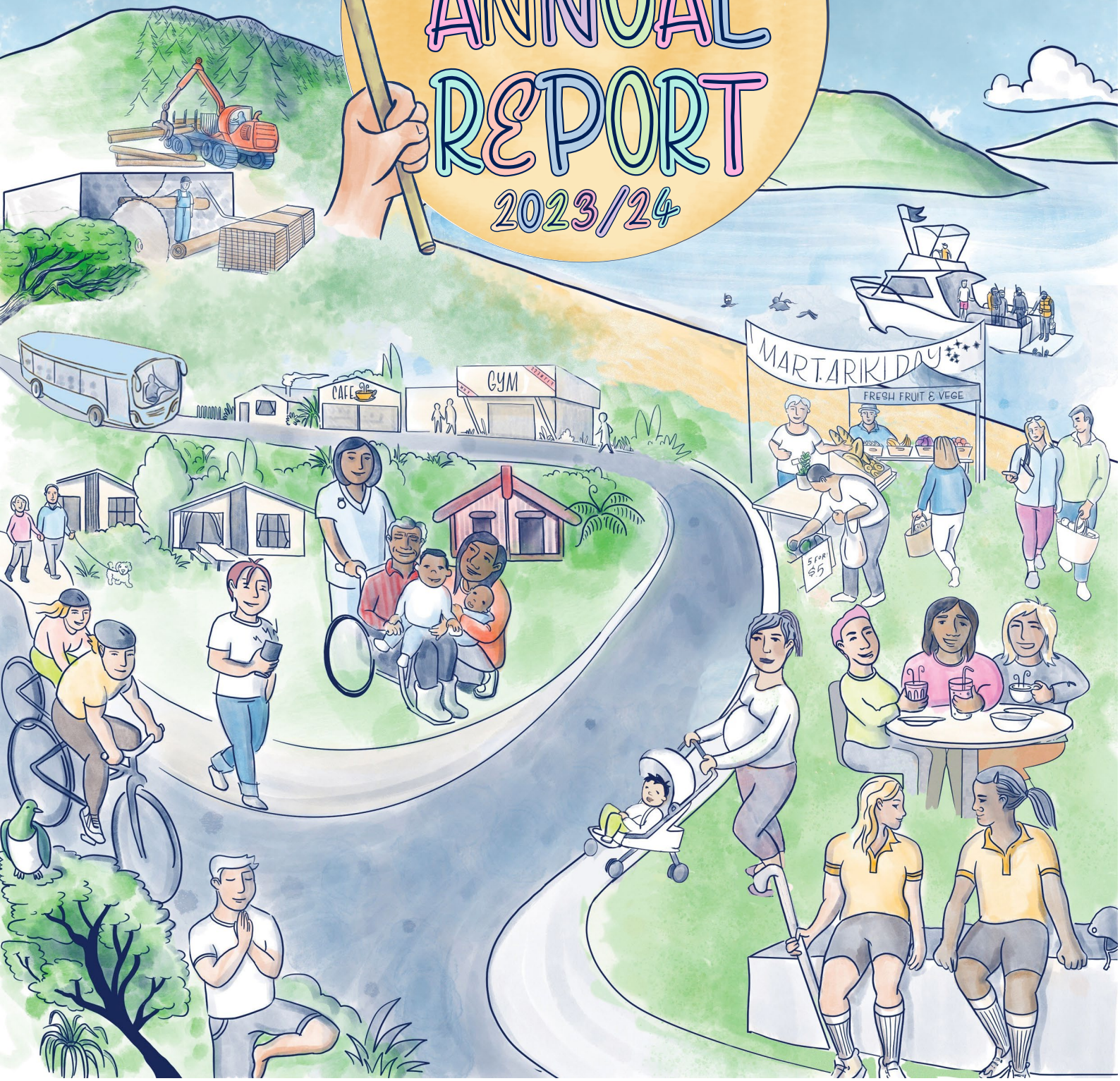


RIPOTA Ā TAU  
**ANNUAL  
REPORT**  
2023/24





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# Ngā Kaupapa | Contents

He aha kei roto i tenei tuhinga What is in this document? .....	4
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## Te Tīmatatanga • Introduction

Tikanga kōrero whaitake Statement of compliance and responsibility .....	6
Ngā karere o te Kahika .....	7
Message from the Mayor .....	9
Ngā karere o te Kaiwhakahaere Matua .....	11
Message from the Chief Executive Officer .....	13
Ngā Manu Mātārae Civic Leadership .....	15
Ngā Rāngai Hapori Community Boards .....	16
Hononga rautaki Strategic linkages .....	17
Te Mahi Tahi me te Māori Working with Māori .....	18
Ā mātou pitōpito mahi Our performance in brief .....	19

## Ā mātou mahi • Our activities

Mahinga whakarato Statement of service provision .....	23
Funding impact statement - whole of council .....	29
Ngā rori me ngā ara hikoi Roading and Footpaths .....	30
Tapua Wai Water Supply .....	33
Waipara Wastewater .....	37
Wai āwhā Stormwater .....	40
Kaiwhakahaere Para Totoka Solid Waste Management .....	42
Ngā whakaurunga o te rohe District Facilities .....	44
Wāhanga āwhina tangata Customer Services .....	48
Whakahaere Taiao Environmental Management .....	52
Rautaki me ngā kaupapa here Strategic Planning and Policy .....	57
Mana kāwanatanga Governance and Strategic Administration .....	59
Far North Holdings Limited .....	60
Northland Inc. ....	64

## Arotake pūtea • Financial performance

Notes to the Financial Statements .....	71
Financial prudence benchmarks .....	119
Reserves report .....	122
Insurance on assets .....	124
He arotake whakawhiti whakaaro Audit opinion .....	125

## Mōhiohio whānui • General information

Ko tō tātou rohe Our District .....	129
Rārangi kupu Glossary .....	130

# He aha kei roto i tenei tuhinga What is in this document?

The purpose of the Annual Report is to look at the council's accomplishments in the financial year from 1 July 2023 to 30 June 2024. The Annual Report advises the Far North community of the council's financial and non-financial performance during the financial year, including what we achieved, how well we delivered our services, the costs and how they were paid for.

This report shows the council's performance in year three of the Long Term Plan (LTP) 2021-31. It outlines the targets set and performance results and our key achievements for the year.

The Annual Report is laid out as follows:

## **Introduction**

This is a high level review of our political and organisation structures with a financial and service performance overview.

## **The council's activities**

This section outlines the key achievements of each activity group and details the performance for the year based on targets set through the LTP 2021-31 including a report on the council controlled trading organisation – Far North Holdings Limited (FNHL) – and a report on the associate recognised by the council - Northland Inc (NI).

## **Financial performance**

In this section are the council's detailed financial statements, and the Audit report.



Te Tīmatatanga • Introduction



# Tikanga kōrero whaitake Statement of compliance and responsibility

for the year ended 30 June 2024

## Compliance

The council and management of the Far North District Council are responsible for preparing this report and financial statements and confirm that all statutory requirements in relation to the Annual Report, as outlined in the Local Government Act 2002, have been complied with.

In our view this Annual Report fairly reflects the financial position, performance outcomes and operating results of the council and its subsidiaries for the year ended 30 June 2024.

## Responsibility

The council and management of the Far North District Council accept responsibility for the preparation of the annual financial statements and the Statement of Service Performance and the judgements used in them.

The council and management of the Far North District Council accept responsibility for establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial and non-financial reporting.

In the opinion of the council and the management of the Far North District Council, the annual financial statements and statements of service performance for the year ended 30 June 2024 fairly reflect the financial position, performance and operations of the Far North District Council and Group.



**Moko Tepania**  
Kahika - Mayor  
31 October 2024



**Guy Holroyd**  
Chief Executive Officer  
31 October 2024

# Ngā karere o te Kahika

## Kia ora e te whānau o Te Hiku o te Ika,

Anei tā mātou pūrongo ā-Tau tuarua hei Kaunihera ā-Rohe o Te Hiku o te Ika i pōtiti i te tau 2022. He mea nui tēnei pūrongo, nā te mea e whakaatu ana i te tau pūtea tuatahi mō tō mātou Kaunihera hou, nō reira, kei a mātou te tino kawenga. Ā, ka kitea te hiranga o ngā marama 12 i tēnei pūrongo! I whakaaetia e mātou tā mātou Mahere ā-Tau 2023/24 i muri tonu mai i a Huripari Kerehoma. Ā, ko tēnei āwha tētahi kaupapa tino nui e rangona tonutia ana, ā, e whakaaweawe tonu nei i a ahau, hei kahika. Ko te take, i whakaatu mai i te hiranga o te hapori, o te whakawhitiwhiti kōrero, me te māia o ngā iwi o Te Tai Tokerau.

I pāngia a Te Tai Tokerau e te \$41 miriona o te wharanga i ngā huarere mai i Hūrae 2022. Ā, tae atu hoki ki te āwha o Ākuhata 2022 i pakaru ai te Mangamuka Gorge, ko Kerehoma me ētahi atu āwha i kīia ai ināianei ko ngā Huarere o te Ika-a-Māui (NIWE). Kua 175 ngā wāhi, ā, kua tāutu ki ngā whakatikatika i roto i ngā mahere ipurangi. Nō te Maehe, e 85 ngā paheke e whakatikatikahia tonutia ana, ā, ko ngā patunga o ētahi o ēnei wāhi e whakararuraru ana i ngā mahi me ngā pūtea hangahanga ā haere ake nei.

Ā, Ko ngā pānga a te NIWE i huri ai te whakamahere mō tō mātou Kaunihera. Koinei te take, ko Te Tai Tokerau tētahi o ngā Kaunihera e waru i whai whakaaro kia rerekē te Mahere Pae Tawhiti (LTP). Kāhore mātou i whakamahere mō ngā tau 10, engari mō ngā tau e toru e whai ake nei. Ina hoki, kua whakaritea kia noho ko ngā rori hei kaupapa matua. I titiro hoki mātou ki ngā pēhanga utu pēnei i te pikinga o ngā utu, ngā utu inihua, me ngā utu mō ngā kaituku mahi.

Ko ngā pēhanga utu e pāngia ana hoki te iwi o Te Tai Tokerau, ā, he tino mea nui tēnei ki tā mātou tirohanga. Nā te mea e whakaatu ana te Mahere Pae Tawhiti (LTP) i ngā kaupapa ka mahia, ā, me pēhea hoki e utua ai, he mea nui te matapae mō te pikinga o ngā reiti. I aro nui te wā o te uiui LTP ki te pikinga o ngā reiti i whakaarotia mō te 16.5 ōrau. Ā, i tino harikoa ahau ki te whakapuaki i te wā i whakaaetia ai te LTP, kua paku noa te pikinga o ngā reiti ki te 4.5 ōrau anake, ko te pikinga iti katoa i te motu.

He tino tohu nui tēnei mō tō mātou kaunihera, ehara i te mea nā tā mātou aronga kaha anake, engari, kāhore i whakapāpaku i ngā ratonga e mahia nei e mātou. Ko ētahi o ngā whakapaunga ki te kaupapa mahi whakapaipai (te hanga whare me te hangahanga) i panahia ki ngā tau e heke mai ana, engari, ka hāngai noa ki ngā kaupapa whakapaipai kāhore anō kia tīmata.

Ahakoia e aro nui ana tō mātou kaunihera hou ki ngā hanganga matua me ngā ratonga mō ā mātou kaiutu reiti, kāhore mātou e āhei ki te aro noa ki ngā mea taketake anake. Me whai whakaaro hoki mātou ki te whānui o te kaupapa - ko ngā kaupapa me ngā ratonga e hāngai ana ki ngā take e noho nei ngā whānau ki konei, ā, me te tōtō hoki i ngā manuhiri hou. E whakahihī ana ahau i ētahi o ngā kaupapa matua kua oti i tēnei tau!

Kua eke ngā pokapū hākinakina e rua ki te tutukitanga, ā, me te tini tau i muri mai i te tīmatanga. Ko ngā kainoho, ko ngā rōpū hākinakina, ko ngā pakihī, ko ētahi atu rōpū hoki e whai pānga ana i ārahi ai i ēnei kaupapa, ā, nā te kaunihera i whakarato te pūtea mā roto i tā mātou LTPs.

Ko Papa Hawaiki, te pokapū hākinakina-tini \$14.8 miriona ki Lindvart Park, He mea whakatuwhera e Kaikohe i te Apireira. I takoha tō mātou kaunihera i te \$4.4 miriona ki tēnei kaupapa, ā, i runga anō i taku pānga, e hākoakoa pai ana ki te kite i ngā rangatahi me ngā kaumātua e whakamahi ana i ēnei whare. Nō muri i ngā tekau tau o te whakamahere me te kohikohi pūtea, kua tū te pokapū hākinakina \$12 miriona o Te Hiku i Kaitiāia, ā, āianei e tū ana he pokapū kauhoe hou, he whare whakapakari tinana, he rūma hui anō hoki.

Kua tūwhera hoki tētahi tapa tāone hou i Kaitiāia. Ko ngā kainoho i whai wāhi ki te Kaupapa Whakahou Whenua Wātea o Te Hiku, i whakahoungia tētahi papa waka hokomaha tawhito hei wāhi e hui ai, e whakatā ai, e hākoia ai rānei ki ngā mahi toi. Ko tēnei mahi toi, ko Te Rerenga Wai o Tangonge, e whakaatu ana i tētahi whakapakoko ingoa kore ki runga kia whakamanahia ngā tāngata o mua, o nāianei, o anamata hoki e karangahia ana te tāone matua o Te Hiku, ko Kaitiāia hei kāinga. E 7-mita te teitei - he taumata anō. Ko tēnei tapa tāone hou te mutunga o tēnei kaupapa \$9.5 miriona whaimana, ā, kua tino whakapakari i ngā tāone me ngā hapori puta noa i Te Hiku o te Ika.

Ko te whakarāpopototanga o tō mātou tau mai i Hūrae 2023 ki Hune 2024 e whakaatu ana i ētahi pūrongo pai mō te tupu. I whakaatu te tatauanga o te tau 2023 i te piki o te taupori o Te Tai Tokerau ki te 9.5 ōrau mai i te tau 2018. Hei rohe, ko ngā tatauanga tupu tangata o Te Hiku o te Ika e huihui tahi ana me ngā tino rohe teitei. Kua eke te taupori o te rohe ki te 194,007, ā, neke atu i te 40 ōrau he Māori. He tohu pai tēnei, mā te mahi tahi e waihanga nei mātou i ngā wāhi e hiahia ana ngā hapori ki te noho.



He mea nui te tupu ki te whakamahere ratonga, ngā whare, me ngā hanganga e tautoko ai i ō tātou tāngata. E ngana ana mātou ki te whai wāhi ki ngā hanganga matua. Iā rā, mai i tōku tūnga hei kahika, e uiui mai ana ngā tāngata ki ahau ki te whakatikatika i ngā rori me ngā kōhao. He kaupapa matua tēnei ki tō mātou kaunihera.

Kua tae tō mātou kaunihera ki te tau tuarua i te whare. E whakahihī ana ahau i te tīma mīharo o ngā kaikaunihera me ngā mema poari hapori e whakakanohi ana i ngā tāngata o Te Hiku o te Ika. I te taumata whakahaere, kua kotahi tau neke atu a Guy Holroyd hei Tumuaki, ā, ko ana hekenga werawera me ana whakapaunga kaha e hāpai nei i a mātou ki te ārahi i Te Hiku o te Ika kia pai ake.

*Kua tawhiti kē tō haerenga mai, kia kore e haere tonu; he tino nui rawa ō mahi, kia kore e mahi tonu.*

*We have come too far not to go further; we have done too much not to do more.*

(Sir James Henare, Ngāti Hine)

He nui tonu ngā mahi, ā, e ewhakahihī ana i ā mātou mahi tae atu ki tēnei wā.

Kia kaha e Te Hiku o te Ika!



**Moko Tepania**  
Kakihia

# Message from the Mayor

## ***Kia ora Far North whānau***

Here it is, our second Annual Report as the Far North District Council elected in 2022. Of note for me though, is that it reflects the first full financial year of our new council so this report is one that we own completely. What a significant 12 months reflected in this report! We adopted our Annual Plan 2023/24 off the back of Cyclone Gabrielle. This storm was a truly significant event and its impact continues to inform my outlook as mayor, because it highlighted the importance of community, communication and the incredible resilience of Far Northerners.

The Far North suffered approximately \$41 million worth of damage from significant weather events since July 2022. This included the August 2022 storm that took out the Mangamuka Gorge, Cyclone Gabrielle and a number of other storms that are now known as the North Island Weather Events (NIWE). In total 175 sites needed repair due to storm damage. As of March, our online repair map showed 85 slips still being worked on. Some of these sites require significant engineering, planning and funding to be resolved. Damage from these events will continue to impact operational and infrastructure budgets for the foreseeable future.

NIWE changed the outlook for planning for our council, and it's why the Far North is one of eight councils to approach the latest LTP differently. Instead of planning spending for the usual 10-year period, this LTP looks to the next three years. This 'catch up' budget was designed to make roading the very top priority. We also needed to take into account spiralling inflation, increased insurance and contractor costs, and an ensuring that we stay on top of our three waters assets.

Cost pressures facing Far Northerners was also very high on our radar. Because the LTP sets out what we plan to do and how to pay for it, forecasting what rate rises will be is a crucial part of the equation. The LTP consultation period focused on a proposed 16.5 per cent rates increase. But I was very excited to announce that when the LTP was finally adopted we had achieved the lowest increase in the country, at just 4.5 per cent for the 2024/25 financial year.

This was a real landmark for our council not only because of the rigorous approach we took, but because there was no reduction in the services we deliver. Some spending in the capital works programme (building and engineering) was pushed out to future years, but this will only impact capital projects not started yet.

While our new council has focused on key infrastructure and services for our ratepayers, we can't be tunnel visioned about delivering only the fundamentals. We have to consider the big picture too - projects and services that contribute to why whānau live here, and that also to attract newcomers. I'm proud of some of our key projects that have been completed in the past year!

Two sports hubs have made it to the finish line, years after the starting gun was fired. Residents, sports groups, businesses, and many other interest groups have driven these projects with the council providing funding through our LTPs.

Papa Hawaiki, the \$14.8 million multi-sports complex at Lindvart Park, Kaikohe opened its doors in April. Our council contributed \$4.4 million to this project and on a personal level, it's particularly gratifying to see rangatahi and kaumātua alike making regular use of these facilities. After decades of planning and fundraising, the \$12 million community-driven Te Hiku Sports Hub in Kaitiāia now boasts a state-of-the-art aquatic centre, gymnasium and function rooms.

A new town square has also opened in Kaitiāia. Locals involved in Te Hiku Open Spaces Revitalisation Project transformed what was an old supermarket car park into a place for locals to meet, relax, or just enjoy the artwork. This art piece, Te Rerenga Wai o Tangonge includes a nameless figure at the top to acknowledge those of the past, present and future who call our Te Hiku capital, Kaitiāia home, and at 7-metres high - it is literally next level. The new town square marked the completion of this \$9.5 million dollar multi-award winning project which has significantly boosted towns and communities across the far Far North.

The round-up of our year from July 2023 to June 2024 includes some good news on growth. The 2023 census revealed the population of Far North has grown by 9.5 per cent since 2018. As a region, Northland's growth statistics are among the highest. Our regional population is now 194,007, with almost 40 per cent Māori. What a great indication that together, we're creating places our communities want to live in.

Growth is a crucial consideration when planning services, facilities and infrastructure that will support our people. We are also playing catch up for our core infrastructure. Every day, since becoming your mayor, people ask me about repairing our roads and potholes, this is a major priority for our council.

Our council is now into its second year in office. I am proud of the incredible team of councillors and community board members we have representing Far Northerners. At an operational level, Chief Executive, Guy Holroyd has been in his role for over a year and his contributions and work ethic are helping us to shape the Far North for the better.

With all the change this past year has brought, perhaps an apt whakatauaākī (proverb) is one displayed at Te Kōngahu Museum of Waitangi.

*Kua tawhiti kē tō haerenga mai, kia kore e haere tonu; he tino nui rawa ō mahi, kia kore e mahi tonu.*

*We have come too far not to go further; we have done too much not to do more.*

(Sir James Henare, Ngāti Hine)

We've got a lot more to do and I'm proud of our work to date.  
Kia kaha Far Northerners!



**Moko Tepania**  
Mayor



# Ngā karere o te Kaiwhakahaere Matua

## Kia ora koutou katoa

Me whai wā ahau ki te whakataki ake, ko wai ahau, nā te mea, ko tēnei taku pūrongo ā-Tau tuatahi hei Tumu Whakarae (CE) mō Te Kaunihera o Te Hiku o te Ika. I muri iho i taku urunga ki te kaunihera i te Hune, i tērā tau hei CE taupua, kātahi ahau ka tohua ki te tūranga matua i te Hepetema.

I ahau mai ahau i te ao pēke me te pūtea, ā, koni atu i te 20 tau o taku umanga ki Rānana, i mua i tā mātou ko taku whānau hoki mai ki Aotearoa i te tau 2007. Nōku i Rānana, ka mahi ahau hei kaiārahi i te Global Structured Credit mō ngā rōpū e toru; mō JP Morgan, mō Deutsche, mō Citigroup hoki. Nō nā tata nei, e kīia ana e au ko taku “Northland boot camp”, i tū ahau hei Tumu Whakarae mō te Tarahiti Ngahere o Ngāti Hine. He wheako whakarangatira tēnei, ā, i tino whaihua taku whakarite mō taku tūranga o āiane, ki konei me mātua mōhio ki ngā matatini o te hītori me te ahurea o Te Tai Tokerau.

I taku pōhiri, e rua ngā kōrero i mea ai ahau. Ka tahi, ki a ahau te kaha ki te kawea i tēnei tūranga me te whakapau i taku katoa; ā, ka rua, he tangata mahi tahi ahau. Ko te tikanga o tāku i mea ai, he kaitākaro ahau nō te tīma o Te Taitokerau – Arā, ko ngā kaiutu reiti, ko ngā kainoho, ko ngā kaimahi o te Kaunihera o Te Hiku o te Ika, ko ngā mema pōti anō hoki – kia hāpai i tēnei tīma me te whaihua. E ārahi ana ahau i ngā whakahaere o te kaunihera ki tētahi aronga whakahou i ngā ratonga mahi me te whaihua mō te pūtea.

Ko te kitenga o ngā kaupapa e ao mārama ana, ā, e whaihua ana ki te oranga me te hauora o ā tātou kaiutu reiti, he mea manawa reka. E kōrero ana au mō te otinga o ngā pokapū hākinakina e rua – arā, ko Te Hiku me Papa Hawaiiki i te Papa Tākaro o Lindvart ki Kaikohe. He mea whakarato e ēnei pokapū hākinakina-tini ngā momo hākinakina koni atu i te 20, ā, he mea ārahi e ā rātou hapori ki ngā takoha a te kaunihera. E hangā ana tētahi pokapū hākinakina hou tuatoru ki Waipapa, ā, he mea utu te nuinga nā te kaunihera. Hei te otinga, ka tāpirihia Te Puāwaitanga ki te whānuitanga o ngā hākinakina me ngā ngohe tākaro e whakapiki ana i te hauora me te oranga o ā tātou tāngata.

E whakatūria ana hoki te Whare Pukapuka o Kaikohe, kua roa kē e whanga ana, me te Pokapū Hapori, me te aha, ka whakahoungia te tiriti matua o Kaikohe. I tīmata te turakitanga o te whare ki te tūnga o te whare hou i te Hūrae. E matakite ana, ka tutuki ā te tau 2025.

He nui tonu ngā homaitanga i taku tau tuatahi. – Kua kōkiri mātou i te tini o ngā kaupapa hou. Engari, me mihi ka tika ki ngā wero o muri i tūtakihia ai e mātou, hei kaunihera. Huri atu, huri mai, koni atu i te 10 āwha rerekē, tae rā anō ki a

Huripari Gabrielle, i pāngia te hononga rori o Te Hiku o te Ika i te tau 2022 me te tau 2023. I eke te nama ki te whakatika i ngā paheketanga, i ngā poka rori me ngā raru papa ki te \$41 miriona. Ka pāngia tonutia tō tātou hononga rori ngoikore e ngā āwha. Ko tō tātou wero, he whakatika, he hanga anō i tō tātou rori me te whakapūmau i ā tātou hanganga puta noa.

Ko tētahi panonitanga nui i whai mana ai i taku urunga ki te kaunihera, ko te whakakorenga o Northland Transportation Alliance (NTA), he rōpū ā-rohe i whakatūria ai hei ratonga mō ngā kaunihera katoa o Te Tai Tokerau. Āiane, kei FNDC ngā kaimahi rori, ā, ka taea e rātou te arotahi ki te whakapakaritanga o te hononga rori, kia pai ake ngā mahi mō ngā kaiutu reiti.

Mā tēnei tauira e pai ake ai tā mātou whakahaere i ngā mahi tiaki rori me ngā kaupapa hanganga.

He aronga motuhake ngā rori nō tā mātou Mahere Tauroa (LTP) 2024-27 ‘catch up,’ ā, he nui ake te whakapaunga pūtea ki tēnei wāhanga. Kua matapaetia te \$328 miriona, ka whakapaua ki ngā whakahou rori me ngā mahi hou i waenga i ngā tau 2024-29. Tuia ki tērā, Ko ngā whakapaunga pūtea kua matapaetia mō ērā atu rawa pūmau, ko te \$268 miriona ki te waipara, \$168 miriona ki ngā ratonga wai, me te \$39 miriona ki te waiāwhā.

Ka whakatakoto hoki te LTP 2024-27 i tō mātou tapeke whiwhi reiti kia utu ai mātou i ngā mea i maheretia ai. Ka nui te pakeke ki te whakapūmau tonu i ngā ratonga pai me te whaihua mō te moni, i a mātou e ngana ana kia iti tonu te reiti. E whakapono ana ahau i tutuki i a mātou, nā tā mātou whakatau i te pikinga ki te 4.5 ia heneti ki te Mahere ā-Tau (AP) 2024 – 2025, koinei te mea iti katoa i te motu.

I 16.5 ia heneti te pikinga reiti i kawea ai e mātou ki te hapori i te wā o te whakaritenga LTP 2024–27. Whai atu i tērā, ko ngā arotake maha me ngā kaimahi e kōmirimiri ana i ngā pūtea whakahaere i ia rārangi ki te kimi i te \$8.5 miriona neke atu rānei hei penapena. Ko te tāpaetanga o te \$5 miriona mai i te wāhanga arumoni o te kaunihera, ā, ko Far North Holdings Limited (FNHL), i tuku hoki i tētahi tāpaetanga nui. Kua kīia tēnei, he tāpaetanga “Motuhake”, “Harore rangitahi” rānei, heoi, me pēnei kē tāku, ko ngā kawata a te kaunihera kia utu tono a FNHL i ngā tāpaetanga ā haere ake nei.

Ko tā mātou rautaki whare ā-Rohe e turaki ana i ngā ārai ki te hanga whare hou me ngā papakāinga (Te noho ā-Hapori Māori) mā te mahi ngātahi ki ngā iwi, ki ngā hapū, ki ngā umanga whare, ki ngā kaihanganga anō hoki. Nā te ārahitanga a

FNHL, kua pai ngā huarahi ki te whakarato whare. I tuwhera te kaupapa whare o Te Kohekohe ki ngā whare tareka ā-utu e 60. I tēnei wā, i Kaitiāia, e 56 ngā whare e wātea ana ki ngā tāngata o te hapori, ā, e 28 ngā rūma takitahi e tūtohi ana i roto i te mahi tahi ki ngā rōpū maha.

Ko te whakahoutanga o Ngā Wai e Toru tētahi atu panonitanga nui i te tau kua pahure. Nō te whakakorenga o te ture o Ngā Wai e Toru, i tohua mai e te Kāwanatanga haumi, ko te rangatiratanga me te whakahaere o ngā rawa wai ā-rohe ka mau tonu ki ngā kaunihera, ki ētahi atu rōpū whaihōnonga rānei. E mōhiotia ana, Ko tēnei huarahi hou ki te whakahaere i ngā hanganga wai, ko Local Waters Done Well. Ka whakamōhio atu mātou ki a koutou te āhuetanga o tēnei ture hou mō te tukunga o ngā ratonga wai, i te wā e tiroiro ana, e waihanga ana rānei ngā kaikaunihera i ētahi rautaki rawa hou mō te Mahere Ratonga Tuku Wai (WSDP). Ko te āwanganga ki ngā kaikaunihera me ngā kaiutu reiti, ko ngā taumata utu ka puta i te WSDPs. Ki konei i te FNDC, kua tīmata mātou i tētahi rautaki whakahaere pūtea ka mahi tahi me te whakatūnga hou o tō tātou hanganga wai. Mā te āta whakahaere o ngā rawa, ka whakaheke tēnei rautaki i tō tātou taumata nama ā te tekau tau e tū mai nei. Ka whiriwhiri tahi mātou ki ngā hapori, ā, ka pai hoki tā mātou whakatairanga i tēnei.

Nō te wā i tohua ai ahau hei Tumu Whakarae, he nui ngā panonitanga o te wā. Ehara i te mea, ko taku ārahitanga anake te mea hou, engari i pōtihia ngā kaikaunihera e waru marama i mua atu, ā, nā tētahi whakahoutanga o roto i puta ai te māharahara ki ngā kaimahi kaunihera. I tono ahau kia arotakehia aua tukanga. Ko taku whāinga, he tiroiro i te whaihua o te hanganga o te kaunihera. I hiahia hoki ahau kia iti iho ngā raru, mā te pupuri ki ngā tino wāhanga o te hanganga hou, te arotake me te tūtohu o ngā tono panoni kaimahi, ā, me te whakarerekē ā te wā e tika ana. Kei a mātou tētahi hanganga me ngā wāhanga umanga matua e ārahina ana e ngā kaiwhakahaere rōpū, ko rātou e noho tahi ana hei rōpū whakahaere matua. Ko te aronga mō te tau e tū mai nei kia pūmau te taumata o ngā ratonga, me te whanaketanga o ngā whiwhinga i te ratonga kaihoko, i te māpua, i te whaihua me te whanaketanga o ngā ratonga e hāpai ana i ō mātou kaiutu reiti me ngā kainoho.

I runga i tētahi tirohanga hou, me te maha o ngā taumata, e kaikā ana ahau ki te kite i ngā hua o te tau e whai mai ana. Ngā mihi nui.



**Guy Holroyd**  
Kaiwhakahaere Matua

# Message from the Chief Executive Officer

## *Kia ora koutou katoa*

I would like to take a moment to introduce myself as this is my first annual report as Chief Executive (CE) of the Far North District Council. After joining the council in June last year as an interim CE, I was then appointed to the permanent role in September.

My background is in banking and finance, and I spent almost 20 years of my career in London before returning to New Zealand in 2007 with my family. While in London, I worked as Managing Director in Global Structured Credit for three different organisations - JP Morgan, Deutsche and Citigroup. More recently, in what I describe as my "Northland boot camp" I was Chief Executive of Ngāti Hine Forestry Trust. This was an enriching experience and invaluable in preparing for my current role where an understanding of the multi-faceted history and culture of the Far North is key.

At my pōwhiri (welcome) I said two things. First, that I have the courage to take on this role and give it my full energy; and second, that I am a team player. By that I meant, I'm playing for the Far North Team - that's ratepayers, residents, FNDC staff and elected members - to serve this team and get results. I am leading council operations with a renewed focus on customer service and value for money.

Seeing projects come to fruition and add to the lives and wellbeing of our ratepayers has been gratifying. I'm talking about the completion of two sports hubs - Te Hiku and Papa Hawaiki at Kaikohe's Lindvart Park. These world-class, multi-sport complexes cater to more than 20 sporting codes and both were driven by their communities with contributions from the council. A third new sports hub is being developed at Waipapa and is funded mostly by the council. When completed, Te Puāwaitanga will add to the range of sports and recreational activities that improve the health and wellbeing of our people.

Also taking shape is the long-awaited Kaikohe Library and Civic Hub, which will transform Kaikohe's main street. Demolition of buildings on the site of the new facility started in July. Construction is expected in 2025.

My first year at the council has been very rewarding - we have begun a significant number of new initiatives. But I must acknowledge the background challenges we, as a council, have faced. One by one, at least 10 different significant weather events, including Cyclone Gabrielle, inflicted damage to the Far North roading network between 2022 and 2023. The bill to fix the slips, potholes and surface damage left behind reached \$41 million. Weather events will continue to damage our fragile roading network. Our challenge is to repair and rebuild our roading and to make all of our infrastructure resilient.

One significant change to come into effect since I joined the council was the disbanding of the Northland Transportation Alliance (NTA), a regional organisation that served all Northland councils. Roothing staff are now in-house at FNDC and they can focus on improving the resilience of our roading network to deliver better value for ratepayers.

This model gives us greater control of roading maintenance and construction projects.

Roothing is a special focus of our 'catch up' Long Term Plan (LTP) 2024-27 which has allocated significantly more spending to this area. It has forecast a \$328 million spend on road renewals and new works between 2024-29. Forecast spending on other fixed assets include \$268 million for wastewater, \$168 million for water supplies and \$39 million for stormwater.

The LTP 2024-27 also sets our total rates take so we can pay for what is planned. The struggle is real in trying to maintain good service and value for money while keeping rates as low as possible. I believe we achieved that balance when we adopted a 4.5 per cent increase, the lowest in the country.

