress has been made, more work is needed in some areas.

Te Kārearea, our strategic partnership forum with Māori, is made up of hapū representatives of the major hapū groupings from within our District. Together, these representatives advocate for hapū of Whangārei. They meet in their own forum, named Te Huinga, to discuss common issues that are then brought to Te Kārearea.

The purpose of this partnership is to build the relationship between Council and Whangārei hapū and to develop stronger partnerships over time.

Te Kārearea Strategic Partnership Forum will meet from June 2020 to September 2020 in order to bed in a new way of working, and test Terms of Reference. Terms of Reference will be reviewed and reported back to Council, along with the procedure for establishment of a Standing Committee, in September 2020.

Te Kārearea has the following vision and mission:

Te pae tawhiti/vision

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

Te kaupapa/mission

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

Charter

Te Kārearea is underpinned by the following Charter:

Vision: To have the best Maori/Council relationship in Aotearoa

Values: Bold, brave, respect, equitable, unified

Intent: Effective by performance through partnership

Purpose: To work together

Whangārei District's iwi and hapū are in a pre-settlement phase for Treaty of Waitangi claims. As these settlements occur, Council will continue to incorporate these outcomes into our partnership work with tangata whenua.

Council will continue to meet all its legal obligations to Māori under legislation, including the Resource Management Act and Local Government Act.

Council activities

Introduction

Council's work is grouped into 10 key activities and support services in this Annual Plan.

GROUP OF ACTIVITIES	ACTIVITY
 1. Transportation	Transportation
 2. Water	Water
 3. Solid waste	Solid waste
 4. Wastewater	Wastewater
 5. Stormwater	Stormwater
 6. Flood protection	Hikurangi Flood Protection Scheme
 7. Community facilities and services	 Parks and recreation
	 Libraries
	 Community property
	 Community development
	 Venues and events
	 Customer services
 8. Governance and strategy	 Democracy and assurance
	 Strategy
 9. Planning and regulatory services	 District planning
	 Resource consents
	 Building control
	 Health and bylaws
 10. Support services	Support services

The information provided about each of the 10 activities includes:

- purpose and strategic fit across the organisation
- how it relates to the Community Outcomes
- the money we have budgeted for the activity
- Levels of Service (what Council will provide and to what extent)
- performance measures and targets for 20-21 (how you will be able to tell whether we have done what we said we would do)
- the capital projects associated with each activity.

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

Prospective summary funding impact statement

LTP Year 2 2019-20 \$000		Annual Plan 2020-21 \$000	LTP Year 3 2020-21 \$000	Variance \$000
Sources of Operating Funding				
59,471	General rates, uniform annual general charges, rates penalties	60,878	62,613	(1,735)
42,121	Targeted rates	42,906	43,460	(554)
6,691	Subsidies and grants for operating purposes	6,415	6,901	(486)
14,863	Fees and charges	12,953	15,635	(2,682)
1,598	Interest and dividends from investments	1,216	1,707	(491)
8,673	Local authorities fuel tax, fines, infringement fees and other receipts	7,125	8,730	(1,605)
133,416	Total Operating Funding	131,493	139,045	(7,552)
Applications of Operating Funding				
97,110	Payments to staff and suppliers	95,568	95,586	(18)
7,345	Finance Costs	7,687	8,690	(1,003)
-	Other operating funding applications	-	-	-
104,455	Total Applications of Operating Funding	103,255	104,276	(1,021)
28,961	Surplus / (Deficit) of Operating Funding	28,238	34,769	(6,531)
Sources of Capital Funding				
18,848	Subsidies and grants for capital expenditure	15,317	13,289	2,028
4,794	Development and financial contributions	2,990	4,952	(1,962)
34,623	Increase / (decrease) in debt	22,000	32,440	(10,440)
-	Gross proceeds from sale of assets	-	-	-
-	Other dedicated capital funding	-	-	-
-	Lump sum contributions	-	-	-
58,264	Total Sources of Capital Funding	40,307	50,681	(10,374)
Applications of Capital Funding				
	Capital expenditure			
12,951	to meet additional demand	11,439	9,189	2,250
43,331	to improve levels of service	32,039	35,728	(3,689)
35,882	to replace existing assets	45,769	37,173	8,596
(4,938)	Increase / (decrease) in reserves	(20,702)	3,359	(24,061)
-	Increase / (decrease) of investments	-	-	-
87,226	Total Applications of Capital Funding	68,545	85,449	(16,904)
(28,961)	Surplus / (Deficit) of Capital Funding	(28,238)	(34,769)	6,531
-	Funding Balance	-	-	-



1. *Transportation*

Purpose and strategic fit

Easy movement of people and goods is critical to a thriving 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.

Strategically, as a core service it is important that our transport network is efficient and provides choice. In certain parts of the network, pedestrians and cyclists are the priority while as our District grows, public transport 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 and maintaining all roads (except state highways) in a financially responsible manner.

Potential negative effects

Transportation contributes to several negative environmental effects including, but not limited to, water quality, air quality, noise and safety related issues. To mitigate these effects, we make sure our work meets environmental standards and, where appropriate, resource consent conditions, to ensure that negative impacts on the environment are avoided, remedied or appropriately mitigated.

Contribution to Community Outcomes



Efficient and resilient core services

Provide a transportation network that enables a range of transport options to facilitate easy and safe travel around our District.

Transportation also provides safe and connected walking and cycling opportunities.

Road, footpath and cycle networks are managed and planned in a way that it aligns with our District's growth and are supplied in an efficient way.



Caring for the environment

Street design and landscaping can contribute to our natural environment, particularly in urban areas.

Future transport infrastructure will recognise the need to adapt to effects of climate change.

Walking and cycling can help to protect our environment. They also have significant health and wellbeing benefits.



Positive about the future

Our transport network is of strategic importance to our future prosperity. Our roads are used by residents to get 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.



High contribution



Medium contribution

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	2017-18 target	2018-19 target	2019-20 target	2020-21 target	2021-28 target
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	0
Residents' satisfaction with the roading network.	≥61%	≥61%	≥61%	≥61%	≥61%
The average quality of a ride on a sealed local road network, measured by smooth travel exposure.	≥87%	≥87%	≥87%	≥87%	≥87%
The percentage of the sealed local road network that is resurfaced.	≥8%	≥8%	≥8%	≥8%	≥8%
The percentage of the sealed local road network that is rehabilitated.	≥1.2 %	≥0.6%	≥0.6%	≥0.6%	≥0.6%
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. Note: this is not stated in our District Plan.	≥95%	≥95%	≥95%	≥95%	≥95%

1.2 We will support alternative transport methods.

Performance measure	2017-18 target	2018-19 target	2019-20 target	2020-21 target	2021-28 target
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).	≥80% in fair or better condition	≥80% in fair or better condition	≥80% in fair or better condition	≥80% in fair or better condition	≥80% in fair or better condition

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

Performance measure	2017-18 target	2018-19 target	2019-20 target	2020-21 target	2021-28 target
Residents' satisfaction with the way our District is managing its morning and evening traffic flows.	≥70%	≥70%	≥70%	≥70%	≥70%

Transportation projects

Programme	Project	LTP 2020-21 \$000	Net timing differences \$000	New/ (savings) \$000	Annual Plan 2020-21 \$000
Amenity Lighting	Amenity Lighting	97	-	-	97
Bus Shelters	Bus Shelters	96	-	-	96
Bus Terminal	Bus Terminal Development/ Relocation	320	(320)	-	-
Coastal Protection	Coastal Protection Structures - Roding	86	-	-	86
Cycleways	Cycleways - Subsidised	-	100	-	100
Cycleways - Unsubsidised	Cycleways - Unsubsidised Programmed Work	-	31	-	31
Footpaths	Footpaths Renewals	390	-	-	390
	New Footpaths	426	-	-	426
Land for Roads	Land for Roads	-	-	-	-
Minor Improvements to Roding Network	Minor Improvements to Network	5,465	4,325	-	9,790
Other Roding Projects	Southern Entrance Intersection Improvement	687	(687)	-	-
Parking	Parking Renewals	237	-	-	237
Roding Drainage	Drainage Renewals	1,141	135	-	1,276
Roding Subdivision Works Contribution	Subdivision Works Contribution	53	-	-	53
Seal Extensions	Seal Extensions - Unsubsidised	1,065	-	-	1,065
	Seal Extensions - House Frontage Sealing	-	2,734	-	2,734
Sealed Road Pavement Rehabilitation	Sealed Road Pavement Rehabilitation	4,296	2,228	-	6,524
Sealed Road Resurfacing	Sealed Road Resurfacing	4,516	448	-	4,964
Sense of Place	Community Led Development	297	-	-	297

Programme	Project	LTP 2020-21 \$000	Net timing differences \$000	New/ (savings) \$000	Annual Plan 2020-21 \$000
Streetlights	LED Streetlight Upgrades	-	330	-	330
Structures Component Replacement	Structures Component Replacement	1,076	579	-	1,655
Traffic Signs & Signals	Traffic Sign & Signal Renewals	915	136	-	1,051
Transportation Planning Studies & Strategies	Transport Planning Studies & Strategies	213	-	-	213
Unsealed Road Metalling	Unsealed Road Metalling	864	-	-	864
Transportation Total		22,239	10,038	-	32,278



2. Water

Purpose and strategic fit

We provide fresh, clean, healthy water to our District. Our water supply provides water for households to drink and use and also plays an important role in many industrial, commercial and some agricultural businesses. Water is also provided to fight fires within the spread of our network. 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 necessary Ministry of Health standards. We also ensure our water supply is resilient to change through water efficiency programmes and infrastructure upgrades.

Potential negative effects

We provide an adequate supply of safe, clean, potable water as needed by the community, with the key driver being health and wellbeing. Water is also provided for fire-fighting purposes within reticulated areas and is available to those with alternate supplies during times of drought via water tankers.

Various statutes set out Council's responsibilities for water supply. These include the Local Government Act 2002, the Resource Management Act 1991 and the Health Act 1956.

Provision of water can contribute to various negative environmental effects through the abstraction of water from bores and dams. However, water use is managed in line with environmental standards. We also invest in new technology and methods to reduce some of these environmental impacts.

Contribution to Community Outcomes



Efficient and resilient core services

Providing water is a core service. It supports our communities and our commercial, industrial and agricultural activities.

Water is supplied in a planned, managed and efficient way to ensure it aligns with our District's growth.



Caring for the environment

Management of our water supply can support a clean and healthy environment through initiatives such as water conservation.



Positive about the future

New technology will be used to monitor the quality of our drinking water.

Providing water to appropriate locations across urban and rural areas of our District enables productivity.



High contribution



Medium contribution

Levels of Service

● Mandatory performance measures

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

Performance measure	2017-18 target	2018-19 target	2019-20 target	2020-21 target	2021-28 target
Whangarei District's four water supply areas have approved Water Safety Plans as determined by a Ministry of Health drinking water assessor.	New	4	4	4	4
Compliance with the 2005 New Zealand Drinking Water Standards' requirements for bacterial monitoring.	100%	100%	100%	100%	100%
Customer's overall satisfaction with the water quality provided by Council as measured in the annual Customer Satisfaction Survey (excludes 'don't knows').	New	≥95%	≥95%	≥95%	≥95%
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	Fully complies
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	≤17

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

Performance measure	2017-18 target	2018-19 target	2019-20 target	2020-21 target	2021-28 target
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	a) ≤ less than 1hr	a) ≤ less than 1hr	a) ≤ less than 1hr	a) ≤ less than 1hr	a) ≤ 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	b) ≤ less than 4hrs	b) ≤ less than 4hrs	b) ≤ less than 4hrs	b) ≤ less than 4hrs	b) ≤ less than 4hrs
(c) attendance for non-urgent callouts: from the time that the LA receives notification to the time that service personnel reach the site; and	c) ≤ less than 12hrs	c) ≤ less than 12hrs	c) ≤ less than 12hrs	c) ≤ less than 12hrs	c) ≤ 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.	d) ≤ less than 24 hrs	d) ≤ less than 24 hrs	d) ≤ less than 24 hrs	d) ≤ less than 24 hrs	d) ≤ less than 24 hrs

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

Performance measure	2017-18 target	2018-19 target	2019-20 target	2020-21 target	2021-28 target
Customer's satisfaction with the water flow and pressure provided by Council as measured in the annual Customer Satisfaction Survey.	New	≥95%	≥95%	≥95%	≥95%

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

Performance measure	2017-18 target	2018-19 target	2019-20 target	2020-21 target	2021-28 target
Whangārei City Water Supply Area can meet a one in 50-year drought (based on 2009-10 event data adjusted for growth and losses).	New	≥81%	≥79%	≥79%	≥79%
Water restrictions imposed due to drought.	New	0	0	0	0

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

Performance measure	2017-18 target	2018-19 target	2019-20 target	2020-21 target	2021-28 target
Residents in our District annually adopt water conservation techniques in their homes and/or businesses (as measured in the annual Customer Satisfaction Survey).	New	≥65%	≥65%	≥65%	≥65%
Water restrictions imposed due to drought.	New	0	0	0	0
The percentage of real water loss from the local authority's networked reticulation system (including a description of the methodology used to calculate this). <i>WaterNZ Benchloss</i>	≤ Less than 25%	≤ Less than 25%	≤ Less than 25%	≤ Less than 25%	≤ Less than 25%
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	≤ Less than 500 litres

Water projects

Programme	Project	LTP 2020-21 \$000	Net timing differences \$000	New/ (savings) \$000	Annual Plan 2020-21 \$000
Water Meters	Water Meter Renewals	373	-	-	373
Water Reservoirs	Reservoir Rehabilitation - Programmed Work	107	-	-	107
	Three Mile Bush Reservoir Additional Capacity	213	(144)	-	69
	Waipu Reservoir Additional Capacity	107	(107)	-	-
	Kamo Reservoir Additional Capacity	213	(100)	-	113
Water Reticulation	Reticulation - Programmed Work	258	500	-	758
	Minor Projects - Emergency Works	320	-	-	320
	Fairway Drive Pump Station Upgrade	533	-	-	533
Water Treatment Plants	Water Treatment Plant & Equipment Replacement	533	-	-	533
	Treatment Plant Upgrades	75	(21)	-	53
	SCADA Upgrade	500	249	-	749
Whau Valley Dam Improvements	Whau Valley Dam Chimney Drain	320	(320)	-	-
	Dam Safety Review	43	(43)	-	-
Whau Valley Water Treatment Plant	Whau Valley New Water Treatment Plant	11,267	1,355	-	12,622
Water Total		14,858	1,370	-	16,229



3. Solid waste

Purpose and strategic fit

We collect, process, dispose of and recycle solid waste in our District. This is essential for keeping our District attractive and vibrant. This core service also supports our District's economic activities supporting our growth and development.