The proposed rate rise we took to the community during LTP 2024-27 consultation was 16.5 per cent. What followed was multiple reviews with staff going through operations budgets line by line to find more than \$8.5 million in savings. A dividend of \$5 million from the council's commercial arm, Far North Holdings Limited (FNHL), also made a significant contribution. This has been referred to as a "special" or "one off" dividend but let me clarify here that the council's expectation is FNHL will continue to pay dividends going forward. This will be achieved by the council supporting FNHL to take a greater role in regional development, particularly housing.

Our regional housing strategy is reducing barriers to building new homes and papakāinga (Māori community living) by working more closely with iwi, hapū, housing agencies and developers. With FNHL in the driving seat, we've made great in-roads in housing provision. Te Kohekohe housing project opened the doors to 60 affordable homes. Meanwhile in Kaitiāia, housing for up to 56 community members will be made possible with 28 one-bedroom units proposed in collaboration with several other organisations.

Three Waters reform was another source of significant change over the past year. When three waters legislation was repealed, the Coalition Government signalled that ownership and control of local water assets will be retained by councils or associated entities. This new approach to water infrastructure management is known as Local Waters Done Well.



We'll keep you informed about what this new legislation means for the delivery of water services as council staff investigate and formulate a new asset strategy for the legislated Water Services Delivery Plan (WSDP). A concern for councillors and ratepayers is levels of debt that may be incurred with the WSDPs. Here at FNDC, we have initiated a balance sheet management strategy that will run in tandem with the rebuild of our water infrastructure. Through careful asset management, this strategy will offset our debt levels over the coming decade. We will be consulting with communities and promoting a good level of transparency on this.

When I became Chief Executive, there was a lot of change in the air. Not only was my leadership new, but councillors had been elected just eight months prior, and an internal restructure had created significant uncertainty for council staff. I commissioned a review of that process. My goal was to check that the council's structure was fit for purpose. I also wanted to ensure a minimum of disruption by keeping the

best parts of the new structure, reviewing and proposing staff changes, and only adjusting where absolutely necessary. We now have a structure with core business areas headed by group managers, who together form a revitalised senior management team. The focus for the coming year is to maintain a stable platform of operations while driving gains in customer service, productivity and efficiency, and improving the value of services we provide to our ratepayers and residents.

With a fresh outlook in place, on so many levels, I look forward to seeing what the next year brings.

Ngā mihi nui.



**Guy Holroyd**  
Chief Executive Officer

# Ngā Manu Mātārae Civic Leadership



**Kahika - Mayor  
Moko Tepania**



**Councillor  
Ann Court**  
Bay of Islands-  
Whangaroa Ward



**Councillor  
Felicity Foy**  
Te Hiku Ward



**Councillor  
Hilda Halkyard-  
Harawira**  
Ngā Tai o Tokerau  
Ward



**Councillor  
Babe Kapa**  
Ngā Tai o Tokerau  
Ward



**Councillor  
Penetaui Kleskovic**  
Ngā Tai o Tokerau  
Ward



**Councillor  
Steve McNally**  
Bay of Islands-  
Whangaroa Ward



**Councillor  
Mate Radich**  
Te Hiku Ward



**Councillor  
Tāmami Rākena**  
Ngā Tai o Tokerau  
Ward



**Kōwhai -  
Deputy Mayor  
Kelly Stratford**  
Councillor  
Bay of Islands-  
Whangaroa Ward



**Councillor  
John Vujcich**  
Kaikohe-Hokianga Ward



# Ngā Rāngai Hapori Community Boards

## Bay of Islands - Whangaroa



**Lane Ayr**  
(Deputy Chair)  
Kerikeri



**Tyler Bamber**  
Waipapa



**Jane Hindle**  
Russell-Ōpua



**Bruce Mills**  
Whangaroa



**Roddy Pihema**  
Kawakawa-Moerewa



**Amy Slack**  
Kerikeri



**Belinda Ward**  
(Chair)  
Paihia

## Kaikohe - Hokianga



**Mike Edmonds**  
Kaikohe



**Trinity Edwards**  
Kaikohe



**Tanya Filia**  
(Deputy Chair)  
South Hokianga



**Harmonie  
Gundry**  
North Hokianga



**Jessy McVeagh**  
South Hokianga



**Chicky Rudkin**  
(Chair)  
Kaikohe

## Te Hiku



**Darren Axe**  
North Cape



**Sheryl Bainbridge**  
Doubtless Bay



**Rachel Baucke**  
Kaitāia



**Adele Gardner**  
(Chair)  
Kaitāia



**John Stewart**  
(Deputy Chair)  
Kaitāia



**Bill Subritzky**  
Whatuwhiwhi



# Hononga rautaki Strategic linkages

## Ngā Wāhanga e Whā o te Hauora • The Four Aspects of Wellbeing



### Our Vision

**HE WHENUA RANGATIRA**  
A DISTRICT OF SUSTAINABLE PROSPERITY & WELL-BEING

### Our Mission

**HE ARA TĀMATA**  
**CREATING GREAT PLACES**

*Supporting our people*

## He Rautaki Whakaarotau • Our Strategic Priorities



Better asset management



Address affordability



Enable sustainable economic development



Adapt to climate change



Protect our water supply



Deepen our sense of place and connection

## He Putanga Hapori • Our Community Outcomes



Proud, vibrant communities



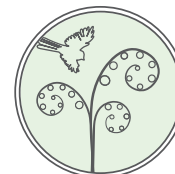
Prosperous communities supported by a sustainable economy



Communities that are healthy, safe, connected and sustainable



Connected communities that are prepared for the unexpected



A wisely managed and treasured environment that recognises the role of tangata whenua as kaitiaki



We embrace and celebrate our unique culture and heritage and value it as a source of enduring pride



# Te Mahi Tahī me te Māori

## Working with Māori

The council acknowledges the significant role of tangata whenua within the District and the vital contribution Māori make to our decision-making processes. We have continued to strengthen existing relationships while focusing on enhancing our internal capacity and capability to foster cultural change.

### Some of our highlights

- The council has approved through Te Kuaka, Te Pae o Uta Te Ao Māori Framework (shown below) and the Te Reo and Tikanga Policy.
- Alongside the Chief Executive Officer, the council conducted 14 roadshows to re-engage with iwi and hapū, establishing enduring Memorandums of Understanding.
- We reaffirmed our commitment to recognising iwi / hapū Management Plans by selecting four iwi and hapū to develop new plans for their communities.
- Te Kapa Haka o Te Kaunihera participated in its inaugural competition at the Tai Tokerau Senior Kapa Haka Competitions, with the roopu including Kahika Moko Tepania, Kōwhai Kelly Stratford, elected members, staff, and community members.
- Staff commemorated Waitangi Day by hosting an information tent at Te Rā o Waitangi, allowing the public to submit Requests for Service applications, inquire about whenua Māori and rating matters, and visit the mobile library. The council also supported hapū organisers with infrastructure during the largest Waitangi Week to date.
- We celebrated Puanga and Matariki by supporting the Libraries team in running competitions and seminars for the community throughout the week.
- The council continued to support Kerikeri Reorua in its implementation across the township and community.
- We reconfigured the council logo to accurately reflect its name.
- We have consistently integrated Maramataka into our daily operations and governance planning.
- Throughout the year, we actively participated in the Te Oneroa-a-Tōhe Board / 90 Mile Beach Board, a co-governance board with Te Hiku iwi, the Far North District Council, and Northland Regional Council, working towards developing a Beach Management Plan through Treaty Settlement processes.
- The council continue to collaborate with Te Rūnanga Ā Iwi Ō Ngāpuhi in drafting and implementing a Mana Whakahono ā Rohe agreement under the Resource Management Act.
- We maintain our support for hapū working groups to advance their aspirations in areas of significance to whānau, iwi, and hapū.
- Te Hono, tasked with building internal capabilities to enhance mana whenua relationships, has supported the organisation in ensuring timely and effective Māori participation in council decisions and programmes. Te Hono continues to provide strategic advice through the Chief Executive Office to address Māori needs.

## TE PAE O UTA



### TŪ KOTAHI

INCREASED PARTICIPATION  
IN COUNCIL STRUCTURES  
AND DECISION-MAKING  
PROCESSES



### WHANAKE TAHI

CREATE ENABLERS ACROSS  
STAFF TO RESPOND MORE  
EFFECTIVELY TO MĀORI



### KŌKIRI TAHI

EMPOWERED COMMUNITIES,  
WORKING COLLABORATIVELY



# Ā mātou pitōpito mahi Our performance in brief

As outlined in the Annual Plan 2023/24, it was a challenging year with high levels of inflation, unpredictable weather conditions, disruptive road closures and damage resulting from heavy rain events. The year saw a focus on recovery, whilst navigating various external factors affecting the local government sector.

As part of the strategic direction, the plan identified several priority areas, including better asset management, protecting and enhancing water supplies, adapting to a changing environment, and stimulating economic activity where we can. In addition to this, there was more emphasis on deepening the sense of place and connection across the rohe: and of course, keeping a sharp eye on costs to the ratepayer.

The total rates increase was 6.78%, higher than originally planned, in year three of the LTP 2021-31. A number of budgets were revised upwards to accommodate cost increases, together with a revised work programme to reprioritise and carry forward projects that suffered delays from severe weather, supply chain challenges, and available resources.

Despite the various challenges faced across our district, council continued to perform with key achievements completed throughout the year, with some notable examples being:

- The council confirmed in February it will take a lead in tackling the district's housing crisis by working more closely with iwi and hapū, housing agencies and developers to reduce barriers to building new homes. We showcased this at a Housing Expo held at Waitangi during Waitangi Day celebrations in February 2024.
- The council launched a major spatial planning project in Kerikeri to set the growth agenda for our largest town. This will provide a blueprint for a district-wide spatial plan for the Far North.
- The historical river port town of Awanui, just north of Kaitiāia, was recognised as the nation's Best Tiny Town at the annual Keep New Zealand Beautiful Awards 2023 held at Parliament House in Wellington in October 2023.

- The council adopted an internal Climate Action Policy following endorsement by Te Kuaka – Te Ao Māori Committee on 28 November. This marked a significant stride forward in climate mitigation and adaptation efforts.
- The council launched our Arotake Whakaahuatanga Tangata / Representation Review in February 2024. The review is undertaken at least every six years to ensure the council's governance structure fairly and effectively represents the Far North's diverse communities.
- Urgent works to repair a busy one-lane bridge on Landing Road in Kerikeri was completed late February 2024. The bridge was closed for three days (and nights).
- The council refreshed our 35-year-old logo as part of its goal to boost the use of te reo Māori within the organisation.
- The council adopted the LTP 2024-27 that included a total rate increase of 4.5%, the lowest rates increase in Aotearoa.
- The council's Nothing-But-Net programme, which enables communities to connect to the internet by providing free public Wi-Fi, completed an extension into the Hokianga with hotspots switched on at Ōpononi, Panguru and Mangōnui.
- A stunning Pou artwork symbolising a paddle lit up a blessing to mark the completion of the Unahi Wharf Carpark Upgrade Project, the second stage of a revamp of wharf facilities. The first stage of the wharf rebuild was completed in 2022.

Despite many successes, the back-to-back severe weather events left the council with a considerable repair bill. This has been compounded by spiralling inflation – the highest rates experienced in New Zealand in more than 30 years. In response, we have reassessed and reprioritised a number of projects to allow us to fund and focus on repairing our transport network, maintaining momentum on executing key existing capital projects for our region, whilst also ensuring that we maintain service levels and enhancing community well-being.

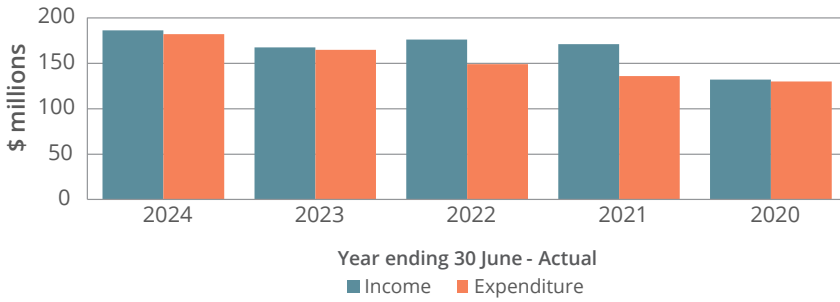
## Financial overview

Our operational result for the 2023/24 financial year shows a net surplus of \$2.8 million compared to a budgeted net surplus of \$6.5 million.

### Financial trends

	Budget	2024	2023	2022	2021
Income	171	186	168	176	171
Expenditure	165	183	165	149	136
Surplus	7	3	3	27	35

## Operational performance



- The council ended the year with a strong cash position of \$9.3 million (2023 \$18.8 million) due to prudent cash management
- Debt increased to \$131.0 million (2023 \$105.5 million), including short term borrowings of \$61.0 million (2023 \$55.5 million).

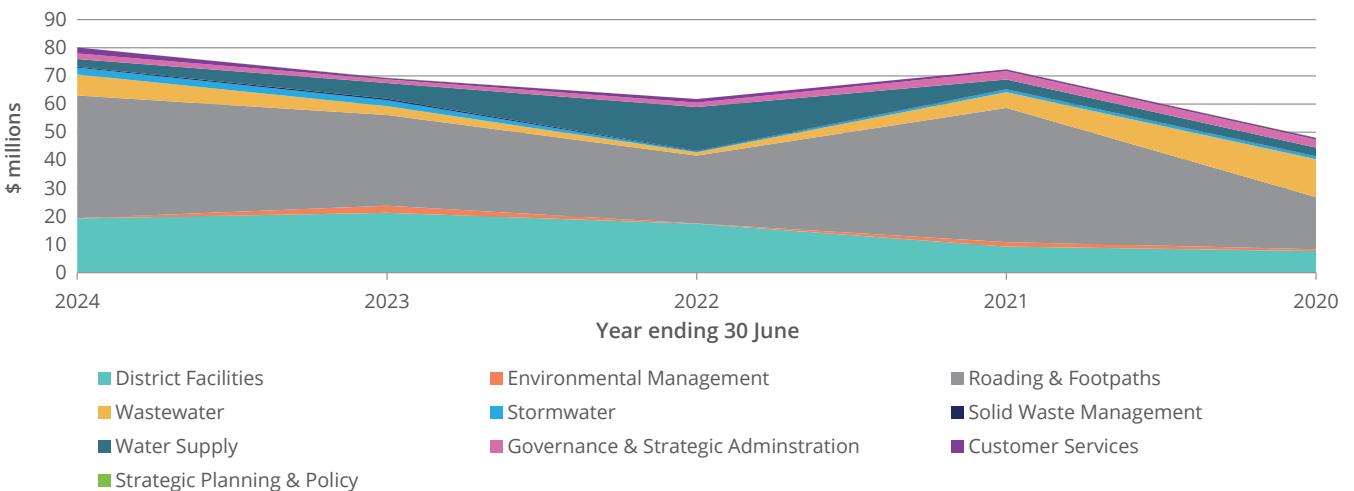


## Capital Expenditure

Capital expenditure of \$80.1 million for the year was lower than expected reflecting continued disruptions to supply chains and severe weather events. Please refer to page 118 for further explanation on significant variances to Annual Plan budget.

	2024 Budget	2024 Actual	2023 Actual	2022 Actual	2021 Actual	2020 Actual
Roading and Footpaths	36.4	43.6	32.2	24.1	47.7	18.5
Water Supply	4.8	2.7	5.7	15.7	3.5	3.0
Wastewater	16.7	7.5	3.2	1.2	5.6	13.5
Stormwater	7.8	2.4	2.1	0.3	0.9	1.0
Solid Waste Management	0.6	0.4	0.5	0.2	0.1	0.1
District Facilities	32.9	19.3	21.3	17.4	9.3	7.6
Customer Services	1.5	2.1	0.5	1.3	0.6	0.6
Environmental Management	-	0.1	2.5	0.1	1.6	0.7
Strategic Planning and Policy	-	-	-	0.1	-	-
Governance and Strategic Administration	2.8	2.0	1.3	1.6	3.0	2.9
<b>Total</b>	<b>103.5</b>	<b>80.1</b>	<b>69.3</b>	<b>61.8</b>	<b>72.3</b>	<b>47.9</b>

## Capital works programme



## Non-financial overview

The council records a variety of key performance indicators (KPIs) to report our non-financial outcomes for Levels of Service. Individual KPIs for levels of service are reported by activity group within the Statement of Service Performance.

	Achieved	Not achieved	Not assessed	Total
Roading and Footpaths	6	2	-	8
Water Supply	3	2	-	5
Wastewater	4	1	-	5
Stormwater	3	1	-	4
Solid Waste Management	1	2	-	3
District Facilities	4	4	-	8
Customer Services	8	4	1	13
Environmental Management	3	4	-	7
<b>Total</b>	<b>32</b>	<b>20</b>	<b>1</b>	<b>53</b>

## Outlook

In an ideal world, we should have maintained a steady course for year three of the LTP 2021-31. However, as we all know, the world has changed and the local government sector, like many others, is experiencing significant disruption. As explained in Our Performance in Brief (pages 19-20), our capital programme was hugely affected this year by sharply rising inflation, unpredictable and unreliable supply chains, workforce availability within our supply networks and the severe weather events.

The Finance Strategy in the latest LTP 2024-27 reflects an overarching focus on supporting recovery post severe weather events, repairing and building resilience into our transport infrastructure. The other key areas of focus were financial sustainability, affordability and economic recovery within the context of community wellbeing.

Local Water Done Well is the Coalition Government's plan to address New Zealand's long-standing water infrastructure

challenges. It recognises the importance of local decision making and flexibility for communities and councils to determine how their water services will be delivered in the future. It will do this while ensuring a strong emphasis on meeting economic, environmental and water quality regulatory requirements. Whilst we agree change is needed for water infrastructure, there is still uncertainty as to the changes and implementation.

The ongoing Government inquiry into the future of local government continues, where the role and function of councils is under the spotlight, with an aim to deliver enhanced community wellbeing outcomes for our communities. This comes at the same time as an overhaul of the Resource Management Act that could result in regionalised arrangement for land-use planning and regulatory activities. It is still very much a 'watch and wait' situation.

Ā mātou mahi • Our activities







































# Mahinga whakarato

## Statement of service provision

### Community outcomes

The work and activities that the council provides are guided by community outcomes - the set of aspirations or goals that the community as a whole said were important to the District. Although each activity contributes in some way to these outcomes, this varies from high in some areas, to not significant in others. The community outcomes link to the four aspects of wellbeing as shown on the next page.

The table below shows our group of activities and their alignment with our community outcomes.

What we do	How our community outcomes link to our activities					
	Communities that are healthy, safe, connected and sustainable	Connected and engaged communities prepared for the unexpected	Proud, vibrant communities	Prosperous communities supported by a sustainable economy	A wisely managed and treasured environment that recognises the special role of tangata whenua as kaitiaki	We embrace and celebrate our unique culture and heritage and value it as a source of enduring pride
<b>Roading and Footpaths</b>						
<b>Water Supply</b>						
<b>Wastewater</b>						
<b>Stormwater</b>						
<b>Solid Waste Management</b>						
<b>District Facilities</b>						
<b>Customer Services</b>						
<b>Environmental Management</b>						
<b>Strategic Planning and Policy</b>						
<b>Governance and Strategic Administration</b>						



## Community wellbeing

Schedule 10, clause 23 (d) of LGA 2002 requires us to "describe any identified effects that any activity within the group of activities has had on the social, economic, environmental, or cultural well-being of the community".

### What are the four aspects of wellbeing?



#### Ā iwi • Social

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



#### Ōhanga • Economic

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



#### Taiao • Environmental

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



#### Ahurea • Cultural

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

### Activities summary

Activity	Ā iwi Social	Ōhanga Economic	Taiao Environmental	Ahurea Cultural	Narrative
1 <b>Roading and Footpaths</b>	✓	✓	✓		Work continues with fixing emergency works slip sites across many parts of our transport network after experiencing in excess of 10 significant weather events since July 2022. Restoration of these sites will be the focus of our LTP for the next three years. In addition to the recovery works, road maintenance and renewals are delivered across the district including reseals, sealed and unsealed rehabilitations.
2 <b>Water Supply</b>	✓	✓	✓		<p>Water quality - Funding from the Department of Internal Affairs Better Off Fund enabled the installation of treatment and monitoring equipment required by Taumata Arowai under the Drinking Water Quality Assurance Rules. Specifically, continuous source water monitoring, continuous monitoring of water going into supply, sampling site upgrades, and upgrading all water treatment plants to achieve compliance with standards for protozoa treatment. Most plants now have multiple barriers for both bacteria and protozoa.</p> <p>The council provides monthly compliance reports to Taumata Arowai via WaterOutlook software. These reports show that new equipment has led to water treatment improvements. Water quantity - FNDC had previously purchased shares in Matawii dam. During summer FY 2023/24 water from Matawii dam was successfully treated at the Taraiare Hills water treatment plant reducing the need for water restrictions in Kaikohe.</p>
3 <b>Wastewater</b>	✓	✓	✓	✓	<p>The Far North Water Alliance was disbanded in March 2024 after the repeal of 3 waters reforms and the introduction of Local Water Done Well. The council is now required to focus on assessing the Local Water Done Well delivery models.</p> <p>The council also consulted on how we rate those who access or could access wastewater services. The final decision was to continue with the status quo based on feedback received and the council's final decision adopted in June 2024. Russell wastewater treatment plant UV was upgraded resulting in removal of abatement notice. Consent was obtained for the Kohukohu wastewater treatment plant.</p>

Activity	Ā iwi Social	Ōhanga Economic	Taiāo Environmental	Ahurea Cultural	Narrative
4 Stormwater	✓	✓	✓		Despite the heavy rain warning and power outage in June 2024, no flooding events were reported. Additionally, stormwater complaints decreased by 48% compared to the previous year, attributed to fewer weather events. The council also consulted on how we rate stormwater across the district. The final decision was to implement a targeted rate based on land use and a public good rate per rating unit to increase funding for stormwater and drainage improvements. The final decision was adopted June 2024.
5 Solid Waste Management	✓	✓	✓		We have tendered our three main waste contracts and contracted Northland Waste to deliver all three under one contract from October 2024. Following initial, pre-tender community consultation in 2023, a working group of industry experts and community has been formed and has started the Waste Minimisation Plan review and development.
6 District Facilities	✓	✓	✓	✓	<p>Work has concluded at Lindvart Park, Kaikohe with the main building now open. This facility features a double court with acoustic panelling so performances and large gatherings can be held. The facility also includes a gym and changing facilities.</p> <p>Work progressed at Te Puawaitanga with Stage 1 of the project nearing completion including four playing fields, one training field, irrigations system, cricket pitches, toilets with changing rooms and parking for 144 vehicles, eight disabled parking and three bus bays, stormwater and on-site wastewater system and landscaping. Further work is progressing for the successful operations of this facility.</p> <p>The Te Hiku o te Ika Revitalisation project saw significant cultural structures installed around Ahipara, Awanui and Kaitāia, as well as development of Kaitāia town square, upgrades to market square and many new inclusions for play and open spaces.</p> <p>Stage 1 of Russell Cemetery extension works to clear and prepare the new area were completed. Stage 2 will continue from spring 2024 to bring to life the cemetery design and other functional elements.</p> <p>The Pukenui coastal walkway completed the first of three sections late in 2023 to deliver a walking track from State Highway 1 along Houhora Heads Road to the coast. Work continues on the next section which aims to deliver a track along Waterfront Road, looping back to State Highway 1.</p> <p>Upgrades to the Ōpua-Paihia Walkway from Te Haumi through to English Bay to improve safety and user experience were completed early in 2024.</p> <p>Maritime facility upgrades around the district have also been completed including Whangaroa maritime, Hokianga Harbour works, Mill Bay jetty renewals and the inclusion of new truck parking and dinghy ramp at Mangōnuī.</p>
7 Customer Services	✓	✓		✓	<p>Paihia had 74 cruise ships scheduled to visit the Bay of Islands the summer season. Visitor numbers were down slightly due to access difficulties with the Brynderwyn's closed and diversions in place.</p> <p>Customer Services delivery has improved significantly since the creation of the Contact Centre as its own team. Call handle times, abandoned call rates, and front-facing query resolution rates all improved dramatically in the last quarter of 2023/24.</p> <p>Our libraries continue to experience growth, with in-person programming attendance and online library use continuing to remain high.</p>

Activity	Ā iwi Social	Ōhanga Economic	Taiāo Environmental	Ahurea Cultural	Narrative
8 Environmental Management	✓		✓		<p>BCA performance remains steady resulting in 100% compliance with Statutory requirements. Consents are the lowest they have been in seven years with 441 issued compared with 1531 in 2022. Market confidence is low due to high interest rates, a high cost of living and building materials. Any change in these conditions may result in an increase in market confidence which should result in a raise in consenting numbers.</p> <p>Resource Consent Compliance has significantly improved throughout the year. This is due to additional staffing and a concerted effort to move the legacy applications through to the decision space.</p> <p>Levels of Service remain high within the Compliance team solidly meeting targets in Animal Management, and Environmental Health Services. Noise response has improved significantly on previous years however this performance is largely reliant on Police availability to assist.</p>
9 Strategic Planning and Policy	✓	✓	✓	✓	<p>The Proposed District Plan (PDP) hearings are currently underway and will continue through to November 2025. As part of the ongoing refinement of the PDP, Variation 1 – minor errors and corrections is set to be notified in late 2024. Meanwhile, the development of the Kerikeri-Waipapa Spatial Plan remains on track, with its completion scheduled for mid-2025.</p> <p>Work also continues across the district with the development of Community Place-making Plans and Reserve Management Plans within the three wards.</p> <p>In addition to these projects, we are progressing through our strategy, policy, and bylaws programme, which includes key initiatives such as the Solid Waste Strategy, Housing Strategy, Open Spaces Strategy, Alcohol Control Bylaw, and several three waters-related bylaws.</p> <p>The Community Adaptation Programme, designed to assist communities in adapting to the impacts of climate change, has launched Stage One in the Hokianga-Whangapē-Herekino areas. Furthermore, Council is nearing the completion of its first carbon footprint reports, covering the 2023 and 2024 financial years, marking an important step in measuring and addressing our environmental impact.</p>
10 Governance and Strategic Administration	✓	✓		✓	<p>A mid-term governance review was undertaken to ensure our governance structure remains fit for purpose. We also conducted a representation review to ensure our elected positions and boundaries fairly represent our communities of interest in preparation for the 2025 Local Government Elections.</p>

## Resident Opinion Survey

Far North District Council has an ongoing need to measure how satisfied residents are with resources, facilities and services provided by the council, and to prioritise improvement opportunities that will be valued by the community.

- Measure how the council's reputation is evaluated by its residents
- Assess changes in satisfaction over time and measure progress against the LTP 2021-31.

Tauranga-based research company Key Research has been assessing changes in the public's satisfaction with the council's performance since 2017. Its research objectives are to:

- Provide a robust measure of satisfaction with the council's performance in relation to services and assets
- Determine performance drivers and assist the council to identify the best opportunities to further improve satisfaction

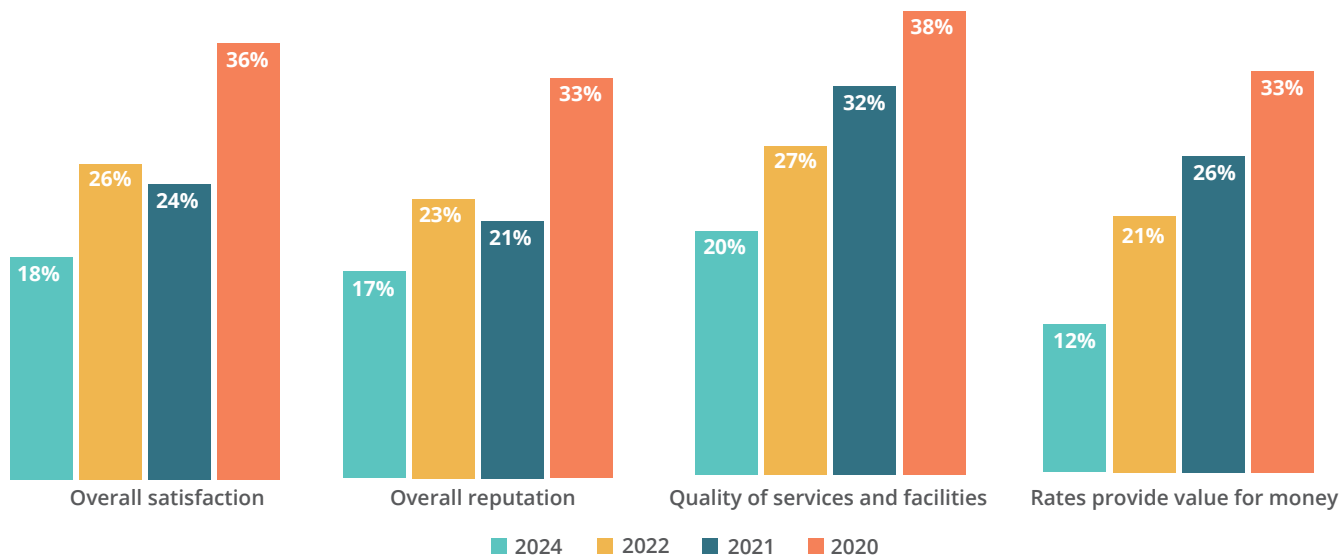
After the 2022/23 survey results, and following business adjustments related to post-COVID-19 activities, the Resident Opinion Survey will now be conducted biannually starting this year (2024). With the next survey to be undertaken in 2026.

The methodology has evolved over the years and for the most recent 2023/24 survey involved a quarterly online survey residents of the district were invited to participate in via an email sent by the council (from its proprietary database) under Key Research guidance. Previously the study had consisted of a quarterly postal invite to complete the survey sent to residents randomly selected from the electoral roll.

Questions were mostly carried over from the 2021/22 survey to ensure that long-term statistical trends have integrity, although some refinements were made for 2023/24. It was structured to provide a comprehensive set of measures relating to core activities, services and infrastructure, as well as to provide a wider perspective of performance.

The council's overall performance declined from 26 per cent in 2022, to 18 per cent in 2024. Satisfaction across all main metrics also experienced decreases over the past two years. These results continue downward trends recorded in other recent opinion surveys and reflect similar results experienced by many other councils in Aotearoa since the COVID-19 pandemic and national lockdowns.

### Overall Performance (2020-2024)



To reverse this trend, the council has made changes to external communications to better explain its activities and decisions. It now publishes at least six news stories a week to its website and social media channels, and has added video production capabilities to its suite of external communication tools and aims to publish at least two videos to its online platforms weekly. Customer-facing operations have also been revamped, particularly the Contact Centre. Since March 2024 the percentage of customer calls that are resolved at first point of contact climbed from 35 per cent to 67 per cent in August. Over the same period, the average wait time a customer waits to have their call answered fell from 2.22

minutes to 0.37 minutes. The average handle time (the time it takes to fully complete a customer query) fell from 9.37 minutes to 4.31 minutes. The total interactions of the Contact Centre including calls taken rose from 2,935 in March 2024 to 4,702 in August 2024.

These efforts were reflected in the latest Resident Opinion Survey report with improved awareness of council activities, particularly work on the District Plan.

### Comparison of results 2022 - 2024

#### Biggest improvements

Service / Facility / Activity	2024	2022	Change (2022 to 2024)
Residents who have made some or a lot of effort to stay informed about what the council is doing	37%	21%	+16%
I am aware of changes to the District Plan and opportunities where I can participate in these plan changes	21%	11%	+10%
Informed about the council's District Plan	17%	11%	+6%
Informed about what the council is doing	21%	16%	+5%

## Biggest decreases

Service / Facility / Activity	2024	2022	Change (2022 to 2024)
How the council's Animal Management Team manages dogs in the District	16%	35%	-19%
Satisfaction with cemeteries	62%	83%	-18%
Overall water management	18%	35%	-17%
Overall refuse and recycling disposal services	53%	67%	-14%
Satisfaction with the council-owned urban (town) stormwater management system	23%	37%	-14%

It is not always clear whether external events play a role in satisfaction levels. For example, intense media coverage of two high-profile dog attacks before and during the survey period may have influenced opinions about dog control in general. Likewise, controversy over central government proposals to change the way councils operate their three waters assets may also have sharpened opinions.

In the case of animal management, the council has increased funding and staffing of its Animal Management Team. This will increase the teams visibility within communities and enable it to provide community engagement, particularly around keeping safe around dogs.

The council has made progress on addressing outstanding abatement notices on several wastewater plants and is working directly with communities to find long-term

solutions for wastewater disposal. It has instituted better online monitoring systems for potable and wastewater networks, and is supporting the development of three waters infrastructure for new housing developments in growth areas like Kaikohe and Kawakawa.

In August 2024, the council awarded a 10-year contract, worth around \$50 million, to Northland Waste Limited to operate its network of refuse transfer stations and community recycling centres. This consolidates the council's waste and recycling operations within a proven operator and will provide greater value for money for ratepayers.

The 2023/24 Residents' Survey Results – full detailed report was presented to councillors at the 12 September 2024 Council meeting.

## Resident Survey summary dashboard

Annual resident survey result comparison 2023 to 2024

Service / facility / activity	2024 % very satisfied / satisfied	2023 % very satisfied / satisfied
Roading	13	13
Footpaths	22	24
Water Supply	37	52
Wastewater	54	59
Stormwater	23	26
Refuse transfer stations	74	85
Community recycling stations	70	74
Cemeteries	65	75
Libraries	84	78
Public toilets	38	39
Parks and reserves	50	57
Coastal access	35	38
Carparking facilities	35	38
How the council's animal management team manages dogs in the district	16	28
How the council's animal management team manages livestock in the district	22	26
Community board awareness in your area	80	79
Informed about the District Plan	17	31
Aware of changes to the District Plan	21	32
Informed about what the council is doing (all residents)	21	19
Informed about what the council is doing (Māori respondents)	16	15
Overall performance of the council	18	17



## Funding impact statement - whole of council

### Movement in general rates, debt and reserves

General rates are allocated across all activities at the end of the year, with allocation significantly dependent on the operation position per activity before rates are allocated. This can vary from the budgeted allocation due to other movements in revenue and expenditure.

### Funding impact statement

#### Whole of Council

	Annual Plan 2022/23 \$000s	Actual 2022/23 \$000s	Annual Plan 2023/24 \$000s	Actual 2023/24 \$000s
<b>Sources of operational funding</b>				
General rates, uniform annual general charges, rates penalties	62,669	58,505	66,995	63,316
Targeted rates	37,233	37,666	39,675	39,723
Subsidies and grants for operating purposes	15,885	20,081	15,007	19,597
Fees and charges	19,807	19,630	20,743	21,050
Interest and dividends from investments	230	1,578	1,538	3,533
Local authority fuel tax, fines, infringement fees and other receipts	3,063	2,585	1,765	3,965
<b>Total operating funding</b>	<b>138,887</b>	<b>140,045</b>	<b>145,723</b>	<b>151,184</b>
<b>Applications of operating funding</b>				
Payments to staff and suppliers	112,870	114,838	116,090	124,754
Finance costs	2,688	3,479	5,409	5,735
Other operating funding applications	-	-	-	-
<b>Total applications of operating funding</b>	<b>115,559</b>	<b>118,317</b>	<b>121,499</b>	<b>130,489</b>
<b>Surplus / (deficit) of operating funding</b>	<b>23,328</b>	<b>21,728</b>	<b>24,224</b>	<b>20,695</b>
<b>Sources of capital funding</b>				
Subsidies and grants for capital expenditure	35,054	23,785	27,795	31,860
Development and financial contributions	-	49	-	-
Increase (decrease) in debt	61,270	24,000	44,286	25,501
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
<b>Total sources of capital funding</b>	<b>96,324</b>	<b>47,834</b>	<b>72,081</b>	<b>57,361</b>
<b>Applications of capital funding</b>				
<b>Capital expenditure to meet:</b>				
- Additional demand	-	-	-	-
- Improved levels of service	91,948	42,697	68,249	46,260
- Replacement of existing assets	38,006	26,631	35,149	33,820
Increase (decrease) in reserves	(10,302)	(368)	(7,094)	(2,059)
Increase (decrease) in investments	-	602	-	35
<b>Total applications of capital funding</b>	<b>119,652</b>	<b>69,562</b>	<b>96,304</b>	<b>78,056</b>
<b>Surplus / (deficit) of capital funding</b>	<b>(23,328)</b>	<b>(21,728)</b>	<b>(24,223)</b>	<b>(20,695)</b>
<b>Funding balance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## Ngā rori me ngā ara hiko • Rooding and Footpaths



The roading network is vital infrastructure for connecting our communities and ensuring safe access to the places that make visiting and living in the Far North an enjoyable experience. A core function of the council is the maintenance and management of the local roading network (excluding state highways which remain the responsibility of the Waka Kotahi NZ Transport Agency). This includes street lighting and signage. A well-planned, safe, and integrated network for walking and cycling contributes to our communities' quality of life. As part of this activity we also maintain the network of footpaths and walking and cycling amenities, and as our communities grow and needs change we monitor the need for new, safe walking and cycling facilities.

### What we provide

- 2,520.2km network length – 917.7km sealed and 1,602.5km unsealed
- 721 bridges
- 1,221 retaining and seawalls
- 1,897 streetlights
- 232.9km of footpaths
- 87km of cycleways
- 1 Hokianga Ferry
- 7 inactive quarries

### How we performed

#### Level of service

1.1 To maintain the District's roading network in a satisfactory condition and in accordance with national safety and engineering standards.

#### Performance measure

1.1.1 The change from the previous financial year in the number of fatalities and serious injury crashes on the local road network, expressed as a number.

2021/22 Result	2022/23 Result	2023/24 Target	2023/24 Result	Status
36 total 6 fatal 30 serious injury crashes	38 total 5 fatal 33 serious injury crashes	No increase	42 total 12 fatal 30 serious injury crashes	✘
Actual increase in serious injuries and fatalities is 6	Actual increase in serious injuries and fatalities is 3		Actual increase in serious injuries and fatalities is 3	

#### Narrative

There has been an overall decrease in the serious injury count for the 2023/24 financial year. This may be attributed to an increase of speed limit catchments and ongoing effort in road safety education. Fatal incidents, however have increased by seven. Many of these crashes were run-off crashes where speed and alcohol were driving factors.

#### Performance measure

1.1.2 The average quality of ride on a sealed local road network, measured by smooth travel exposure.

2021/22 Result	2022/23 Result	2023/24 Target	2023/24 Result	Status
93%	92%	>88%	91%	✔

#### Narrative

Smooth Travel Exposure (STE) is a customer outcome measure indicating 'ride quality'. It is an indication of the percentage of vehicle travel on roads below a defined roughness threshold.

#### Performance measure

1.1.3 The percentage of the sealed local road network that is resurfaced.

2021/22 Result	2022/23 Result	2023/24 Target	2023/24 Result	Status
6.5%	4.6%	>8%	5.9%	✘

#### Narrative

This measure was not achieved due to insufficient funds for pre-reseal repairs.

## Performance measure

1.1.4 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. Emergency / public safety: within three hours Urgent: within seven days Non-urgent: within 14 days.

2021/22 Result	2022/23 Result	2023/24 Target	2023/24 Result	Status
90.7%	93.2%	≥95%	99.5%	✓

## Performance measure

1.1.5 The maintenance of the roads meets the council level of service targets as specified in our roading maintenance contracts.

2021/22 Result	2022/23 Result	2023/24 Target	2023/24 Result	Status
84.2%	65.3%	>85%	96.2%	✓

### Narrative

In 2022/23, the overall network condition for both sealed and unsealed roads was impacted by storm events, causing numerous slips across the district. This led to interruptions in the business-as-usual (BAU) delivery of maintenance and operations as resources were reallocated to address the storm damage. In 2023/24, road reinstatement efforts have progressed, and the maintenance of routine and ordered works have consistently been completed within the targeted timeframes.

## Performance measure

1.1.6 The percentage of the sealed local road network that is rehabilitated.

2021/22 Result	2022/23 Result	2023/24 Target	2023/24 Result	Status
0.5%	0.175%	0.5%	0.5%	✓

### Narrative

This target was achieved by carefully managing the programme in response to rising costs.

## Performance measure

1.1.7 The Hokianga Ferry Service will run in accordance with advertised timetable.

2021/22 Result	2022/23 Result	2023/24 Target	2023/24 Result	Status
97.0%	95.6%	≥95%	97.3%	✓

### Narrative

No mechanical or weather related interruptions occurred this year.

## Level of service

1.2 To maintain the District's footpath network and infrastructure to high standards.

## Performance measure

1.2.1 The percentage of footpaths within a territorial authority district that fall within the level of service or service standard for the condition of footpaths that is set out in the territorial authority's relevant document (such as its annual plan, activity management plan, asset management plan, annual works program or LTP).

2021/22 Result	2022/23 Result	2023/24 Target	2023/24 Result	Status
97.1%	98.0%	>90% in fair or better condition	99.0%	✓

### Narrative

The condition of the council's footpath network is improving each year, with most of footpaths graded as Excellent or Good. This progress is due to the renewals and maintenance work carried out on the network.

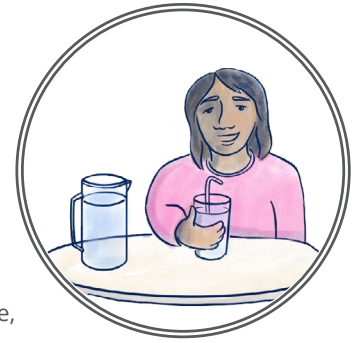
## Funding impact statement

### Roading and Footpaths

	LTP 2022/23 \$000s	LTP 2023/24 \$000s	AP 2023/24 \$000s	Actual 2023/24 \$000s
<b>Sources of operational funding</b>				
General rates, uniform annual general charges, rates penalties	13,202	13,345	14,232	12,387
Targeted rates	5,003	5,031	5,938	5,899
Subsidies and grants for operating purposes	15,800	14,923	14,923	18,608
Fees and charges	661	661	661	521
Internal charges and overheads recovered	27	27	133	-
Local authority fuel tax, fines, infringement fees and other receipts	600	600	600	1,028
<b>Total operating funding</b>	<b>35,294</b>	<b>34,588</b>	<b>36,488</b>	<b>38,443</b>
<b>Applications of operating funding</b>				
Payments to staff and suppliers	28,785	27,494	26,184	25,910
Finance costs	657	689	1,723	1,105
Internal charges and overheads applied	(1,823)	(1,731)	(695)	2,207
Other operating funding applications	-	-	-	-
<b>Total applications of operating funding</b>	<b>27,619</b>	<b>26,452</b>	<b>27,212</b>	<b>29,222</b>
<b>Surplus / (deficit) of operating funding</b>	<b>7,675</b>	<b>8,135</b>	<b>9,276</b>	<b>9,221</b>
<b>Sources of capital funding</b>				
Subsidies and grants for capital expenditure	18,113	20,239	22,477	26,058
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	9,412	5,872	5,805	6,040
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
<b>Total sources of capital funding</b>	<b>27,525</b>	<b>26,111</b>	<b>28,282</b>	<b>32,098</b>
<b>Applications of capital funding</b>				
<b>Capital expenditure to meet:</b>				
- Additional demand	-	-	-	-
- Improved levels of service	20,936	19,587	19,088	20,268
- Replacement of existing assets	13,163	13,980	17,285	23,373
Increase (decrease) in reserves	1,101	679	1,185	(2,322)
Increase (decrease) in investments	-	-	-	-
<b>Total applications of capital funding</b>	<b>35,200</b>	<b>34,246</b>	<b>37,558</b>	<b>41,319</b>
<b>Surplus / (deficit) of capital funding</b>	<b>(7,675)</b>	<b>(8,135)</b>	<b>(9,276)</b>	<b>(9,221)</b>
<b>Funding balance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## Tapua Wai • Water Supply

Safe drinking water is essential to the health and wellbeing of our communities. The council is responsible for the treatment and distribution of water through our reticulated water schemes. We also install and read water meters to make sure you are billed for the correct usage. A vital function is ensuring firefighting performance standards are met in urban water supply areas. We also provide new water connections with areas of benefit and supply commercial water operators who deliver to private water tanks.



In the past few years, we have struggled to supply enough water in some locations due to extremely dry weather. As a result, several initiatives have been included in our work programme, including bore upgrades and increased water conservation messaging and education.

### Key facts

- 8 potable (drinkable) water schemes that incorporate: 3 non-potable supply areas and 9 water treatment plants
- Water is sourced from: 3 dams, 5 bore fields, 7 stream intakes and 26 reservoirs sites
- 375 km of water mains
- 15 booster pump stations
- 11,706 properties are connected to the council water systems
- All schemes have universal water metering

### How we performed Level of service

2.1 To provide reliable and sustainable water supply, ensuring sustainable development and adequate water supply in times of emergency.

#### Performance measure

2.1.1 The extent to which the local authority's drinking water supply complies with:  
a. Part 4 of the drinking water standards (bacteria compliance criteria).

Area	Result		Result		2023/24 Target	2023/24 Result
	2021/22 Result	1 July 2022 - 13 November 2022	14 November 2022 - 30 June 2023			
Kaitiāia	Not compliant	Non-compliant	Compliant 80 days Non-compliant 148 days	Each scheme continuously meets the required standards for drinking water	Compliant 249 days Non-compliant 117 days	
Kawakawa	Not compliant	Non-compliant	Compliant 18 days Non-compliant 210 days		Compliant 80 days Non-compliant 286 days	
Kerikeri	Not compliant	Compliant	Compliant all days		Compliant	
Monument Hill	Compliant	Compliant	Compliant 224 days Non-compliant 4 days		Compliant	
Ōkaihau	Not compliant	Non-compliant	Compliant 227 days Non-compliant 1 day		Compliant 364 days Non-compliant 2 days	
Ōmanaia	Not compliant	Compliant	Compliant 210 days Non-compliant 10 days		Compliant	
Ōpononi / Ōmāpere	Not compliant	Non-compliant	Compliant 30 days Non-compliant 198 days		Compliant 152 days Non-compliant 214 days	
Paihia	Compliant	Compliant	Compliant 218 days Non-compliant 10 days		Compliant	
Taraire Hills	Not compliant	Compliant	Compliant 219 days Non-compliant 9 days		Compliant 151 days Non-compliant 215 days	

#### Narrative

The Drinking Water Quality Assurance Rules (DWQAR) monitoring rules changed in November 2022. The council has been installing new equipment to satisfy the new monitoring rules.



## Performance measure

2.1.1 The extent to which the local authority's drinking water supply complies with:  
b. Part 5 of the drinking water standards (protozoal compliance criteria).

Area	2021/22 Result	Result 1 July 2022 - 13 November 2022	Result 14 November 2022 - 30 June 2023	2023/24 Target	2023/24 Result
Kaitiāia	Not compliant	Non-compliant	Compliant all days	Each scheme continuously meets the required standards for drinking water	Compliant
Kawakawa	Not compliant	Non-compliant	Compliant 221 days Non-compliant 7 days		Compliant 233 days No historical data 25 days Non-compliant 2 days
Kerikeri	Compliant	Compliant	Compliant all days		Compliant 364 days Non-compliant 2 days
Monument Hill	Compliant	Compliant	Compliant 224 days Non-compliant 4 days		Compliant 364 days Non-compliant 2 days
Ōkaihau	Not compliant	Non-compliant	Compliant 226 days Non-compliant 2 day		Compliant 364 days Non-compliant 2 days
Ōmanaia	Not compliant	Non-compliant	Compliant 215 days Non-compliant 13 days		Compliant 352 days Non-compliant 14 days
Ōpononi / Ōmāpere	Not compliant	Non-compliant	Compliant 185 days		Compliant 307 days Non-compliant 59 days
Paihia	Compliant	Non-compliant	Compliant 206 day Non-compliant 22 day		Compliant 365 days Non-compliant 1 day
Taraire Hills	Not compliant	Non-compliant	Compliant 227 days Non-compliant 11 days		Compliant 349 days Non-compliant 17 days

### Narrative

The Drinking Water Quality Assurance Rules (DWQAR) monitoring rules changed in November 2022. The council has been installing new equipment to satisfy the new monitoring rules.

## Performance measure

2.1.2 The percentage of real water loss from the local authority's networked reticulation system (including a description of the methodology used to calculate this).

2021/22 Result	2022/23 Result	2023/24 Target	2023/24 Result	Status
28.0%	28.6%	<26%	31.0%	✘

### Narrative

Through the investment in a water leak detection team and new technology there has been improvement, particularly in Kerikeri where water loss night flows improved by 20%. However, further leak detection has resulted in the increased overall district water loss percentage.

## Performance measure

2.1.3 Where the local authority attends a call-out in response to a fault or unplanned interruption to its networked reticulation system, the following median response times measured:

- attendance for urgent call-outs: from the time that the local authority receives notification to the time that service personnel reach the site, and
- resolution of urgent call-outs: from the time that the local authority receives notification to the time that service personnel confirm resolution of the fault or interruption
- attendance for non-urgent call-outs: from the time that the local authority receives notification to the time that service personnel reach the site, and
- resolution of non-urgent call-outs: from the time that the local authority receives notification to the time that service personnel confirm resolution of the fault or interruption.

Measure	2021/22 Result	2022/23 Result	2023/24 Target	2023/24 Result	Status
a.	0.75	1.00	< 2 hours	0.70	✓
b.	4.89	6.30	< 4 hours	6.12	✗
c.	0.65	0.70	< 2 working days	0.80	✓
d.	0.72	0.80	< 3 working days	0.88	✓

### Narrative

The results of urgent call-out resolutions were impacted by several factors: the time reported, significant flooding on the road and surrounding areas requiring planned traffic management and outages, the nature of the breaks, and deteriorating asset conditions.

## Performance measure

2.1.4 The total number of complaints received by the local authority about any of the following:

- drinking water clarity
- drinking water taste
- drinking water odour
- drinking water pressure or
- flow continuity of supply, and
- the local authority's response to any of these issues expressed per 1,000 connections to the local authority's networked reticulation system.

2021/22 Result	2022/23 Result	2023/24 Target	2023/24 Result	Status
23.58	28.22	< 100 complaints per 1,000	21.65	✓

### Narrative

There was a total of 226 complaints received for the financial year. The majority of which were due to continuity of supply being disrupted. These disruptions were caused by unavoidable, temporary water outages while emergency repair works were undertaken.

## Performance measure

2.1.5 The average consumption of drinking water per day per resident within the territorial authority district.

2021/22 Result	2022/23 Result	2023/24 Target	2023/24 Result	Status
268.02L	268.43L	≤ 350L / day / resident	279.94L	✓

### Narrative

This is an informational indicator only.

## Funding impact statement

### Water Supply

	LTP 2022/23 \$000s	LTP 2023/24 \$000s	AP 2023/24 \$000s	Actual 2023/24 \$000s
<b>Sources of operational funding</b>				
General rates, uniform annual general charges, rates penalties	225	225	225	33
Targeted rates	3,229	3,137	4,196	4,247
Subsidies and grants for operating purposes	-	-	-	317
Fees and charges	6,945	6,945	8,093	8,804
Internal charges and overheads recovered	-	-	-	-
Local authority fuel tax, fines, infringement fees and other receipts	-	-	-	52
<b>Total operating funding</b>	<b>10,399</b>	<b>10,307</b>	<b>12,514</b>	<b>13,453</b>
<b>Applications of operating funding</b>				
Payments to staff and suppliers	5,996	5,765	7,259	11,344
Finance costs	404	349	1,178	811
Internal charges and overheads applied	1,588	1,630	1,364	108
Other operating funding applications	-	-	-	-
<b>Total applications of operating funding</b>	<b>7,988</b>	<b>7,744</b>	<b>9,801</b>	<b>12,263</b>
<b>Surplus / (deficit) of operating funding</b>	<b>2,411</b>	<b>2,563</b>	<b>2,713</b>	<b>1,190</b>
<b>Sources of capital funding</b>				
Subsidies and grants for capital expenditure	-	-	-	1,942
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	2,724	6,630	1,719	(361)
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
<b>Total sources of capital funding</b>	<b>2,724</b>	<b>6,630</b>	<b>1,719</b>	<b>1,581</b>
<b>Applications of capital funding</b>				
<b>Capital expenditure to meet:</b>				
- Additional demand	-	-	-	-
- Improved levels of service	4,729	9,087	3,291	2,236
- Replacement of existing assets	1,328	4,227	1,517	486
Increase (decrease) in reserves	(922)	(4,121)	(377)	49
Increase (decrease) in investments	-	-	-	-
<b>Total applications of capital funding</b>	<b>5,135</b>	<b>9,193</b>	<b>4,431</b>	<b>2,771</b>
<b>Surplus / (deficit) of capital funding</b>	<b>(2,411)</b>	<b>(2,563)</b>	<b>(2,713)</b>	<b>(1,190)</b>
<b>Funding balance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## Waipara • Wastewater

The appropriate collection, treatment and disposal of wastewater is vital for the health and wellbeing of our communities and environment. The council manages and maintains reticulated sewerage schemes and services for the treatment and disposal of waste from septic tanks in our district. We also provide new schemes and sewer connections where and when required. We also monitor the maintenance requirements of on-site sewage disposal systems and provide for facilities for the reception and treatment for on-site septage discharged by commercial operators. Wastewater assets consist of pipeline reticulation, pump stations, and treatment plants.



### Key facts

- 17 communities serviced with wastewater schemes
- 16 wastewater treatment plants
- 447 km of sewer pipe
- 155 pumping stations
- 13,551 properties are connected to the council's systems

### How we performed

#### Level of service

3.1 To provide reliable wastewater infrastructure, protecting the environment and community.

#### Performance measure

3.1.1 The number of dry weather sewerage overflows from the territorial authority's sewerage system, expressed per 1,000 sewerage connections to that sewerage system.

2021/22 Result	2022/23 Result	2023/24 Target	2023/24 Result	Status
5.25	2.94	≤ 12 per 1,000 connections	4.05	✓

#### Performance measure

3.1.2 Compliance with the territorial authority's resource consents for discharge from its sewerage system measured by the number of:

- abatement notices
- infringement notices
- enforcement orders, and
- convictions, received by the territorial authority in relation those resource consents.

Measure	2021/22 Result	2022/23 Result	2023/24 Target	2023/24 Result	Status
a.	3	2	2 or less	0	✓
b.	8	4	1 or less	1	✓
c.	0	0	0	0	✓
d.	0	0	0	0	✓

#### Narrative

One infringement notice was issued in September 2023 for a spill at a pump station in Haruru.

#### Performance measure

3.1.3 Where the territorial authority attends to sewerage overflows resulting from a blockage or other fault in the territorial authority's sewerage system, the following median response times measured:

- attendance time: from the time that the territorial authority receives notification to the time that service personnel reach the site (median attend time).

2021/22 Result	2022/23 Result	2023/24 Target	2023/24 Result	Status
1.27	1.42	2 hours	1.80	✓

- resolution time: from the time that the territorial authority receives notification to the time that service personnel confirm resolution of the blockage or other fault (median response time).

2021/22 Result	2022/23 Result	2023/24 Target	2023/24 Result	Status
1.38	2.85	4 hours	2.03	✓

### Performance measure

3.1.4 The total number of complaints received by the territorial authority about any of the following:

- a. sewage odour
- b. sewerage system faults
- c. sewerage system blockages, and
- d. the territorial authority's response to issues with its sewerage system, expressed per 1,000 connections to the territorial authority's sewerage system.

2021/22 Result	2022/23 Result	2022/23 Target	2023/24 Result	Status
22.16	25.57	≤ 50 per 1,000 connections	18.45	✓

### Performance measure

3.1.5 Where the council attends to sewerage overflows resulting from a blockage or other fault in the council's sewerage system, the following response times are measured:

- a. Attendance.

2021/22 Result	2022/23 Result	2022/23 Target	2023/24 Result	Status
61.9%	73.3%	≥95% responded to within set timeframe	81.1%	✗

- b. Resolution to prevent overflow.

2021/22 Result	2022/23 Result	2022/23 Target	2023/24 Result	Status
56.7%	72.6%	≥95% responded to within set timeframe	82.0%	✗

### Narrative

Lower than usual staffing levels had a noticeable impact on both attendance and resolutions times. Additional travel time required to cover our large district, made it more challenging to respond promptly to incidents.

## Funding impact statement

### Wastewater

	LTP 2022/23 \$000s	LTP 2023/24 \$000s	AP 2023/24 \$000s	Actual 2023/24 \$000s
<b>Sources of operational funding</b>				
General rates, uniform annual general charges, rates penalties	304	335	294	174
Targeted rates (other than targeted rate for water supply)	14,373	15,476	15,286	15,274
Subsidies and grants for operating purposes	-	-	-	-
Fees and charges, and targeted rates for water	301	301	255	169
Internal charges and overheads recovered	-	-	-	-
Local authority fuel tax, fines, infringement fees and other receipts	-	-	-	-
<b>Total operating funding</b>	<b>14,978</b>	<b>16,112</b>	<b>15,835</b>	<b>15,617</b>
<b>Applications of operating funding</b>				
Payments to staff and suppliers	7,524	8,093	8,847	13,673
Finance costs	809	796	1,830	1,208
Internal charges and overheads applied	1,926	1,986	2,044	1,725
Other operating funding applications	-	-	-	-
<b>Total applications of operating funding</b>	<b>10,260</b>	<b>10,875</b>	<b>12,721</b>	<b>16,606</b>
<b>Surplus / (deficit) of operating funding</b>	<b>4,718</b>	<b>5,236</b>	<b>3,114</b>	<b>(989)</b>
<b>Sources of capital funding</b>				
Subsidies and grants for capital expenditure	-	-	-	130
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	9,333	6,880	12,509	1,777
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
<b>Total sources of capital funding</b>	<b>9,333</b>	<b>6,880</b>	<b>12,509</b>	<b>1,907</b>
<b>Applications of capital funding</b>				
<b>Capital expenditure to meet:</b>				
- Additional demand	-	-	-	-
- Improved levels of service	13,122	10,334	12,281	5,071
- Replacement of existing assets	3,531	2,579	4,455	2,445
Increase (decrease) in reserves	(2,601)	(797)	(1,113)	(6,598)
Increase (decrease) in investments	-	-	-	-
<b>Total applications of capital funding</b>	<b>14,051</b>	<b>12,116</b>	<b>15,623</b>	<b>918</b>
<b>Surplus / (deficit) of capital funding</b>	<b>(4,718)</b>	<b>(5,236)</b>	<b>(3,114)</b>	<b>989</b>
<b>Funding balance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>



## Wai āwhā • Stormwater

Our stormwater system drains water away from public and private property to reduce potential harm to property, the environment and our communities. This is especially important in urban areas, particularly following heavy rain.

The council manages and maintains stormwater assets, such as pipeline reticulation, open channels, retention dams and floodgates. The council also assists the Northland Regional Council with some land drainage schemes.



### Key facts

- 148 km of pipes
- 41 km of lined and unlined channels
- 3,118 manholes
- 25 basins and ponds
- 66 floodgates
- 1,909 inlets and outlets
- 1 pump station

### How we performed

#### Level of service

4.1 To enable sustainable development through urban stormwater infrastructure.

#### Performance measure

4.1.1 a. The number of flooding events that occur in a territorial authority district

2021/22 Result	2022/23 Result	2022/23 Target	2023/24 Result	Status
0	0	1 or less	0	✓

b. For each flooding event, the number of habitable floors affected (expressed per 1,000 properties connected to the territorial authority's stormwater system).

2020/21 Result	2022/23 Result	2021/22 Target	2023/24 Result	Status
No events	0	0	0	✓

#### Narrative

Despite bad weather conditions throughout the district, there have been no flooding events recorded this financial year.

#### Performance measure

4.1.2 Compliance with the territorial authority's resource consents for discharge from its stormwater system, measured by the number of:

- abatement notices,
- infringement notices,
- enforcement orders, and
- convictions, received by the territorial authority in relation those resource consents.

Measure	2021/22 Result	2022/23 Result	2022/23 Target	2023/24 Result	Status
a.	0	0	1 or less	0	✓
b.	0	0	0	0	✓
c.	0	0	0	0	✓
d.	0	0	0	0	✓

#### Narrative

There have been no compliance related issues this financial year.

#### Performance measure

4.1.3 The median response time to attend a flooding event, measured from the time that the territorial authority receives notification to the time that service personnel reach the site.

2021/22 Result	2022/23 Result	2023/24 Target	2023/24 Result	Status
No events	No events	≤ 48 hours	No events	✓

#### Narrative

There have been no compliance related issues or flooding events this financial year.

## Performance measure

4.1.4 The number of complaints received by a territorial authority about the performance of its stormwater system, expressed per 1,000 properties connected to the territorial authority's stormwater system.

2021/22 Result	2022/23 Result	2023/24 Target	2023/24 Result	Status
14.54	11.19	0 RFS per 1,000 properties	4.97	⊗

### Narrative

Most of the complaints in the beginning of the financial year were requests by the public to check stormwater manhole covers. The following months were a combination of drain clearing and asset verification requests.

## Funding impact statement

### Stormwater

	LTP 2022/23 \$000s	LTP 2023/24 \$000s	AP 2023/24 \$000s	Actual 2023/24 \$000s
<b>Sources of operational funding</b>				
General rates, uniform annual general charges, rates penalties	4,190	4,270	3,533	3,658
Targeted rates (other than targeted rate for water supply)	2,051	2,202	2,275	2,356
Subsidies and grants for operating purposes	-	-	-	-
Fees and charges, and targeted rates for water	-	-	-	-
Internal charges and overheads recovered	-	-	-	-
Local authority fuel tax, fines, infringement fees and other receipts	-	-	-	-
<b>Total operating funding</b>	<b>6,241</b>	<b>6,472</b>	<b>5,808</b>	<b>6,014</b>
<b>Applications of operating funding</b>				
Payments to staff and suppliers	3,245	3,389	2,540	2,118
Finance costs	147	134	252	180
Internal charges and overheads applied	1,787	1,843	1,858	1,498
Other operating funding applications	-	-	-	-
<b>Total applications of operating funding</b>	<b>5,179</b>	<b>5,366</b>	<b>4,650</b>	<b>3,796</b>
<b>Surplus / (deficit) of operating funding</b>	<b>1,062</b>	<b>1,106</b>	<b>1,158</b>	<b>2,218</b>
<b>Sources of capital funding</b>				
Subsidies and grants for capital expenditure	-	-	-	1,441
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	762	(489)	5,388	539
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
<b>Total sources of capital funding</b>	<b>762</b>	<b>(489)</b>	<b>5,388</b>	<b>1,980</b>
<b>Applications of capital funding</b>				
<b>Capital expenditure to meet:</b>				
- Additional demand	-	-	-	-
- Improved levels of service	1,442	227	5,613	1,840
- Replacement of existing assets	1,373	1,374	2,137	535
Increase (decrease) in reserves	(990)	(984)	(1,205)	1,823
Increase (decrease) in investments	-	-	-	-
<b>Total applications of capital funding</b>	<b>1,824</b>	<b>617</b>	<b>6,545</b>	<b>4,198</b>
<b>Surplus / (deficit) of capital funding</b>	<b>(1,062)</b>	<b>(1,106)</b>	<b>(1,158)</b>	<b>(2,218)</b>
<b>Funding balance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

# Kaiwhakahaere Para Totoka • Solid Waste Management



Our disposal facilities across the district provide refuse and recycling services to protect the health of our communities and environment. Our responsibility is to manage refuse appropriately and to provide facilities that meet the needs and expectations of our communities. The council is required by legislation to have an operating Waste Management and Minimisation Plan (WMMP) designed to reduce the amount of refuse going to landfills while increasing the amount of refuse that is recycled. Our WMMP was adopted in 2017 and revised in 2021.

## Key facts

- 15 refuse / recycling transfer stations
- 11 permanent community centres
- 1 resource recovery centre at Kaitiāia
- 1 seasonal community centre

## How we performed Level of service

5.1 To decrease the proportion of waste sent to landfill and increase the proportion of waste that is sent for recycling.

### Performance measure

5.1.1 Percentage of waste from refuse transfer station that is recycled / reused.

2021/22 Result	2022/23 Result	2023/24 Target	2023/24 Result	Status
58.8%	58.2%	63.0%	59.1%	✘

#### Narrative

In February 2024, both Northern and Southern contractors sent away large quantities of scrap metal, which boosted the third-quarter diversion rate to 63%. However, contractors are stockpiling coloured Polyethylene Terephthalate (PET) as they await better market conditions. This stockpiling has impacted the overall results.

### Performance measure

5.1.2 All Refuse transfer stations are open to the public (no more than 30 minutes late once a year).

2021/22 Result	2022/23 Result	2023/24 Target	2023/24 Result	Status
99.70%	99.66%	99.50%	99.90%	✔

#### Narrative

Both Northern and Southern contractors provided reliable service and generally adhered to the scheduled site openings.

### Performance measure

5.1.3 Attending to RFS relating to illegal dumping. Offensive waste: pick up within 24 hours.

2021/22 Result	2022/23 Result	2023/24 Target	2023/24 Result	Status
100%	100%	95% within set timeframes	100%	✔

Standard waste: pick up within four days.

2021/22 Result	2022/23 Result	2023/24 Target	2023/24 Result	Status
83.5%	85.5%	95% within set timeframes	82.9%	✘

#### Narrative

The majority of delays were attributed to not attending non-urgent Requests for Service (RFS) over the weekends. Additional delays occurred due to vague descriptions of dumping locations and difficulties in reaching customers for clarification. In some cases, bulk dumping required specialised equipment, such as diggers, to be removed, further contributing to the delays.