Our aim is to do this in a way that, over time, will reduce the amount of waste we are required to process. Waste management is required by several pieces of legislation, including the Waste Minimisation Act (WMA) 2008, the New Zealand Waste Strategy 2010 and the Local Government Act 2002.

Potential negative effects

Waste can have negative effects on air, land and water. To limit 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 reduce the effects of this we have a reliable collection service and transfer station network throughout our District.

Contribution to Community Outcomes



Efficient and resilient core services

Solid waste is managed and planned for in a way that ensures it aligns with our District's growth and is supplied in an efficient way.



Caring for the environment

Waste minimisation, recycling and waste collection limits potential adverse effects on our environment.



Proud to be local

A clean environment across our District is vital to our wellbeing, as well as our attractiveness to visitors and investors.

● **High contribution**

● **Medium contribution**

Levels of Service

Mandatory performance measures

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

Performance measure	2017-18 target	2018-19 target	2019-20 target	2020-21 target	2021-28 target
Customer satisfaction with solid waste collection and recycling services and transfer stations (excluding 'don't knows').	≥85%	≥85%	≥85%	≥85%	≥85%

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

Performance measure	2017-18 target	2018-19 target	2019-20 target	2020-21 target	2021-28 target
To reduce waste disposed of to landfill to below 500 kg per person by 2020. ^a	New	-	-	<500	<500
To recycle at least 35% of waste collected at the roadside from households.	New	≥35%	≥35%	≥35%	≥35%
Council will recycle, compost or reuse at least 50% of materials at transfer stations by 2020. ^a	New	-	-	≥50%	≥50%

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

Performance measure	2017-18 target	2018-19 target	2019-20 target	2020-21 target	2021-28 target
Residents' satisfaction with litter control.	≥75%	≥75%	≥75%	≥75%	≥75%

Notes

^a These performance measures relate to targets contained in the Whangarei District Waste Management and Minimisation Plan. These targets were set for 2020 and there will be no interim targets set.

Solid waste projects

Programme	Project	LTP 2020-21 \$000	Net timing differences \$000	New/ (savings) \$000	Annual Plan 2020-21 \$000
Transfer Stations	Transfer Station Upgrades	53	(53)	-	-
Solid Waste Total		53	(53)	-	-



4. Wastewater

Purpose and strategic fit

Wastewater management is a core service that keeps our communities safe, healthy and clean. This is essential to being a vibrant, attractive and thriving District.

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

Our wastewater network includes 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.

Potential negative effects

Sewage discharges to air, land and water affect the environment and public health. We have invested in targeted programmes to prevent and mitigate the effects of treated and untreated sewage discharges. We have also implemented an ISO 9001 certified system for effective management of the wastewater network. Compliance with resource consent conditions ensures adverse effects to the environment are avoided, mitigated or remedied.

Contribution to Community Outcomes



Efficient and resilient core services

The management of wastewater is a core service. It supports our communities and our commercial, industrial and agricultural activities.

Wastewater is managed and planned in a way that ensures it aligns with our District's growth and is supplied in an efficient way.



Caring for the environment

Managing wastewater to agreed standards, with discharges from wastewater treatment plants having no detrimental environmental impact.



Positive about the future

New technology will be used at our wastewater treatment plants, including waste-to-energy processes.

The management of wastewater in appropriate locations across urban and rural areas of our District enables productivity.

● **High contribution**

● **Medium contribution**

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	2017-18 target	2018-19 Target	2019-20 target	2020-21 target	2021-28 target
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	0
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	≤1.35
Residents' satisfaction with sewerage reticulation, treatment and disposal services.	≥70%	≥70%	≥70%	≥70%	≥70%
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	≤20
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:					

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	2017-18 target	2018-19 Target	2019-20 target	2020-21 target	2021-28 target
(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	≤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	≤7 hr

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

Performance measure	2017-18 target	2018-19 target	2019-20 target	2020-21 target	2021-28 target
Residents' satisfaction with public toilets.	≥75%	≥75%	≥75%	≥75%	≥75%

Wastewater projects

Programme	Project	LTP 2020-21 \$000	Net timing differences \$000	New/ (savings) \$000	Annual Plan 2020-21 \$000
Laboratory	Laboratory Equipment Renewals & Upgrades	21	29	-	50
Public Toilets	Public Toilets	255	90	-	345
Wastewater Asset Management	Wastewater Assessment	45	-	-	45
Wastewater Network	Sewer Network Upgrades	3,782	(2,806)	-	976
	Sewer Network Renewal	5,833	(4,250)	-	1,583
Wastewater Pump Stations	Wastewater Pump Station Renewals	427	(70)	-	357
Wastewater Treatment Plants	Wastewater Treatment Plant Upgrades	4,249	(3,480)	-	770
	Wastewater Treatment Plant Renewals	1,527	(806)	-	721
	Wastewater Reticulation Upgrade	43	(35)	-	8
Wastewater Total		16,182	(11,328)	-	4,854



5. Stormwater

Purpose and strategic fit

Our stormwater network prevents flooding to properties and roads. How we manage stormwater can contribute significantly to vibrant and thriving communities through initiatives such as the Blue/Green Network Strategy.

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.

Potential negative effects

Inadequate stormwater services have the potential to increase flood damage to property, incurring costs and elevated insurance premiums. This can be reduced by 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 by 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 Community Outcomes



Efficient and resilient core services

The management of stormwater is a core service. It supports our communities as well as enabling commercial, industrial and agricultural activities.

Stormwater is managed and planned in a way that ensures it aligns with our District's growth and is supplied in an efficient way.



Caring for the environment

Investment in infrastructure and natural systems seeks to minimise environmental effects of stormwater run-off into our waterways.

Stormwater water management through catchment management plans, resource consents and engineering standards mitigate and manage potential adverse environmental effects.



Positive about the future

The management of stormwater in appropriate locations across urban and rural areas of our District enables productivity.

● **High contribution**

● **Medium contribution**

Levels of Service

● Mandatory performance measures

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

Performance measure	2017-18 target	2018-19 target	2019-20 target	2020-21 target	2021-28 target
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	0
Residents' satisfaction with stormwater drainage service.	≥70%	≥70%	≥70%	≥70%	≥70%
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. ^c	≤16	≤16	≤16	≤16	≤16
(a) The number of flooding events ^a that occur in a TA district; and	0	0	0	0	0
(b) for each flooding event ^a the number of habitable floors affected ^b expressed per 1000 properties connected to the TA's stormwater system.	0	0	0	0	0
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. ^a	≤1 hr	≤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 (DIA), 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% (1 in 50 year average recurrence interval). 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 the 2017-18 Annual Plan this was expressed as per 400 properties across the District.

Stormwater projects

Programme	Project	LTP 2020-21 \$000	Net timing differences \$000	New/ (savings) \$000	Annual Plan 2020-21 \$000
Stormwater Asset Management	Stormwater Catchment Management Plans & Assessments	810	(721)	-	88
Stormwater Improvements	Stormwater Upgrades	61	-	-	61
	Stormwater Renewals	2,654	(1,537)	-	1,117
	Blue/Green Network	160	-	-	160
Stormwater Total		3,684	(2,258)	-	1,426



6. Flood protection

Purpose and strategic fit

The Hikurangi Flood Protection Scheme helps 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 area.

Potential negative effects

The scheme has little riparian cover and has the potential to increase sedimentation and nutrient loadings into waterways. To lessen this, we have a Scheme Riparian and Oxbow Management Plan detailing remedial works to restore habitat and riparian margins.

The scheme impacts on the native fish population, specifically eels, by presenting barriers to upstream and downstream migration and causing fish fatalities via the pumps. Eels have important cultural value to local iwi. To address this, we have prepared a Fishery Management Plan, which has seen the installation of fish passage floodgates and spat ropes. We are also proposing a future plan to upgrade pumps to fish-friendly pumps. Council is actively engaged with local iwi and other stakeholders.

Contribution to Community Outcomes



Efficient and resilient core services

Flood protection provides resilience for agricultural land in Hikurangi.



Caring for the environment

Investment in flood protection assists in the improvements in water quality within the Kaipara Harbour catchment.

● **High contribution**

● **Medium contribution**

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	2017-18 target	2018-19 target	2019-20 target	2020-21 target	2021-28 target
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	Yes
The number of infringement or abatement notices issued by Northland Regional Council in relation to the scheme consent.	0	0	0	0	0

Flood Protection projects

Programme	Project	LTP 2020-21 \$000	Net timing differences \$000	New/ (savings) \$000	Annual Plan 2020-21 \$000
Flood Protection Total		-	-	-	-



7. Community facilities and services

Community facilities and services are a key part of an attractive, vibrant and thriving District. This includes our parks and recreation spaces, as well as our community buildings. It also includes our services that support our communities through community development, libraries, and venues and events – a key way we add activity to our public spaces. Meanwhile, our customer services team represents our first point of contact with our community.

This profile also includes Civil Defence. Civil Defence provides emergency management services for our District. A comprehensive emergency management organisation is in place and is focused around the four phases of the emergency management continuum known as the four R's (reduction, readiness, response and recovery). The intention is to encourage greater self-reliance in the community by developing and maintaining Community Response Plans for prompt and effective recovery in the event of a disaster.



Parks and recreation

Purpose and strategic fit

We provide parks and reserves for sport and recreation, landscapes and green places. We administer 20,720 hectares of land as open space, with an asset value of \$46.9 million. This includes:

- sportsfields and playgrounds
- natural areas such as wetlands and mangrove estuaries, coastal areas and esplanade reserves
- city parks and street gardens
- cemeteries
- former quarries and landfills
- forest remnants, pine forests and regenerating bush
- areas reserved for water supply, waste treatment and other public utilities.

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.

The quality of these 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.

The Reserves Act 1977 requires land administered by Council to be managed in accordance with the Act.

Potential negative effects

The under-supply of public space could be harmful to the wider community, particularly in urban areas. To address this, Council will develop an open space strategy to guide the provision of public space.

Contribution to Community Outcomes



Efficient and resilient core services

The adequate provision of open space is needed to support the development of an attractive, vibrant and thriving community.

Opportunities for walking and cycling are provided through public spaces.



Caring for the environment

Our Parks team supports community initiatives to keep our District clean, as well as managing weeds and pests.

Access to the coast is protected through reserves managed by Parks.

Design and landscaping in our public spaces and streets enables nature to thrive.



Positive about the future

Open space is distributed across our District and contributes to a fair urban and rural balance.

New technology is improving service delivery, including turf maintenance.



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 events and activities.

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



High contribution



Medium contribution

Levels of Service

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

Performance measure	2017-18 target	2018-19 target	2019-20 target	2020-21 target	2021-28 target
Sports parks will be provided to meet the community's needs. *	≥177hrs	≥187 hrs	≥196 hrs	≥201 hrs	≥199 hrs

7.2 Council will provide and maintain a range of reserves, including built facilities, to meet the needs of the community as well as protecting and enhancing the natural environment.

Performance measure	2017-18 target	2018-19 target	2019-20 target	2020-21 target	2021-28 target
Average satisfaction rating of sports codes with sports parks.	≥82%	≥84%	≥84%	≥85%	≥86%
Residents' satisfaction with neighbourhood, civic space, cultural heritage, public gardens and recreational and ecological linkages to parks.	≥82%	≥90%	≥90%	≥90%	≥90%

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

Performance measure	2017-18 target	2018-19 target	2019-20 target	2020-21 target	2021-28 target
Hectares of open space land transformed does not drop below. **	0.5ha	0.5 ha	0.5 ha	0.5 ha	0.5 ha
Residents' perception that Council is making sufficient investment in developing a strong sense of place for our District and its communities.	≥70%	≥70%	≥70%	≥70%	≥70%

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

Performance measure	2017-18 target	2018-19 target	2019-20 target	2020-21 target	2021-28 target
Residents' satisfaction with cemeteries.	≥90%	≥90%	≥90%	≥90%	≥90%

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

** This measure relates to parks and reserve lands that have been developed with amenities that promote increased public use.