## Funding impact statement

### Solid Waste Management

	LTP 2022/23 \$000s	LTP 2023/24 \$000s	AP 2023/24 \$000s	Actual 2023/24 \$000s
<b>Sources of operational funding</b>				
General rates, uniform annual general charges, rates penalties	3,966	4,094	4,263	4,341
Targeted rates (other than targeted rate for water supply)	-	-	-	-
Subsidies and grants for operating purposes	-	-	-	-
Fees and charges, and targeted rates for water	1,193	1,191	1,158	1,501
Internal charges and overheads recovered	-	-	-	-
Local authority fuel tax, fines, infringement fees and other receipts	220	220	885	1,489
<b>Total operating funding</b>	<b>5,379</b>	<b>5,504</b>	<b>6,306</b>	<b>7,331</b>
<b>Applications of operating funding</b>				
Payments to staff and suppliers	4,567	4,656	5,489	6,850
Finance costs	38	33	103	197
Internal charges and overheads applied	713	739	678	700
Other operating funding applications	-	-	-	-
<b>Total applications of operating funding</b>	<b>5,318</b>	<b>5,428</b>	<b>6,269</b>	<b>7,747</b>
<b>Surplus / (deficit) of operating funding</b>	<b>61</b>	<b>75</b>	<b>37</b>	<b>(416)</b>
<b>Sources of capital funding</b>				
Subsidies and grants for capital expenditure	-	-	-	39
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	93	(152)	215	57
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
<b>Total sources of capital funding</b>	<b>93</b>	<b>(152)</b>	<b>215</b>	<b>96</b>
<b>Applications of capital funding</b>				
<b>Capital expenditure to meet:</b>				
- Additional demand	-	-	-	-
- Improved levels of service	383	104	474	262
- Replacement of existing assets	627	97	78	90
Increase (decrease) in reserves	(856)	(278)	(303)	(672)
Increase (decrease) in investments	-	-	-	-
<b>Total applications of capital funding</b>	<b>154</b>	<b>(77)</b>	<b>249</b>	<b>(320)</b>
<b>Surplus / (deficit) of capital funding</b>	<b>(61)</b>	<b>(75)</b>	<b>(34)</b>	<b>416</b>
<b>Funding balance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## Ngā whakaurunga o te rohe • District Facilities

Throughout the district there are many facilities managed by the council and made available for public use, such as playgrounds, parks and reserves, sports fields, public toilets, visitor destinations and town centres. These facilities contribute to the liveability of our communities, providing places and spaces for residents to connect and enjoy themselves and to enhance the visitor experience.



### Facilities includes:

- Cemeteries
- Civic and community buildings
- Housing for the Elderly
- Recreation
- Town maintenance, public toilets and car parks

### Cemeteries

The council provides our communities with special places to bury and remember their loved ones, managing and maintaining several cemeteries throughout the District, carrying out our duties for the public good where the service is not provided by others.

### Key facts

- 11 cemeteries
- Support for 15 community-operated cemeteries

### How we performed

#### Level of service

6.1 To ensure cemeteries are operated in a way that meets the community's needs.

#### Performance measure

6.1.1 All grave digging services are carried out respectfully, safe and the site is kept in a clean and tidy state.

2021/22 Result	2022/23 Result	2023/24 Target	2023/24 Result	Status
2	3	No more than 1 complaint received regarding our grave digging services	2	✘

#### Narrative

In June 2024, two complaints were received regarding the quality of workmanship. The issues involved staff not preparing burial sites correctly or not completing the service within the appropriate timeframe. This feedback has been communicated to the contractor.

### Civic and Community Buildings

Community facilities provide places to meet, discuss, connect, and celebrate as a community. They are vital to the social and cultural wellbeing of our communities. We manage and maintain many buildings throughout the District, including community libraries and civic buildings to provide access to council services.

We support both the Turner Centre in Kerikeri and Te Ahu Centre in Kaitiāia. We also support Heritage Kaikohe and the Far North Regional Museum Trust so they are able to preserve and share our unique cultural history.

### Key facts

- 3 library buildings: Kerikeri, Kaikohe and Paihia
- 19 community halls, 12 buildings and 1 grandstand
- 1 District office and archives and publications buildings in Kaikohe

## Level of service

6.2 To provide buildings for public recreation and leisure.

### Performance measure

6.2.1 All civic and community buildings are safe for community use and meet all statutory legislation levels.

2021/22 Result	2022/23 Result	2023/24 Target	2023/24 Result	Status
All buildings compliant	All buildings compliant	All buildings have appropriate certificates including BWoF for those that require them	All buildings at B-RADs stage	✘

#### Narrative

Due to change in provider and not being able to complete 12 months' worth of inspections upon BWoF expiry, all buildings that require BWoFs (Eight halls and one library) currently have B-RaDS (Building Report and Declaration) in place of BWoFs. After 12 months of inspections a complete BWoF will be issued.

## Housing for the elderly

The elderly are valued members of our communities. The council currently provides affordable and safe housing to meet the needs of the pension-aged citizens with limited financial resources but has committed through the development of the LTP 2021-31 to investigate divesting the housing assets to one or more Community Housing Providers (CHPs) who are better resourced and experienced in social housing. Our goal is to enable the provision of a higher level of service, but we will only divest if we can be sure that existing tenant arrangements are protected and that the number of units and level of service available will be maintained or increased over time.

### Key facts

- 144 units in 12 locations

### How we performed

#### Level of service

6.3 To provide housing for the elderly that is affordable, safe, well maintained, and strategically located.

### Performance measure

6.3.1 Occupancy of available units.

2021/22 Result	2022/23 Result	2023/24 Target	2023/24 Result	Status
89.0%	92.5%	95%	87.0%	✘

#### Narrative

At 30 June there are twenty-two unoccupied units, of which eight will be tenanted subject to completion of healthy homes reviews, and a further fourteen unable to be occupied due to their requiring remediation. Remediation work on these fourteen units has not commenced as Council is undertaking an Expression of Interest (EOI) programme for the divestment of the Housing for the Elderly portfolio as set out in the LTP 2021-31.

### Performance measure

6.3.2 Percentage of faults responded within agreed timeframes: Emergency - 12 hours. Urgent - two days. Non-urgent - seven days.

2021/22 Result	2022/23 Result	2023/24 Target	2023/24 Result	Status
Emergency 100% Urgent 66.8% Non-urgent ≥67.8%	Emergency - None recorded Urgent 81.4% Non-urgent 79.4%	Emergency 100% Urgent 100% Non-urgent ≥87%	Emergency - None recorded Urgent 95.5% Non-urgent 95.8%	✘

#### Narrative

### Performance measure

6.3.3 Maintenance inspections on units carried out at least once a year.

2021/22 Result	2022/23 Result	2023/24 Target	2023/24 Result	Status
100%	100%	Maintain/increase	100%	✔

#### Narrative

All six monthly inspections were completed and are up to date for all villages.



## Recreation

Recreation facilities provide spaces for our communities to enjoy and contribute directly to their physical and social wellbeing. We maintain a diverse range of facilities, such as parks, sports fields, swimming pools and maritime facilities.

We also fund Sport Northland to facilitate the Far North Sports awards and provide three community sports advisors (one in each ward) and provide grants to improve public access to Northland College and Whangaroa Community Pool.

We lease motor camps to private operators at Russell, Tauranga Bay and Houhora Heads.

The activities associated with these facilities, such as large swimming and sporting events are supported by the council.

### Key facts

- 29 playgrounds, 3 skate parks and 2 pump tracks
- 172.1 ha of open spaces are mown to a variety of grades to support public use
- 31 netball courts in Kaitiāia, Kaikohe and Kerikeri as well as a number of single courts throughout the district
- 81 community leases that include sports clubs, grazing licenses, Kaikohe recreational airport and community spaces
- 25 boat ramps
- 18 jetties
- 21 pontoons
- 9 wharves
- 2 tidal grid
- 4 swimming pools

## Town maintenance, public toilets and car parks

Our town centres require facilities and services to ensure they are tidy, safe and attractive for locals and visitors. The council undertakes maintenance in our town centres and manages car parks, lighting, public toilets and motor caravan dump stations of which all contributes to the liveability of our communities.

### Key facts

- 75 public toilets at 54 locations
- 27 carparks in 12 towns
- 21 towns provided with town maintenance
- Amenity lighting in 22 locations and 3 town centres

## How we performed

### Level of service

6.4 The council will provide well maintained and accessible public toilets in high use areas.

### Performance measure

6.4.1 Increase the number of public toilets with disabled access per annum in line with facility renewal / upgrades.

2021/22 Result	2022/23 Result	2023/24 Target	2023/24 Result	Status
2	1	2	2	✓

### Narrative

A public toilet in Ōpito Bay has been upgraded and a new disabled facility installed in Allen Bell Park, Kaitiāia.

### Performance measure

6.4.2 Ensure that public toilets are maintained to an acceptable standard as per contract.

2021/22 Result	2022/23 Result	2023/24 Target	2023/24 Result	Status
90.9%	79.6%	≥91.0%	79.6%	✗

### Narrative

The target for toilets cleanliness has not been met this year. A drop in delivery of service was noted as we started the transition of exiting our long term facilities contract. Feedback has been relayed to the contractor regarding cleanliness finding issues, such as lack of deep cleaning. Insights will also be provided to the new contractor who takes over from 1 July 2024. There has been a large amount of graffiti and vandalism which has had an impact on the quality and presentation of toilets.

## Performance measure

6.4.3 Provide accessibility upgrades within parks and reserves.

2021/22 Result	2022/23 Result	2023/24 Target	2023/24 Result	Status
2	3	2 per ward per annum	2	✓

## Funding impact statement

### District Facilities

	LTP 2022/23 \$000s	LTP 2023/24 \$000s	AP 2023/24 \$000s	Actual 2023/24 \$000s
<b>Sources of operational funding</b>				
General rates, uniform annual general charges, rates penalties	4,708	5,376	5,975	6,021
Targeted rates (other than targeted rate for water supply)	11,539	11,735	11,981	11,946
Subsidies and grants for operating purposes	-	-	38	355
Fees and charges, and targeted rates for water	1,297	1,301	1,366	1,334
Internal charges and overheads recovered	11	11	12	320
Local authority fuel tax, fines, infringement fees and other receipts	105	105	105	1,071
<b>Total operating funding</b>	<b>17,660</b>	<b>18,528</b>	<b>19,477</b>	<b>21,047</b>
<b>Applications of operating funding</b>				
Payments to staff and suppliers	9,224	9,245	11,727	10,967
Finance costs	772	786	1,473	1,308
Internal charges and overheads applied	3,050	3,178	2,782	3,298
Other operating funding applications	-	-	-	-
<b>Total applications of operating funding</b>	<b>13,046</b>	<b>13,209</b>	<b>15,982</b>	<b>15,573</b>
<b>Surplus / (deficit) of operating funding</b>	<b>4,614</b>	<b>5,319</b>	<b>3,495</b>	<b>5,474</b>
<b>Sources of capital funding</b>				
Subsidies and grants for capital expenditure	2,714	-	5,318	2,155
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	14,008	4,604	17,698	9,111
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
<b>Total sources of capital funding</b>	<b>16,722</b>	<b>4,604</b>	<b>23,016</b>	<b>11,266</b>
<b>Applications of capital funding</b>				
<b>Capital expenditure to meet:</b>				
- Additional demand	-	-	-	-
- Improved levels of service	20,762	8,021	25,209	14,891
- Replacement of existing assets	8,374	4,310	7,674	4,407
Increase (decrease) in reserves	(7,800)	(2,407)	(6,372)	(2,558)
Increase (decrease) in investments	-	-	-	-
<b>Total applications of capital funding</b>	<b>21,336</b>	<b>9,924</b>	<b>26,511</b>	<b>16,740</b>
<b>Surplus / (deficit) of capital funding</b>	<b>(4,614)</b>	<b>(5,320)</b>	<b>(3,495)</b>	<b>(5,474)</b>
<b>Funding balance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

AP 2023/24 has been adjusted, and as a result does not align to the published AP 2023/24 District Facilities funding impact statement.

## Wāhanga āwhina tangata • Customer Services

Connecting with our communities and providing excellent customer service is important to the council. Our customer service team is the first point of contact for people in our district and they deliver vital services, such as providing information, liaising with departments to support a request from the community, helping people to solve their council-related problems, and receiving and processing payments.



### Key facts

- 6 Service Centres around the District and 1 contact centre
- Service Centres handled 14,385 face to face interactions
- Contact Centre took 61,593 phone calls and processed 12,805 emails per year

### How we performed

#### Level of service

7.1 The council provides the right services, in the right places, to the agreed standard.

#### Performance measure

7.1.1 Percentage of abandoned calls (Contact Centre).

2021/22 Result	2022/23 Result	2023/24 Target	2023/24 Result	Status
15.7%	22.0%	<12.0%	35.2%	✘

#### Narrative

In the final quarter of the financial year the percentage of abandoned calls began to trend down, with the average abandoned rate percentage between April-June being 14.3% - a significant improvement on the annual result achieved. This improvement is due to structural changes made, with the Contact Centre being established as its own business unit in April 2024 to ensure a sharpened focus on telephony-based customer services. This change has included a number of internal process changes to measure and improve service delivery, including average time taken to answer a call, average handle time for a call, and Grade of Service which tracks overall performance of the Contact Centre operation.

#### Performance measure

7.1.2 Service Centre users' satisfaction.

2021/22 Result	2022/23 Result	2023/24 Target	2023/24 Result	Status
3.94	3.81	Maintain/increase	3.83	✔

#### Narrative

User satisfaction rates remain steady, with spikes of less than 1% indicating overall customer satisfaction with services received.

#### Performance measure

7.1.3 Percentage of customer enquiries resolved at first point of contact.

2021/22 Result	2022/23 Result	2023/24 Target	2023/24 Result	Status
44%	48%	68% increasing by 1% each year thereafter	73%	✔

#### Narrative

Performance across this metric has been positive, directly reflecting the improvements made in call scripting and evaluation processes.

### isites

Visitors to our District often seek out advice about their travel arrangements. Our isites have helpful local experts to provide an excellent visitor experience. Located in key visitor areas, our isites are vitally important to the economic prosperity of our communities.

### Key facts

- Three isites in the following locations: Ōpononi, Kaitāia and Paihia

## How we performed

### Level of service

7.2 To provide booking and information services through the District's Information Centres, influencing visitors to stay longer and spend more.

#### Performance measure

7.2.1 Visitor bookings numbers through the information centres will show an increase each year.

2021/22 Result	2022/23 Result	2023/24 Target	2023/24 Result	Status
(7.7)%	43.9%	≥1.0% increase	24.8%	✓

#### Narrative

Visitor numbers have seen an increase as a result of the presence of large cruise ships, particularly during the peak season in February 2024 as well as planned festivals and events throughout the year. The favourable weather conditions also played a significant role in attracting more foot traffic to the area. A notable difference between February 2024 and February 2023 is evident, primarily due to Cyclone Gabriel, which severely impacted tourism in Northland in 2023.

#### Performance measure

7.2.2 Increase net profit on retail sales by 1.5% per year (profit increase on previous year).

2021/22 Result	2022/23 Result	2023/24 Target	2023/24 Result	Status
(24)%	528%	Retail sales net profit ≥1.0%	(480)%	✗

#### Narrative

Overall sales figures are down when compared to the previous year, but this decline is due to the plummeting figures caused by the effects of COVID-19 during 2021/22 and then the significant surge in sales during 2022/23. The isites are continually sourcing locally made products and are well supported by locals and visitors.

#### Performance measure

7.2.3 Customer / visitor satisfaction.

2021/22 Result	2022/23 Result	2023/24 Target	2023/24 Result	Status
3.27%	4.17%	Maintain / increase	3.33%	✗

#### Narrative

The AskNicely feedback platform is not performing optimally for the isites, as many people are too busy preparing for their trips or eager to get on their way to complete the survey. Despite the low response rate, the feedback that is returned indicates excellent user satisfaction.

## Libraries and Museum

Our libraries and museum provide leisure and lifelong learning opportunities that strengthen our communities. We maintain and manage several libraries for the benefit of our communities and support five community based libraries throughout the District. Our museum preserves our unique cultural history. Our libraries and museum provide free and open access to knowledge and information services to all residents and are a safe, neutral place where people can connect.

### Key facts

- 6 libraries in the following locations: Kāeo, Kaikohe, Kaitāia, Kawakawa, Kerikeri and Paihia
- 1 museum at Te Ahu centre

## Libraries

### How we performed

#### Level of service

7.3 To provide quality library services for the benefit of all in the community.

#### Performance measure

7.3.1 Customer / visitor satisfaction.

2021/22 Result	2022/23 Result	2023/24 Target	2023/24 Result	Status
3.9%	3.81%	Maintain / Increase	17.58%	✓

#### Narrative

Low response rates continue to impact the overall satisfaction rates, but despite this, customer satisfaction remains strong, with an overall rating of 4 out of 5 or 80%.

## Performance measure

7.3.2 Increase the percentage of online library service use.

2021/22 Result	2022/23 Result	2023/24 Target	2023/24 Result	Status
50.9%	63.3%	≥1.0% increase on previous year	18.0%	✓

### Narrative

The use of online library services has continued to grow steadily throughout this financial year. This positive trend reflects the benefits of active management and ongoing investment in the 'virtual library', which has successfully enhanced the accessibility and appeal of digital resources.

## Performance measure

7.3.3 Increase the total library membership as a percentage of the population of the District.

2021/22 Result	2022/23 Result	2023/24 Target	2023/24 Result	Status
44.3%	47.5%	Maintain / Increase	49.5%	✓

### Narrative

There has been a steady increase of 2% in library membership relative to the district population when compared to the prior year.

## Performance measure

7.3.4 Increase in number of attendees at library events and programmes.

2021/22 Result	2022/23 Result	2023/24 Target	2023/24 Result	Status
Average of 7 attendees per event	Average of 9 attendees per event	5% increase on previous year	Average of 6 attendees per event	✗

### Narrative

Library programmes and event numbers remain positive although some variation of the average number of attendees per event is seen as programmes continue to evolve, including more limited-spaces or 1-to-1 programmes for adults.

## Museum

### Levels of service

7.4 To provide quality museum services for the benefit of all in the community.

## Performance measure

7.4.1 Customer / visitor satisfaction.

2021/22 Result	2022/23 Result	2023/24 Target	2023/24 Result	Status
Not assessed	No result	Maintain/increase	No result	–

### Narrative

No survey responses were received for the entirety of the reporting period (July 2023 to June 2024).

## Performance measure

7.4.2 Increase in the number of visitors to the museum (door count).

2021/22 Result	2022/23 Result	2023/24 Target	2023/24 Result	Status
10,335	20,848	1% Increase on prior year	36,271	✓

### Narrative

A dedicated focus on events, displays, and Saturday openings contributed to a significant increase compared to the previous year.

## Performance measure

7.4.3 Increase in the number of research requests completed.

2021/22 Result	2022/23 Result	2023/24 Target	2023/24 Result	Status
170	336 research requests	1% Increase on prior year	524 research requests	✓

### Narrative

Research requests have consistently increased. Maintaining a high-quality experience for both local residents and visitors will ensure this positive trend continues.

## Funding impact statement

### Customer Services

	LTP 2022/23 \$000s	LTP 2023/24 \$000s	AP 2023/24 \$000s	Actual 2023/24 \$000s
<b>Sources of operational funding</b>				
General rates, uniform annual general charges, rates penalties	10,520	10,876	9,687	9,960
Targeted rates (other than targeted rate for water supply)	-	-	-	-
Subsidies and grants for operating purposes	-	-	-	42
Fees and charges, and targeted rates for water	413	552	566	622
Internal charges and overheads recovered	3	3	3	-
Local authority fuel tax, fines, infringement fees and other receipts	18	18	-	56
<b>Total operating funding</b>	<b>10,955</b>	<b>11,449</b>	<b>10,256</b>	<b>10,680</b>
<b>Applications of operating funding</b>				
Payments to staff and suppliers	5,553	5,693	5,311	5,118
Finance costs	107	117	261	191
Internal charges and overheads applied	3,711	3,945	3,278	3,960
Other operating funding applications	-	-	-	-
<b>Total applications of operating funding</b>	<b>9,371</b>	<b>9,755</b>	<b>8,849</b>	<b>9,269</b>
<b>Surplus / (deficit) of operating funding</b>	<b>1,585</b>	<b>1,694</b>	<b>1,407</b>	<b>1,411</b>
<b>Sources of capital funding</b>				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	1,894	1,323	416	340
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
<b>Total sources of capital funding</b>	<b>1,894</b>	<b>1,323</b>	<b>416</b>	<b>340</b>
<b>Applications of capital funding</b>				
<b>Capital expenditure to meet:</b>				
- Additional demand	-	-	-	-
- Improved levels of service	2,518	2,050	1,075	950
- Replacement of existing assets	377	701	416	1,126
Increase (decrease) in reserves	584	266	333	(325)
Increase (decrease) in investments	-	-	-	-
<b>Total applications of capital funding</b>	<b>3,479</b>	<b>3,017</b>	<b>1,823</b>	<b>1,751</b>
<b>Surplus / (deficit) of capital funding</b>	<b>(1,585)</b>	<b>(1,694)</b>	<b>(1,407)</b>	<b>(1,411)</b>
<b>Funding balance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>



## Whakahaere Taiao • Environmental Management

Council has responsibilities under legislation to safeguard public health, safety, and welfare. Regulatory activities and responsibilities, such as consents, the enforcement of bylaws, and providing liquor licenses are undertaken for the benefit of our communities and to ensure that everyone can live in and enjoy our district.



### Animal Control

Animals, in particular livestock and dogs, play a significant role in the Far North lifestyle. Council understands the economic and social benefits of animals. The goal of our animal management team is to reduce the risk of potential negative impacts by encouraging responsible dog ownership and working with farmers to minimise wandering stock.

#### Key facts

- Promote responsible dog ownership and community safety across the district
- Monitoring and enforcing the Dog Control Act 1996 and associated Dog Management bylaws and policies
- Responding to and investigating complaints (including dog rushes / attacks on people, domestic pets, stock and wildlife, barking nuisance, roaming, lost and found dogs)
- Provide shelter services: impoundment, care for strays and reuniting dogs with their owners
- Rehoming suitable dogs through adoption programs
- Patrol public areas, reserves, parks, beaches throughout the District

#### How we performed

##### Level of service

8.1 To ensure animal related activities are managed in accordance with legislative requirements.

##### Performance measure

8.1.1 Respond to reported incidents by contacting the customer and arranging next steps within the following timeframes:  
Urgent within two hours.

2021/22 Result	2022/23 Result	2023/24 Target	2023/24 Result	Status
95%	95%	≥93% within set timeframe	94%	✓

Non-urgent within 10 days.

2021/22 Result	2022/23 Result	2023/24 Target	2023/24 Result	Status
97%	93%	≥93% within set timeframe	96%	✓

##### Narrative

The Animal Management team continues to excel in response times, consistently meeting and maintaining high service levels.

### Environmental Health

The safety and wellbeing of our communities, including our environment is one of the primary functions and responsibilities of council. We are accountable to our communities and have a number of obligations to primary legislation. The activities within this group are necessary to ensure we meet our obligations and the expectations of our communities.

#### Key facts

- Food business registration
- Health nuisance
- Provide food verification services
- Health licensing

#### How we performed

##### Level of service

8.2 To monitor food premises in accordance with the requirements of the Food Act, 2014.

## Performance measure

8.2.1 Food Control Plan and National Programme audits completed as scheduled.

2021/22 Result	2022/23 Result	2023/24 Target	2023/24 Result	Status
84.0%	86.8%	≥95.0% of all food control plans and national programmes assessed	93.8%	✘

### Narrative

The verifications not completed were cancelled due to the operator of the premises being unprepared. This trend remained consistent throughout the year, however, they were rescheduled and successfully completed.

## Monitoring and Enforcement

We are responsible for safeguarding public safety, minimising environmental risk and protecting social and cultural interests as directed by primary legislation and our policies and bylaws. Our monitoring and enforcement team are responsible for the administration and enforcement of these obligations.

### Key facts

The Monitoring Team is responsible for:

- District Plan breaches
- RMA breaches
- Bylaw breaches
- LGA breaches
- Removal of abandoned vehicles
- Parking enforcement
- Resource consent monitoring
- Bylaw permits
- Litter infringements
- Noise complaints

### Level of service

8.3 To ensure compliance with the Resource Management Act with regard to noise pollution.

## Performance measure

8.3.1 Respond to noise complaints within the following timeframes:

a. In urban areas: one hour.

2021/22 Result	2022/23 Result	2023/24 Target	2023/24 Result	Status
75.6%	75.7%	≥95.0% within set timeframe	85.6%	✘

b. In rural areas: two hours.

2021/22 Result	2022/23 Result	2023/24 Target	2023/24 Result	Status
86.7%	80.2%	≥95.0% within set timeframe	90.4%	✘

### Narrative

This measure is challenging due to the District's size and remoteness as well as response times being dependent on the availability of policing resources for attendance.

## District Licensing Committee

The District Licensing Committee (DLC) carries out our delegated authority under primary legislation for the responsible sale, supply, and consumption of alcohol, and to minimise alcohol-related harm in our District.

The DLC processes and issues liquor licenses and manager's certificates, and conducts related hearings as required.

### Key facts

- Processes over 900 applications each year, including On and Off-Licenses, Temporary Authorities, Special Licenses, Club License and Manager's Certificate
- Hold hearings and make decision to grant or oppose licenses and certificates
- Carry out host responsibility inspections of licensed premises
- Report to the Alcohol and Regulatory Licensing Authority

## How we performed

### Level of service

8.4 To license and monitor the sale of liquor in accordance with the Sale and Supply of Alcohol Act, 2012.

### Performance measure

8.4.1 All licensed premises are visited for Host Responsibility inspections at least once every four years.

2021/22 Result	2022/23 Result	2023/24 Target	2023/24 Result	Status
98%	99%	≥25% of premises visited annually	100%	✓

## Resource Consent Management

A critical function of Council is enabling the sustainable use, development and protection of the natural and physical resources in our District. This is underpinned by the obligations imposed on us by the Resource Management Act 1991.

### Key facts

- Processing a variety of consents and permit applications within statutory time frames:
  - Subdivision Consents
  - Land Use Consents
  - Combined Land Use and Subdivision Consents
  - Discharge consents under delegated authority from NRC
  - Combined land Use and Discharge Consents
  - Variation Consents for Land use, subdivision, removing or amending consent notices
  - Consents under National Environmental Standards for contaminated soil, telecommunications and plantation forestry
- Certificates for subdivision completion 223 and 224
- Local Government Act (LGA) applications for earthworks and right of ways
- Outline plans, waivers, objections, s133A decisions and other (s221)
- Duty planner queries where planners provide advice and assistance around the rules and resource consent process
- Carry out post approval assessment and inspections for certificates under the RMA and LGA
- Approval of engineering plans, stormwater and wastewater Reports to meet compliance on consent notices.

## How we performed

### Level of service

8.5 To administer and enforce the Resource Management Act 1991, Building Act 2004 and Council's District Plan and Bylaws.

### Performance measure

8.5.1 Respond to compliance incidents within 10 working days.

2021/22 Result	2022/23 Result	2023/24 Target	2023/24 Result	Status
85.6%	80.8%	≥93.0%	83.5%	✗

#### Narrative

Low performance is due to historic application volumes and staff shortages in the first two quarters of the year. With the recent improvement in staff capacity, we anticipate a significant increase in our compliance rate once the backlog of historic applications are processed.

### Performance measure

8.5.2 Process applications made under the Resource Management Act 1991, within statutory timeframes.

2021/22 Result	2022/23 Result	2023/24 Target	2023/24 Result	Status
57.8%	22.0%	≥95.0%	52.0%	✗

#### Narrative

Compliance has improved in the last quarter of the year due to a concerted efforts to expedite the processing of legacy applications and move them into the decision phase. However, there are still 20 applications remaining with consultants that are also over timeframes. Our statutory compliance will be effected by this until they are signed off.

## Building Consent Management

Safe and healthy buildings are vitally important to safe and healthy communities, and as such Council is bound by the Building Act 2004. The consenting, inspection and issuing of Code Compliance Certificates is the main activity by which Council contributes to the wellbeing of our communities. Other activities include enforcing primary legislation, dealing with water tight claims and ensuring safe swimming pools.

### Key facts

- Processing applications
- Carry out site inspections
- Administer Building Warrant of Fitness certificates
- Inspection swimming pool fencing
- Respond to community needs during Civil Defence events
- Provide advice
- Issue notices and infringements

### How we performed

#### Level of service

8.6 To comply with current legislative requirements with regard to processing consent applications.

#### Performance measure

8.6.1 Process building consents within statutory timeframes.

2021/22 Result	2022/23 Result	2023/24 Target	2023/24 Result	Status
99.6%	100.0%	≥95.0%	100.0%	✓

#### Narrative

Overall consent numbers are trending downward when compared to previous years. This, combined with diligent staff has resulted in a 100% compliance rate. Market confidence has been low due to high interest rates, a high cost of living and increased cost of building materials. Any changes in these conditions may result in an increase in market confidence which should result in a rise in building consent applications.

## Funding impact statement

### Environmental Management

	LTP 2022/23 \$000s	LTP 2023/24 \$000s	AP 2023/24 \$000s	Actual 2023/24 \$000s
<b>Sources of operational funding</b>				
General rates, uniform annual general charges, rates penalties	9,108	9,525	9,635	9,896
Targeted rates (other than targeted rate for water supply)	-	-	-	-
Subsidies and grants for operating purposes	-	-	-	-
Fees and charges, and targeted rates for water	5,787	5,920	7,572	6,997
Internal charges and overheads recovered	7	7	25	-
Local authority fuel tax, fines, infringement fees and other receipts	98	100	100	79
<b>Total operating funding</b>	<b>15,000</b>	<b>15,553</b>	<b>17,332</b>	<b>16,972</b>
<b>Applications of operating funding</b>				
Payments to staff and suppliers	9,944	10,176	12,685	12,647
Finance costs	57	45	168	133
Internal charges and overheads applied	4,662	4,988	4,035	5,491
Other operating funding applications	-	-	-	-
<b>Total applications of operating funding</b>	<b>14,663</b>	<b>15,209</b>	<b>16,888</b>	<b>18,271</b>
<b>Surplus / (deficit) of operating funding</b>	<b>337</b>	<b>344</b>	<b>444</b>	<b>(1,299)</b>
<b>Sources of capital funding</b>				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	(183)	(183)	(215)	(168)
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
<b>Total sources of capital funding</b>	<b>(183)</b>	<b>(183)</b>	<b>(215)</b>	<b>(168)</b>
<b>Applications of capital funding</b>				
<b>Capital expenditure to meet:</b>				
- Additional demand	-	-	-	-
- Improved levels of service	-	-	-	74
- Replacement of existing assets	-	7	-	-
Increase (decrease) in reserves	154	154	230	(1,541)
Increase (decrease) in investments	-	-	-	-
<b>Total applications of capital funding</b>	<b>154</b>	<b>161</b>	<b>230</b>	<b>(1,467)</b>
<b>Surplus / (deficit) of capital funding</b>	<b>(337)</b>	<b>(344)</b>	<b>(444)</b>	<b>1,299</b>
<b>Funding balance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## Rautaki me ngā kaupapa here • Strategic Planning and Policy

Our District's future needs must be guided by a strategic vision and managed by a range of tools such as policies, bylaw and plans, many of which are statutory requirements. The core function of this group is to develop, implement and monitor these tools to allow for sustainable growth that enhances our district and enables prosperity across the District.



### Strategic Planning

Our District is diverse, with many unique environments and communities. The role of the council is to collaborate with these communities to develop a plan for the sustainable growth and development of our district. Long Term and Annual Plans, guided by our strategic vision, are central to aligning community goals and prioritising the many activities required in our District.

#### Key facts

- Develop strategies, bylaws, policies and actions that are governed by Central Government and affect our communities
- Support reviews required under the Local Government Act

2002

- Work with communities, Māori, businesses, key stakeholders, other regional authorities, external agencies and organisations to develop sustainable practices that improve local economy
- Work with a range of agencies and education providers to assist access to job and training opportunities
- Advocate on behalf of the District to Central Government and agencies and non-Government organisations
- Empower and support our communities

### Māori Engagement, Relationships And Development (Te Hono)

Council acknowledges the principles and spirit of Te Tiriti, and seeks to work with Māori communities for the enhancement and benefit of those communities and the whole district. We support the aspirations of tangata whenua and are working to provide platforms for partnerships and opportunities for building capability and capacity within the community.

#### Key facts

- Support iwi / hapū management plans
- Want to develop a close working relationship with Māori
- Support the economic and social development of multiple owned Māori Freehold Land
- Support the development and relationship opportunities from Treaty Settlements

### District Planning

Sustainable management of our natural and physical resources through the regulation of land use and subdivision forms the foundation for our District Plan. The review, monitoring and administration of the Far North District Plan are essential to addressing resource management issues, providing a plan for the growth and development of our District.

#### Key facts

- The District Plan has been fully operative since 2009
- There have been 19 Council Plan changes and three Private Plan changes
- The District Plan is under review and needs to give effect to new national planning directions including National Planning Standards, National Policy Statements and Regional Policy Statement



## Funding impact statement

### Strategic Planning and Policy

	LTP 2022/23 \$000s	LTP 2023/24 \$000s	AP 2023/24 \$000s	Actual 2023/24 \$000s
<b>Sources of operational funding</b>				
General rates, uniform annual general charges, rates penalties	9,145	9,728	10,588	10,883
Targeted rates (other than targeted rate for water supply)	-	-	-	-
Subsidies and grants for operating purposes	-	-	-	239
Fees and charges, and targeted rates for water	-	-	-	-
Internal charges and overheads recovered	-	-	-	-
Local authority fuel tax, fines, infringement fees and other receipts	75	75	75	21
<b>Total operating funding</b>	<b>9,220</b>	<b>9,803</b>	<b>10,663</b>	<b>11,143</b>
<b>Applications of operating funding</b>				
Payments to staff and suppliers	7,382	7,838	8,551	6,537
Finance costs	4	3	5	7
Internal charges and overheads applied	1,797	1,925	2,082	2,152
Other operating funding applications	-	-	-	-
<b>Total applications of operating funding</b>	<b>9,184</b>	<b>9,766</b>	<b>10,638</b>	<b>8,696</b>
<b>Surplus / (deficit) of operating funding</b>	<b>36</b>	<b>37</b>	<b>25</b>	<b>2,447</b>
<b>Sources of capital funding</b>				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	(23)	(23)	(20)	(24)
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
<b>Total sources of capital funding</b>	<b>(23)</b>	<b>(23)</b>	<b>(20)</b>	<b>(24)</b>
<b>Applications of capital funding</b>				
<b>Capital expenditure to meet:</b>				
- Additional demand	-	-	-	-
- Improved levels of service	-	-	-	-
- Replacement of existing assets	-	-	-	-
Increase (decrease) in reserves	13	14	(21)	2,423
Increase (decrease) in investments	-	-	-	-
<b>Total applications of capital funding</b>	<b>13</b>	<b>14</b>	<b>(21)</b>	<b>2,423</b>
<b>Surplus / (deficit) of capital funding</b>	<b>(36)</b>	<b>(37)</b>	<b>(41)</b>	<b>(2,447)</b>
<b>Funding balance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## Mana kāwanatanga • Governance and Strategic Administration

The elected representatives of the community that form the governance function of our council are provided with guidance and support on a daily basis, enabling them to understand their legislative responsibilities and make informed decisions on behalf of our communities.