Libraries

Purpose and strategic fit

Libraries provide our community with opportunities for life-long learning, access to information, leisure and reading. This 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 Community 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.



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.

● **High contribution**

● **Medium contribution**

Levels of Service

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

Performance measure	2017-18 target	2018-19 target	2019-20 target	2020-21 target	2021-28 target
Percentage of population who have used a library in the past year.	≥60%	≥60%	≥60%	≥60%	≥60%
Residents' satisfaction with the resources (books, magazines etc.) the library service provides.	≥95%	≥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 helps 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

No potential negative effects have been identified for community property.

Contribution to Community Outcomes



Positive about the future

Our community facilities are located across our District to ensure there is a fair urban and rural balance.



Proud to be local

Our community facilities ensure activities and facilities are available across our District for people of all abilities, ages and lifestyles.

● High contribution

● Medium contribution

Levels of Service

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

Performance measure	2017-18 target	2018-19 target	2019-20 target	2020-21 target	2021-28 target
Percentage occupancy rate of pensioner housing.	≥98%	≥98%	≥98%	≥98%	≥98%
Pensioner housing residents' satisfaction with the standard of accommodation.	≥80%	≥80%	≥80%	≥82%	≥82%



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 resilient.

Potential negative effects

No potential negative effects have been identified for community development

Contribution to Community Outcomes



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.



High contribution



Medium contribution

Levels of Service

7.7 Council will promote and support community safety.

Performance measure	2017-18 target	2018-19 target	2019-20 target	2020-21 target	2021-28 target
Percentage of residents within the community who feel safe within our District.	≥85%	≥85%	≥85%	≥85%	≥85%

7.8 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	2017-18 target	2018-19 target	2019-20 target	2020-21 target	2021-28 target
Percentage of grant applicants who understand and are satisfied with the grants application process.	≥80%	≥80%	≥80%	≥80%	≥80%

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

Performance measure	2017-18 target	2018-19 target	2019-20 target	2020-21 target	2021-28 target
Percentage of people active in these sectors who believe Council is achieving strong engagement.	≥80%	≥80%	≥80%	≥80%	≥80%



Venues and events

Purpose and strategic fit

We provide venues, while managing and producing events that contribute to the cultural and social fabric of our community. This contributes to our District's attractiveness and vibrancy, and our District's economy.

Potential negative effects

No potential negative effects have been identified for venues and events.

Contribution to Community Outcomes



Positive about the future

Venues and events have a District focus, ensuring there is a fair balance between rural and urban areas.



Proud to be local

Venues and events provide a wide variety of activities ensuring there is always something to see and do for both residents and visitors.



High contribution



Medium contribution

Levels of Service

7.10 Our venues will encourage increased use and high satisfaction levels of those using our facilities.

Performance measure	2017-18 target	2018-19 target	2019-20 target	2020-21 target	2021-28 target
Number of attendees over all facilities will increase annually.	≥3%	≥3%	≥3%	≥3%	≥3%
Satisfaction with the quality of venues and events.	≥80%	≥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 centres.

A satisfactory customer experience and access to the right information is essential for our District to thrive.

Potential negative effects

No potential negative effects have been identified for customer services.

Contribution to Community Outcomes



Positive about the future

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



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 safe, tidy and attractive.



High contribution



Medium contribution

Levels of Service

7.11 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	2017-18 target	2018-19 target	2019-20 target	2020-21 target	2021-28 target
Percentage annual increased levels of satisfaction with service received by 'first point of contact' customer service.	New	≥1%	≥1%	≥1%	≥1%
Contact centre service calls answered in under 20 seconds.	New	≥85%	≥85%	≥85%	≥85%
Wait time for walk-in customers.	New	No more than 6 mins	No more than 6 mins	No more than 6 mins	No more than 6 mins

7.12 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	2017-18 target	2018-19 target	2019-20 target	2020-21 target	2021-28 target
Visitors' satisfaction with the service provided by the information consultants at our information centres.	New	Very satisfied	Very satisfied	Very satisfied	Very satisfied

Community facilities and services projects

Programme	Project	LTP 2020-21 \$000	Net timing differences \$000	New/ (savings) \$000	Annual Plan 2020-21 \$000
Civil Defence & Emergency Management					
Civil Defence & Emergency Management	Tsunami Sirens New	-	59	-	59
	Tsunami Signage	16	44	-	60
	Civil Defence Emergency Management New Equipment	5	-	-	5
	Civil Defence Emergency Management Equipment Renewals	27	9	-	36
	Tsunami Sirens Renewals	18	-	-	18
Civil Defence & Emergency Management Total		66	112	-	178
Community Development					
CCTV Network	CCTV Upgrades & Improvements	138	48	-	187
Council-Owned Community Buildings	Community Buildings Renewals & Improvements	27	219	-	245
Pensioner Housing	Pensioner Housing Renewals & Improvements	667	111	-	778
Sense of Place	Community Led Development	752	(438)	-	314
Community Development Total		1,584	(60)	-	1,524
Library					
Digital Council	Library IT Equipment	107	131	-	237
Library Asset Renewals	Mobile Bus Replacement	-	4	-	4
	Library Renewals	5	-	-	5
Library Books	Book Purchases	689	49	-	738
Library Total		801	183	-	985

Programme	Project	LTP 2020-21 \$000	Net timing differences \$000	New/ (savings) \$000	Annual Plan 2020-21 \$000
Parks and Recreation					
Cemeteries	Cemeteries Renewals	434	51	-	484
Coastal Structures	Coastal Structures Renewal	2,317	(1,720)	-	596
	Coastal Structures Level of Service	63	-	-	63
Neighbourhood & Public Gardens	Neighbourhood & Public Gardens Renewals	306	1,175	-	1,481
Playgrounds & Skateparks	Playgrounds & Skateparks Renewals	159	284	-	443
Sense of Place	Public Art	45	32	-	77
	Parks Interpretation Information	45	37	-	81
	Town Basin - Conversion of Carpark to Park	1,986	207	-	2,193
	Pohe Island Development	1,240	1,466	-	2,706
	Whangarei City Centre Plan Implementation	266	(266)	-	-
	Waterfront Programme	-	130	-	130
Sportsfields & Facilities	Sport & Recreation Renewals	579	(472)	-	107
	Sport & Recreation Growth	596	(176)	-	420
	Tikipunga Soccer Hub	511	(511)	-	-
Walkways and Tracks	Walkway & Track Renewals	360	69	-	428
Parks and Recreation Total		8,906	305	-	9,211

Programme	Project	LTP 2020-21 \$000	Net timing differences \$000	New/ (savings) \$000	Annual Plan 2020-21 \$000
Venues and Events					
Forum North Venue	Forum North Venue Upgrades	92	-	-	92
	Forum North Venue Renewals	23	-	-	23
Northland Events Centre	Sport & Recreation Renewals	-	-	200	200
	NECT - Exterior General Renewals	-	-	580	580
	NECT Light Tower Renewals	1,601	1,468	200	3,268
	NECT Field Renewals	-	-	310	310
	NECT Building Renewals	202	-	-	202
Venues and Events Total		1,918	1,468	1,290	4,676
Community Facilities and Services Total		13,275	2,008	1,290	16,573



8. Governance and strategy

Purpose and strategic fit

This includes the democratic functions of our organisation, which drives robust decision-making through Council and committee meetings, supported by briefings and workshops. Democracy and Assurance functions also include legal, risk and audit, Council Controlled Organisation (CCO) coordination, Mayoral support, and coordination and management of consultation and engagement activities.

This group also sets the strategic direction. The focus is on how our District grows and develops through our District-wide, issue-based or place-based strategies.

District development encourages economic development and investment in our District including managing Council's commercial property portfolio

and marketing our District as a desirable place to visit, work and do business.

Fostering meaningful and sustainable relationships with iwi, hapū 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 group. These relationships also exist through specific programmes of work as well as larger scale projects such as Treaty of Waitangi settlements.

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 Community Outcomes



Efficient and resilient core services

Our strategic planning ensures that core infrastructure is provided to meet the demands of growth in a managed and coordinated way.



Caring for the environment

Strategic planning ensures our environment is cared for.



Positive about the future

Democracy functions ensure transparent and robust decision-making.

Strategic planning and implementation of key projects allows our city centre to thrive.

● **High contribution**

● **Medium contribution**

Levels of Service

8.1 Our democratic functions are transparent and meet the legislative requirements.

Performance measure	2017-18 target	2018-19 target	2019-20 target	2020-21 target	2021-28 target
Responses to requests for information made under the <i>Local Government Official Information Act 1987</i> and the <i>Privacy Act 1993</i> are provided within relevant statutory timeframes.	New	100%	100%	100%	100%
Percentage of Council, committee and hearing agendas that meet relevant legislative timeframes.	New	100%	100%	100%	100%

8.2 We deliver the requirements of the National Policy Statement on Urban Development Capacity.

Performance measure	2017-18 target	2018-19 target	2019-20 target	2020-21 target	2021-28 target
Meet the statutory timeframes and deliverables as set out in the <i>National Policy Statement on Urban Development Capacity</i> .	New	100%	100%	100%	100%

Governance and strategy projects

Programme	Project	LTP 2020-21 \$000	Net timing differences \$000	New/ (savings) \$000	Annual Plan 2020-21 \$000
Commercial Property	Parihaka Transmission Mast Upgrade	-	913	-	913
New Airport Evaluation	New Airport Evaluation	2,532	(2,162)	-	370
Governance and Strategy Total		2,532	(1,248)	-	1,283



9. *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). This includes:

- issuing resource and building consents and ensuring they meet required conditions
- providing health and liquor licences
- monitoring and enforcing bylaws such as animal and noise control, health, liquor and parking
- undertaking district planning.

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 remains attractive and that our communities thrive.



District planning

Purpose and strategic fit

The population of Whangārei is growing, creating demand on the District's resources. To manage this we develop long, medium and short term strategies and policies to help set future directions for the resources we manage. Other aspects support this through land use planning, environmental regulation, monitoring and reporting.

Potential negative effects

District Plan requirements may inhibit economic activity if they are overly strict. For this reason our District Plan is reviewed within statutory timeframes to reflect the changing nature of our District.

Contribution to Community Outcomes



Efficient and resilient core services

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



Caring for the environment

Our 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.



Positive about the future

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



Proud to be local

Our District Plan supports urban design outcomes which promote activity, safety and attractive built forms and public spaces.

● ***High contribution***

● ***Medium contribution***

Levels of Service

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

Performance measure	2017-18 target	2018-19 target	2019-20 target	2020-21 target	2021-28 target
Plan changes are researched, proposed, consulted and reported on as required by Council in accordance with the relevant statutory requirements.	100%	100%	100%	100%	100%



Resource consents

Purpose and strategic fit

The RMA directs the processes and functions of Council, as well as guiding the overall outcome of the resource consent process, which is to:

- promote the sustainable management of natural and physical resources
- ensure our District remains attractive, vibrant and thriving.

This is achieved by processing resource consents and associated applications.

Potential negative effects

Negative environmental effects can result from poor decision making on resource consent applications. This is reduced 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 which delays start times. External contractors are used to ensure that statutory timeframes are met during times of high workloads that cannot be met by staff.

Contribution to Community Outcomes



Caring for the environment

Resource consents enact our 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.



Positive about the future

The resource consent processes are clear and simple, guided by our District Plan and RMA.



Proud to be local

Ensuring compliance with District Plan rules and conditions of resource consents contributes to the appearance of our District and a community's enjoyment of places and spaces.

● *High contribution*

● *Medium contribution*

Levels of Service

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

Performance measure	2017-18 target	2018-19 target	2019-20 target	2020-21 target	2021-28 target
Percentage of non-notified resource consent applications processed within statutory timeframes.	≥95%	≥95%	≥95%	≥95%	≥95%
Percentage of Section 223 and Section 224 applications for subdivision consents under the RMA within statutory timeframes.	≥95%	≥95%	≥95%	≥95%	≥95%

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

Performance measure	2017-18 target	2018-19 target	2019-20 target	2020-21 target	2021-28 target
Percentage of land-use consent conditions monitored (note: time frames will be dependent on priorities based on potential environmental risk associated with non-compliance).	100%	100%	100%	100%	100%



Building control

Purpose and strategic fit

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

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

This department also has responsibilities to establish buildings that may be earthquake prone, to ensure building owners meet their responsibilities under new legislation.

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 Community Outcomes



Caring for the environment

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



Positive about the future

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



Proud to be local

Building compliance ensures that built structures are safe and durable.

● ***High contribution***

● ***Medium contribution***

Levels of Service

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

Performance measure	2017-18 target	2018-19 target	2019-20 target	2020-21 target	2021-28 target
Percentage of building consent applications processed within statutory timeframes.	≥96%	≥96%	≥96%	≥96%	≥98%
Percentage of inspections completed within two days.	≥95%	≥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 focussing 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 liquor licensing work areas
- Armourguard Security is contracted to provide services relating to dog and stock control, parking enforcement, excessive noise control and general bylaw enforcement.

Potential negative effects

Failure to effectively enforce and monitor can lead to significant adverse environmental, health and nuisance issues across our District. This is mitigated through an appropriate enforcement and monitoring regime.