### Key facts

- Oversees the election and by-election processes
- Produces agendas and minutes for Council, Community Board and Committee meetings

## Funding impact statement

### Governance and Strategic Administration

	LTP 2022/23 \$000s	LTP 2023/24 \$000s	AP 2023/24 \$000s	Actual 2023/24 \$000s
<b>Sources of operational funding</b>				
General rates, uniform annual general charges, rates penalties	7,921	7,175	8,563	5,964
Targeted rates (other than targeted rate for water supply)	-	-	-	-
Subsidies and grants for operating purposes	40	40	45	36
Fees and charges, and targeted rates for water	945	945	1,073	1,102
Internal charges and overheads recovered	65	65	65	3,213
Local authority fuel tax, fines, infringement fees and other receipts	1,300	1,300	1,300	169
<b>Total operating funding</b>	<b>10,271</b>	<b>9,525</b>	<b>11,046</b>	<b>10,484</b>
<b>Applications of operating funding</b>				
Payments to staff and suppliers	23,487	23,686	27,497	29,590
Finance costs	(278)	(207)	(1,584)	595
Internal charges and overheads applied	(17,411)	(18,501)	(17,424)	(21,139)
Other operating funding applications	-	-	-	-
<b>Total applications of operating funding</b>	<b>5,799</b>	<b>4,978</b>	<b>8,489</b>	<b>9,046</b>
<b>Surplus / (deficit) of operating funding</b>	<b>4,472</b>	<b>4,547</b>	<b>2,557</b>	<b>1,438</b>
<b>Sources of capital funding</b>				
Subsidies and grants for capital expenditure	-	-	-	95
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	1,654	799	771	8,190
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
<b>Total sources of capital funding</b>	<b>1,654</b>	<b>799</b>	<b>771</b>	<b>8,285</b>
<b>Applications of capital funding</b>				
<b>Capital expenditure to meet:</b>				
- Additional demand	-	-	-	-
- Improved levels of service	2,075	1,332	1,217	668
- Replacement of existing assets	2,065	1,139	1,586	1,358
Increase (decrease) in reserves	1,986	2,876	525	7,662
Increase (decrease) in investments	-	-	-	35
<b>Total applications of capital funding</b>	<b>6,126</b>	<b>5,347</b>	<b>3,328</b>	<b>9,723</b>
<b>Surplus / (deficit) of capital funding</b>	<b>(4,472)</b>	<b>(4,547)</b>	<b>(2,557)</b>	<b>(1,438)</b>
<b>Funding balance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

# Far North Holdings Limited

Far North Holdings Limited (FNHL) is a Council Controlled Trading Organisation (CCTO) that manages assets and commercial trading on behalf of the council. The council receives an annual dividend as a return on its investment as FNHL's sole shareholder.

## Key activities

- The provision of maritime, airport, property and carparking facilities
- The management of maritime and aviation assets under contract to the council
- Investment in any commercial opportunity that arises including any proposed by its shareholder.

## Objectives

As the Far North District Council's commercial vehicle, FNHL will facilitate and create commercial and infrastructural assets in the Far North District, or if outside the Far North District, with the Shareholders approval, with the aim of creating profits for its Shareholder and creating shareholder value.

## Performance measures

### Financial: Achieve sustainable commercial returns

#### Performance objective

Create value for ratepayers by increasing shareholder funds.

Measure	Target 2023/24	Actual 2023/24	2022/23	2021/22	2020/21
Grow shareholders' fund	\$10.0 million	(\$1.4 million)	\$8.9 million	\$17.3 million	\$10.9 million
		✘	✔	✔	✔

#### Narrative

This performance objective is measured by reference to total equity reported in the Statement of Financial Position. This shows a reduction of \$1.4 million from FY23 which reflects general market conditions, dividends and one-off adjustments. While Housing developments have delivered asset growth for the Group, this growth has been offset by softening of existing assets in the current market, a change in income tax legislation regarding depreciation on commercial properties which increase our deferred tax liability, and a special dividend of \$1.5 million paid to our shareholder in February 2024.

#### Performance objective

Ratio of consolidated shareholder funds to total assets.

Measure	Target 2023/24	Actual 2023/24	2022/23	2021/22	2020/21
The ratio must exceed 50%	50.0%	50.3%	53.2%	53.8%	53.8%
		✔	✔	✔	✔

#### Narrative

The capital ratio target was achieved.

#### Performance objective

Effective financial management to deliver profitability.

Measure	Target 2023/24	Actual 2023/24	2022/23	2021/22	2020/21
Operating profit	>\$1.0 million	\$2.4 million	\$0.5 million	\$0.2 million	\$1.1 million
		✔	✔	✘	✔

#### Narrative

Operating profit is calculated as profit prior to movements in investment properties, share of associates and other non-operating movements, excluding cost of honey sold and includes distributions received from associates.

## Performance objective

Return profit to FNDC by way of dividend, in line with dividend policy.

Measure	Target 2023/24	Actual 2023/24	2022/23	2021/22	2020/21
Dividend to FNDC	Dividend payable >\$0.5 million	\$1.2 million ✓	\$1.75 million ✓	\$0.12 million ✗	\$0.48 million ✓

### Narrative

Dividend payable under the policy is 50% of the operating profit and is payable in February following the financial year end. The Group will declare and pay a dividend in accordance with policy and expects to also pay a special dividend before 30 June 2025. A special dividend of \$1.5 million was paid in February 2024 in addition to the \$0.25 million FY23 operating dividend.

## Performance objective

Regular risk assessments undertaken and reported to FNDC, identifying key organisational risks and mitigants.

Measure	Target 2023/24	Actual 2023/24	2022/23	2021/22	2020/21
6 monthly report submitted	To achieve	Achieved ✓	Achieved ✓	New measure -	New measure -

### Narrative

Required risk assessment reporting to FNDC has been completed.

## Performance objective

Perform Asset Insurance Valuation.

Measure	Target 2023/24	Actual 2023/24	2022/23	2021/22	2020/21
Asset insurance valuation undertaken	To achieve	Achieved ✓	New measure -	New measure -	New measure -

### Narrative

An insurance valuation was completed during the year.

## Performance objective

Comply with banking covenants.

Measure	Target 2023/24	Actual 2023/24	2022/23	2021/22	2020/21
Comply with bank covenants	To achieve	Achieved ✓	Achieved ✓	Achieved ✓	Achieved ✓

### Narrative

The Company's banking covenants in place for the period 2023/24 were complied with throughout.

## People: Be a good employer

### Performance objective

To make safety our priority to ensure health, safety and wellbeing of all employees and contractors in the Group.

Measure	Target 2023/24	Actual 2023/24	2022/23	2021/22	2020/21
Health and safety improvement plan in place, and being actioned	To achieve	Achieved ✓	Established key metrics and implement six monthly reporting to the council ✓	New measure -	New measure -

### Narrative

Health, safety, and wellbeing (HSW) policies and procedures in place and being monitored and measured. HSW reporting to FNDC has been completed at least six monthly.

### Performance objective

Comply with our living wage policy for all permanent employees.

Measure	Target 2023/24	Actual 2023/24	2022/23	2021/22	2020/21
Comply with living wage policy for all permanent employees	To achieve	Achieved ✓	Achieved ✓	New measure -	New measure -

### Narrative

All permanent employees were paid the living wage during 2023/24.

## Performance objective

Directors to make an effective contribution to the Board, with conduct in accordance with generally accepted standard.

Measure	Target 2023/24	Actual 2023/24	2022/23	2021/22	2020/21
External board effectiveness review	To achieve	Not achieved	Achieved	New measure	New measure

### Narrative

This measure was superseded by a governance review commissioned by the Council, with the findings delivered to Council in September 2024.

## Sustainability: Undertake sustainable investment and management for the benefit of future generations.

### Performance objective

Commit to tangible action to measure climate impact and target reductions based on best practice.

Measure	Target 2023/24	Actual 2023/24	2022/23	2021/22	2020/21
Following internal workshops carried out in 2022/23 the company will look to finalise and adopt a sustainability roadmap	To achieve	Not achieved	Sustainability Roadmap identifying ways to minimise climate impact prepared	New measure	New measure

### Narrative

Development and formal adoption of a sustainability roadmap continues.

### Performance objective

Ngawha Innovation & Enterprise Park to achieve best practice environmental standards.

Measure	Target 2023/24	Actual 2023/24	2022/23	2021/22	2020/21
Submit a formal application for a Greenstar rating for NIEP	To achieve	Not achieved	New measure	New measure	New measure

### Narrative

Greenstar application remains in progress at 30 June 2024.

### Performance objective

Achieve and maintain Clean Marina certification.

Measure	Target 2023/24	Actual 2023/24	2022/23	2021/22	2020/21
Achieve and maintain Clean Marina certification	To achieve	Achieved	Achieved	Achieved	Achieved

### Narrative

Clean Marina certification held throughout the period.

### Performance objective

Meet or exceed all environmental obligations required under resource consents issued to the company, and promptly address any notices received from environmental regulators promptly or within specified timeframes.

Measure	Target 2023/24	Actual 2023/24	2022/23	2021/22	2020/21
Meet or exceed all environmental obligations required under resource consents issued to the company, and address any notices received from environmental regulators promptly or within specified timeframes	To achieve	Achieved	New measure	New measure	New measure

### Narrative

FNHL is party to a number of resource consents, including consents with ongoing monitoring requirements. Consent monitoring for compliance purposes is undertaken by third party agencies, and accordingly, the Company considers the most reliable way to determine compliance is through observation of any third-party breach or compliance notifications. While the Company did receive one abatement notice during the year, upon enquiry and clarification by the Company, this was withdrawn by the regulator. The Board have relied on the absence of any breach or infringement notices in FY24 to conclude that the Company has met all legislative environmental obligations.

## Community: Create economic and housing opportunities, with improving engagement and communication.

### Performance objective

Encourage positive relationships with the community by having transparent engagement policies and monitoring key stakeholder perceptions.

Measure	Target 2023/24	Actual 2023/24	2022/23	2021/22	2020/21
Stakeholder perceptions survey	To achieve	Achieved	New measure	New measure	New measure

#### Narrative

The Company holds and has implemented a Significance and Engagement Policy. Curia Group was engaged in the year to carry out a stakeholder survey.

### Performance objective

Ngawha Innovation & Enterprise Park developed to grow economic and employment opportunities in the Far North.

Measure	Target 2023/24	Actual 2023/24	2022/23	2021/22	2020/21
5 businesses based at the Ngawha Innovation & Enterprise Park (the Park)	To achieve	Achieved	Open stage 1	New measure	New measure

#### Narrative

Businesses based at the Park include Kaikohe Berries Ltd, Te Pūkenga, Regent, Corrections, and the Innovation Centre. There are also a number of smaller businesses working out of the shared workspace and utilising the laboratory facilities.

### Performance objective

Encourage positive and meaningful relationships with Māori by supporting project delivery or building long-term relationships if suitable opportunities or commercial ventures arise.

Measure	Target 2023/24	Actual 2023/24	2022/23	2021/22	2020/21
3+ projects / relationships	To achieve	Achieved	2+ projects/relationships	New measure	New measure

#### Narrative

We continue to look to build long-term meaningful relationships with Māori, where projects and opportunities arise where we can offer commercial and development support. We continue to be partner with Ngāpuhi Asset Holding Co as a joint shareholder in Kaikohe Berries Limited, and during FY24 progressed housing developments in partnership with Te Hau Ōra o Ngāpuhi in Kaikohe and Kāhui Tū Kaha in Dargaville. We are supporting other hapū to register as Community Housing Providers to help address housing needs longer term and provide annual support to Te Rūnanga-Ā-Iwi-Ō-Ngāpuhi for academic grants and awards.

### Performance objective

Identify opportunities to deliver social housing to meet local needs in partnership with Community Housing Providers (CHP's).

Measure	Target 2023/24	Actual 2023/24	2022/23	2021/22	2020/21
Develop at least 50 housing units	To achieve	Achieved	Analysis of two social housing opportunities	New measure	New measure

#### Narrative

There continues to be considerable need for social and community housing within the wider Northland region. We have now completed two housing developments that include 18 dwellings in Te Kamo (in partnership with the Ministry of Housing and Urban Development and Kāhui Tū Kaha) and 60 dwellings in Kaikohe (in partnership with Te Hau Ōra o Ngāpuhi). Construction of a 46 dwelling community housing project in Dargaville is in progress, and we are investigating further opportunities in the North.

### Performance objective

Civil Aviation Authority Certification maintained for the BOI Airport to support regional tourism and business visitors.

Measure	Target 2023/24	Actual 2023/24	2022/23	2021/22	2020/21
CAA Certification maintained	To achieve	Achieved	Achieved	Achieved	Achieved

#### Narrative

Bay of Islands Airport continued to hold a current CAA Part 139 Aerodrome Operating Certificate through 2023/24, thereby conforming with CAA regulatory requirements.

# Northland Inc.

Northland Inc Limited, established in July 2012, is the region's economic development agency and regional tourism organisation. Prior to 1 July 2021, it was 100% owned by Northland Regional Council. Since 1 July 2021, it is equally and jointly owned by NRC, Kaipara District Council and Far North District Council (together referred to as the shareholder councils).

Northland Inc Limited is primarily funded by an operational contribution from its shareholder councils delivered through NRC's Investment and Growth Reserve (IGR). It is project funded through other public and private agencies, with central government being the next largest contributor. The organisation has a governance board of professional directors, each appointed by the shareholder councils. Operational activity is led by a chief executive officer.

## Policies and objectives

The mission of Northland Inc Limited is to identify and focus on activities and relationships that will strengthen, diversify and grow the economy of Te Tai Tokerau Northland to help achieve equity and environmental sustainability. Six key pou are set out in the 2021-24 Statement of Intent as the organisational objectives.

The six objectives (pou) of Northland Inc. Ltd are as follows:

- Pou tahi: Māori economic development
- Pou rua: Environmental sustainability
- Pou toru: Regional investment
- Pou whā: Destination management and marketing
- Pou rima: Advocacy and profile for Tai Tokerau economic development
- Pou ono: Organisational culture.

## Performance measures

### Māori economic development

Measure	Target 2023/24	Actual 2023/24	Status
Number of iwi / hapū groups and other Māori organisations, e.g. marae, land trusts, etc. actively supported	18	18	✓
Proportion of Māori organisations that are satisfied with Northland Inc support	>80%	80.1%	✓

### Environmental sustainability

Measure	Target 2023/24	Actual 2023/24	Status
Number of businesses and organisations supported to improve their climate resilience journey	20	28	✓
Proportion of businesses / projects that Northland Inc are supporting that have identified their environmental aspirations and complied with governmental regulations	80%	100%	✓

## Nature and scope of activities

The nature and scope of activities of Northland Inc Ltd. are described below. The māori economic development, environmental sustainability and organisational culture pou are embedded across the three work programmes:

**Regional Investment:** Grow investment and business support services such that regional economic activity improves consistently year on year. Following assessment and review Northland Inc will prioritise activities and ideas, with a view to applying their resources to engage in focused impactful projects reflecting the organisational capacity at this time.

**Destination Management:** To lead the implementation of a regional Destination Management Plan in partnership with relevant stakeholders, industry, iwi and hapū. Through a programme of investment and development, Northland Inc will deliver destination management and marketing activity to position Northland within target markets as a desirable place to visit and support a visitor economy that values shared benefit across the region, environmental sustainability, heritage and culture.

**Profile and Advocacy of Economic Development:** To develop and improve the profile of economic development and Northland Inc to ensure that Te Tai Tokerau Northland understands and values the efforts of Northland Inc to improve the economic well-being of the region, to support strong communities and environmental sustainability.



Measure	Target 2023/24	Actual 2023/24	Status
Change in carbon footprint of Northland Inc	10% reduction in footprint relative to revenue. (65,526 kg CO <sup>2</sup> / year)	61,862 kg CO <sup>2</sup> / year	✓

#### Narrative

The Carbon Emission figure is at best indicative and was prepared by CarbonEES | Carbon + Energy Management Services and Software. The results for each emission category is subject to inherent uncertainty because the scientific knowledge and methodologies to determine the emissions factors and processes to calculate or estimate quantities of green house gasses (GHG) sources are still evolving, as are GHG reporting and assurance standards. Northland Inc can reach better quality reporting and a more accurate carbon position, and will continue to improve the calculation methodology over time.

#### Regional investment

Measure	Target 2023/24	Actual 2023/24	Status
Number of unique businesses assisted (reporting by TA and industry)	250	379	✓
Proportion of those businesses assisted that are Māori (by TA and industry)	35%	36%	✓
Number of inward delegations hosted	3	4	✓
Client satisfaction with businesses assistance provided by Northland Inc as measured by Net Promotor Score	NPS >50%	NPS = 62%	✓
Value of grant funding and investment facilitated for Māori businesses	\$130,000	\$176,000	✓
Number of high impact projects that are implemented (reporting by regional strategic sectors)	4	1	✗

#### Destination management and marketing

Measure	Target 2023/24	Actual 2023/24	Status
Number of destination promotion campaign initiatives to generate national exposure to the region (reporting will include number of businesses that are engaged in the campaign)	1	3	✓
Number of actions under implementation from the Destination Management Plan	6	8	✓

#### Profile and advocacy of economic development

Measure	Target 2023/24	Actual 2023/24	Status
Number of regional economic development updates or reports released	6	7	✓
Number of media features that profile the region	24	41	✓
Number of media activity that references Northland Inc	52	103	✓



## Statement of comprehensive revenue and expense

For the year ended 30 June 2024

	Note	Council			Group	
		Actual 2024 \$000s	Budget 2024 \$000s	Actual 2023 \$000s	Actual 2024 \$000s	Actual 2023 \$000s
<b>Operations</b>						
<b>Revenue</b>						
Rates revenue (excluding water by meter rates)	2	103,039	104,483	96,172	102,660	95,773
Fees, charges and water by meter rates	3a	21,050	20,844	19,696	20,903	19,476
Development and financial contributions		-	-	9	-	9
Subsidies and grants	3b	51,456	42,718	43,906	51,579	48,300
Other income (excluding dividends)	3	8,430	1,985	7,537	30,897	28,628
Dividends	3	1,500	1,300	252	61	127
Rental revenue from investment properties		-	-	-	6,896	6,665
<b>Total revenue</b>		<b>185,475</b>	<b>171,330</b>	<b>167,572</b>	<b>212,996</b>	<b>198,979</b>
<b>Expenses</b>						
Personnel costs	4	34,109	38,203	33,814	39,591	38,342
Depreciation and amortisation expense	14	47,694	45,480	41,784	49,329	43,531
Finance costs	6	5,735	5,409	3,479	8,920	6,332
Other expenses	5	95,089	75,697	85,691	134,788	95,808
<b>Total expenses</b>		<b>182,626</b>	<b>164,789</b>	<b>164,769</b>	<b>232,627</b>	<b>184,014</b>
<b>Surplus / (deficit) before tax</b>		<b>2,849</b>	<b>6,540</b>	<b>2,803</b>	<b>(19,631)</b>	<b>14,965</b>
Tax expense / (benefit)	7	-	-	-	1,842	791
<b>Surplus / (deficit) after tax</b>		<b>2,849</b>	<b>6,540</b>	<b>2,803</b>	<b>(21,473)</b>	<b>14,174</b>
<b>Surplus / (deficit) attributable to:</b>						
Far North District Council		2,849	6,540	2,803	(21,473)	14,174
<b>Items that could be reclassified to surplus</b>						
Financial assets at fair value through equity	24	3	-	(8)	3	48
Cash flow hedges	24	-	-	-	-	-
<b>Items that will not be reclassified to surplus</b>						
Transfer on disposal		-	-	-	-	-
Gain / (loss) on asset revaluations	16/24	110,223	115,898	164,979	104,782	169,918
Movement to retained earnings		-	-	-	1,500	125
Share of associates other comprehensive income		-	-	-	(22)	-
Tax on revaluation		-	-	-	(213)	117
<b>Total other comprehensive revenue and expense</b>		<b>110,226</b>	<b>115,898</b>	<b>164,971</b>	<b>106,050</b>	<b>170,208</b>
<b>Total comprehensive revenue and expense</b>		<b>113,075</b>	<b>122,438</b>	<b>167,774</b>	<b>84,577</b>	<b>184,383</b>

The council has classified rate and penalty remissions as an expense for the purposes of the LG benchmarks, however, has netted these amounts off against revenue above in line with the requirements of NZ GAAP.

The accompanying Notes to the Financial Statements form part of these financial statements. Major variances to budget are shown in Note 35.

## Statement of changes in equity

For the year ended 30 June 2024

	Note	Council			Group	
		Actual 2024 \$000s	Budget 2024 \$000s	Actual 2023 \$000s	Actual 2024 \$000s	Actual 2023 \$000s
<b>Opening balance 1 July</b>		<b>2,489,335</b>	<b>2,486,877</b>	<b>2,321,561</b>	<b>2,612,670</b>	<b>2,428,587</b>
Total comprehensive revenue and expense for the year		113,075	122,438	167,774	84,577	184,382
<b>Closing balance 30 June</b>		<b>2,602,410</b>	<b>2,609,315</b>	<b>2,489,335</b>	<b>2,697,247</b>	<b>2,612,670</b>

## Statement of financial position

as at 30 June 2024

	Note	Council			Group	
		Actual 2024 \$000s	Budget 2024 \$000s	Actual 2023 \$000s	Actual 2024 \$000s	Actual 2023 \$000s
<b>Public equity</b>						
Other reserves	24	1,082,822	1,078,750	978,412	1,085,546	988,708
Restricted reserves	24	5,830	13,791	12,908	7,333	14,411
Retained earnings	24	1,513,758	1,516,774	1,498,015	1,604,368	1,609,851
<b>Public equity</b>		<b>2,602,410</b>	<b>2,609,315</b>	<b>2,489,335</b>	<b>2,697,247</b>	<b>2,612,970</b>
represented by:						
<b>Current assets</b>						
Cash and cash equivalents	8	9,316	7,371	18,798	10,629	19,762
Receivables	9	43,974	34,544	33,701	45,285	34,530
Other financial assets	11	600	-	600	839	1,764
Properties available for sale	34	-	-	-	6,663	17,073
Inventories	10	134	141	177	7,341	1,690
<b>Current assets</b>		<b>54,024</b>	<b>42,056</b>	<b>53,276</b>	<b>70,757</b>	<b>74,819</b>
Less:						
<b>Current liabilities</b>						
Payables and deferred revenue	20	35,024	26,632	32,472	46,252	39,623
Borrowings and other financial liabilities	23	61,000	10,000	55,500	108,035	66,638
Provisions	21	67	1,846	560	67	560
Financial guarantee liabilities		-	-	-	-	-
Employee benefits	22	2,987	3,190	2,660	3,656	3,227
<b>Current liabilities</b>		<b>99,078</b>	<b>41,668</b>	<b>91,192</b>	<b>158,010</b>	<b>110,047</b>
<b>Working capital</b>		<b>(45,054)</b>	<b>388</b>	<b>(37,915)</b>	<b>(87,253)</b>	<b>(35,228)</b>
<b>Non-current assets</b>						
Other financial assets	11	2,149	2,234	2,126	3,155	2,126
Biological assets	17a	-	-	-	219	258
Forestry assets	17b	350	467	458	350	458
Intangible assets	13	15,499	13,945	11,379	8,929	4,621
Investment properties	18	-	-	-	128,853	148,153
Investments in equity accounted associates	19b	-	-	-	13,835	5,017
Investments in subsidiaries	19a	18,000	18,000	18,000	-	-
Property, plant and equipment	12	2,682,972	2,739,306	2,546,520	2,737,753	2,607,193
<b>Non-current assets</b>		<b>2,718,970</b>	<b>2,773,952</b>	<b>2,578,483</b>	<b>2,893,094</b>	<b>2,767,826</b>
<b>Non-current liabilities</b>						
Borrowings and other financial liabilities	23	70,000	163,847	50,000	82,443	98,568
Payables and deferred revenue	20	111	-	58	18,148	15,332
Deferred tax liability	7	-	-	-	6,609	4,554
Provisions	21	1,393	1,177	1,173	1,393	1,173
<b>Non-current liabilities</b>		<b>71,504</b>	<b>165,024</b>	<b>51,231</b>	<b>108,593</b>	<b>119,627</b>
<b>Net assets</b>		<b>2,602,410</b>	<b>2,609,315</b>	<b>2,489,335</b>	<b>2,697,247</b>	<b>2,612,970</b>

The accompanying Notes to the Financial Statements form part of these financial statements. Major variances to budget are explained in Note 35.

## Statement of cash flows

For the year ended 30 June 2024

	Note	Council			Group	
		Actual 2024 \$000s	Budget 2024 \$000s	Actual 2023 \$000s	Actual 2024 \$000s	Actual 2023 \$000s
<b>Operating activities</b>						
Cash was provided from						
Rates		98,978	111,061	103,330	98,570	102,931
Subsidies and grants received		51,456	42,718	43,906	51,574	48,300
Development contributions received		-	-	9	-	9
Fees and charges received		21,050	21,927	19,696	20,903	19,476
Interest and dividends		2,785	1,405	1,326	1,178	1,234
Other revenue		(2,085)	(3,587)	(248)	19,887	20,726
		<b>172,184</b>	<b>173,524</b>	<b>168,019</b>	<b>192,111</b>	<b>192,677</b>
Cash was applied to						
Payment for goods and services		85,655	82,497	80,179	102,107	89,940
Payments made to employees		33,315	37,148	34,135	38,696	38,458
Interest paid		5,735	5,409	3,479	8,955	6,332
GST (net)		2,232	-	(546)	3,468	(554)
Income and fringe benefit tax paid		151	84	-	151	1,582
		<b>127,087</b>	<b>125,138</b>	<b>117,247</b>	<b>153,376</b>	<b>135,758</b>
<b>Net cash inflows from operating activities</b>		<b>45,097</b>	<b>48,386</b>	<b>50,771</b>	<b>38,735</b>	<b>56,919</b>
<b>Financing activities</b>						
Cash was provided from						
Borrowing	32c	25,500	67,916	24,000	25,271	34,663
		<b>25,500</b>	<b>67,916</b>	<b>24,000</b>	<b>25,271</b>	<b>34,663</b>
Cash was applied to						
Borrowing		-	11,118	-	150	1,117
Dividends paid		-	-	-	-	-
		-	<b>11,118</b>	-	<b>150</b>	<b>1,117</b>
<b>Net cash inflows / (outflows) from financing activities</b>		<b>25,500</b>	<b>56,798</b>	<b>24,000</b>	<b>25,121</b>	<b>33,546</b>
<b>Cash flow from investing activities</b>						
Cash was provided from:						
Sale of property, plant and equipment, investment properties and properties intended for sale		-	-	-	21,508	8,324
Cash provided from maturing investments		-	-	-	1,141	57
		-	-	-	<b>22,649</b>	<b>8,381</b>
Cash was applied to						
Purchase and development of intangibles		4,926	2,043	304	4,924	4,028
Purchase and development of property, plant and equipment, investment property and biological assets		75,154	101,352	69,024	90,714	89,413
		<b>80,080</b>	<b>103,395</b>	<b>69,328</b>	<b>95,638</b>	<b>93,441</b>
<b>Net cash inflows / (outflows) from investing activities</b>		<b>(80,080)</b>	<b>(103,395)</b>	<b>(69,328)</b>	<b>(72,989)</b>	<b>(85,060)</b>
<b>Net cash</b>		<b>(9,482)</b>	<b>1,789</b>	<b>5,444</b>	<b>(9,133)</b>	<b>5,404</b>
Opening balances 1 July						
Cash and cash equivalents		18,798	5,582	13,353	19,762	14,357
		<b>18,798</b>	<b>5,582</b>	<b>13,353</b>	<b>19,762</b>	<b>14,357</b>
Less balances 30 June						
Cash and cash equivalents	8	9,316	7,371	18,798	10,629	19,762
		<b>9,316</b>	<b>7,371</b>	<b>18,798</b>	<b>10,629</b>	<b>19,762</b>
<b>Cash movements for the year</b>		<b>(9,482)</b>	<b>1,789</b>	<b>5,445</b>	<b>(9,133)</b>	<b>5,405</b>

The accompanying Notes to the Financial Statements form part of these financial statements. Major variances to budget are shown in Note 35.

Reconciliation of surplus / (deficit) after tax to net cash flow from operating activities	Council		Group	
	2024 \$000s	2023 \$000s	2024 \$000s	2023 \$000s
Reported surplus / (deficit) after tax	2,849	2,803	(21,473)	14,448
<b>Add non-cash items / (less) non-cash items</b>				
Depreciation and amortization	47,694	41,784	49,329	43,258
Vested assets revenue	(2,433)	(3,693)	(2,433)	(3,693)
Change in deferred taxation	-	-	-	1,582
Loss / (gains) on disposal of property, plant and equipment	4,330	3,966	1,336	3,291
Valuation (gains) / losses recognised in surplus / (deficit)	-	-	5,105	(8,264)
Non cash dividend	(252)	-	(252)	-
Ineffective derivative expense	-	-	-	-
<b>Add / (less) movements in other working capital items</b>				
(Increase) / decrease in receivables	(10,273)	(2,367)	(10,755)	(350)
(Increase) / decrease in other financial assets	-	-	925	(1,321)
(Increase) / decrease in inventories	43	(44)	(5,651)	40
Increase / (decrease) in provisions	(493)	473	(493)	473
Increase / (decrease) in financial guarantee liabilities	-	-	-	-
Increase / (decrease) in employee benefits	328	(234)	430	(46)
Increase / (decrease) in payables	2,552	8,315	6,629	4,687
Items classed as investing activities	752	(232)	16,037	2,814
<b>Net cash inflows from operating activities</b>	<b>45,097</b>	<b>50,772</b>	<b>38,735</b>	<b>56,918</b>

The GST (net) component of operating activities reflects the net GST paid and received with the Inland Revenue Department. The GST (net) component has been presented on a net basis, as the gross amounts do not provide meaningful information for financial statement purposes.

# Notes to the Financial Statements

for the year ended 30 June 2024

Statement of accounting policies	72
1. Summary revenue and expenditure for groups of activities	76
2. Rates revenue	76
3. Other revenue	77
3a. Fees and charges analysis (including water by meter rates)	78
3b. Subsidies and Grants analysis	78
4. Personnel costs	79
5. Other expenses	79
6. Finance costs	80
7. Tax	80
8. Cash and cash equivalents	81
9. Receivables	81
10. Inventories	83
11. Other financial assets	83
12. Property, plant and equipment - council and group	84
13. Intangible assets	97
14. Depreciation and amortisation expense by activity	98
15. Interest expense by activity	99
16. Gain / (loss) on asset revaluations	99
17. Agricultural assets	99
17a. Biological assets	99
17b. Forestry assets	100
18. Investment property	100
19a. Investment in subsidiaries	101
19b. Investments in equity accounted associates	101
20. Creditors and other payables	102
21. Provisions	103
22. Employee benefits	104
23. Borrowings and other financial liabilities	105
24. Equity	105
25. Capital commitments	108
26a. Operating leases as lessee	108
26b. Operating leases as lessor	108
27. Contingencies	109
28. Related party transactions	110
29. Remuneration	110
30. Severance payments	113
31. Events after balance sheet date	113
32. Financial instrument risk	114
32a. Financial instrument categories	114
32b. Financial instrument risks	114
32c. Reconciliation of movements in liabilities arising from financing activities	117
33. Capital management	117
34. Property available for sale	117
35. Variances to Annual Plan	118
36. Water Services Reform Programme	118



## Statement of accounting policies

### Reporting entity

The Far North District Council (the council) is a territorial local authority that is domiciled and operates in New Zealand. The relevant legislation governing the council's operations includes the Local Government Act 2002 (LGA) and the Local Government (Rating) Act 2002. The consolidated financial statements reflect the operations of Far North District Council and the group.

The group consists of a 100% owned council controlled trading organisation Far North Holdings Limited (FNHL), its wholly owned subsidiaries Bay of Islands Marina Ltd and Far North Housing Ltd, its 50% equity shareholding of its joint venture Far North Skincare Limited and additionally its associate Kaikohe Berryfruit, council controlled organisation Pou Herenga Tai Twin Coast Cycle Trail Charitable Trust (Pou Herenga), and council organisation Te Ahu Charitable Trust (TACT). The council's equity share of its associate Northland Inc. Limited (NI) of 33.3% is equity accounted into the parent entity financial statements.

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

The council has designated itself and the group as public benefit entities (PBEs) for the purposes of complying with generally accepted accounting practice.

The financial statements of the council and group are for the year ended 30 June 2024 and were authorised for issue by the council on 30 October 2024.