Contribution to Community Outcomes



Caring for the environment

The enforcement of bylaws ensures our environment is protected.



Positive about the future

Regulatory processes are clear and simple and enable economic activity while appropriately protecting our communities from nuisance activities.



Proud to be local

Ensuring compliance with our bylaws contributes to the appearance of our District and the community's enjoyment of places and spaces.



High contribution



Medium contribution

Levels of Service

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

Performance measure	2017-18 target	2018-19 target	2019-20 target	2020-21 target	2021-28 target
Percentage of complaints responded to within contracted timeframes.	≥85%	≥85%	≥85%	≥85%	≥85%

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

Performance measure	2017-18 target	2018-19 target	2019-20 target	2020-21 target	2021-28 target
Percentage of Health Act registered premises inspected annually.	New	100%	100%	100%	100%

9.7 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	2017-18 target	2018-19 target	2019-20 target	2020-21 target	2021-28 target
Percentage of food businesses verified within timeframes as specified by the Food Act 2014.	New	100%	100%	100%	100%

9.8 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	2017-18 target	2018-19 target	2019-20 target	2020-21 target	2021-28 target
Percentage of alcohol licensed premises inspected annually.	New	100%	100%	100%	100%

Planning and regulatory services projects

Programme	Project	LTP 2020-21 \$000	Net timing differences \$000	New/ (savings) \$000	Annual Plan 2020-21 \$000
Dog Pound	Dog Pound Renewals	1,415	(833)	-	582
Planning and Regulatory Services Total		1,415	(833)	-	582



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 WDC 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.

Support services projects

Programme	Project	LTP 2020-21 \$000	Net timing differences \$000	New/ (savings) \$000	Annual Plan 2020-21 \$000
Business Improvement	Business Improvement Projects	-	102	-	102
Civic Buildings	Furniture Renewals	21	-	10	31
	Information Centre Upgrade	-	126	-	126
Civic Centre	Civic Centre	12,784	-	-	12,784
Council Vehicle Replacements	Council Vehicle Replacements	224	-	-	224
Digital Council	Digitisation of Records	-	213	-	213
	IT Equipment Replacement	639	(300)	-	339
	Mobility Technology - Building	220	(111)	-	109
	Decision Support System Development	101	(101)	-	-
	Customer Access - Online Services	466	(416)	-	50
	Asset Management Software Upgrade	-	688	-	688
	Asset Management Mobility	158	-	-	158
	Platform as a Service	405	23	-	428
	Electronic LIMs	637	(637)	-	-
	Digital District Plan and Policies Online	511	(410)	-	101
	Upgrade Kete SharePoint	-	236	-	236
	Digital Platform	162	197	-	359
	CiA Upgrade	-	935	-	935
	Corporate Performance Management	158	168	-	326
	IT Equipment New	53	-	-	53
Digital Council	Minor ICT Projects	85	(2)	-	83

Programme	Project	LTP 2020-21 \$000	Net timing differences \$000	New/ (savings) \$000	Annual Plan 2020-21 \$000
Forum North Venue	Forum North Venue Renewals	-	-	250	250
Human Resources	Office Furniture	-	-	30	30
New Theatre/Expo/ Conference	New Theatre	3,883	(3,883)	-	-
Support Services Total		20,508	(3,173)	290	17,625

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:

- Whangarei Art Museum Trust
- Whangarei District Airport
- Northland Regional Landfill Limited Partnership
- Whangarei Waste Ltd
- Northland Event Centre Trust
- 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. Whangarei Waste Ltd, Springs Flat Contractors Ltd and Northland Event Centre Trust are exempt organisations.

The non-exempt entities are:

Whangarei Art Museum Trust (WAMT)

Due to the progression of the Hundertwasser Wairau Māori Art Centre project, on 14 December 2017 WAMT was de-exempt and is now subject to the reporting requirements under the Local Government Act 2002 (LGA).

WAMT is incorporated as a Trust Board under the Charitable Trusts Act 1957. The board comprises seven positions, four appointed by Council. WAMT relies on funding from Council and its museum is located in Council-owned premises.

WAMT operates to the following principles, to:

- be responsible for the establishment and management of an art museum
- properly maintain, catalogue, conserve and display works of art including Council's art collection
- support, stimulate and enhance the artistic and cultural life of our District
- purchase, collect and show quality works of art to enhance and enlarge the present collection
- promote the Whangarei Art Museum and to attract touring exhibitions and encourage artists to exhibit their work
- maximise the benefits of an art museum for the people of the Whangarei District and encourage the people of the Whangarei District and elsewhere to visit.

The performance measures below are contained in the draft Statement of Intent (SOI) and will be put to Council for final approval.

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 WAMT 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
- Annual survey demonstrates improvements in how WAMT is regarded

- Strengthen community engagement through programs, events and collaborative initiatives including an educational component
- Evidence of 3 programs, events or initiatives developed or in development annually
- Improve awareness and attendance at WAMT

Whangarei District Airport (WDA)

The Whangarei District Airport 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 employee development initiatives
- Maintain best practice noise management process
- Explore suitability 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
- Implement an effective safety management system
- Achieve overall decline in incidents

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 Whangarei District Council and Northland Waste Limited. The General Partner is Whangarei Waste Limited.

The Limited Partnership is a CCTO. On creation, assets owned by Council were sold to the Limited Partnership on a deferred payment basis over four years. 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 Whangarei Waste Limited. The main activity of the Partnership is to provide waste disposal facilities in the Whangarei 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 waste collection and waste management and minimisation 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
- Ensure that NRLLP's principal contractor employed to run Puwera and Re-Sort maintains health and safety systems to enable retention of Safe Plus branding
- Ensure no notifiable health and safety incidents occur 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 6 months landfill capacity is maintained at all times
- Achieve a minimum of 70% landfill gas destruction

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 40 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

Financial statements

Prospective Statement of Comprehensive Revenue and Expenditure

LTP Year 2 2019-20 \$000		Annual Plan 2020-21 \$000	LTP Year 3 2020-21 \$000	Variance \$000
Revenue				
101,592	Rates	103,784	106,072	(2,288)
4,794	Development and other contributions	2,990	4,952	(1,962)
25,539	Subsidies and grants	21,732	20,190	1,542
14,863	Fees and charges	12,953	15,635	(2,682)
46	Interest revenue	381	41	340
13,225	Other revenue	11,026	13,396	(2,370)
160,059	Total revenue	152,866	160,286	(7,420)
Expenses				
66,937	Other expenditure	66,132	64,748	(1,384)
40,274	Depreciation and amortisation	46,564	41,934	(4,630)
7,345	Finance costs	7,687	8,690	1,003
30,173	Personnel costs	29,435	30,838	1,403
144,729	Total expenses	149,818	146,210	(3,608)
15,330	Surplus / (deficit) before taxation	3,048	14,076	(11,028)
-	Taxation charge	-	-	-
15,330	Surplus / (deficit) after taxation	3,048	14,076	(11,028)
Other comprehensive revenue and expenses				
17,395	Gain / (loss) on infrastructure asset revaluation	17,959	17,959	-
-	Gain / (loss) on other asset revaluations	-	-	-
32,725	Total comprehensive income	21,007	32,035	(11,028)

Prospective Statement of Changes in Net Assets/ Equity

LTP Year 2 2019-20 \$000		Annual Plan 2020-21 \$000	LTP Year 3 2020-21 \$000
1,533,884	Opening balance as at 1 July	1,694,291	1,566,608
32,724	Total comprehensive revenue and expense	21,007	32,035
-	Adjustments and contributions to net assets/equity	-	-
1,566,608	Total recognised net assets/equity as at 30 June	1,715,298	1,598,643

Prospective Statement of Financial Position

LTP Year 2 2019-20 \$000		Annual Plan 2020-21 \$000	LTP Year 3 2020-21 \$000
Assets			
Current assets			
300	Cash and cash equivalents	24,882	300
18,010	Debtors and receivables	22,936	18,052
-	Derivative financial instruments	61	-
607	Other financial assets	328	607
822	Other current assets	918	822
-	Assets held for sale	-	-
19,739	Total current assets	49,125	19,781
Non current assets			
10	Derivative financial assets	-	10
	Other financial assets:		
12,601	- Investments held in joint ventures and subsidiaries	12,226	13,727
2,924	- Investments held in other entities	2,970	2,924
1,681,269	Property plant and equipment	1,799,981	1,742,893
10,385	Intangible assets	12,773	9,876
787	Forestry assets	820	787
55,919	Investment properties	59,084	55,919
1,763,895	Total non current assets	1,887,854	1,826,136
1,783,634	Total assets	1,936,979	1,845,917
Liabilities			
Current liabilities			
28,513	Payables and deferred revenue	25,042	26,315
283	Derivative financial instruments	804	283
20,000	Current borrowings	30,000	23,000
2,528	Employee benefits liabilities	2,628	2,578
106	Provisions	55	108
51,430	Total current liabilities	58,529	52,284

LTP Year 2 2019-20 \$000		Annual Plan 2020-21 \$000	LTP Year 3 2020-21 \$000
Non current liabilities			
11,233	Derivative financial instruments	17,298	11,233
152,483	Non-current borrowings	144,000	181,923
407	Employee benefits liabilities	407	415
1,318	Provisions	1,346	1,262
156	Payables and deferred revenue	101	156
165,597	Total non current liabilities	163,152	194,989
217,027	Total liabilities	221,681	247,273
1,566,607	Net assets	1,715,298	1,598,644
Equity			
921,498	Retained earnings	938,300	937,543
61,928	Other reserves	72,597	59,959
583,180	Asset revaluation reserve	704,401	601,143
1,566,607	Total equity attributable to Council	1,715,298	1,598,644

Prospective Statement of Cash Flows

LTP Year 2 2019-20 \$000		Annual Plan 2020-21 \$000	LTP Year 3 2020-21 \$000
Cash flows from operating activities			
100,964	Receipts from rate revenue	100,837	106,045
25,404	Subsidies and grants received	21,171	20,184
13,367	Other revenue including development contributions	9,735	13,678
14,777	Fees and charges received	12,518	15,631
43	Interest received	380	40
540	Dividends received	35	540
(93,659)	Payments to suppliers and employees	(95,452)	(96,682)
(7,345)	Interest paid	(7,687)	(8,690)
54,091	Net cash flow from operating activities	41,537	50,746
Cash flows from investing activities			
-	Proceeds from fixed assets	-	-
-	Receipts from investments and loans	-	-
(88,712)	Purchase and development of fixed assets	(69,057)	(83,186)
-	Purchase of investments and loans provided	-	-
(88,712)	Net cash flow from investing activities	(69,057)	(83,186)
Cash flows from financing activities			
34,623	Proceeds from borrowings	22,000	32,440
-	Loan repayments received	-	-
-	Repayment of borrowings	-	-
-	Loans granted	-	-
34,623	Net cash flow from financing activities	22,000	32,440
1	Net increase/(decrease) in cash, cash equivalents and bank overdrafts	(5,520)	-
300	Cash, cash equivalents and bank overdrafts at the beginning of the year	30,402	300
300	Cash, cash equivalents and bank overdrafts at the end of the year	24,882	300

Reserve funds

		Estimated opening balance 1 July 2020 \$000	Transfers in \$000	Transfers out \$000	Estimated closing balance 30 June 2021 \$000
	Asset revaluation reserve	686,442	17,959	-	704,401
Activity	Total Asset Revaluation Reserve	686,442	17,959	-	704,401
Governance and strategy	Fishermans Levy - to fund maintenance and upgrading of marine facilities for use by commercial fishing vessels	115	-	115	-
Community Facilities and services	Community Development Fund 1 - to provide funding for land for reserves for community facilities on Council owned reserve land	4,156	125	-	4,281
Community Facilities and services	Community Development Fund 2 - to provide funding for community facilities on non-Council reserve land	7,062	212	-	7,274
Community Facilities and services	Community Development Fund 3 - to provide funding for performing arts activities	331	10	-	341
Community Facilities and services	Art Acquisitions - to fund acquisition of artworks	14	-	-	14
Community Facilities and services	Clock Purchases - to fund purchase of clocks for the Claphams Clocks Museum	52	-	-	52
Community Facilities and services	Leonard Library Reserve - bequest for the purchase of library books	245	-	-	245
General reserve	To fund operational grants committed but not paid	7	-	-	7
Governance and strategy	Property Reinvestment Reserve - to fund property purchases for a commercial return	34,998	700	-	35,698
Water	Water Reserve - to hold any surpluses for future funding of water activities	26,008	-	8,727	17,281

		Estimated opening balance 1 July 2020 \$000	Transfers in \$000	Transfers out \$000	Estimated closing balance 30 June 2021 \$000
Solid Waste	To hold any surpluses for future funding of Solid Waste activities	-	1,958	-	1,958
Flood protection-Hikurangi	To hold any surpluses for future funding of Flood Protection activities	-	521	-	521
Planning and regulatory services	Dog Reserve - to hold any surpluses for future funding of Dog activities	58	-	58	-
Wastewater	Wastewater reserve to hold surplus now that debt has been paid off	-	4,914	-	4,914
Trust Funds	Bequests held for specific purposes	11	-	-	11
	Total Reserves and Special Funds	73,057	8,440	8,900	72,597

Notes to the Financial Statements

Note 1 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.

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

Council's accounting policies include reference to Council and its controlled entities. The 2020-21 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), the Council and 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.