### Basis of preparation

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

To ensure consistency with presentation, certain comparative numbers have been reclassified.

### Statement of compliance

These financial statements of the council and group have been prepared in accordance with the requirements of the Local Government Act 2002 [Part 6 Section 98 and Schedule 10 Part 3] and the Local Government (Financial Reporting and Prudence) Regulations 2014, which include the requirement to comply with generally accepted accounting practice in New Zealand (NZ GAAP).

The council and group is a Tier 1 entity and these financial statements have been prepared in accordance with and comply with the PBE International Public Sector Accounting Standards (PBE IPSAS).

### Presentation currency

The financial statements are presented in New Zealand dollars (NZD) rounded to the nearest thousand dollars (\$000s).

### Changes in accounting policies

The following changes in accounting policies have been applied:

- **Disclosure of Fees for Audit Firms' Services – PBE IPSAS 1**

An amendment to PBE IPSAS 1 was issued in May 2023 and is effective for reporting periods beginning on or after 1 January 2024. This standard addresses concerns regarding the quality and consistency of disclosures provided by an entity about fees paid to its audit or review firm for different types of services. The amendment to this standard has been applied and adoption did not result in any significant impact on the group financial statements.

### Summary of significant accounting policies

Significant accounting policies are included in the notes to which they relate.

Significant accounting policies that do not relate to a specific note are outlined below.

### Basis of consolidation

The consolidated statements incorporate the financial statements of the council and those entities controlled by the council as determined by the application of PBE IPSAS 35 - 37. FNHL, Pou Herenga, TACT and NI results have been included in the group result.

The consolidated financial statements are prepared by adding together like items of assets, liabilities, equity, revenue, expenses and cash flows of entities in the group on a line-by-line basis. All intra-group balances, transactions, revenue and expenses are eliminated on consolidation.

The group financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. The consolidation of an entity begins from the date the council obtains controls of the entity and ceases when the council loses control of the entity.

### Revenue

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

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

## Rental revenue from investment properties

The group recognises rental income from investment property in profit or loss on a straight line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total revenue income, over the term of the lease.

## Development contributions

The revenue recognition point for development contributions is when the council provides or is ready to provide the service for which the contribution is levied or the event that will give rise to a requirement for a development contribution under the legislation.

## Development agreement contributions

The revenue recognition point for development agreement contributions is when Council provides or is ready to provide the specific infrastructure project for which the agreement contribution has been negotiated with the owner.

## Building and resource consent revenue

Fees and charges for building and resource consent services are recognised on a percentage completion basis with reference to the recoverable costs incurred at balance date.

## Third party / agency revenue

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

## Subsidies and grants revenue

The council receives central government grants from New Zealand Transport Agency, which subsidises part of the council's costs in maintaining the local roading infrastructure. It also receives subsidies from other government agencies to fund some capital projects. The subsidies are recognised as revenue upon entitlement as conditions pertaining to eligible expenditure have been fulfilled.

## Grant expenditure

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

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

## Goods and Services Tax (GST)

Items in the financial statements are stated exclusive of GST, except for receivables 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, the IRD is included as part of receivables or payables in the Statement of Financial Position.

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

Commitments and contingencies are disclosed exclusive of GST.

## Development costs

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

## Financial assets

PBE Standards classify financial assets into three categories:

- i. Measured at amortised cost if:
  - the asset is held by the Group to collect the contractual cash flows; and
  - the contractual cash flows represent solely payments of principal and interest.

Financial assets in this category are initially recognised at fair value and subsequently are required to be measured at amortised cost.

- ii. Measured at fair value through other comprehensive revenue and expense if:
  - the objective of the Group's management model for holding the assets is to both collect contractual cash flows and to sell the financial assets; and
  - the asset's contractual cash flows represent solely payments of principal and interest.

Financial assets in this category are required to be measured at fair value with all changes taken through other comprehensive revenue and expenses.

- iii. Measured at fair value through surplus or deficit if:
  - the assets that do not meet the criteria for classification as at amortised cost or at fair value through other comprehensive revenue and expense.

Financial assets in this category are required to be measured at fair value with all changes in fair value recognised in surplus or deficit.

The classification depends on the council's management model for the financial asset and the contractual cash flow characteristics of the financial asset. Management determines the classification of its investments at initial recognition and re-evaluates this designation at every reporting date.

Financial assets are initially measured at fair value plus transaction costs unless they are measured at fair value through surplus or deficit, in which case the transaction costs are recognised in the surplus or deficit.

### Impairment of financial assets

Financial assets carried at amortised cost are assessed each reporting date for impairment. If there is objective evidence of impairment, the difference between the asset's carrying amount and the present value of estimated future cash flows, where appropriate, is recognised in the surplus/(deficit).

### Statement of cash flows

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

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

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

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

### Non-current assets held for sale

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

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

Non-current assets classified as held for sale are presented separately from the other assets in the statement of financial position.

### Critical accounting estimates and assumptions

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

- Estimating the fair value of Infrastructural assets – see Note 12
- Estimating the remaining useful lives of property, plant and equipment - see Note 12
- Estimating the fair value of investment properties - see Note 18
- Estimating the landfill aftercare provision - see Note 21.

### Critical judgments in applying the group's accounting policies

Management has exercised the following critical judgments in applying the group accounting policies for the year ended 30 June 2024:

Classification of property – see Notes 12 and 18

- Determining the fair value of infrastructure assets
- Impairment considerations
- Funding depreciation
- Reclassification to investment property – when the use of a property changes from owner-occupier to investment property, the property is remeasured to fair value and reclassified as investment property. Any gain arising on remeasurement is recognised in profit and loss to the extent that it reverses a previous impairment loss on the specific property, with any remaining gain recognised in other comprehensive income and presented in the revaluation reserve in equity. Any loss is recognised immediately in profit or loss.

The council funds its depreciation on assets as stated below:

- a. All depreciation on assets will be funded from rates except for:
  - Roading/footpath assets - the subsidy element relating to the depreciation for these assets will not be funded by the relevant roading subsidy rate applicable in the relevant year
  - Water/wastewater/public toilet assets - the depreciation for these assets will be reduced equal to any subsidy element to ensure that the benefit expected to be received by the current ratepayer is applied

- Swimming pools - the depreciation for these assets will be reduced equal to any community contribution to ensure that the community benefits from the contributions made.
- b. Asset groups where depreciation will not be fully funded from depreciation:
- All strategic assets, as per our Significance and Engagement Policy, will have depreciation funded at 76% until 30 June 2024, followed by a phased return to 100% over 10 years. This does not apply to the items identified in (a)
  - Depreciation will be funded at a rate of 50% for community buildings/centres, halls and museums
  - Depreciation will not be funded from rates for Civil Defence (alarms), car parks, maritime assets, motor camps, parks and reserves minor structures (e.g. boardwalks/park benches etc.) and solid waste assets.

Any asset group not covered above will have depreciation fully funded from rates (corporate assets etc.).

### **Equity method of accounting in group financial statements**

Investments in associates are accounted for in the group and parent financial statements using the equity method of accounting. The council's investment in Northland Inc (NI) has been treated as an associate as it is considered that the council holds significant influence over the financial and operating policies of NI due to the fact the council shares joint control of NI with Northland Regional Council (33.3%) and Kaipara District Council (33.3%).

## 1. Summary revenue and expenditure for groups of activities

### Accounting policy

#### Cost allocation

The council has derived the net cost of service for each significant activity of council using the cost allocation system outlined below.

Direct costs are those costs directly attributable to a significant activity. Indirect costs are those costs that cannot be identified in an economically feasible manner with a specific significant activity.

#### Criteria for direct and indirect costs

Direct costs are charged directly to significant activities. Indirect costs are charged to significant activities based on cost drivers and related activity / usage information. The costs of internal services not directly charged to activities are allocated as overheads using appropriate cost drivers such as actual usage, staff numbers and floor area.

There have been no changes to the cost allocation methodology during the year.

## Breakdown of revenue and expenditure by group of activities

	Council		
	Actual 2024 \$000s	Budget 2024 \$000s	Actual 2023 \$000s
<b>Revenue</b>			
Customer Services	10,680	10,256	11,202
District Facilities	24,278	24,795	22,198
Environmental Management	16,972	17,332	17,114
Governance and Strategic Administration	10,578	8,857	7,050
Roading and Footpaths	64,950	58,965	60,428
Solid Waste Management	7,369	6,304	5,941
Stormwater	7,837	5,808	5,126
Strategic Planning and Policy	11,143	10,663	10,333
Wastewater	15,982	15,836	15,350
Water Supply	15,686	12,514	12,830
<b>Total activity revenue</b>	<b>185,475</b>	<b>171,330</b>	<b>167,572</b>
<b>Total revenue</b>	<b>185,475</b>	<b>171,330</b>	<b>167,572</b>
<b>Expenditure</b>			
Customer Services	6,189	6,314	6,387
District Facilities	19,638	19,141	15,078
Environmental Management	13,055	13,298	12,803
Governance and Strategic Administration	32,277	25,962	29,349
Roading and Footpaths	56,412	50,416	56,935
Solid Waste Management	7,354	5,923	7,543
Stormwater	4,630	4,502	3,675
Strategic Planning and Policy	6,556	8,581	6,047
Wastewater	20,559	16,363	16,733
Water Supply	15,956	14,289	10,219
<b>Total activity expenditure</b>	<b>182,626</b>	<b>164,789</b>	<b>164,769</b>
<b>Total expenditure</b>	<b>182,626</b>	<b>164,789</b>	<b>164,769</b>

## 2. Rates revenue

### Accounting policy

The following policies for rates have been applied:

- General rates, targeted rates (excluding water-by-meter), and uniform annual general charges are recognised at the start of the financial year to which the rates resolution relates. They are recognised at the amounts due. The council considers the effect of payment of rates by instalments is not sufficient to require discounting of rates receivables and subsequent recognition of interest revenue.
- Revenue arising from late payment penalties is recognised as revenue when rates become overdue.
- Rates postponement applies where ratepayers meet the postponement policy criteria. Rates are shown as income in the year of postponement and recognised as an asset when it is probable that future economic benefits or service potential associated with the asset will flow to the council.

- Rates remissions are recognised as a reduction in rate revenue when the council has received an application that satisfies its rate remission policy.
- Rates collected on behalf of the Northland Regional Council (NRC) are not recognised in the financial statements, as the council is acting as an agent for the NRC.

	Council		Group	
	2024 \$000s	2023 \$000s	2024 \$000s	2023 \$000s
Rates - general	64,740	60,039	64,361	59,640
<b>Targeted rates attributable to activities</b>				
District Facilities	13,019	12,296	13,019	12,296
Roading	4,826	5,111	4,826	5,111
Stormwater	2,356	2,026	2,356	2,026
Wastewater	15,274	14,678	15,274	14,678
Water, excluding water by meter rates	4,247	3,556	4,247	3,556
Rates - penalties	1,309	1,153	1,309	1,153
Less remissions	(2,732)	(2,687)	(2,732)	(2,687)
<b>Total rates, excluding targeted water supply rates</b>	<b>103,039</b>	<b>96,172</b>	<b>102,660</b>	<b>95,773</b>

The council is required by the LGFA Guarantee and Indemnity Deed to disclose in its financial statements (or notes) its annual rates income. That Deed defines annual rates income as an amount equal to the total revenue from any funding mechanism authorised by the Local Government (Rating Act) 2002 together with any revenue received by the council from other local authorities for services provided by that the council for which those other local authorities rate. The annual rates income of council for the year ended 30 June 2024 for the purposes of the LGFA Guarantee and Indemnity Deed disclosure is shown below:

	Council	
	2024 \$000s	2023 \$000s
Rates, excluding water by meter rates	105,771	98,858
Water by meter rates	8,424	8,168
Less remissions	(2,732)	(2,687)
<b>Total annual rates revenue</b>	<b>111,463</b>	<b>104,339</b>

The council's remission policies are designed to recognise the unique nature of the Far North with its significant areas of unoccupied Māori freehold land. Overall the policies address issues of financial hardship and the protection of areas of land with particular conservation or community values. Under the Local Government (Rating) Act 2002 certain properties cannot be rated for general rates. These properties include schools, places of religious worship, public gardens and reserves. These non-rateable properties may be subject to targeted rates in respect of sewerage, refuse and water. Non-rateable land does not constitute a remission under the council's rates remission policy.

The number of rating units at 30 June 2024 was 39,684 per the QV valuation report which includes non-rateable units of approximately 4,053 at year end.

The land value of these units was \$18,587,454,960 and the capital value was \$33,127,174,210.

### 3. Other revenue

#### Accounting policy

##### Interest and dividends

Interest revenue is recognised using the effective interest method.

Dividends are recognised on an accrual basis net of imputation credits when the right to receive the dividend is established.

##### Vested or donated physical assets

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

The fair value of vested or donated assets is usually determined by reference to the cost of constructing the asset. For assets received from property developments, the fair value is based on construction price information provided by the property developer.

For long lived assets that must be used for a specific use (e.g. land must be used as a recreation reserve), the council immediately recognises the fair value of the asset as revenue. A liability is recognised only if the council expects it will need to return or pass the asset to another party.

	Council		Group	
	2024 \$000s	2023 \$000s	2024 \$000s	2023 \$000s
Interest	2,033	1,326	2,117	1,359
Vested and previously unrecognised assets	2,433	3,693	2,433	3,693
Gain on revaluation	-	-	-	8,487
Other income	3,964	2,518	26,347	15,091
<b>Total other revenue (excluding dividends)</b>	<b>8,430</b>	<b>7,537</b>	<b>30,897</b>	<b>28,629</b>

	Council		Group	
	2024 \$000s	2023 \$000s	2024 \$000s	2023 \$000s
Dividends	1,500	252	61	127
<b>Total dividends</b>	<b>1,500</b>	<b>252</b>	<b>61</b>	<b>127</b>

### 3a. Fees and charges analysis (including water by meter rates)

#### Accounting policy

##### Landfill services

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

##### Sale of goods

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

##### Water by meter rates

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.

	Council		Group	
	2024 \$000s	2023 \$000s	2024 \$000s	2023 \$000s
Community services	1,334	1,361	1,334	1,361
Customer services	622	488	622	488
Other fees and charges	1,103	960	956	739
Refuse / landfill services	1,501	1,472	1,501	1,472
Regulatory services	6,997	6,196	6,997	6,196
Roading	521	485	521	485
Wastewater services	169	131	169	131
Water services	8,804	8,604	8,804	8,604
<b>Total fees, charges and targeted water supply rates</b>	<b>21,051</b>	<b>19,696</b>	<b>20,904</b>	<b>19,476</b>

### 3b. Subsidies and Grants analysis

#### Accounting policy

##### Waka Kotahi New Zealand Transport Agency roading subsidies

The council receives funding assistance from Waka Kotahi 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.

##### Other grants received

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

FNHL has elected to apply NZ IAS 20 in deducting grants received for capital expenditure in arriving at the carrying amount of the assets purchased. Grants for revenue expenditure are netted against the cost incurred by the Company. This treatment has been adjusted on consolidation to align the group result with the requirements PBE IPSAS 23.



	Council		Group	
	2024 \$000s	2023 \$000s	2024 \$000s	2023 \$000s
CERF - Climate Emergency Response Fund	397	-	397	-
DIA - 3 Waters Reform Subsidy	4,703	330	4,703	330
MBIE - Civil Defence Emergency	134	18	134	18
MBIE - Free WIFI Hotspots	-	-	-	-
MBIE - Provincial Growth Fund (PGF)	1,101	2,677	1,101	2,677
MBIE - Tourism Infrastructure Fund (TIF)	1,120	1,745	1,177	6,075
Ministry of Social Development	36	75	36	75
NZTA Rooding subsidies	43,658	38,376	43,659	38,376
Sundry grants & donations	307	685	372	749
<b>Total subsidies and grants</b>	<b>51,456</b>	<b>43,906</b>	<b>51,579</b>	<b>48,300</b>

There are no unfulfilled conditions or other contingencies attached to the subsidy revenue recognised.

#### 4. Personnel costs

##### Accounting policy

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.

	Council		Group	
	2024 \$000s	2023 \$000s	2024 \$000s	2023 \$000s
Salaries and wages	33,207	32,946	38,440	37,329
Plus / (less) capitalised salaries	87	137	87	137
Salaries and wages expense	33,294	33,084	38,527	37,467
Kiwi saver contributions	902	868	1,057	995
Increase / (decrease) in employee benefit liabilities	-	-	93	18
<b>Total personnel costs</b>	<b>34,196</b>	<b>33,952</b>	<b>39,677</b>	<b>38,480</b>

The above table includes capitalised salary costs of \$87,004 (2023: \$137,338).

#### 5. Other expenses

	Council		Group	
	2024 \$000s	2023 \$000s	2024 \$000s	2023 \$000s
<b>Fees paid to the principal auditor</b>				
Audit of financial statements	268	241	391	363
Other assurance engagements	-	-	-	-
Debenture Trust Deed assurance engagement	8	7	8	7
Donations	-	-	3	3
Inventory expenses in year	(43)	44	2,333	2,758
Loss on disposal of property, plant and equipment	4,330	3,966	4,330	3,966
Impairment of intangible assets	-	-	-	-
Impairment of property, plant and equipment	-	-	1,162	-
Impairment of rates receivables (note 9)	2,177	2,284	2,177	2,284
Impairment of other receivables (note 9)	282	210	313	304
Direct expenses from investment property	-	-	2,849	2,771
Minimum lease payments - operating leases	870	827	1,046	943
Other expenses	87,196	78,111	120,176	82,408
<b>Total other expenses</b>	<b>95,089</b>	<b>85,691</b>	<b>134,788</b>	<b>95,808</b>

## 6. Finance costs

### Accounting policy

Borrowing costs are recognised as an expense in the financial year in which they are incurred.

	Council		Group	
	2024 \$000s	2023 \$000s	2024 \$000s	2023 \$000s
Interest expense on borrowings	5,596	3,334	8,781	6,187
Interest unwind - landfill aftercare	139	146	139	146
<b>Total finance costs</b>	<b>5,735</b>	<b>3,479</b>	<b>8,920</b>	<b>6,332</b>

## 7. Tax

### Accounting policy

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 statement of financial position 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 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.

	Council		Group	
	2024 \$000s	2023 \$000s	2024 \$000s	2023 \$000s
<b>Components of tax expense</b>				
Current tax expense - continuing operations	-	-	-	-
Deferred tax expense - continuing operations	-	-	1,842	791
<b>Income tax expense</b>	<b>-</b>	<b>-</b>	<b>1,842</b>	<b>791</b>
<b>Relationship between tax expenses and accounting profit</b>				
Continuing operations	2,849	2,803	(19,631)	14,965
Discontinued operations	-	-	-	-
<b>Profit before taxation and share of profit of associate</b>	<b>2,849</b>	<b>2,803</b>	<b>(19,631)</b>	<b>14,965</b>
Taxation at 28% (2023 - 28%)	798	785	(5,497)	4,190
<b>Plus (less) tax effect of</b>				
Non taxable income and other permanent differences	(798)	(785)	4,693	(2,304)
Group loss offset	-	-	-	-
Deferred tax adjustment	-	-	2,646	(1,095)
<b>Taxation expense / (benefit)</b>	<b>-</b>	<b>-</b>	<b>1,842</b>	<b>791</b>

Taxation legislation changes enacted during the year ended 30 June 2024 have removed tax depreciation on commercial buildings with an expected life of 50 years from 1 July 2024. This change has increased the deferred tax expense and deferred tax liability for the year ended 30 June 2024.

## Group

Deferred tax	Property plant and equipment \$000s	Investment properties \$000s	Biological assets \$000s	Employee entitlements \$000s	Tax losses \$000s	Total \$000s
<b>Balance at 30 June 2022</b>	<b>934</b>	<b>3,307</b>	<b>(231)</b>	<b>(132)</b>	<b>-</b>	<b>3,880</b>
Charged to statement of comprehensive revenue and expense	128	655	36	(29)	-	790
Charged to equity	(116)	-	-	-	-	(116)
<b>Balance at 30 June 2023</b>	<b>946</b>	<b>3,962</b>	<b>(195)</b>	<b>(161)</b>	<b>-</b>	<b>4,554</b>
Charged to statement of comprehensive revenue and expense	1,138	516	195	(7)	-	1,842
Charged to equity	213	-	-	-	-	213
<b>Balance at 30 June 2024</b>	<b>2,297</b>	<b>4,478</b>	<b>-</b>	<b>(168)</b>	<b>-</b>	<b>6,609</b>

From 1 July 2007 The council and FNHL have formed a consolidated group for tax purposes. Tax profits in FNHL are automatically offset against tax losses in council. The council has not recognised a deferred tax asset in relation to tax losses of \$nil (2023 nil). However, these losses have been recognised in the group accounts.

## 8. Cash and cash equivalents

### Accounting policy

Cash and cash equivalents includes cash in 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.

	Council		Group	
	2024 \$000s	2023 \$000s	2024 \$000s	2023 \$000s
<b>Cash at bank and on hand</b>				
Various (subsidiaries, community facilities, etc)	4	4	4	4
General fund (unsecured)	1,481	11,418	2,794	12,382
Term deposits with maturities less than 3 months at acquisition	7,831	7,376	7,831	7,376
<b>Total cash and cash equivalents</b>	<b>9,316</b>	<b>18,798</b>	<b>10,629</b>	<b>19,762</b>

The carrying value of short term deposits with maturity dates of three (3) months or less approximates their fair value. Cash and cash equivalents includes the following for the purpose of the statement of cash flows.

	Council		Group	
	2024 \$000s	2023 \$000s	2024 \$000s	2023 \$000s
Cash at bank and on hand	1,485	11,422	2,798	12,386
Term deposits with maturities less than 3 months at acquisition	7,831	7,376	7,831	7,376
<b>Total</b>	<b>9,316</b>	<b>18,798</b>	<b>10,629</b>	<b>19,762</b>

The council has an overdraft facility of \$3 million (2023 \$3 million).

## 9. Receivables

### Accounting policy

Short-term receivables are recorded at the amount due, less an allowance for Expected Credit Losses (ECL). The council applied the simplified ECL model of recognising lifetime ECL for short-term receivables.

In measuring ECLs, receivables have been grouped into land rates receivables, and other receivables, and assessed on a collective basis as they possess shared credit risk characteristics. They have then been grouped based on the days past due. A provision matrix is then established based on historical credit loss experience, adjusted for forward looking factors specific to the debtors and the economic environment.

Rates are 'written-off':

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

- Section 90B is to write off all or part of the outstanding rates of deceased owners of Māori Freehold land, of which there have been no write-offs in 2024 (2023 - Nil).

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

	Council		Group	
	2024 \$000s	2023 \$000s	2024 \$000s	2023 \$000s
Rates and penalties	32,974	28,466	32,974	28,466
Sundry debtors (including postponed rates debtors)	25,349	19,284	26,122	19,861
Prepayments	1,207	1,280	1,634	1,511
Related party receivables	-	-	-	13
Other receivables (e.g GST)	3,620	1,388	3,620	1,388
<b>Gross debtors and other receivables</b>	<b>63,150</b>	<b>50,418</b>	<b>64,350</b>	<b>51,239</b>
Less provision for impairment - rates	18,334	16,157	18,334	16,157
Less provision for impairment - sundry debtors	842	560	731	552
<b>Current debtors and other receivables</b>	<b>43,974</b>	<b>33,701</b>	<b>45,285</b>	<b>34,530</b>

The carrying value of trade and other receivables approximates their fair value. There is no concentration of credit risk with respect to receivables as the group has a large number of customers.

All overdue receivables have been assessed for impairment and the appropriate provisions applied. All receivables, excluding rates, are past due if not paid by the 20th of the month following the month of issue. The council and the group holds no collateral as security or other credit enhancements over receivables that are either past due or impaired. The ageing profile of debtors and other receivables at year end is detailed below:

The Chief Executive approved the write-off of rates totalling \$102,250 (2023- \$129,215) during the year under Section 90A of the LG(R)A 2002.

	2024			2023		
	Gross \$000s	Impairment \$000s	Net \$000s	Gross \$000s	Impairment \$000s	Net \$000s
<b>Council</b>						
Not past due	20,836	-	20,836	13,562	-	13,562
Past due 1 – 60 days	11,982	4,591	7,391	10,584	3,822	6,762
Past due 61 – 90 days	196	-	196	95	-	95
Past due over 90 days	30,136	14,584	15,552	26,177	12,895	13,282
<b>Total</b>	<b>63,150</b>	<b>19,175</b>	<b>43,974</b>	<b>50,418</b>	<b>16,717</b>	<b>33,701</b>
<b>Group</b>						
Not past due	21,921	-	21,921	13,919	-	13,919
Past due 1 – 60 days	12,024	4,480	7,544	10,907	3,814	7,093
Past due 61 – 90 days	230	-	230	128	-	128
Past due over 90 days	30,175	14,585	15,590	26,285	12,895	13,390
<b>Total</b>	<b>64,350</b>	<b>19,065</b>	<b>45,285</b>	<b>51,239</b>	<b>16,709</b>	<b>34,530</b>

Movements in the provision for impairment of receivables are as follows:

	Council		Group	
	2024 \$000s	2023 \$000s	2024 \$000s	2023 \$000s
<b>Impairment of rates</b>				
At 1 July	16,156	13,872	16,156	13,872
Additional provisions made during the year	3,519	3,551	3,519	3,551
Receivables written off during period	(1,341)	(1,267)	(1,341)	(1,267)
<b>At 30 June</b>	<b>18,334</b>	<b>16,156</b>	<b>18,334</b>	<b>16,156</b>
<b>Impairment of sundry debts</b>				
At 1 July	560	350	552	258
Additional provisions made during the year	298	219	125	56
Receivables written off during period	(16)	(9)	55	238
<b>At 30 June</b>	<b>842</b>	<b>560</b>	<b>732</b>	<b>552</b>

The provision for impairment of receivables is determined based on an expected credit loss (ECL) model. In assessing credit losses for receivables, The council applied the simplified approach and record lifetime ECL on receivables. Lifetime ECL result from all possible default events over the expected life of a receivable. In assessing ECL on receivables the council considered both quantitative and qualitative inputs such as past collection rates, ageing of receivables and trading outlook. To measure the ECL, all receivables have been grouped based on shared credit risk characteristics and other receivables have been grouped by the days overdue. Expected loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle their debt.

## 10. Inventories

### Accounting policy

Inventories are valued at the lower of cost (determined on a first in first out basis) and net realisable value. This valuation includes allowances for slow moving and obsolete inventories.

Inventories held for distribution at no charge, or for a nominal amount, are stated at the lower of cost and current replacement cost.

The write down from cost to current replacement cost or net realisable value is recognised in the surplus / (deficit).

	Council		Group	
	2024 \$000s	2023 \$000s	2024 \$000s	2023 \$000s
Development Property	-	-	6,920	-
Consumable stocks and materials	134	177	399	1,675
Chandlery and boatyard	-	-	22	15
<b>Total inventories</b>	<b>134</b>	<b>177</b>	<b>7,341</b>	<b>1,690</b>

There are no inventory items held for distribution.

## 11. Other financial assets

	Council		Group	
	2024 \$000s	2023 \$000s	2024 \$000s	2023 \$000s
<b>Current portion</b>				
Loans and receivables	600	600	839	1,265
Short-term deposits maturity 4 - 12 months	-	-	-	-
<b>Fair value through other comprehensive revenue and expense</b>				
LGFA borrower notes	-	-	-	-
Listed Fonterra shares	-	-	-	499
<b>Total current portion</b>	<b>600</b>	<b>600</b>	<b>839</b>	<b>1,764</b>
<b>Non-current portion</b>				
Loans and receivables	-	-	1,006	-
<b>Fair value through other comprehensive revenue and expense</b>				
LGNZ shares	79	77	79	77
LGFA borrower notes	2,070	2,049	2,070	2,049
<b>Total non-current portion</b>	<b>2,149</b>	<b>2,126</b>	<b>3,155</b>	<b>2,126</b>

There are no impairment provisions for other financial assets, they are measured at amortised cost.

Council holds 85,440 shares in Local Government Insurance Corp Ltd. As they are not material, council has estimated the fair value of these should be based on the LGNZ net asset backing as at 30 June. These shares are not traded.

## 12. Property, plant and equipment - council and group

### Accounting policy

#### Property, plant and equipment

Property, plant and equipment is shown at cost or valuation, less accumulated depreciation and impairment losses. When significant parts of property, plant and equipment are required to be replaced at intervals, The council and group recognises such parts as individual assets/components with specific useful lives and depreciates them accordingly.

Property, plant and equipment consists of:

i. Operational assets

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

ii. Restricted assets

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

iii. Infrastructural assets

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

#### Revaluations

The council and group accounts for revaluations of property, plant and equipment on a class of asset basis. Valuations are performed with sufficient regularity to ensure that the carrying amount is not materially different to their fair value. Carrying values of revalued assets are assessed annually to ensure they do not differ materially to fair value. If there is a material difference then a revaluation is performed.

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

- Roothing infrastructural assets
- Stormwater infrastructural assets
- Water and wastewater infrastructural assets
- Library Books
- Maritime assets
- Footpaths and footbridges
- Carparks
- Refuse transfer stations
- Heritage assets
- Parks & reserves
- Land (except land under roads)
- Community facilities buildings.

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

#### Additions

The cost of an item of property, plant, and equipment is recognised as an asset only when it is probable that future economic benefits or service potential associated with the item will flow to the 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.

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

#### Subsequent costs

Costs incurred subsequent to initial acquisition are capitalised only when it is probable that future economic benefits or service potential associated with the item will flow to the council and group and the cost of the item can be measured reliably. The costs of day to day maintenance of property, plant and equipment are recognised in the surplus or deficit as they are incurred.

#### Assets under construction

Assets under construction are not depreciated. The total cost of a project is transferred to the relevant asset class on its completion and then depreciated.

#### Disposals

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

#### Depreciation

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

<b>Operational assets</b>		
Runways	25 years	4%
Buildings	15 – 120 years	0.83 – 6.67%
Motor vehicles	3 – 5 years	20 – 33%
Plant and machinery	1 – 40 years	2.5 – 100%
Wharves (concrete)	10 - 85 years	1.17 - 10%
Wharves (timber), moorings and ramps	10 – 50 years	2 – 10%
Office furniture and equipment	5 – 15 years	6.67 – 20%
Computers	3 - 7 years	14.28 – 33%
Library books	5 – 40 years	2.5 – 20%
Heritage assets	10 – 155 years	0.65-10%
Leasehold improvements	3 - 25 years	4 - 33%
<b>Infrastructural assets</b>		
<i>Roads</i>		
Top surface (seal)	5 - 50 years	2 – 20%
Top surface (unsealed)	12 years	8.33%
Pavement (base course) sealed	35 years	2.85%
Pavement (sub base) sealed	35 - 50 years	2 - 2.85%
Retaining and Seawalls	50 - 80 years	1.25 - 2%
Culverts, cesspits	25 - 100 years	1 – 4%
Surface water channels	0 - 50 years	0 - 20%
Footpaths	30 – 60 years	1.6 – 3.3%
Kerbs	50 – 80 years	1.25 – 2%
Street lights	8– 60 years	1.67 – 12.5%
Signs	20 years	5%
Bridges	50 – 100 years	1 – 2%
Railings	30 – 50 years	2 – 2.5%
<i>Water reticulation</i>		
Pipes	50 – 100 years	1 – 2%
Valves, hydrants	50 - 70 years	1.43 – 2%
Pump stations	10 - 50 years	2 – 10%
Treatment plants	5 - 80 years	1.25 - 20%
Tanks / dams	5 - 80 years	1.25 - 20%
<i>Sewerage reticulation</i>		
Pipes	40 - 100 years	1 – 2.5%
Manholes	80 years	1.25%
Pump stations	10 - 60 years	1.67 - 10%
Treatment plant	10 - 60 years	1.67 - 10%
<i>Stormwater systems</i>		
Pipes	50 – 100 years	1 – 2%
Manholes	100 years	1%
Refuse	5 - 100 years	1 - 20%

Improvements to leased assets are depreciated over the shorter of the unexpired period of the leases and the estimated useful lives of the improvements. The residual value and useful life of an asset is reviewed, and has been adjusted if applicable, at each financial year end.  
Land is not depreciated.



## **Impairment**

Non-financial assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that have a finite life are reviewed for impairment whenever events or changes in circumstances indicate that the carry amount may not be recoverable.

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

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

The carrying amounts of the council and group assets are reviewed at each statement of financial position date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

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

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

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

### **Impairment for Storm Events**

The Far North has experienced a number of significant weather events in the 2022/23 year resulting in ongoing operating and capital expenditure for the council. Operating expenditure related to these events is recognised in the year that it is incurred. Estimates of capital expenditure required to rehabilitate assets after storm related damage have been undertaken and much of the capital expenditure to be incurred pertains to the construction of new assets to enhance the resilience of the council's infrastructure. An assessment has been carried out of possible impairment to existing assets and this has been found to be insignificant when compared to the total council asset base. Accordingly, no material impairment of the council assets has been recognised in the year ended 30 June 2023.

## **Critical accounting estimates and assumptions**

### **Infrastructural assets**

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

- The physical deterioration and condition of an asset. The council may be carrying an asset at an amount that does not reflect its actual condition. This is particularly so for those assets that are not visible, such as stormwater, wastewater and water supply pipes that are underground. This risk is minimised by the council performing physical inspections and assessments;
- Estimating any obsolescence or surplus capacity of an asset; and
- Estimates are made when determining the remaining useful lives over which the asset will be depreciated. If useful lives do not reflect the actual consumption of the benefits of the asset, then the council could be over or under estimating the annual depreciation charge recognised as an expense in the statement of comprehensive revenue and expense.