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
- the impairment assessment of non-financial assets requires the use of key assumptions and estimates
- the determination of the landfill aftercare provision requires the use of key assumptions and estimates
- Council relies on the assumptions and estimates made by external valuers when performing the investment property revaluation

CRITICAL JUDGEMENTS IN APPLYING ACCOUNTING POLICIES

Management has exercised the following critical judgements in applying accounting policies for the 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 114 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.

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

Rates

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

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.

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 Whangarei 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.

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
Operating assets	
Land	Indefinite
Buildings	10-100
Strategic land	Indefinite
Strategic buildings	35-50
Pensioner housing – land	Indefinite
Pensioner housing – buildings	14-80
Library books	5
Motor vehicles	5
Office furniture and fittings	3-20
Plant and equipment	3-80
Infrastructure assets	
Land for roads*	Indefinite
Roading network	
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

Class of PP&E	Estimated useful life
Water	
Pipes	50-107
Plant and equipment	5-80
Treatment plant	60
Wastewater	
Pipes	30-101
Pumps and pump stations	20-100
Manholes	80-101
Treatment plant	15-100
Stormwater	
Pipes	11-125
Manholes	11-100
Parks and recreation	
Walkways, reserves and sports fields	10-100
Restricted assets	
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 Whangarei Marina and Tutukaka Marina (under the management of the Whangarei Harbour Marina Trust and the Tutukaka 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.

Computer software assets are amortised using the straight-line method over their estimated useful lives (three to ten 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 within 12 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 beyond 12 months after the end of the year which the employee provides the related service, such as long service leave, have been calculated on an actuarial basis.

Loyalty and performance bonuses are one off payments to staff members who have provided ten or more years of service to Council and have attained the prerequisite

performance achievements over the preceding three years of service. The liability is assessed using current rates of pay, taking into account years of service, years to entitlement and likelihood that staff will reach the point of entitlement and achieve the targeted performance level. These estimated amounts are discounted to their present value using an appropriate discount rate.

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 within 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 annually 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 114 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.

(iv) Other disclosures: These prospective financial statements were adopted as part of the 2020-21 Annual Plan for Whangarei District Council on 9 July 2020. Council is responsible for the prospective financial statements presented, including the assumptions underlying prospective financial statements and all other disclosures. This Annual Plan is prospective and as such contains no actual operating results.

Note 2 Forecasting assumptions

	Financial risk	Impact for high financial risk assumptions	Level of uncertainty	Financial impact for assumption with high level of uncertainty
General assumptions				
<p>District growth: the number of residential ratepayers in Whangarei is expected to grow 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>Development contributions: the value of development contributions collected is dependent on the number of subdivision lots developed and on the level of new service connections taking place. Development contributions (DC's) are forecast based on historical data with a growth factor applied. Council has assumed no 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 \$30k, reducing available funding for Council activity.
<p>Rate Increase: rates increases differ from the Financial Strategy contained within the 2018-28 Long Term Plan. Due to the impact of COVID-19 on ratepayers, Council is increasing rates by inflation only (this is 2.2% plus growth*) and there will be no increase to Flood Protection rates.</p> <p>Rates increases are:</p> <ul style="list-style-type: none"> • General and targeted rates (excluding metered water and Flood Protection): LGCI 2.2% • Metered Water: no increase • Flood Protection: no increase <p>*A growth component is also factored into overall budgets for rates revenue to reflect the increase in rateable properties in our district during 2019-20</p>	Low	Not applicable	Low	Not applicable

	Financial risk	Impact for high financial risk assumptions	Level of uncertainty	Financial impact for assumption with high level of uncertainty
Inflation: The impact of Inflation has been factored into producing the prospective financial statements. This has been achieved by using price level adjusters sourced from BERL. The main financial risk for Council is that operating and capital expenditure items rise faster than revenue items. Due to the uncertainty of COVID-19 impacts, the inflation risk is considered to be medium.	Low	Not applicable	Medium	If inflation is 1% more or less than the forecast Local Government Cost Index of 2.2%, total revenue would vary by approximately \$1.53 million, total expenditure by approximately \$1.50 million and the net surplus would move by approximately \$30k.
COVID-19 Impacts: Annual Plan modelling was undertaken to establish best and worst case scenarios which helped to form an assumed scenario which the Annual Plan is based on.	High	The impact of COVID-19 is difficult to forecast and carries a high level of uncertainty.	High	The impacts of COVID-19 may vary from the assumed scenario resulting in variances against budget for the 2020-21 year.
COVID-19 Relief Package: Council has included a \$3m targeted relief package within the budget for community groups, businesses and ratepayers. Budgets for some elements are based on estimates of take-up rates	Low	Not applicable	Low	Not applicable
Revenue and Financing Policy: The 2020-21 Annual Plan budget presents an operating surplus enabling Council to be compliant with the Revenue and Financing Policy in terms of funding sources for operating expenses.	Low	Not applicable	Low	Not applicable
Property Transactions: Council have not budgeted for any property purchases or sales within the 2020-21 Annual Plan budget.	Low	Not applicable	Low	Not applicable

	Financial risk	Impact for high financial risk assumptions	Level of uncertainty	Financial impact for assumption with high level of uncertainty
Metered water: consumption of metered water has been estimated at levels consistent with prior year actuals plus a growth component.	Low	Not applicable	Low	Not applicable
User fees: the majority of user fees have increased by inflation. Fee revenue has been reviewed for potential impacts of Covid-19 and adjusted to reflect the expected level of services provided. Increases are based on expected cost increase which is assumed to be sufficient for funding purposes. These will be reviewed annually to ensure compliance with Council's Revenue and Financing Policy.	Medium	Not applicable	Medium	Not applicable
Rental Income: Council has reviewed rental income for potential impacts of COVID-19 and adjusted accordingly.	Low	Not applicable	Low	Not applicable
Crown Infrastructure Partners (CIP) and Tourism Infrastructure Fund (TIF): Council has applied for Government funding for projects through the COVID-19 CIP programme and TIF. Due to the uncertainty surrounding government direction and whether Council will be successful, we have not made any allowance for these projects within the 2020-21 Annual Plan budget.	Medium	Not applicable	High	Council may need to adjust the timing of projects to incorporate those where other funding is available (i.e. delivering some projects in future years of the Long Term Plan).
Climate change: Council's Activity Management Planning Policy and Practice Document contains the following Policy Statement on Climate Change: 'Whangarei District Council shall consider the effects of climate change on the activity in accordance with the latest Ministry for the Environment guidelines.' The impact on Council's infrastructure over the 10 years of the LTP is considered acceptable when compared with the currently-used design standards for new infrastructure, providing Ministry of Environment predictions are generally accurate.	Low	Not applicable	Medium	Not applicable

	Financial risk	Impact for high financial risk assumptions	Level of uncertainty	Financial impact for assumption with high level of uncertainty
Expenditure assumptions				
Interest rates: the average cost of borrowing has been assumed to be 4.76% for existing and new debt. This is based on the weighted average cost of capital calculated across the period of the Annual Plan. Council has a comprehensive interest rate hedging program which protects against interest rate rises through the life of the plan.	Medium	Interest rate risk exposure is managed through long term swaps and forward rate cover.	Medium	A 1% movement in interest, after factoring in the impact of hedging utilising long term swaps would affect the operating budgets by an average of \$9k pa.
Depreciation funding: Capital expenditure to replace assets ('renewals') will be funded by rates collected to cover the cost of depreciation. Any surplus depreciation component will be used to repay borrowings. Any shortfall in funding requirements will be met through subsidies, operating surplus or increased debt. Further information can be found in the Revenue and Financing Policy, the Financial Strategy and the Infrastructure Strategy.	Medium	Not applicable	Medium	Not applicable
Unfunded depreciation: Council does not fund depreciation on transportation assets to the extent that NZTA funds renewals, and this replacement capital expenditure is based on current NZTA funding rates.	Low	Not applicable	Low	Not applicable
CAPEX borrowings: the borrowings for capital expenditure are assumed to be repaid at the shorter of the life of the asset or 20 years for determining the funding for that asset.	Medium	Not applicable	Low	Not applicable
CAPEX: The 2020-21 Annual Plan includes a capital projects programme of \$90.9m. For the purposes of modelling debt an adjustment has been made to allow for estimated projects not completed during the financial year and carried forward. Actual results may vary to this estimate.	Medium	Not applicable	Medium	Not applicable.

	Financial risk	Impact for high financial risk assumptions	Level of uncertainty	Financial impact for assumption with high level of uncertainty
Asset assumptions				
<p>Subsidies: New Zealand Transport Agency (NZTA) subsidies have been included based on Central Government contributions to certain capital expenditure - subsidies average 53%. All subsidies are disclosed within operating revenue and are contingent on the applicable capital projects taking place.</p> <p>Council has assumed there are no changes to the subsidy rates in this Annual Plan. The granting of subsidies for specific programmes are contingent on being approved by NZTA. Council will not know whether projects for which they have applied for funding from NZTA are approved until after the Annual Plan is adopted.</p>	High	If a planned significant capital project that has a capital subsidy associated with it is not approved by NZTA, Council will not receive the budgeted capital subsidy income.	High	<p>NZTA subsidies not approved will reduce capital subsidy income, and operating surplus. This would impact Council's Financial Prudence Balanced Budget Benchmark result.</p> <p>The timing of completion of the relevant capital projects may also differ to the plan.</p>
<p>Depreciation: 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 the 2019 revaluation rate average for each activity.</p>	Low	Not applicable	Medium	Not applicable
<p>Asset revaluations:</p> <ul style="list-style-type: none"> Infrastructure assets: An assumption has been made that revaluation of infrastructure assets will occur every three years, with the most recent revaluation occurring 30th June 2019. Roading Assets: The revaluation of roading assets will occur yearly. Pensioner Housing: The revaluation of pensioner housing will remain at five year intervals. 	Medium	Not applicable	Medium	Not applicable
<p>Useful lives: Useful lives for each asset group have been listed in the Accounting Policies.</p>	Low	Not applicable	Low	Not applicable

	Financial risk	Impact for high financial risk assumptions	Level of uncertainty	Financial impact for assumption with high level of uncertainty
Vested assets: Vested asset income is inconsistent from year to year and as a consequence is difficult to forecast. It has therefore been reflected at a flat rate of \$3 million plus inflation in the Plan. Vested asset income has no cash impact therefore any financial risk low.	Low	Not applicable	Low	Not applicable
Funding sources: Future replacement of significant assets is assumed to be funded in line with the Revenue and Financing Policy.	Low	Not applicable	Low	Not Applicable
Other financial assets: No movement in the value of Shares held in Civic Assurance Limited and the New Zealand Local Government Funding Agency has been assumed in the budget.	Low	Not applicable	Low	Not Applicable
Investment properties: No movement in the value of investment properties has been reflected in the Plan given the difficulty of forecasting future values. Any valuation change does not impact cash requirements.	Low	Not applicable	Low	Not Applicable
Biological assets and derivative financial assets: No movement in the value of biological assets and derivative financial assets has been reflected in the Plan due to difficulty in forecasting future values. Any movements in these assets would have no cash impact to the Plan.	Low	Not applicable	Low	Not Applicable
Liability assumptions				
Interest: interest calculated on debt is based on historical average monthly movements and the impact of current and forecasted interest rate hedging.	Medium	Not applicable	Medium	Not applicable
Borrowings: it is assumed that Council will have the facilities to secure funding as required.	Low	Not applicable	Low	Not applicable
Derivative Financial Liabilities: No movement in the value of derivative financial liabilities has been reflected in the Plan due to difficulty in forecasting future values. Any movements in these assets would have no cash impact to the Plan.	Low	Not applicable	Low	Not applicable

	Financial risk	Impact for high financial risk assumptions	Level of uncertainty	Financial impact for assumption with high level of uncertainty
Strategic				
Resource Consents: The necessary resource consents required for capital projects will be applied for in due course to align with the planned project timeframes. We assume conditions for resource consents will not alter budgeted project costs significantly.	Medium	Not applicable	Low	Not applicable
Other Assumptions				
Strategic assets: Council has not planned for the ownership of any strategic assets to be transferred to another party. Council receives vested assets in satisfaction of various development contribution charges.	Low	Not applicable	Low	Not applicable
Currency Movement: Council does not have any significant exposure to currency movements and consequently has not specifically taken them into account.	Low	Not applicable	Low	Not applicable
Flood and Storm Damage: Council does not budget for storm events, as referred to in the 2018-2048 Infrastructure Strategy. Lack of funding provision for emergency works may result in reduced renewals as renewal funding gets diverted to fund flood damage repairs.	Medium	Not applicable	Medium	Not applicable
Subsidiary assumptions				
Northern Regional Landfill Limited Partnership (NRLLP): Due to COVID-19 Council has not budgeted to receive cash distributions from NRLLP for the 2020-21 year.	Low	Not applicable	Low	Not applicable
Northern Transportation Alliance (NTA): A shared services agreement between four Northland councils (Kaipara District Council, Far North District Council, Northern Regional Council, Whangarei District Council) and New Zealand Transport Authority (NZTA) was established on 1 July 2016. The activities of the NTA attract subsidy on subsidised projects. Council has made provision for gaining subsidy on the NTA activities for these subsidised projects.	Low	Not applicable	Low	Not applicable

Note 3 Depreciation and amortisation by group of activities

LTP Year 2 2019 - 20 \$000		Annual Plan 2020 - 21 \$000	LTP Year 3 2020 - 21 \$000
17,805	Transportation	21,226	18,488
5,928	Water	6,139	6,180
48	Solid waste	96	48
6,532	Wastewater	7,239	6,629
2,854	Stormwater	3,100	2,870
312	Flood protection	300	312
5,040	Community facilities and services	5,848	5,357
109	Governance and strategy	174	109
46	Planning and regulatory services	105	46
1,600	Support services	2,337	1,895
40,274	Total depreciation and amortisation	46,564	41,934

Benchmarks

Annual plan disclosure statement for year ending 30 June 2021

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%	58%	Yes
Increases	5.2%	2.5%	Yes
Debt affordability benchmarks			
External debt	175%	98%	Yes
Net interest to rates revenue	25%	7%	Yes
External debt per capita	\$2,290	\$1,554	Yes
Balanced budget benchmark	100%	98%	No
Essential services benchmark	100%	142%	Yes
Debt servicing benchmark	10%	5.2%	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 slower than the national population growth rate, it meets the debt servicing benchmark if its planned borrowing costs equal or are less than 10% of its planned revenue.

ADDITIONAL INFORMATION OR COMMENT

Due to implications of COVID-19 Council has applied a reduced rates increase of 2.2% (LTP 2018-28 was 4.2%). This combined with reduced revenue streams and a \$3m targeted relief programme has resulted in Council not meeting the Balance Budgeted Benchmark for the 2020-21 Annual Plan.

Full list of capital projects planned for 2020-21

Programme	Project	LTP 2020-21 \$000	Net timing differences \$000	New/ (savings) \$000	Annual Plan 2020-21 \$000
Transportation					
Amenity Lighting	Amenity Lighting	97	-	-	97
Bus Shelters	Bus Shelters	96	-	-	96
Bus Terminal	Bus Terminal Development/ Relocation	320	(320)	-	-
Coastal Protection	Coastal Protection Structures - Rooding	86	-	-	86
Cycleways	Cycleways - Subsidised	-	100	-	100
Cycleways - Unsubsidised	Cycleways - Unsubsidised Programmed Work	-	31	-	31
Footpaths	Footpaths Renewals	390	-	-	390
	New Footpaths	426	-	-	426
Minor Improvements to Rooding Network	Minor Improvements to Network	5,465	4,325	-	9,790
Other Rooding Projects	Southern Entrance Intersection Improvement	687	(687)	-	-
Parking	Parking Renewals	237	-	-	237
Rooding Drainage	Drainage Renewals	1,141	135	-	1,276
Rooding Subdivision Works Contribution	Subdivision Works Contribution	53	-	-	53
Seal Extensions	Seal Extensions - Unsubsidised	1,065	-	-	1,065
	Seal Extensions - House Frontage Sealing	-	2,734	-	2,734
Sealed Road Pavement Rehabilitation	Sealed Road Pavement Rehabilitation	4,296	2,228	-	6,524

Programme	Project	LTP 2020-21 \$000	Net timing differences \$000	New/ (savings) \$000	Annual Plan 2020-21 \$000
Sealed Road Resurfacing	Sealed Road Resurfacing	4,516	448	-	4,964
Sense of Place	Community Led Development	297	-	-	297
Streetlights	LED Streetlight Upgrades	-	330	-	330
Structures Component Replacement	Structures Component Replacement	1,076	579	-	1,655
Traffic Signs & Signals	Traffic Sign & Signal Renewals	915	136	-	1,051
Transportation Planning Studies & Strategies	Transport Planning Studies & Strategies	213	-	-	213
Unsealed Road Metalling	Unsealed Road Metalling	864	-	-	864
Transportation Total		22,239	10,038	-	32,278
Water					
Water Meters	Water Meter Renewals	373	-	-	373
Water Reservoirs	Reservoir Rehabilitation - Programmed Work	107	-	-	107
	Three Mile Bush Reservoir Additional Capacity	213	(144)	-	69
	Waipu Reservoir Additional Capacity	107	(107)	-	-
	Kamo Reservoir Additional Capacity	213	(100)	-	113
Water Reticulation	Reticulation - Programmed Work	258	500	-	758
	Minor Projects - Emergency Works	320	-	-	320
	Fairway Drive Pump Station Upgrade	533	-	-	533
Water Treatment Plants	Water Treatment Plant & Equipment Replacement	533	-	-	533

Programme	Project	LTP 2020-21 \$000	Net timing differences \$000	New/ (savings) \$000	Annual Plan 2020-21 \$000
	Treatment Plant Upgrades	75	(21)	-	53
	SCADA Upgrade	500	249	-	749
Whau Valley Dam Improvements	Whau Valley Dam Chimney Drain	320	(320)	-	-
	Dam Safety Review	43	(43)	-	-
Whau Valley Water Treatment Plant	Whau Valley New Water Treatment Plant	11,267	1,355	-	12,622
Water Total		14,858	1,370	-	16,229
Solid Waste					
Transfer Stations	Transfer Station Upgrades	53	(53)	-	-
Solid Waste Total		53	(53)	-	-
Wastewater					
Laboratory	Laboratory Equipment Renewals & Upgrades	21	29	-	50
Public Toilets	Public Toilets	255	90	-	345
Wastewater Asset Management	Wastewater Assessment	45	-	-	45
Wastewater Network	Sewer Network Upgrades	3,782	(2,806)	-	976
	Sewer Network Renewal	5,833	(4,250)	-	1,583
Wastewater Pump Stations	Wastewater Pump Station Renewals	427	(70)	-	357
Wastewater Treatment Plants	Wastewater Treatment Plant Upgrades	4,249	(3,480)	-	770
	Wastewater Treatment Plant Renewals	1,527	(806)	-	721
	Wastewater Reticulation Upgrade	43	(35)	-	8
Wastewater Total		16,182	(11,328)	-	4,854
Stormwater					
Stormwater Asset Management	Stormwater Catchment Management Plans & Assessments	810	(721)	-	88

Programme	Project	LTP 2020-21 \$000	Net timing differences \$000	New/ (savings) \$000	Annual Plan 2020-21 \$000
Stormwater Improvements	Stormwater Upgrades	61	-	-	61
	Stormwater Renewals	2,654	(1,537)	-	1,117
	Blue/Green Network	160	-	-	160
Stormwater Total		3,684	(2,258)	-	1,426
Flood Protection					
Flood Protection Total		-	-	-	-
Community Facilities and Services					
Civil Defence & Emergency Management					
Civil Defence & Emergency Management	Tsunami Sirens New	-	59	-	59
	Tsunami Signage	16	44	-	60
	Civil Defence Emergency Management New Equipment	5	-	-	5
	Civil Defence Emergency Management Equipment Renewals	27	9	-	36
	Tsunami Sirens Renewals	18	-	-	18
Civil Defence & Emergency Management Total		66	112	-	178
Community Development					
CCTV Network	CCTV Upgrades & Improvements	138	48	-	187
Council-Owned Community Buildings	Community Buildings Renewals & Improvements	27	219	-	245
Pensioner Housing	Pensioner Housing Renewals & Improvements	667	111	-	778
Sense of Place	Community Led Development	752	(438)	-	314
Community Development Total		1,584	(60)	-	1,524
Library					
Digital Council	Library IT Equipment	107	131	-	237
Library Asset Renewals	Mobile Bus Replacement	-	4	-	4

Programme	Project	LTP 2020-21 \$000	Net timing differences \$000	New/ (savings) \$000	Annual Plan 2020-21 \$000
	Library Renewals	5	-	-	5
Library Books	Book Purchases	689	49	-	738
Library Total		801	183	-	985
Parks and Recreation					
Cemeteries	Cemeteries Renewals	434	51	-	484
Coastal Structures	Coastal Structures Renewal	2,317	(1,720)	-	596
	Coastal Structures Level of Service	63	-	-	63
Neighbourhood & Public Gardens	Neighbourhood & Public Gardens Renewals	306	1,175	-	1,481
Playgrounds & Skateparks	Playgrounds & Skateparks Renewals	159	284	-	443
Sense of Place	Public Art	45	32	-	77
	Parks Interpretation Information	45	37	-	81
	Town Basin - Conversion of Carpark to Park	1,986	207	-	2,193
	Pohe Island Development	1,240	1,466	-	2,706
	Whangarei City Centre Plan Implementation	266	(266)	-	-
	Waterfront Programme	-	130	-	130
Sportsfields & Facilities	Sport & Recreation Renewals	579	(472)	-	107
	Sport & Recreation Growth	596	(176)	-	420
	Tikipunga Soccer Hub	511	(511)	-	-
Walkways and Tracks	Walkway & Track Renewals	360	69	-	428
Parks and Recreation Total		8,906	305	-	9,211
Venues and Events					
Forum North Venue	Forum North Venue Upgrades	92	-	-	92
	Forum North Venue Renewals	23	-	-	23

Programme	Project	LTP 2020-21 \$000	Net timing differences \$000	New/ (savings) \$000	Annual Plan 2020-21 \$000
Northland Events Centre	Sport & Recreation Renewals	-	-	200	200
	NECT - Exterior General Renewals	-	-	580	580
	NECT Light Tower Renewals	1,601	1,468	200	3,268
	NECT Field Renewals	-	-	310	310
	NECT Building Renewals	202	-	-	202
Venues and Events Total		1,918	1,468	1,290	4,676
Community Facilities and Services Total		13,275	2,008	1,290	16,573
Governance and Strategy					
Commercial Property	Parihaka Transmission Mast Upgrade	-	913	-	913
New Airport Evaluation	New Airport Evaluation	2,532	(2,162)	-	370
Governance and Strategy Total		2,532	(1,248)	-	1,283
Planning and Regulatory Services					
Dog Pound	Dog Pound Renewals	1,415	(833)	-	582
Planning and Regulatory Services Total		1,415	(833)	-	582
Support Services					
Business Improvement	Business Improvement Projects	-	102	-	102
Civic Buildings	Furniture Renewals	21	-	10	31
	Information Centre Upgrade	-	126	-	126
Civic Centre	Civic Centre	12,784	-	-	12,784
Council Vehicle Replacements	Council Vehicle Replacements	224	-	-	224
Digital Council	Digitisation of Records	-	213	-	213
	IT Equipment Replacement	639	(300)	-	339
	Mobility Technology - Building	220	(111)	-	109
	Decision Support System Development	101	(101)	-	-

Programme	Project	LTP 2020-21 \$000	Net timing differences \$000	New/ (savings) \$000	Annual Plan 2020-21 \$000
	Customer Access - Online Services	466	(416)	-	50
	Asset Management Software Upgrade	-	688	-	688
	Asset Management Mobility	158	-	-	158
	Platform as a Service	405	23	-	428
	Electronic LIMS	637	(637)	-	-
	Digital District Plan and Policies Online	511	(410)	-	101
	Upgrade Kete SharePoint	-	236	-	236
	Digital Platform	162	197	-	359
	CiA Upgrade	-	935	-	935
	Corporate Performance Management	158	168	-	326
	IT Equipment New	53	-	-	53
	Minor ICT Projects	85	(2)	-	83
Forum North Venue	Forum North Venue Renewals	-	-	250	250
Human Resources	Office Furniture	-	-	30	30
New Theatre/Expo/Conference	New Theatre	3,883	(3,883)	-	-
Support Services Total		20,508	(3,173)	290	17,625
Projects Total		94,746	(5,476)	1,580	90,850

Breakdown of Net Timing Differences	\$000
Less Brought Forward to 2019-20	(2,219)
Plus Carry Forward to 2020-21	37,366
Plus Brought Forward to 2020-21 from future years	4,993
Less Carry Forward to future years	(45,617)
Total net timing differences	(5,476)

Rates information

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 LTP 2018-28 process.

Financial disclosures

The Local Government Act requires disclosure of all sources of funding in a prescribed format. The Funding Impact Statement showing the overall sources of funding, the amount of funds expected from each source and how those funds will be applied has been included on page 25 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, capital 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 or, in certain circumstances, land zoning. The objective of the differential rate is to achieve the total revenue sought from each category of land use, as set out on page 136.

Where a property is used for more than one purpose, the value of the property will be apportioned between the different categories. Subject to legal rights of objection, it shall be at the sole discretion of Council to determine the use or principal use of any rating unit.

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 category of land use.

DIFFERENTIAL BASIS

All rating units in our District are allocated to the most appropriate category based on the use to which the land is put or, in specified circumstances, the land's zone. The categories are:

Category 1: Residential

All rating units which are used principally for residential or lifestyle residential purposes, including retirement villages, flats and apartments.

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 being any other property not otherwise categorised.

Category 4: Rural

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

Category 5: Commercial and industrial

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

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 \$486.00 (including GST) will apply per SUIP for 2020-21. This is estimated to produce \$21.449 million (including GST) for 2020-21 and equates to 30 percent of general rates revenue and 18 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
- each block of land for which a separate title has been issued, even if that land is vacant.