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

Experienced independent valuers perform the council's infrastructural asset revaluations.

## **Estimating the fair value of land, buildings and infrastructure**

### **Land (Operational, restricted and infrastructural)**

The most recent valuation of land was performed by an independent registered valuer at QV Asset & Advisory. This valuation was effective as at 30 June 2024.

Land is valued at fair value using market-based evidence and the highest and best use scenario. Due consideration has been made for restrictions due to easements, covenants and any restrictions such as the Reserves Act.

An assumption has been made that all land valued is held by the council in freehold ownership.

### **Buildings (operational and restricted)**

Buildings have been valued on a depreciated replacement cost basis in most cases. Buildings were valued by QV Asset & Advisory with an effective date of 30 June 2023.

Depreciated replacement cost is determined using a number of assumptions including:

- Replacement cost rates derived from construction contracts of like assets and recent costings obtained from construction details
- Inspection of all buildings with a value of over \$50,000
- It was considered that most current buildings in the property portfolio are fully utilised and optimisation is not necessary

Straight-line depreciation has been applied in determining the depreciated replacement cost value of the assets

Economic lives have been adopted taking into consideration the council's replacement / maintenance plans.

The council's residential buildings (Housing for the Elderly) has been valued on a depreciated replacement cost method. This is due to the fact that there was a paucity of relevant recent sales evidence to derive an appropriate market value.

Any buildings valued using market based evidence as are follows:

	Council		Group	
	2024 \$000s	2023 \$000s	2024 \$000s	2023 \$000s
<b>Operational buildings</b>				
Roading strategic buildings	3,277	2,955	3,277	2,955
<b>Restricted buildings</b>				
Restricted buildings	-	-	-	-
<b>Total</b>	<b>3,277</b>	<b>2,955</b>	<b>3,277</b>	<b>2,955</b>

#### Infrastructural asset classes: sewerage, water, refuse, stormwater and roading

Sewerage, water, stormwater and roading are valued at depreciated replacement cost by SPM Assets Ltd and Fraser Campbell of Campbell Consulting Ltd. The sewerage and water valuations (excluding land) have an effective date as at 30 June 2024. The stormwater valuations have an effective date of 30 June 2023. The roading asset classes such as pavement, drainage and bridges have an effective date as at 30 June 2024. Refuse is valued at depreciated replacement cost by Fraser Campbell of Campbell Consulting Ltd and SPM Assets Ltd. Refuse valuations have an effective date as at 30 June 2023.

Depreciated replacement cost is determined using a number of assumptions including:

- Assets are assumed to be replaced with the least cost alternative modern equivalent asset providing the same service potential
- Residual values were assessed as zero for all assets
- Depreciation was applied to depreciable assets on a straight-line basis over the assessed total economic life of the asset
- Issues of functional and design obsolescence and surplus capacity have been considered but no optimisation adjustments were considered necessary.

#### Library collections

Library collections are valued at depreciated replacement cost and valuations are performed by the in-house systems librarian and the fixed asset accountant. These valuations have been peer reviewed by SPM Assets Ltd. The last valuation was effective as at 28 February 2023.

#### Maritime assets

Maritime assets were valued at depreciated replacement cost by Telfer Young (Northland) Ltd. The last valuation was effective as at 30 June 2024. The following assumptions were used in determining the depreciated replacement cost:

Replacement costs are derived from recent contract information, indexed cost increases, historical cost data and in-house advice from engineers

Remaining lives have been applied as per advice from Far North Holdings engineers as a result of a full data collection exercise carried out in June 2023 and an updated condition reports in the 2020/21 financial year. In addition work has been carried out by asset managers within FNDC and this advice has also been incorporated into the valuation.

#### Heritage assets

Heritage assets were valued at depreciated replacement cost in accordance with the 2002 Treasury valuation guidance for cultural and heritage assets. Heritage valuations are performed by WSP New Zealand Ltd with the last valuation having an effective date of 30 June 2024.

#### Operational assets

Ferry assets were valued at depreciated replacement cost by Emtech, engineering and marine consultants, effective as at 30 June 2023. Plant Assets such as pool plant and the sewerage treatment assets at the Houhora camping ground were valued by AECOM as these were considered to be specialised in nature.

#### Critical judgments in applying the council's accounting policies

##### Classification of property

The council owns a number of properties which are maintained primarily to provide housing to pensioners. The receipt of market based rental from these properties is incidental to holding these properties. These properties are held for service delivery objectives as part of the council's social housing policy. These properties are accounted for as property, plant and equipment rather than as investment property.

## Property, plant and equipment - Council

2024	Cost / revaluation 30 June 2023	Accumulated depreciation and impairment charges 30 June 2023	Carrying amount 30 June 2023	Current year additions and transfers	Current year vested assets
Land	1,371	-	1,371	-	-
Vehicles and plant	5,744	(1,298)	4,446	466	8
Leasehold improvements	990	(748)	242	19	-
Wharves, ramps, moorings	15,632	-	15,632	107	-
Furniture, fitting and office equipment	2,511	(1,479)	1,032	40	-
Information systems	5,730	(4,183)	1,547	628	-
*Work in progress	922	-	922	1,996	-
<b>Total operational assets</b>	<b>32,900</b>	<b>(7,708)</b>	<b>25,192</b>	<b>3,256</b>	<b>8</b>
Roading land	373,475	-	373,475	627	-
Roading and footpaths	1,508,122	(3,760)	1,504,362	43,682	441
Water - treatment plants and facilities	29,817	(1,188)	28,630	1,601	-
Water - reticulation	72,128	(1,814)	70,314	1,169	88
Wastewater - treatment plants and facilities	68,440	(3,334)	65,107	2,161	-
Wastewater - reticulation	88,620	(2,286)	86,334	169	236
Stormwater	104,787	-	104,787	1,185	381
Refuse	5,387	-	5,387	753	-
Community facilities	101,863	(2,478)	99,385	16,752	22
Infrastructural Land	65,338	-	65,338	718	15
Work in progress	71,868	-	71,868	78,083	-
<b>Total infrastructural assets</b>	<b>2,489,845</b>	<b>(14,858)</b>	<b>2,474,987</b>	<b>146,900</b>	<b>1,183</b>
Council restricted assets					
Land	43,116	-	43,116	-	-
Buildings	-	-	-	-	-
Heritage	3,378	(153)	3,225	7	1,039
<b>Total restricted assets</b>	<b>46,494</b>	<b>(153)</b>	<b>46,341</b>	<b>7</b>	<b>1,039</b>
<b>Total property, plant and equipment</b>	<b>2,569,239</b>	<b>(22,719)</b>	<b>2,546,520</b>	<b>150,163</b>	<b>2,230</b>

Some asset classes reflect a zero opening balance for accumulated depreciation. The council has adopted the deemed cost model of revaluations which requires that the accumulated depreciation balance is written back at the time of revaluation. The balance for revalued asset classes will reflect a zero balance in years that the asset class is revalued.

Current year disposals and transfers (at book value)	Current year impairment charges	Current year depreciation	Current year adjustments	Revaluation surplus / (deficit)	Cost / revaluation 30 June 2024	Accumulated depreciation and impairment charges 30 June 2024	Carrying amount 30 June 2024
-	-	-	-	151	1522	-	1,522
(114)	-	(792)	-	-	5,964	(1,951)	4,013
(4)	-	(93)	-	-	1,002	(838)	164
(4)	-	(711)	-	921	15,946	-	15,946
-	-	(160)	-	(31)	2,515	(1,637)	878
(16)	-	(743)	-	-	6,096	(4,680)	1,416
(1,177)	-	-	-	-	1,741	-	1,741
<b>(1,315)</b>	<b>-</b>	<b>(2,499)</b>	<b>-</b>	<b>1,041</b>	<b>34,786</b>	<b>(9,106)</b>	<b>25,680</b>
-	-	-	-	815	374,917	-	374,917
(3,620)	-	(25,282)	-	52,306	1,576,171	(4,280)	1,571,892
(175)	-	(1,508)	-	1,757	30,305	-	30,305
(131)	-	(1,901)	-	25,710	95,249	-	95,249
(13)	-	(3,282)	-	3,507	67,478	-	67,478
(92)	-	(2,175)	-	18,900	103,374	-	103,374
-	-	(2,313)	-	-	106,354	(2,313)	104,041
-	-	(301)	-	-	6,140	(301)	5,839
(302)	-	(7,474)	-	1	118,296	(9,912)	108,384
-	-	-	-	2,820	68,890	-	68,890
(73,629)	-	-	-	-	76,321	-	76,321
<b>(77,962)</b>	<b>-</b>	<b>(44,236)</b>	<b>-</b>	<b>105,816</b>	<b>2,623,496</b>	<b>(16,806)</b>	<b>2,606,690</b>
-	-	-	-	670	43,787	-	43,787
-	-	-	-	-	-	-	-
-	-	(153)	-	2,696	6,815	-	6,815
-	-	<b>(153)</b>	-	<b>3,366</b>	<b>50,602</b>	-	<b>50,602</b>
<b>(79,277)</b>	<b>-</b>	<b>(46,888)</b>	<b>-</b>	<b>110,223</b>	<b>2,708,884</b>	<b>(25,912)</b>	<b>2,682,972</b>

## Property, plant and equipment - Council continued

2023	Cost / revaluation 30 June 2022	Accumulated depreciation and impairment charges 30 June 2022	Carrying amount 30 June 2022	Current year additions and transfers	Current year vested assets
Land	538	-	538	833	-
Vehicles and plant	4,888	(1,431)	3,457	1877	-
Leasehold improvements	989	(674)	315	-	-
Wharves, ramps, moorings	14,260	(34)	14,226	1,416	-
Furniture, fitting and office equipment	2,275	(1,412)	863	268	-
Information systems	5,147	(3,666)	1,481	784	-
*Work in progress	1,472	-	1,472	1,165	-
<b>Total operational assets</b>	<b>29,569</b>	<b>(7,217)</b>	<b>22,352</b>	<b>6,343</b>	<b>-</b>
Roading land	372,701	-	372,701	260	71
Roading and footpaths	1,360,759	(2,727)	1,358,032	31,388	3035
Water – treatment plants and facilities	24,486	-	24,486	5,368	-
Water - reticulation	61,972	(1)	61,971	10,192	26
Wastewater – treatment plants and facilities	68,461	-	68,461	166	-
Wastewater - reticulation	88,473	-	88,473	38	109
Stormwater	107,267	-	107,267	140	199
Refuse	6,852	-	6,852	110	-
Community facilities	74,388	(7,462)	66,926	10,140	163
Infrastructural land	65,248	-	65,248	-	90
Work in progress	65,274	-	65,274	68,163	-
<b>Total infrastructural assets</b>	<b>2,295,881</b>	<b>(10,190)</b>	<b>2,285,691</b>	<b>125,965</b>	<b>3,693</b>
<b>Council restricted assets</b>					
Land	43,116	-	43,116	-	-
Buildings	-	-	-	-	-
Heritage	3,413	-	3,413	-	-
<b>Total restricted assets</b>	<b>46,529</b>	<b>-</b>	<b>46,529</b>	<b>-</b>	<b>-</b>
<b>Total property, plant and equipment</b>	<b>2,371,979</b>	<b>(17,407)</b>	<b>2,354,573</b>	<b>132,308</b>	

Some asset classes reflect a zero opening balance for accumulated depreciation. The council has adopted the deemed cost model of revaluations which requires that the accumulated depreciation balance is written back at the time of revaluation. The balance for revalued asset classes will reflect a zero balance in years that the asset class is revalued.

Current year disposals and transfers (at book value)	Current year impairment charges	Current year depreciation	Current year adjustments	Revaluation surplus / (deficit)	Cost / revaluation 30 June 2023	Accumulated depreciation and impairment charges 30 June 2023	Carrying amount 30 June 2023
-	-	-	-	-	1371	-	1371
(111)	-	(620)	-	(157)	5,744	(1,298)	4,446
-	-	(91)	-	18	990	(748)	242
-	-	(634)	-	625	15,632	-	15,632
(5)	-	(152)	-	57	2,511	(1,479)	1,032
(4)	-	(715)	-	-	5,730	(4,183)	1,547
(1,715)	-	-	-	-	922	-	922
<b>(1,835)</b>	-	<b>(2,212)</b>	-	<b>543</b>	<b>32,900</b>	<b>(7,708)</b>	<b>25,192</b>
-	-	-	-	443	373,475	-	373,475
(1,653)	-	(22,877)	-	136,436	1,508,122	(3,760)	1,504,362
(34)	-	(1,190)	-	-	29,817	(1,188)	28,630
(57)	-	(1,819)	-	-	72,128	(1,814)	70,314
(176)	-	(3,344)	-	-	68,440	(3,334)	65,107
-	-	(2,286)	-	-	88,620	(2,286)	86,334
-	-	(1,656)	-	(1,163)	104,787	-	104,787
(1,627)	-	(293)	-	344	5,387	-	5,387
(389)	-	(5,127)	-	27,674	101,863	(2,478)	99,385
-	-	-	-	-	65,338	-	65,338
(61,568)	-	-	-	-	71,868	-	71,868
<b>(65,504)</b>	-	<b>(38,592)</b>	-	<b>163,734</b>	<b>2,489,845</b>	<b>(14,858)</b>	<b>2,474,987</b>
-	-	-	-	-	43,116	-	43,116
-	-	-	-	-	-	-	-
(34)	-	(154)	-	-	3,378	(153)	3,225
<b>(34)</b>	-	<b>(154)</b>	-	-	<b>46,494</b>	<b>(153)</b>	<b>46,341</b>
<b>(67,373)</b>	-	<b>(40,958)</b>	-	<b>164,277</b>	<b>2,569,239</b>	<b>(22,719)</b>	<b>2,546,520</b>

## Property, plant and equipment - Group

2024	Cost / revaluation 30 June 2023	Accumulated depreciation and impairment charges 30 June 2023	Carrying amount 30 June 2023	Current year additions and transfers	Current year vested assets
Land	12,706	-	12,706	-	-
Buildings	43,766	(3,499)	40,267	121	-
Vehicles, boat transporters and plant	7,868	(2,371)	5,497	718	8
Leasehold improvements	1,154	(792)	362	19	-
Wharves, ramps, moorings	16,626	(30)	16,596	137	-
Furniture, fittings and office equipment	9,011	(5,317)	3,694	331	-
Information systems	5,742	(4,193)	1,549	628	-
Runways	3,301	-	3,301	-	-
Site works	530	(516)	14	-	-
Heritage	859	-	859	-	-
Work in progress	1,024	-	1,024	2,224	-
<b>Total operational assets</b>	<b>102,587</b>	<b>(16,718)</b>	<b>85,869</b>	<b>4,178</b>	<b>8</b>
Roading land	373,475	-	373,475	627	-
Roading and footpaths	1,508,122	(3,760)	1,504,362	43,682	441
Water - treatment plants and facilities	29,817	(1,188)	28,630	1,601	-
Water - other	72,128	(1,814)	70,314	1,169	88
Wastewater - treatment plants and facilities	68,440	(3,334)	65,107	2,161	-
Wastewater - other	88,620	(2,286)	86,334	169	236
Stormwater	104,787	-	104,787	1,186	381
Refuse	5,387	-	5,387	753	-
Community facilities	101,863	(2,478)	99,385	16,752	22
Infrastructural land	65,338	-	65,338	718	15
Work in progress	71,868	-	71,868	78,082	-
<b>Total infrastructural assets</b>	<b>2,489,845</b>	<b>(14,860)</b>	<b>2,474,987</b>	<b>146,900</b>	<b>1,183</b>
<b>Council restricted assets</b>					
Land	43,116	-	43,116	-	-
Heritage	3,378	(153)	3,225	7	1,039
<b>Total restricted assets</b>	<b>46,494</b>	<b>(153)</b>	<b>46,341</b>	<b>7</b>	<b>1,039</b>
<b>Total property, plant and equipment</b>	<b>2,638,926</b>	<b>(31,731)</b>	<b>2,607,193</b>	<b>151,085</b>	<b>2,230</b>

Some asset classes reflect a zero opening balance for accumulated depreciation. The council has adopted the deemed cost model of revaluations which requires that the accumulated depreciation balance is written back at the time of revaluation. The balance for revalued asset classes will reflect a zero balance in years that the asset class is revalued.



Current year disposals and transfers (at book value)	Current year impairment charges	Current year depreciation	Current year adjustments	Revaluation surplus / (deficit)	Cost / revaluation 30 June 2024	Accumulated depreciation and impairment charges 30 June 2024	Carrying amount 30 June 2024
-	-	-	-	(676)	12,029	-	12,029
-	-	(613)	30	(4,958)	38,583	(3,736)	34,847
(114)	-	(970)	-	-	8,340	(3,203)	5,137
(4)	-	(99)	-	-	1,166	(888)	278
(4)	-	(787)	58	1,216	17,249	(33)	17,216
-	-	(550)	101	(31)	9,382	(5,836)	3,545
(16)	-	(746)	-	-	6,108	(4,693)	1,415
-	-	(132)	-	(17)	3,152	-	3,152
-	-	(2)	2	-	531	(517)	14
-	-	-	-	-	859	-	859
(1,279)	-	-	-	-	1,969	-	1,969
<b>(1,417)</b>	-	<b>(3,899)</b>	<b>191</b>	<b>(4,466)</b>	<b>99,369</b>	<b>(18,906)</b>	<b>80,461</b>
-	-	-	-	815	374,917	-	374,917
(3,620)	-	(25,282)	-	52,306	1,576,171	(4,280)	1,571,892
(175)	-	(1,508)	-	1,757	30,305	-	30,305
(131)	-	(1,901)	-	25,710	95,249	-	95,249
(13)	-	(3,282)	-	3,507	67,478	-	67,478
(92)	-	(2,175)	-	18,900	103,374	-	103,374
-	-	(2,313)	-	-	106,354	(2,313)	104,041
-	-	(301)	-	-	6,140	(301)	5,839
(302)	-	(7,474)	-	1	118,296	(9,912)	108,384
-	-	-	-	2,820	68,890	-	68,890
(73,629)	-	-	-	-	76,321	-	76,321
<b>(77,962)</b>	-	<b>(44,236)</b>	-	<b>105,816</b>	<b>2,623,495</b>	<b>(16,806)</b>	<b>2,606,691</b>
-	-	-	-	670	43,787	-	43,787
-	-	(153)	-	2,696	6,815	-	6,815
-	-	<b>(153)</b>	-	<b>3,366</b>	<b>50,602</b>	-	<b>50,601</b>
<b>(79,379)</b>	-	<b>(48,288)</b>	<b>191</b>	<b>104,716</b>	<b>2,773,466</b>	<b>(35,712)</b>	<b>2,737,753</b>

## 12. Property, plant and equipment - Group continued

2023	Cost / revaluation 30 June 2022	Accumulated depreciation and impairment charges 30 June 2022	Carrying amount 30 June 2022	Current year additions and transfers	Current year vested assets
Land	11,143	-	11,143	833	-
Buildings	30,647	(773)	29,874	1,710	-
Vehicles, boat transporters and plant	6,604	(2,349)	4,255	2,310	-
Leasehold improvements	1,153	(711)	442	-	-
Wharves, ramps, moorings	21,747	(127)	21,620	1,416	-
Furniture, fittings and office equipment	7,543	(4,315)	3,228	564	-
Information systems	5,159	(3,674)	1,485	784	-
Runways	4,044	(131)	3,913	-	-
Site works	16	(3)	13	-	-
Heritage	859	-	859	-	-
Work in progress	1,664	-	1,664	1,210	-
<b>Total operational assets</b>	<b>90,579</b>	<b>(12,083)</b>	<b>78,496</b>	<b>8,827</b>	<b>-</b>
Roading land	372,701	-	372,701	260	71
Roading and footpaths	1,360,759	(2,727)	1,358,032	31,388	3,035
Water - treatment plants and facilities	24,486	-	24,486	5,368	-
Water - other	61,972	(1)	61,971	10,192	26
Wastewater - treatment plants and facilities	68,461	-	68,461	166	-
Wastewater - other	88,473	-	88,473	38	109
Stormwater	107,267	-	107,267	140	199
Refuse	6,852	-	6,852	110	-
Community facilities	74,388	(7,462)	66,926	10,140	163
Infrastructural land	65,248	-	65,248	-	90
Work in progress	65,274	-	65,274	68,163	-
<b>Total infrastructural assets</b>	<b>2,295,881</b>	<b>(10,190)</b>	<b>2,285,691</b>	<b>125,965</b>	<b>3,693</b>
<b>Council restricted assets</b>					
Land	43,116	-	43,116	-	-
Heritage	3,413	-	3,413	-	-
<b>Total restricted assets</b>	<b>46,529</b>	<b>-</b>	<b>46,529</b>	<b>-</b>	<b>-</b>
<b>Total property, plant and equipment</b>	<b>2,432,989</b>	<b>(22,273)</b>	<b>2,410,716</b>	<b>134,792</b>	<b>3,693</b>

Some asset classes reflect a zero opening balance for accumulated depreciation. The council has adopted the deemed cost model of revaluations which requires that the accumulated depreciation balance is written back at the time of revaluation. The balance for revalued asset classes will reflect a zero balance in years that the asset class is revalued.

Current year disposals and transfers (at book value)	Current year impairment charges	Current year depreciation	Current year adjustments	Revaluation surplus / (deficit)	Cost / revaluation 30 June 2023	Accumulated depreciation and impairment charges 30 June 2023	Carrying amount 30 June 2023
-	-	-	(157)	885	12,706	-	12,706
-	-	(237)	4,480	4,440	43,766	(3,499)	40,267
(134)	-	(776)	-	(157)	7,868	(2,371)	5,497
-	-	(97)	-	18	1,154	(792)	362
-	-	(637)	(6,645)	842	16,626	(30)	16,596
(21)	-	(534)	400	57	9,011	(5,317)	3,694
(4)	-	(717)	-	-	5,742	(4,193)	1,549
-	-	-	-	(613)	3,301	-	3,301
-	-	(2)	9	-	530	(516)	14
-	-	-	-	-	859	-	859
(1,850)	-	-	-	-	1,024	-	1,024
<b>(2,009)</b>	-	<b>(3,000)</b>	<b>(1,913)</b>	<b>5,472</b>	<b>102,587</b>	<b>(16,718)</b>	<b>85,869</b>
-	-	-	-	443	373,475	-	373,475
(1,653)	-	(22,877)	-	136,436	1,508,122	(3,760)	1,504,362
(34)	-	(1,190)	-	-	29,817	(1,188)	28,630
(57)	-	(1,819)	-	-	72,128	(1,814)	70,314
(176)	-	(3,344)	-	-	68,440	(3,334)	65,107
-	-	(2,286)	-	-	88,620	(2,286)	86,334
-	-	(1,656)	-	(1,163)	104,787	-	104,787
(1,627)	-	(293)	-	344	5,387	-	5,387
(389)	-	(5,127)	-	27,674	101,863	(2,478)	99,385
-	-	-	-	-	65,338	-	65,338
(61,568)	-	-	-	-	71,868	-	71,868
<b>(65,504)</b>	-	<b>(38,592)</b>	-	<b>163,734</b>	<b>2,489,845</b>	<b>(14,860)</b>	<b>2,474,987</b>
-	-	-	-	-	43,116	-	43,116
(34)	-	(154)	-	-	3,378	(153)	3,225
<b>(34)</b>	-	<b>(154)</b>	-	-	<b>46,494</b>	<b>(153)</b>	<b>46,341</b>
<b>(67,547)</b>	-	<b>(41,746)</b>	<b>(1,913)</b>	<b>169,206</b>	<b>2,638,926</b>	<b>(31,731)</b>	<b>2,607,193</b>

## Disposals

All disposals that were carried out during the year were part of the council's on-going renewal programmes.

The net loss on disposal of property, plant and equipment (\$4.334 million) has been recognised in the statement of comprehensive revenue and expense in the line item "Other expenses".

## Work in progress

\*Note to Table 12, page 88 - includes work in progress (WIP) for intangible assets \$2.775 million (2023 - \$5.097 million)

The total amount of property, plant and equipment in the course of construction is \$78,062 thousand (2023 - \$72,790 thousand).

	Council and Group	
	2024 \$000s	2023 \$000s
Land	-	18
Vehicles and plant	54	(24)
Leasehold improvements	-	-
Wharves, ramps, moorings	3,887	798
Runways	-	-
Furniture, fittings and office equipment	43	43
Information systems	1,066	690
Roading and footpaths	28,564	27,635
Roading - land	-	-
Water - treatment plants and facilities	5,861	5,473
Water - reticulation	614	920
Wastewater - treatment plants and facilities	9,386	4,770
Wastewater - reticulation	279	236
Refuse	51	453
Stormwater	2,513	2,592
Community facilities	22,969	24,089
Infrastructural land	-	-
Intangible assets	2,775	5,097
<b>Total work in progress</b>	<b>78,062</b>	<b>72,790</b>

## Restrictions

Land in the 'restricted asset' category is subject to either restrictions on use, or disposal, or both. This includes restrictions from legislation (such as land declared a reserve under the Reserves Act 1977), or other restrictions (such as land under bequest or donation that restricts the purpose for which the asset can be used).

## Core infrastructure asset disclosures

Category	Closing book value \$000s	Additions constructed by the council \$000s	Additions transferred to the council \$000s	Most recent estimate of replacement cost
<b>2024</b>				
Roading and Footpaths	1,571,890	43,681	441	1,546,029
Water				
- Treatment plants and facilities	30,305	1,601	-	29,875
- Other	95,249	1,169	88	94,675
Sewerage				
- Treatment plants and facilities	67,478	2,160	-	65,575
- Other	103,374	169	236	103,366
Stormwater	104,041	1,185	382	104,761
<b>2023</b>				
Roading and Footpaths	1,504,362	31,388	3,035	1,480,863
Water				
- Treatment plants and facilities	28,630	5,368	-	24,360
- Other	70,314	10,192	26	61,409
Sewerage				
- Treatment plants and facilities	65,107	166	-	67,913
- Other	86,334	38	109	88,472
Stormwater	104,787	140	199	104,761

## 13. Intangible assets

### Accounting policy

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

#### Computer software

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

#### Other intangible assets

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

Resource consents	5 - 30 years	3.33 - 20%
Easements	Not amortised	0%
IT software	3 - 10 years	10 - 33%
Public access rights	10 - 50 years	2 - 10%
Electronic books	5 years	20%

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

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

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

#### Subsequent expenditure

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

#### Amortisation

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

An intangible asset with an indefinite useful life is not amortised but is tested annually for impairment.

	Council		Group	
	2024 \$000s	2023 \$000s	2024 \$000s	2023 \$000s
<b>Computer software</b>				
Cost	6,468	6,178	6,656	6,366
Accumulated amortisation and impairment	(5,214)	(4,805)	(5,358)	(4,956)
Year ended 30 June 2023	1,254	1,372	1,298	1,410
<b>Opening carrying amount</b>	<b>1,254</b>	<b>1,372</b>	<b>1,298</b>	<b>1,410</b>
Additions	107	304	107	312
Amortisation charges	(416)	(422)	(418)	(424)
Disposals (at book value) / adjustments	-	-	-	-
<b>Balance at 30 June 2024</b>	<b>945</b>	<b>1,254</b>	<b>987</b>	<b>1,298</b>
<b>Resource consents / easements</b>				
Cost	4,336	4,337	4,336	4,337
Accumulated amortisation and impairment	(2,275)	(2,055)	(2,275)	(2,055)
Year ended 30 June 2023	2,061	2,281	2,061	2,282
<b>Opening carrying amount</b>	<b>2,061</b>	<b>2,281</b>	<b>2,061</b>	<b>2,282</b>
Additions	144	-	144	-
Amortisation charges	(200)	(220)	(200)	(220)
Disposals (at book value) / adjustments	-	-	-	-
<b>Balance at 30 June 2024</b>	<b>2,005</b>	<b>2,061</b>	<b>2,005</b>	<b>2,062</b>
<b>Goodwill</b>				
Balance 1 July 2023	-	-	100	100
Additions	-	-	-	-
Asset written off/impairment	-	-	-	-
<b>Balance 30 June 2024</b>	<b>-</b>	<b>-</b>	<b>100</b>	<b>100</b>

	Council		Group	
	2024 \$000s	2023 \$000s	2024 \$000s	2023 \$000s
<b>Public access rights</b>				
Cost	9,641	9,641	1,599	1,599
Accumulated amortisation and impairment	(2,777)	(2,592)	(1,638)	(1,575)
Year ended 30 June 2023	6,864	7,049	(39)	24
<b>Opening carrying amount</b>	<b>6,864</b>	<b>7,049</b>	<b>(39)</b>	<b>24</b>
Additions	3,895	-	3,895	-
Amortisation charges	(190)	(185)	-	(63)
Disposals (at book value) / adjustments	-	-	-	-
<b>Balance at 30 June 2024</b>	<b>10,569</b>	<b>6,864</b>	<b>3,856</b>	<b>(39)</b>
<b>Water rights</b>				
Cost	1,200	1,200	1,200	1,200
Accumulated amortisation and impairment	-	-	-	-
Year ended 30 June 2023	1,200	1,200	1,200	1,200
<b>Opening carrying amount</b>	<b>1,200</b>	<b>1,200</b>	<b>1,200</b>	<b>1,200</b>
Additions	780	-	780	-
Amortisation charges	-	-	-	-
Disposals (at book value) / adjustments	-	-	-	-
<b>Balance at 30 June 2024</b>	<b>1,980</b>	<b>1,200</b>	<b>1,980</b>	<b>1,200</b>
<b>Total intangible assets</b>	<b>15,499</b>	<b>11,379</b>	<b>8,929</b>	<b>4,621</b>

Easements and resource consents are not cash generating in nature, instead they give the council the right to access private property where infrastructural assets are located and to carry out activities approved by permit.

Emissions Trading Scheme - owners of pre-1990 forests may opt to join the Emissions Trading Scheme (ETS) and are allocated New Zealand Units (NZU's) based on the size of the forested area in tree tranches. Pre-1990 forests are forests that were established before 1 January 1990. NZU's cannot be earned for an increase in carbon stock (through forest growth) in a pre-1990 forest, but, provided that pre-1990 forests are re-established after harvesting (either by replanting or regeneration) there are no liabilities or obligations under ETS. However, land owners must surrender NZU's equivalent to the carbon emissions from any deforestation.

The council was allocated NZU's relating to 37.7 ha of forested land. These are recognised at nil cost.

#### 14. Depreciation and amortisation expense by activity

	Council	
	2024 \$000s	2023 \$000s
<b>Directly attributable depreciation and amortisation by activity</b>		
Customer services	848	702
District Facilities	6,977	5,004
Environmental Management	275	230
Roading and Footpaths	25,778	23,257
Solid Waste Management	307	300
Stormwater	2,332	1,676
Strategic Planning and Policy	13	11
Wastewater	5,572	5,765
Water Supply	3,496	3,090
<b>Total directly attributable depreciation and amortisation by group of activities</b>	<b>45,598</b>	<b>40,034</b>
Depreciation and amortisation not directly related to group of activities	2,096	1,750
<b>Total depreciation and amortisation expense</b>	<b>47,694</b>	<b>41,784</b>

## 15. Interest expense by activity

	Council	
	2024 \$000s	2023 \$000s
<b>Directly attributable interest by activity</b>		
District Facilities	1,498	686
Environmental Management	133	58
Governance and Strategic Administration	596	406
Roading and Footpaths	1,105	659
Solid Waste Management	197	181
Stormwater	180	119
Strategic Planning and Policy	7	4
Wastewater	1,208	875
Water Supply	811	494
<b>Total interest attributable to activities</b>	<b>5,735</b>	<b>3,479</b>

## 16. Gain / (loss) on asset revaluations

	Council	
	2024 \$000s	2023 \$000s
Reported in PPE Note	110,223	164,277
<b>Credited to:</b>		
Revaluation reserves (Note 24)	110,223	164,979
Recognised in surplus / (deficit):		
Roading	-	(603)
Utilities land	-	-
Library books	-	(99)
<b>Gain on asset revaluations</b>	<b>110,223</b>	<b>164,277</b>

## 17. Agricultural assets

### Accounting policy

Agricultural assets include biological assets and agricultural produce. A biological asset is a living animal or plant. Agricultural produce is the harvested produce of those biological assets.

Biological assets are measured at fair value less costs to sell, while agricultural produce is measured at fair value less costs to sell at the point of harvest. The net gain or loss arising from changes in valuation is included in the surplus / (deficit). Agricultural produce from biological assets is transferred to inventory at its fair value, by reference to market prices less estimated costs to sell, at the date of harvest.

### 17a. Biological assets

#### Accounting policy

Biological assets held by the group are bees.

Bees have been valued at fair value by reference to the Ministry of Primary Industries published prices. The fair value gain or loss arising from changes in the valuation is included in the surplus / (deficit).

	Council		Group	
	2024 \$000s	2023 \$000s	2024 \$000s	2023 \$000s
Balance at 1 July	-	-	258	310
Purchases of bees and hives	-	-	-	-
Fair value gains/(losses) on valuation	-	-	(39)	(53)
<b>Balance at 30 June</b>	<b>-</b>	<b>-</b>	<b>219</b>	<b>258</b>

### Financial risk management strategies

The council's group is exposed to financial risks arising from changes in bee product prices and the inherent nature of beekeeping. Bee prices have declined significantly and measures are taken to manage exposure to risks of further decline.