General rates for the 2020-21 financial year

Total general rates required for 2020-21 are \$71.869 million 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 2020-21 is:

Residential properties	62.66%
Multi-unit properties	0.19%
Miscellaneous properties	0.34%
Rural properties	9.33%
Commercial and industrial properties	27.48%
Total	100.00%

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 2020-21 year is:

	Value-based general rates		Uniform Annual General Charge		Total general rates
	Basis of assessment: Per \$ of land value		Basis of assessment: Per separately used or inhabited part of a rating unit		
Type of rate	Rate or charge 2020-21 (GST inclusive)	Revenue sought 2020-21 (GST inclusive)	Rate or charge 2020-21 (GST inclusive)	Revenue sought 2020-21 (GST inclusive)	Revenue sought 2020-21 (GST inclusive)
Residential category	\$0.0024054	\$26,084,000	\$486.00	\$18,933,000	\$45,017,000
Multi-Unit category	\$0.0048108	\$119,000	\$486.00	\$21,000	\$140,000
Miscellaneous category	\$0.0024054	\$134,000	\$486.00	\$107,000	\$241,000
Rural category	\$0.0030569	\$5,657,000	\$486.00	\$1,052,000	\$6,709,000
Commercial and Industrial category	\$0.0155854	\$18,411,000	\$486.00	\$1,336,000	\$19,747,000
Total		\$50,420,000		\$21,449,000	\$71,869,000

Targeted rates for the 2020-21 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 will be set and assessed per separately used or inhabited part of a rating unit (as defined on page 136) where the SUIP is connected to Council's wastewater system. The targeted rate is set on a differential basis. Residential connections will pay a fixed amount regardless of the number of toilet pans or urinals. Other premises, i.e. non-residential, will pay a fixed charge per toilet pan or urinal.

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

Type of rate	Basis of assessment	Rate or charge 2020-21 (GST inclusive)	Revenue sought 2020-21 (GST inclusive)
Total			\$22,799,000
Residential category	Per separately used or inhabited part of a rating unit	\$754.00	\$18,261,000
Other-non residential	Per toilet pan or urinal	\$482.00	\$4,538,000

District-wide refuse management rate

The activity funded by this targeted rate is the provision of refuse services not funded by user charges at transfer stations or the per bag charge (paid by stickers or official rubbish bags) for refuse collected at the kerbside. The targeted rate will be applied on a uniform basis to all rateable properties and assessed to all separately used or inhabited parts of a rating unit (as defined on page 136).

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

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

A uniform targeted rate of \$191.00 (including GST) will apply per SUIP (as defined at page 136) for 2020-21. This is estimated to produce \$8.431 million (including GST) for 2020-21.

Water rate

The activity for which the targeted rate 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 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 further supply charge is not applied where the uniform unmetered water charge is set.

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

Type of rate	Basis of assessment	Rate or charge 2020-21 (GST inclusive)	Revenue sought 2020-21 (GST inclusive)
Water rate			\$17,465,000
Volumetric consumption charge	Volume of metered water consumed per cubic metre	\$2.26	Not available
Supply charge (metered)	Provision of service per separately used or inhabited part of a rating unit	\$34.50	\$989,000
Availability charge	Availability of service per separately used or inhabited part of a rating unit	\$34.50	\$7,000
Uniform charge (unmetered)	Provision of service per separately used or inhabited part of a rating unit	\$474.00	\$37,000
Backflow preventer charge	Provision of service per connection based on the nature of connection		Not available
	15/20mm connection	\$80.42	
	25mm connection	\$81.52	
	32mm connection	\$96.44	
	40mm connection	\$98.69	
	50mm connection	\$102.39	
	80/100mm connection	\$257.89	
	150mm connection	\$301.90	
	200mm connection	\$500.01	

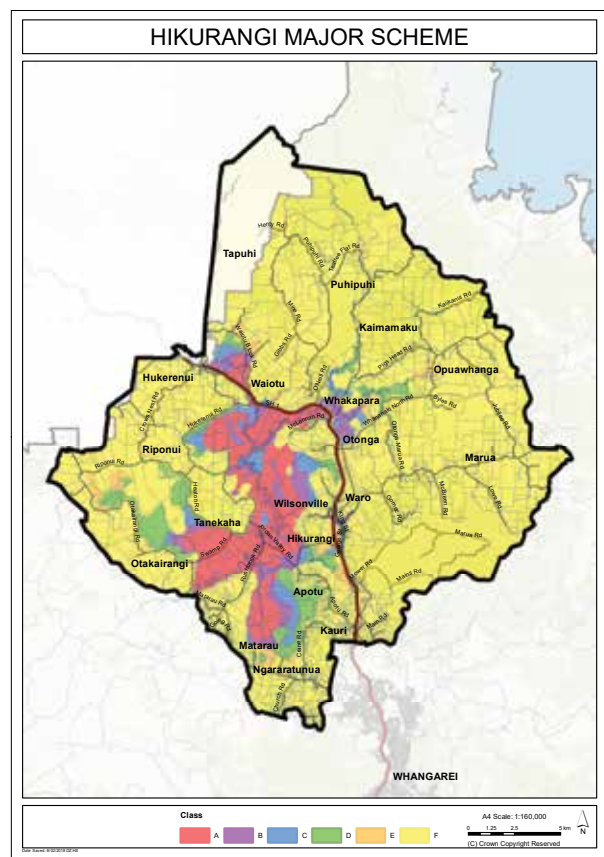
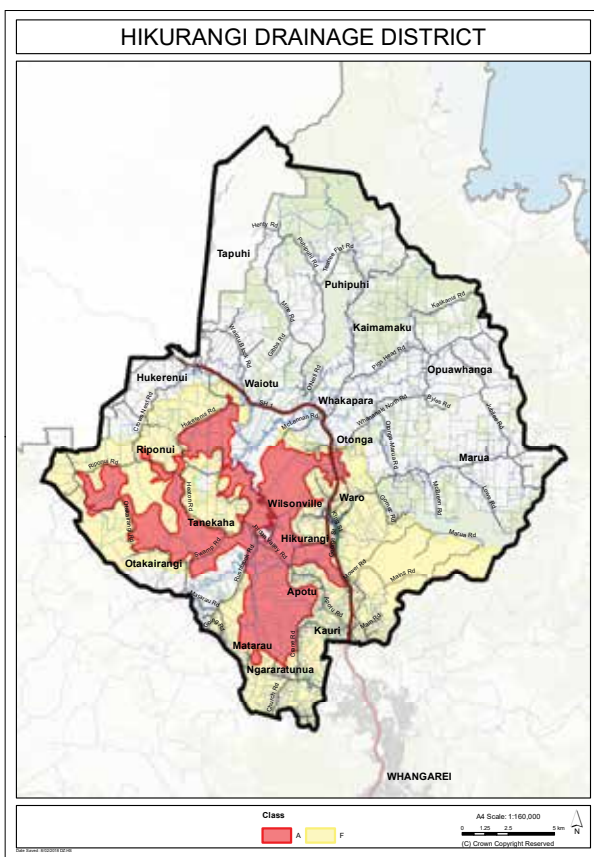
Flood protection rate

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 benefit or effect of the scheme on a property. The activity funded by this targeted rate is to defray the costs of the Hikurangi Swamp Major Scheme set out on page 50 of the LTP.

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.



Basis of assessment	Rate or charge 2020-21 (gst inclusive)	Revenue sought 2020-21 (gst inclusive)
		\$1,386,000
Per hectare of land in the Hikurangi Swamp Special Rating area		\$1,242,000
Class A approx 2,840 ha	\$206.74	\$586,000
Class B approx 1,473 ha	\$185.68	\$274,000
Class C approx 1,371 ha	\$144.73	\$198,000
Class D approx 1,900 ha	\$20.72	\$39,000
Class E approx 1,109 ha	\$10.42	\$12,000
Class F approx 32,424 ha	\$4.17	\$133,000
Per hectare of land in the Hikurangi Swamp Drainage Rating District		\$144,000
Class A approx 5,670 ha	\$21.01	\$119,000
Class F approx 11,906 ha	\$2.11	\$25,000

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

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

	Due date	Discount
Full payment of annual land rates and any arrears	20 September 2020	Discount 2.0%

Due dates for rates

Due dates and penalty dates for land rates paid by instalments

A 5% 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 September 2020	Penalty 5%	23 September 2020
Instalment two	20 November 2020	Penalty 5%	25 November 2020
Instalment three	20 February 2021	Penalty 5%	24 February 2021
Instalment four	20 May 2021	Penalty 5%	25 May 2021

Due dates and penalty dates for water rates

Water accounts are processed monthly, two-monthly or six-monthly. Council agrees that the due dates of these accounts will be relative to the consumer's cyclic billing period and will show on the water rates invoice in accordance with the table that follows. A penalty of 5% 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 2020	25 August 2020
August	20 September 2020	23 September 2020
September	20 October 2020	23 October 2020
October	20 November 2020	25 November 2020
November	20 December 2020	23 December 2020
December	20 January 2021	26 January 2021
January	20 February 2021	24 February 2021
February	20 March 2021	24 March 2021
March	20 April 2021	23 April 2021
April	20 May 2021	25 May 2021
May	20 June 2021	23 June 2021
June	20 July 2021	23 July 2021

Payment options

Payments for land and water rates can be made:

- by direct debit weekly, fortnightly, monthly, quarterly or annually – our preferred method
- online at 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: Forum North, Rust Avenue, Whangārei or 8 Takutai Place, Ruakaka.

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

Additional charges

Additional penalty on arrears for land and water rates

All rates (land and water) from the previous rating years that remain unpaid as at 16 July 2020 will have a further 5% penalty added. This penalty will be added on 5 October 2020.

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 Whangarei District at 30 June 2020 is 42,550
- the projected total capital value of rating units within Whangarei District at 30 June 2020 is \$28,441,128,000
- the projected total land value of rating units within Whangarei District at 30 June 2020 is \$14,273,588,000

Sample of properties showing rates for 2020-21

Randomly selected sample of properties from each category.

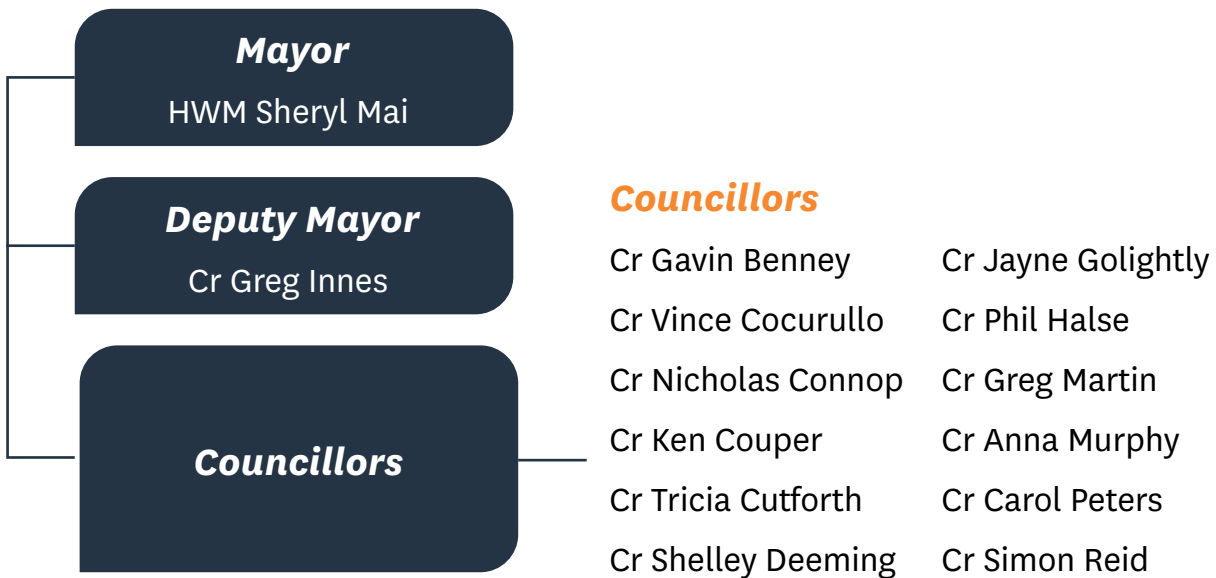
The rates are based on values assigned as at 1 August 2018. Please note – Northland Regional Council rates are not included. Please refer to their Annual Plan for the impact of their rates on your property.

	2019-20	2020-21
Residential property in urban area with a land value of \$154,000		
General rate - land value	\$362.45	\$370.43
Uniform Annual General Charge	\$476.00	\$486.00
Sewerage disposal rate	\$738.00	\$754.00
District-wide refuse management rate	\$187.00	\$191.00
Total	\$1,763.45	\$1,801.43
Residential property in urban area with a land value of \$448,000		
General rate - land value	\$1,054.41	\$1,077.62
Uniform Annual General Charge	\$476.00	\$486.00
Sewerage disposal rate	\$738.00	\$754.00
District-wide refuse management rate	\$187.00	\$191.00
Total	\$2,455.41	\$2,508.62
Residential (lifestyle) property with a land value of \$570,000		
General rate - land value	\$1,341.55	\$1,371.08
Uniform Annual General Charge	\$476.00	\$486.00
District-wide refuse management rate	\$187.00	\$191.00
Total	\$2,004.55	\$2,048.08
High value residential (lifestyle) property with a land value of \$2,112,000		
General rate - land value	\$3,643.60	\$3,723.81
Uniform Annual General Charge	\$476.00	\$486.00
District-wide refuse management rate	\$187.00	\$191.00
Total	\$4,306.60	\$4,400.81

	2019-20	2020-21
Rural property with a land value of \$806,000		
General rate - land value	\$2,410.83	\$2,463.83
Uniform Annual General Charge	\$476.00	\$486.00
District-wide refuse management rate	\$187.00	\$191.00
Total	\$3,073.83	\$3,140.83
Rural property with a land value of \$2,570,000		
General rate - land value	\$7,687.13	\$7,856.14
Uniform Annual General Charge	\$476.00	\$486.00
District-wide refuse management rate	\$187.00	\$191.00
Total	\$8,350.13	\$8,533.14
Commercial property with a land value of \$496,000		
General rate - land value	\$7,563.95	\$7,730.37
Uniform Annual General Charge	\$476.00	\$486.00
Sewerage disposal rate (1 pan)	\$472.00	\$482.00
District-wide refuse management rate	\$187.00	\$191.00
Total	\$8,698.95	\$8,889.37
Industrial property with a land value of \$2,290,000		
General rate - land value	\$34,922.27	\$35,690.62
Uniform Annual General Charge	\$476.00	\$486.00
Sewerage disposal rate (5 pans)	\$2,360.00	\$2,410.00
District-wide refuse management rate	\$187.00	\$191.00
Total	\$37,945.27	\$38,777.62

Supporting information

Governance structure



Committees of the Whole

COMMUNITY DEVELOPMENT COMMITTEE

Chair Cr Gavin Benney plus all Councillors

INFRASTRUCTURE COMMITTEE

Chair Cr Greg Martin plus all Councillors

STRATEGY, PLANNING AND DEVELOPMENT COMMITTEE

Chair Cr Shelley Deeming plus all Councillors

RISK AND AUDIT COMMITTEE

Independent Chair John Isles plus all Councillors

Māori Partnership

TE KĀREAREA STRATEGIC PARTNERSHIP FORUM (TO SEPTEMBER 2020)

Chair Cr Phil Halse

(Council-based meetings)

Chair Taipari Munro (Marae-based hui)

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

Organisational structure



General information

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

FN

Forum North

GAAP

Generally Accepted Accounting Practice

GIS

Geographic Information System

GST

Goods and Services Tax

HWMAC

Hundertwasser Wairau Māori Art Centre

IPSAS

International Public Sector Accounting
Standards

LA

Local Authority

LGA

Local Government Act 2002

LGCI

Local Government Cost Index

LGFA

Local Government Funding Agency

LTP

Long Term Plan

NEC

Northland Events Centre

NIF

Northland Intersectoral Forum

NRC

Northland Regional Council

NRLLP

Northland Regional Landfill Limited
Partnership

NZIFRS

New Zealand International Financial
Reporting Standards

NZTA

New Zealand Transport Agency

OCR

Official Cash Rate

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

WAMT

Whangarei Art Museum Trust

WQGT

Whangarei Quarry Gardens Trust

Glossary

Activity

The goods or services that Council provides to the community.

Activity Management Plan (AMP)

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

Arrears

Money that is owed and should have been paid earlier.

Assets

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

Asset Management Plan (AMP)

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

Annual Plan

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

Capital expenditure

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

Capital Value

The total value of the land including improvements. This is the probable price that would have been paid for the

property if it had sold at the date of the last general valuation.

Community

The people of the area covered by Council.

Community Outcomes

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

Council Controlled Organisation (CCO)

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

Council Controlled Trading Organisation (CCTO)

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

Depreciation

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

Development Contributions (DC)

Payments received from developers to fund growth-related capital expenditure. These charges recover part of the cost of additional or upgraded

infrastructure that is required to service new developments, e.g. roading, water, wastewater.

General rate

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

Inflation

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

Infrastructure

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

Intergenerational equity

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

Land Value

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

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 Whangarei districts.

Special Consultative Procedure (SCP)

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

Strategic asset

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

Targeted rate

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

Territorial Authority (TA)

A city council or a district council.

Uniform Annual General Charge (UAGC)

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

Valuation

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

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



4.2 2020-2021 Rates Resolution

Meeting: Whangarei District Council
Date of meeting: 9 July 2020
Reporting officer: Alan Adcock (General Manager Corporate/CFO)

1 Purpose

To set the rates, due dates for payment, penalty regime and discount allowed for Whangarei District for the year commencing on 1 July 2020 and ending on 30 June 2021, under the Local Government (Rating) Act 2002.

2 Recommendations

That the Council:

- Having adopted the 2020-21 Annual Plan, including the 2020-21 Funding Impact Statement, resolves to set the following rates in accordance with the Local Government (Rating) Act 2002 for the financial year 1 July 2020 to 30 June 2021:

a. General Rates

Rate/Differential category	Basis of assessment	Including GST
General Rates	Basis of Assessment – Sec 13, 14, 15 & Schedule 2	
Uniform Annual General Charge	Per separately used or inhabited part of a rating unit *	\$486.00
Residential category**	Per \$ of land value	\$0.0024054
Multi-Unit category**	Per \$ of land value	\$0.0048108
Miscellaneous category**	Per \$ of land value	\$0.0024054
Rural category**	Per \$ of land value	\$0.0030569
Commercial and Industrial category**	Per \$ of land value	\$0.0155854

b. Targeted Rates

Rate/Differential category	Basis of assessment	Including GST
District Wide Refuse Management Rate	Basis of Assessment – Sec 16, 17, 18, 19 & Schedule 2 & 3	
District Wide Refuse Management Rate (All rateable properties)	Per separately used or inhabited part of a rating unit*	\$191.00

Sewerage Rates (Connected to wastewater system)		
Residential category**	Per separately used or inhabited part of a rating unit*	\$754.00
Other – non-residential**	Per pan or urinal	\$482.00
Water Rates		
Consumption charge <i>Note: where an invoice for water by meter relates to a period that spans two financial years, the consumption over the period will be pro-rated (i.e. the amount of water consumed or supplied in the first year will be charged at the first year's amount per cubic metre, and the amount consumed or supplied in the second financial year will be charged at the second year's amount per cubic metre).</i>	Volume of metered water consumed per cubic metre	\$2.26
Supply charge (metered)	Provision of service per separately used or inhabited part of a rating unit*	\$34.50
Availability charge	Availability of service per separately used or inhabited part of a rating unit*	\$34.50
Uniform charge (unmetered)	Provision of service per separately used or inhabited part of a rating unit*	\$474.00
Backflow preventer charge	Provision of service per connection based on the nature of connection	
	15/20mm connection	\$80.42
	25mm connection	\$81.52
	32mm connection	\$96.44
	40mm connection	\$98.69
	50mm connection	\$102.39
	80/100mm connection	\$257.89
	150mm connection	\$301.90
	200mm connection	\$500.01
Hikurangi Swamp		
Hikurangi Swamp Special Rating District	Per hectare of land in the Hikurangi Swamp Special Rating area ***	
	Class A approx 2,840 ha	\$206.74
	Class B approx 1,473 ha	\$185.68
	Class C approx 1,371 ha	\$144.73
	Class D approx 1,900 ha	\$20.72

Hikurangi Swamp Drainage Rating District	Class E approx 1,109 ha	\$10.42
	Class F approx 32,424 ha	\$4.17
	Per hectare of land in the Hikurangi Swamp Drainage Rating District ***	
	Class A approx 5,670 ha	\$21.01
	Class F approx 11,906 ha	\$2.11

* The definition of a separately used or inhabited part of a rating unit can be found in the Funding Impact Statement section of Council's 2020-21 Annual Plan.

** The definitions of these differential categories can be found in the Funding Impact Statement section of Council's 2020-21 Annual Plan.

*** The definitions of these specified and defined area of benefits can be found in the Funding Impact Statement section of Council's 2020-21 Annual Plan.

2. Resolves to agree the due dates, discount allowed and penalties as set out as follows:

a. Discount for full payment of annual rates

Council agrees to apply a policy for early payment of rates under Section 55 of the Local Government (Rating) Act 2002. Where the total year's land rates (excluding roading scheme rates) and any arrears are paid in full by the due date of the first instalment 20 September 2020 a discount of two percent (2%) will apply. The discount does not apply to arrears.

b. Penalty and due dates for rates paid in instalments

Due dates and penalty dates for land rates

Council agrees the following due dates and to add penalties to land rates not paid by the due date under Section 57 of the Local Government (Rating) Act 2002. A penalty of five percent (5%) will be added to the amount of each instalment which remains unpaid after the due date for payment, in accordance with the table below:

Instalment	Due date for payment	Date penalty will be added
One	20 September 2020	23 September 2020
Two	20 November 2020	25 November 2020
Three	20 February 2021	24 February 2021
Four	20 May 2021	25 May 2021

Due dates and penalty dates for water rates

Council agrees the following due dates for payment and to add penalties to water rates not paid by the due date under Section 57 of the Local Government (Rating) Act 2002.

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

Month water rates invoice issued	Due date for payment
July 2020	20 August 2020
August 2020	20 September 2020

September 2020	20 October 2020
October 2020	20 November 2020
November 2020	20 December 2020
December 2020	20 January 2021
January 2021	20 February 2021
February 2021	20 March 2021
March 2021	20 April 2021
April 2021	20 May 2021
May 2021	20 June 2021
June 2021	20 July 2021

A penalty five percent (5%) will be applied to amounts of water rates unpaid after the due date, in accordance with the following table:

Month water rates invoice issued	Date penalty will be added
July 2020	25 August 2020
August 2020	23 September 2020
September 2020	23 October 2020
October 2020	25 November 2020
November 2020	23 December 2020
December 2020	26 January 2021
January 2021	24 February 2021
February 2021	24 March 2021
March 2021	23 April 2021
April 2021	25 May 2021
May 2021	23 June 2021
June 2021	23 July 2021

Additional penalty charges

Additional penalty on arrears for land and water rates

In accordance with section 58 of the Local Government (Rating) Act 2002 Council agrees that a penalty of five percent (5%) will be added to any unpaid rates (including penalties previously added and water rates) from the previous rating years that remain unpaid as at 16 July 2020. This penalty will be added on 5 October 2020.

3 Background

This paper has been prepared in accordance with the Revenue and Financing Policy included in the 2018-28 Long Term Plan and Funding Impact Statement contained within the 2020-21 Annual Plan.

Section 23 of the Local Government (Rating) Act 2002 requires that rates must be:

- a) Set by a resolution of the local authority;
- b) Set in accordance with the relevant provisions of the local authority's long-term plan and Funding Impact Statement for that financial year.

All Section or Schedule references in this agenda item are to provisions in the Local Government (Rating) Act 2002.

All rates for the 2020-21 financial year include Goods and Services Tax (GST). Penalties added to unpaid rates are exempt from GST.

Pursuant to section 23(5) of the Local Government (Rating) Act 2002, within 20 working days of the making of this resolution, a copy will be sent to the Secretary of Local Government.

This resolution has been subject to a legal compliance review.

4 Summary

Under section 23 of the Local Government (Rating) Act 2002 Council is required to set its rates by resolution.

This agenda provides for Council to set rates for the year commencing on 1 July 2020 and ending on 30 June 2021.

5 Significance and engagement

Council's 2020-21 Annual Plan has been developed in accordance with section 95 of the Local Government Act 2002 and contains the Funding Impact Statement for the 2020-21 year. The rates set have been established as part of the 2020-21 Annual Plan process. The setting of rates for the 2020-21 financial year, is not considered to trigger Council's Significance or Engagement Policy. The decisions in this report are in accordance with sections 76-82 of the Local Government Act 2002 and the Local Government (Rating) Act 2002

6 COVID-19 Statement

In response to the COVID-19 pandemic, water rates and Hikurangi Swamp targeted rates have not been increased from 2019-20. General rates, the district wide refuse management targeted rate and sewerage targeted rates have been increased by 2.2% (inflation only) from 2019-20. In addition, the due date for the first instalment has been extended by one month to 20 September 2020 and penalties on late payment have been reduced from 10% to 5%.

RESOLUTION TO EXCLUDE THE PUBLIC

That the public be excluded from the following parts of proceedings of this meeting.

The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under Section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

1.	The making available of information would be likely to unreasonably prejudice the commercial position of persons who are the subject of the information. {Section 7(2)(c)}
2.	To enable the council (the committee) to carry on without prejudice or disadvantage commercial negotiations. {(Section 7(2)(i))}.
3.	To protect the privacy of natural persons. {Section 7(2)(a)}.
4.	Publicity prior to successful prosecution of the individuals named would be contrary to the laws of natural justice and may constitute contempt of court. {Section 48(1)(b)}.
5.	To protect information which is the subject to an obligation of confidence, the publication of such information would be likely to prejudice the supply of information from the same source and it is in the public interest that such information should continue to be supplied. {Section 7(2)(c)(i)}.
6.	In order to maintain legal professional privilege. {Section 2(g)}.
7.	To enable the council to carry on without prejudice or disadvantage, negotiations {Section 7(2)(i)}.

Resolution to allow members of the public to remain

If the council/committee wishes members of the public to remain during discussion of confidential items the following additional recommendation will need to be passed:

Move/Second

"That _____ be permitted to remain at this meeting, after the public has been excluded, because of his/her/their knowledge of Item _____.

This knowledge, which will be of assistance in relation to the matter to be discussed, is relevant to that matter because _____.

Note:

Every resolution to exclude the public shall be put at a time when the meeting is open to the public.