## 17b. Forestry assets

### Accounting policy

Forestry assets are independently revalued to estimated market valuation based on net present value. The net gain or loss arising from changes in the forest asset valuation is included in the surplus / (deficit). All gains and losses from harvesting are recognised in the statement of comprehensive revenue and expense when realised. Forestry maintenance costs are expensed as incurred.

	Council		Group	
	2024 \$000s	2023 \$000s	2024 \$000s	2023 \$000s
Balance at 1 July	458	458	458	458
Disposal of forestry asset under Treaty settlement	-	-	-	-
Gains / (losses) arising from changes in value	(108)	-	(108)	-
<b>Balance at 30 June</b>	<b>350</b>	<b>458</b>	<b>350</b>	<b>458</b>

The council owns 47 hectares of forest which are of harvestable age. The forest at Kaikohe (5.4 hectares) was harvested during the period ending June 2021 and remains unplanted. The council plans to harvest the Ōmāpere tree crop in the summer of 2024/25 if the necessary access and agreement from the landowners is secured. There are no restrictions over the title of forestry assets and no forests are pledged as security for liabilities. Independent registered valuer's Woodlands Pacific Consulting Limited have valued the forestry assets as at 30 June 2024 and the following assumptions were used:

- A discount rate of 9% (2023 9%) has been used in discounting the present value of expected cash flows
- Tenure in the tree crop is held by lease or freehold title to the underlying land. Lease costs are included in the cash flows. For the freehold land, a notional land rental is applied as a cost against the tree crop for the use of the land
- No allowance for inflation has been made
- Costs are forest costs (which in this case are confined to costs associated with protection and maintenance), administration and land rental and production (harvesting) costs
- Log prices assume delivery either at the mill gate or wharf gate and
- Export log prices have been adjusted to include the relevant port costs.

### Financial risk management strategies

The council is exposed to financial risks arising from the changes in timber prices. The council is a long term forestry investor and does not expect timber prices to decline significantly in the foreseeable future, therefore, has not taken measures to manage the risks of a decline in timber prices.

## 18. Investment property

### Accounting policy

Investment properties are properties which are held either to earn rental revenue or for capital appreciation or for both. Investment property is measured initially at its cost, including transaction costs.

After initial recognition, the group measures all investment properties at fair value determined annually by an independent valuer. The fair values are based on market values, being the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.

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

Rental revenue from investment property is accounted for as described in the Accounting Policies for revenue recognition. When an item of property, plant and equipment is transferred to investment property following a change in its use, any differences arising at the date of transfer between the carrying amount of the item immediately prior to transfer and its fair value is recognised directly in equity if it is a gain. Upon disposal of the item the gain is transferred to accumulated comprehensive revenue and expense. Any loss arising in this manner is recognised immediately in the surplus / (deficit). If an investment property becomes owner occupied, it is reclassified as property, plant and equipment and its fair value at the date of reclassification becomes its cost for accounting purposes of subsequent recording. When the council begins to redevelop an existing investment property for continued future use as investment property, the property remains an investment property, which is measured based on fair value, and is not reclassified as property, plant and equipment during the redevelopment.

	Council		Group	
	2024 \$000s	2023 \$000s	2024 \$000s	2023 \$000s
Balance at 1 July	-	-	148,153	143,567
Additions / WIP	-	-	17,039	14,838
Disposals	-	-	(10,520)	(8,150)
Reclassification as PPE movement	-	-	(1,453)	(10,642)
Transfer to properties intended for sale	-	-	(806)	-
Subsidy offset adjustment	-	-	-	-
Fair value changes and other adjustments	-	-	(23,560)	8,540
<b>Balance at 30 June</b>	<b>-</b>	<b>-</b>	<b>128,853</b>	<b>148,153</b>

Investment properties are valued annually at fair value effective 30 June. A market based approach has been applied to all investment properties where market evidence can be reliably analysed to assess open market values.

The most recent valuation was performed by Brad Sworn ANZIV, of the firm Telfer Young (Northland) Ltd, a valuer with extensive market knowledge in the types of investment properties owned by the group, for FNHL effective 30 June 2023.

### Rental revenue

	Council		Group	
	2024 \$000s	2023 \$000s	2024 \$000s	2023 \$000s
Rental revenue	-	-	6,896	6,655
Expenses from investment property generating revenue	-	-	2,849	2,771
Expenses from investment property not generating revenue	-	-	-	-

## 19a. Investment in subsidiaries

### Accounting policy

The council consolidates in the group financial statements all entities where the council has the capacity to control their financing and operating policies so as to obtain benefits from the activities of the subsidiary. This power exists where the council controls the majority voting power of the governing body or where such policies have been irreversibly determined by the council or where the determination of such policies is unable to materially affect the level of potential ownership benefits that arise from the activities of the subsidiary.

	Council		Group	
	2024 \$000s	2023 \$000s	2024 \$000s	2023 \$000s
Far North Holdings Ltd	18,000	18,000	-	-
<b>Total investment in subsidiaries</b>	<b>18,000</b>	<b>18,000</b>	<b>-</b>	<b>-</b>

The council has a 100% investment in FNHL and its reporting date is 30 June.

The investment in FNHL comprises 7,000,000 ordinary shares and 11,000,000 convertible non participating redeemable shares. The holders of the convertible non participating shares have no rights to participate in the profits or assets of the Company other than by the discretion of the directors, to vote at any general meeting of the Company or to subscribe for or be offered or allotted any present or future issue of shares in the capital of the Company. The Company shall be entitled, at any time from 30 May 2002, to redeem all or any of the convertible non participating shares.

## 19b. Investments in equity accounted associates

### Accounting policy

The council's associate investment is accounted for in the group financial statements using the equity method. An associate is an entity over which the council has significant influence and that is neither a subsidiary nor an interest in a joint venture. The investment in an associate is initially recognised at cost and the carrying amount in the group financial statements is increased or decreased to recognise the group's share of the surplus or deficit of the associate after the date of acquisition. Distributions received from an associate reduce the carrying amount of the investment.

If the share of deficits of an associate equals or exceeds its interest in the associate, the group discontinues recognising its share of further deficits. After the group's interest is reduced to zero, additional deficits are provided for, and a liability is recognised, only to the extent that the council has incurred legal or constructive obligations or made payments on behalf of the associate. If the associate subsequently reports surpluses, the group will resume recognising its share of the surpluses only after its share of the surpluses equals the share of deficits not recognised.

When the group transacts with the associate, surpluses or deficits are eliminated to the extent of the council's interest in the associate.

Dilution gains or losses arising from investments in associates are recognised in the surplus or deficit.

The investment in the associate is accounted for using the equity method in the council's parent entity financial statements.

	Council		Group	
	2024 \$000s	2023 \$000s	2024 \$000s	2023 \$000s
Group investments in associates	-	-	13,835	5,017
<b>Total investment in equity accounted associates</b>	<b>-</b>	<b>-</b>	<b>13,835</b>	<b>5,017</b>

### Group investments in associates

FNHL holds significant influence over their associate Kaikohe Berryfruit GP Limited and has included their investment using the equity accounting method. During the 2023 year a new entity was formed 450 Kamo Road Limited Partnership. Far North Holdings Ltd was initially the sole limited partner and it transferred an investment property to this entity. Subsequent to this FNHL sold a 50% share to its subsidiary Far North Housing Limited, and a 50% share to an unrelated party. The result of these transactions saw proportion of ownership increase from 0% to 50% from 2022 to 2023, which was the primary driver of the increase in FNHL Investments in equity accounted associates. During the 2024 year a new entity was formed 56 Tawanui Road Limited Partnership. FNHL was initially the sole limited partner and it transferred an investment property to this entity. Subsequent to this Far North Housing Limited sold a 50% share to its subsidiary Northern Housing Limited, and a 50% share to an unrelated party.

### Northland Inc (Associate)

Northland Inc is a limited company incorporated and registered under the Companies Act 1993 and is a council controlled organisation as defined in section 6 of the Local Government Act 2002. Northland Inc is an associate of the council with a primary objective to develop the economy of Northland and review funding opportunities through the Investment and Growth Reserve. Northland Inc is classified as an associate as it is considered that the council holds significant influence over the financial and operating policies of Northland Inc due to the fact the council shares joint control of Northland Inc with Northland Regional Council (33.3%) and Kaipara District Council (33.3%). The council's investment in Northland Inc is carried at cost of \$80 (2023 \$80) in the council's parent entity financial statements.

## 20. Creditors and other payables

### Accounting policy

A liability is recognised when the service has been received or the goods received or when it has been established that the rewards of ownership have been transferred from the seller / provider to the council and when it is certain that an obligation to pay arises. Short term creditors and other payables are recorded at face value.

	Council		Group	
	2024 \$000s	2023 \$000s	2024 \$000s	2023 \$000s
<b>Current portion</b>				
<b>Payables and deferred revenue under exchange transactions</b>				
Creditors	3,580	1,469	13,113	8,019
Accruals	17,507	16,636	17,539	16,658
Deposits	6,496	6,296	6,496	6,296
Revenue in advance	6,808	7,906	8,462	8,479
<b>Total</b>	<b>34,391</b>	<b>32,307</b>	<b>45,610</b>	<b>39,452</b>
<b>Payables and deferred revenue under non-exchange transactions</b>				
Income tax and ACC payable	633	166	633	166
Other taxes payable (e.g. GST and FBT)	-	-	8	5
<b>Total</b>	<b>633</b>	<b>166</b>	<b>641</b>	<b>170</b>
<b>Total current portion</b>	<b>35,024</b>	<b>32,472</b>	<b>46,252</b>	<b>39,623</b>
<b>Non-current portion</b>				
Creditors	111	58	111	58
Revenue in advance	-	-	18,037	15,274
<b>Total non-current portion</b>	<b>111</b>	<b>58</b>	<b>18,148</b>	<b>15,332</b>

Trade and other payables are non interest bearing and are normally settled on 30 day terms, therefore the carrying value of trade and other payables approximates their fair value.

## 21. Provisions

### Accounting policy

A provision is recognised in the statement of financial position when the council has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits, the amount of which can be reliably estimated, will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

### Landfill post – closure costs

The council as an operator of both closed and operational landfills has a legal obligation under the Resource Management Act (1991) to provide ongoing maintenance and monitoring services at the landfill sites after closure. A provision for post closure costs is recognised as a liability when the obligation for post closures costs arises.

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

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

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

	Council		Group	
	2024 \$000s	2023 \$000s	2024 \$000s	2023 \$000s
<b>Provision for Landfill aftercare liability</b>				
Current provisions	67	560	67	560
Non-current provisions	1,393	1,173	1,393	1,173
<b>Total provisions landfill aftercare</b>	<b>1,460</b>	<b>1,733</b>	<b>1,460</b>	<b>1,733</b>
This is represented by:				
<b>Ahipara</b>				
Opening balance 1 July	81	152	81	153
Plus provision added	9	-	9	-
Less amount utilised	-	(72)	-	(72)
<b>Closing balance 30 June</b>	<b>90</b>	<b>81</b>	<b>90</b>	<b>81</b>
<b>Kaikohe</b>				
Opening balance 1 July	16	16	15	16
Plus provision added	41	-	41	-
Less amount utilised	-	-	-	-
<b>Closing balance 30 June</b>	<b>57</b>	<b>16</b>	<b>56</b>	<b>16</b>
<b>Russell</b>				
Opening balance 1 July	1,592	1,607	1,592	1,607
Plus provision added	-	-	-	-
Less amount utilised	(327)	(15)	(327)	(15)
<b>Closing balance 30 June</b>	<b>1,265</b>	<b>1,593</b>	<b>1,265</b>	<b>1,592</b>
<b>Whangae</b>				
Opening balance 1 July	42	45	42	45
Plus provision added	4	-	4	-
Less amount utilised	-	(3)	-	(3)
<b>Closing balance 30 June</b>	<b>46</b>	<b>42</b>	<b>46</b>	<b>42</b>
<b>Total landfill aftercare provisions</b>	<b>1,460</b>	<b>1,733</b>	<b>1,460</b>	<b>1,733</b>
Total current provisions	67	560	67	560
Total non-current provisions	1,393	1,173	1,393	1,173
<b>Total provisions</b>	<b>1,460</b>	<b>1,733</b>	<b>1,460</b>	<b>1,733</b>

## Landfill aftercare provisions

The council gained resource consents to operate landfills at Ahipara, Russell, Whangae and Kaikohe. The council has responsibility under the Resource Management Act (1991) to provide ongoing maintenance and monitoring of the landfills after the sites are closed.

There are closure and post closure responsibilities such as the following:

- Final cover and vegetation;
- Drainage control features to minimise infiltration of stormwater;
- Completing facilities for leachate collection and treatment;
- Ongoing monitoring as per discharge consent conditions; and
- Completing facilities for monitoring of landfill gas and ensuring no hazard exists.

Post closure responsibilities:

- Treatment and monitoring of leachate;
- Ground water and surface water monitoring;
- Gas monitoring and flaring if required;
- Implementation of remedial measures such as needed for settlement and cracking of capping layer;
- Ongoing site maintenance for drainage systems, final cover and vegetation; and
- Ensure closed landfill is suitable for intended future use.

The management of the landfills will influence the timing of some liabilities – for example, the current landfill site of Russell will operate in two stages. A liability relating to Stage 2 will only be created when that stage is commissioned and when refuse begins to accumulate in this stage.

The following major assumptions have been made in the calculation of the provision:

- Council approved the closure of the Russell landfill at a Council meeting on 11th August 2022.
  - Council have no active landfill sites in operation.

Provision for the aftercare of closed landfills is required for the foreseeable future. The council's latest consent for a closed landfill is for a period of 28 years and it is expected that future consents for closed landfills will be for a similar or extended timeframe. All consents require ongoing monitoring costs, leachate control costs and remedial work costs in order to maintain the structure of the landfill.

The future cash flows for the landfill post closures are expected to occur for the foreseeable future. The long term nature of the liability means that there are inherent uncertainties in estimating costs that will be incurred. The future cashflows have been estimated taking into account existing technology. Risk-free Discount Rates published by the Treasury have been used to discount the estimated future cashflows. <https://treasury.govt.nz/publications/guidance/reporting/accounting/discount rates>

## 22. Employee benefits

### Accounting policy

#### 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, annual leave earned to, but not yet taken at balance date and sick leave.

A liability and an expense are recognised for bonuses where the council or group has a contractual obligation or where there is a past practice that has created a constructive obligation and a reliable estimate of the obligation can be made.

#### Presentation of employee entitlements

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

	Council		Group	
	2024 \$000s	2023 \$000s	2024 \$000s	2023 \$000s
Accrued pay	649	471	934	706
Annual leave entitlement	2,098	1,953	2,482	2,285
Other entitlements	240	236	240	236
<b>Total employee benefits</b>	<b>2,987</b>	<b>2,660</b>	<b>3,656</b>	<b>3,227</b>
<b>Comprising</b>				
Current	2,987	2,660	3,656	3,227
Non-current	-	-	-	-
<b>Total employee benefits</b>	<b>2,987</b>	<b>2,660</b>	<b>3,656</b>	<b>3,227</b>

## 23. Borrowings and other financial liabilities

### Accounting policy

Borrowings are initially recognised at their fair value. After initial recognition all borrowings are measured at amortised cost. Borrowings are classified as current liabilities unless the council has an unconditional right to defer settlement of the liability for at least 12 months after balance date.

	Council		Group	
	2024 \$000s	2023 \$000s	2024 \$000s	2023 \$000s
<b>Current</b>				
Bank overdraft (Note 8)	-	-	1,080	755
Secured loans	61,000	55,500	106,955	65,883
Finance lease liability	-	-	-	-
<b>Total current borrowings</b>	<b>61,000</b>	<b>55,500</b>	<b>108,035</b>	<b>66,638</b>
<b>Non-current</b>				
Secured loans	70,000	50,000	82,443	98,568
Finance lease liability	-	-	-	-
<b>Total non-current borrowings</b>	<b>70,000</b>	<b>50,000</b>	<b>82,443</b>	<b>98,568</b>

The council loans are secured over rating revenue. FNHL has loans of \$58.397 million (2023 - \$58.951 million). Land and buildings to a value of \$100.135 million (2023 - \$112.719 million) have been given as security for the term loans. The council has an overdraft limit of \$3 million (2023 - \$3 million) which is not secured.

The council has a short term loan facility of \$20 million as at 30 June 2024 (2023 - \$20 million) and \$9.0 million was drawn against this facility as at 30 June 2024 (2023 - \$14.0 million).

	Council		Group	
	2024 \$000s	2023 \$000s	2024 \$000s	2023 \$000s
<b>Maturity periods</b>				
Payable no later than 1 year	61,000	55,500	106,955	65,883
Later than 1, not later than 2 years	10,000	20,000	20,923	67,012
Later than 2, not later than 5 years	40,000	20,000	40,000	20,000
Later than 5 years	20,000	10,000	21,520	11,556
<b>Total</b>	<b>131,000</b>	<b>105,500</b>	<b>189,398</b>	<b>164,451</b>

The carrying amount of borrowings approximates their fair value.

The weighted average effective interest rates on secured loans (current and non current) were:

	2024	2023
Secured loans and debentures	4.62%	3.95%

The council's borrowing management policy is based on ratios and is calculated as follows:

Ratio	Target	Achievement 2023/24
Net debt as % total revenue	Debt not greater than 175% of revenue	66%
Net annual interest to total revenue	Less than 10%	3.37%
Current ratio (liquidity ratio)	Equal to or greater than 110%	118%

## 24. Equity

### Accounting policy

Equity is the community's interest in the council and is measured as the difference between total assets and liabilities. Public equity is disaggregated and classified into a number of reserves to enable clearer identification of the specified uses that the council makes of its accumulated surpluses. The components of equity are:

- Retained earnings;
- Restricted reserves;
- Asset revaluation reserves;
- Fair value through equity reserves;
- Cash flow hedge reserve; and
- Capital reserves.

### Restricted reserves

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

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

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

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

### Property revaluation reserves

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

### Fair value through equity reserves

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

### Cash flow hedge reserves

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

	Council		Group	
	2024 \$000s	2023 \$000s	2024 \$000s	2023 \$000s
<b>Retained earnings</b>				
As at 1 July	1,498,014	1,492,875	1,609,851	1,586,438
Transfer from / (to) restricted reserves	7,078	(1,091)	7,078	(1,091)
Transfer from revaluation reserves on disposal	5,814	3,427	8,912	10,328
Transfer from revaluation reserve for land under road adjustment	-	-	-	-
Surplus / (deficit) for the year	2,849	2,803	(21,473)	14,175
<b>Balance as at 30 June</b>	<b>1,513,758</b>	<b>1,498,014</b>	<b>1,604,368</b>	<b>1,609,851</b>
<b>Restricted reserves</b>				
As at 1 July	12,908	11,817	14,411	13,320
Transfer (to) / from retained earnings	(7,078)	1,091	(7,078)	1,091
<b>Balance as at 30 June</b>	<b>5,830</b>	<b>12,908</b>	<b>7,333</b>	<b>14,411</b>
<b>Restricted reserves consists of:</b>				
Community – district	591	5,142	591	5,142
Drainage	208	239	208	239
Stormwater separate rate	4,388	4,572	4,388	4,572
Sewerage	(5,583)	(2,388)	(5,583)	(2,388)
Water	(332)	(237)	(332)	(237)
Special funds	5,426	5,121	5,426	5,121
Kerikeri main street reserve	278	278	278	278
Economic development reserve	10	10	10	10
Paihia central business district development	197	146	197	146
Kaitiāia BID	(4)	(4)	(4)	(4)
Hupara Road improvements	(32)	(41)	(32)	(41)
Carpark funds	68	68	68	68
Development Agreement Funds	615	-	615	-
Subsidiary assets	-	-	1,503	1,503
<b>Total restricted reserves</b>	<b>5,830</b>	<b>12,908</b>	<b>7,333</b>	<b>14,411</b>
<b>Other reserves consist of:</b>				
<b>Asset revaluation reserves</b>				
As at 1 July	975,683	814,133	988,907	828,828
Revaluation gains	110,223	164,978	104,782	169,918
Transfer to retained earnings on disposal	(5,814)	(3,427)	(7,948)	(9,840)



	Council		Group	
	2024 \$000s	2023 \$000s	2024 \$000s	2023 \$000s
Adjustment from WIP	-	-	-	-
Transfer to retained earnings for land under road adjustment	-	-	-	-
<b>Balance as at 30 June</b>	<b>1,080,092</b>	<b>975,683</b>	<b>1,085,742</b>	<b>988,907</b>
<b>Asset revaluation reserve consists of:</b>				
Operational land	151	-	151	-
Vehicles and plant	315	314	315	314
Leasehold improvements	40	50	40	50
Wharves, ramps, moorings	5,074	4,308	5,074	4,308
Furniture, fitting and office equipment	27	57	27	57
Information systems	-	-	-	-
Roading and footpaths	739,542	692,156	739,542	692,156
Roading land	3,581	2,766	3,581	2,766
Water - treatment plants and facilities	9,568	8,058	9,568	8,058
Water - reticulation	64,768	39,162	64,768	39,162
Wastewater - treatment plants and facilities	20,882	17,385	20,882	17,385
Wastewater - reticulation	66,426	47,528	66,426	47,528
Refuse	4,458	4,458	4,458	4,458
Drainage	68,540	68,540	68,540	68,540
Community facilities	66,250	66,615	79,102	82,068
Infrastructural land	26,014	22,524	26,014	22,524
Council restricted assets	4,456	1,760	-	-
FNHL – land	-	-	3,872	4,699
FNHL – runways	-	-	875	1,024
FNHL – buildings	-	-	(7,493)	(6,192)
<b>Total asset revaluation reserve</b>	<b>1,080,092</b>	<b>975,683</b>	<b>1,085,742</b>	<b>988,907</b>
<b>Fair value through equity reserve</b>				
<b>LGNZ shares revaluation movements</b>				
As at 1 July	31	39	(199)	(248)
Fair value gains / (losses)	3	(8)	3	48
<b>Total LGNZ shares valuation reserve</b>	<b>34</b>	<b>31</b>	<b>(196)</b>	<b>(199)</b>
<b>Cash flow hedge equity reserve</b>				
As at 1 July	-	-	-	-
Fair value gains / (losses)	-	-	-	-
<b>Balance 30 June</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Capital reserve</b>				
As at 1 July	2,697	2,697	-	-
Balance as at 30 June	2,697	2,697	-	-
<b>Total other reserves</b>	<b>1,082,822</b>	<b>978,412</b>	<b>1,085,546</b>	<b>988,708</b>

**Footnote:**

Restricted reserves consist of community services, amenity development and amenity funds, special funds and separate rates reserves and are restricted to use for specific purposes and are not available for general expenditure.

The capital reserve pertains to profit of \$1,630,000 on the sale of the council's shares in Far North Maritime Limited to FNHL and a capital profit of \$1,067,000 on the sale of land and buildings to Far North Properties, a former subsidiary of FNHL.

## 25. Capital commitments

	Council		Group	
	2024 \$000s	2023 \$000s	2024 \$000s	2023 \$000s
<b>Capital commitments approved and contracted</b>				
District Facilities	1,227	2,212	1,227	2,212
Governance and Strategic Administration	-	-	-	-
Investment Property	-	-	1,169	5,547
Maritime / Airport	-	-	-	-
Roading and footpaths	29,625	43,290	29,625	43,290
Wastewater	2,880	2,182	2,880	2,182
Water Supply	1,629	776	1,629	776
<b>Total capital commitments</b>	<b>35,361</b>	<b>48,460</b>	<b>36,530</b>	<b>54,007</b>

The roading commitments will attract subsidy of \$20.4 million (2023 - \$29.9 million). Capital commitments represent capital expenditure contracted for at balance date but not yet incurred.

## 26a. Operating leases as lessee

### Accounting policy

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

### Operating leases as lessee

The council has operating lease agreements for the provision of property.

	Council		Group	
	2024 \$000s	2023 \$000s	2024 \$000s	2023 \$000s
<b>Operating leases</b>				
Lease payments made:	870	827	927	943
<b>Lease payments due:</b>				
Not later than 1 year	436	464	490	518
Later than 1 year and not later than 2 years	331	268	353	375
Later than 2 years and not later than 5 years	705	550	705	550
Later than 5 years	401	399	401	399
<b>Total operating leases</b>	<b>1,873</b>	<b>1,681</b>	<b>1,949</b>	<b>1,842</b>

There are no restrictions placed on the group by any of the leasing arrangements.

## 26b. Operating leases as lessor

The future aggregate minimum lease payments to be collected under non-cancellable operating leases are as follows:

	Council		Group	
	2024 \$000s	2023 \$000s	2024 \$000s	2023 \$000s
<b>Non-cancellable operating leases lessor</b>				
Not later than 1 year	440	450	4,075	2,690
Later than 1 and not later than 5 years	1,608	1,596	11,866	6,979
Later than 5 years	4,053	4,108	17,233	8,705
<b>Total non-cancellable operating leases</b>	<b>6,101</b>	<b>6,153</b>	<b>33,174</b>	<b>18,373</b>

## 27. Contingencies

	Council		Group	
	2024 \$000s	2023 \$000s	2024 \$000s	2023 \$000s
Building Act claims	100	105	100	105
Other legal proceedings	400	-	400	-
Roading legalisation claims	-	-	-	-
<b>Total contingent liabilities</b>	<b>500</b>	<b>105</b>	<b>500</b>	<b>105</b>

### Litigation

There are 5 claims involving possible future costs totalling an estimated value of \$500,000. These claims are contingent and have not been accrued in the financial statements. (Last year there were 3 possible claims at an estimated value of \$104,949). A recent potential contingency has arisen regarding wetland clearance for the Sweetwater site. Details are being investigated with the Environmental Protection Agency, as this only recently occurred. An employment dispute has arisen, however the timing and amount of any potential payment is unknown and will follow the necessary legal process.

### Guarantees

There are two guarantees in place, with Houhora Big Game Sports and Fishing Club \$50,000 (2023 \$50,000) and the Kawakawa Bowling Club of \$45,500 (2023 \$45,500). The council has guaranteed a bank loan for the Kerikeri Civic Centre Trust, the guarantee is limited to \$1.9 million (2023 \$1.9 million). The council is a guarantor of the New Zealand Local Government Funding Agency Limited (NZLGFA). The NZLGFA was incorporated in December 2011 with the purpose of providing debt funding to local authorities in New Zealand. NZLGFA has a local currency rating from S&P Global Ratings of AAA and a foreign currency rating of AA+ and a local currency rating and foreign currency rating of AA+ from Fitch.

Accounting Standards require the council to initially recognise the guarantee liability by applying the 12-month expected credit loss model (as fair value could not be reliably measured) and subsequently at the higher of the provision for impairment at balance date determined by the expected credit loss model and the amount initially recognised. At the end of financial year, the council have assessed the 12-month expected credit losses of the guarantee liability, based on market information of the underlying assets held by the NZLGFA. The estimated 12-month expected credit losses are immaterial due to the extremely low probability of default by the NZLGFA in the next 12 months, and therefore, the council have not recognised a liability.

### Uncalled capital

As at 30 June 2024, the council is one of 30 local authority shareholders and 72 local authority guarantors of the NZLGFA. When aggregated with the uncalled capital of other shareholders, \$20 million is available in the event that an imminent default is identified. Also, together with the other shareholders and guarantors, the council is a guarantor of all of NZLGFA's borrowings. At 30 June 2024, NZLGFA had borrowings totalling \$23,030 million (2023: \$17,684 million).

The council considers the risk of NZLGFA defaulting on repayment of interest or capital to be very low on the basis that:

- We are not aware of any local authority debt default events in New Zealand.
- Local government legislation would enable local authorities to levy a rate to recover sufficient funds to meet any debt obligations if further funds were required.

### Riskpool exposure

Far North District Council was previously a member of the New Zealand Mutual Liability Riskpool scheme ('Riskpool'). The Scheme is in wind down, however the council has an ongoing obligation to contribute to the scheme should a call be made in respect of any historical claims (to the extent those claims are not covered by reinsurance), and to fund the ongoing operation of the scheme. The likelihood of any call in respect of historical claims diminishes with each year as limitation periods expire. However, as a result of the Supreme Court decision on 1 August 2023 in Napier City Council v Local Government Mutual Funds Trustee Limited, it has been clarified that Riskpool has a liability for that member's claim in relation to non-weather-tight defects (in a mixed claim involving both weather-tight and non-weather-tight defects). This created an immediate liability for Riskpool, which necessitated a call on members in December 2023. Following the Supreme Court's decision, Riskpool accepted two other claims for a different member (with quantification still to occur). Both of these claims were notified in time but declined due to the weather-tight exclusion (something the Supreme Court decided was incorrect). In other words, since the Supreme Court's decision was released last year, Riskpool has accepted three claims for two separate members and is now seeking reinsurance in London for these claims. Riskpool's General Council alongside their recently appointed reinsurance brokers in London (Marsh UK) are continuing to manage this. Riskpool continues to work through mixed defect claims, and quantify the extent of Riskpool's potential exposure.

## 28. Related party transactions

Related party disclosures have not been made for transactions with related parties that are within a normal supplier or client/recipient relationship on terms and conditions no more or less favourable than those that it is reasonable to expect the council and group would have adopted in dealing with the party at arm's length in the same circumstances.

### Key management personnel compensation

	Council	
	2024 \$000s	2023 \$000s
Councillor's remuneration	1,154	1,122
Community board remuneration	411	395
Senior management team (Inc. CEO)	1,941	1,935
<b>Total salaries - key management personnel</b>	<b>3,506</b>	<b>3,452</b>

	2024	2023
<b>Full time equivalents</b>		
Full time equivalent councillors	11	11
Full time equivalent community board members	18	19
Full time equivalent SLT (incl. CEO)	8	8

Due to the difficulty in determining the full time equivalent for councillors and community board members, the full time equivalent is taken as the number of councillors and community board members.

## 29. Remuneration

	Council		Group	
	2024 \$000s	2023 \$000s	2024 \$000s	2023 \$000s

The Chief Executive Officer of the Far North District Council, appointed under section 42(1) of the Local Government Act 2002 received a salary and benefits respectively of:

G Holroyd (CEO)	303	-	303	-
B King (CEO)	-	321	-	321
J Coyle (Acting CEO)	-	39	-	39
J Smith (Acting CEO)	-	59	-	59
G Holroyd (Interim CEO)	62	7	62	7
<b>Total CEO costs</b>	<b>365</b>	<b>426</b>	<b>365</b>	<b>426</b>

### Elected representatives

	Council		Group	
	2024 \$000s	2023 \$000s	2024 \$000s	2023 \$000s
Mayor Carter - honorarium	-	47	-	47
Mayor Carter - mileage and other expenses	-	4	-	4
Mayor Tepania - honorarium	163	116	163	116
Mayor Tepania - mileage and other expenses	1	2	1	2
<b>Other elected representatives</b>				
Court A - honorarium	85	96	6	96
Court A - mileage and other expenses	6	10	85	10
Clendon D - honorarium	-	23	-	23
Clendon D - mileage and other expenses	-	2	-	2
Collard D - honorarium	-	21	-	21
Collard D - mileage and other expenses	-	3	-	3
Foy F - honorarium	85	89	85	89
Foy F - mileage and other expenses	23	16	23	16
Halkyard- Harawira H - honorarium	85	60	85	60
Halkyard- Harawira H - mileage and other expenses	10	8	10	8

	Council		Group	
	2024 \$000s	2023 \$000s	2024 \$000s	2023 \$000s
Kapa B - honorarium	85	60	85	60
Kapa B - mileage and other expenses	23	14	23	14
Kleskovic P - honorarium	85	60	85	60
Kleskovic P - mileage and other expenses	5	1	5	1
McNally S - honorarium	85	60	85	60
McNally S - mileage and other expenses	6	5	6	5
Radich M - honorarium	85	83	85	83
Radich M - mileage and other expenses	7	4	7	4
Rakena T - honorarium	85	60	85	60
Rakena T - mileage and other expenses	2	3	2	3
Smith R - honorarium	-	29	-	29
Smith R - mileage and other expenses	-	3	-	3
Stratford K - honorarium	125	116	125	116
Stratford K - mileage and other expenses	11	10	11	10
Tepania M - honorarium	-	20	-	20
Tepania M - mileage and other expenses	-	-	-	-
Vujcich J - honorarium	85	89	85	89
Vujcich J - mileage and other expenses	7	8	7	8
<b>Total elected representatives</b>	<b>1,154</b>	<b>1,122</b>	<b>1,154</b>	<b>1,122</b>

#### Elected members

	Council		Group	
	2024 \$000s	2023 \$000s	2024 \$000s	2023 \$000s
<b>Bay of Islands-Whangaroa Community Board</b>				
Ayr L - honorarium	17	16	17	16
Ayr L - mileage and other expenses	2	2	2	2
Bamber T - honorarium	17	11	17	11
Bamber T - mileage and other expenses	2	2	2	2
Gmuer-Hornell M - honorarium	-	5	-	5
Gmuer-Hornell M - mileage and other expenses	-	1	-	1
Hindle J - honorarium	17	11	17	11
Hindle J - mileage and other expenses	5	3	5	3
Hookway D - honorarium	-	5	-	5
Hookway D - mileage and other expenses	-	1	-	1
Mills B - honorarium	17	16	17	16
Mills B - mileage and other expenses	2	4	2	4
Owen F - mileage	-	5	-	5
Owen F - mileage and other expenses	-	1	-	1
Pihema R - honorarium	17	11	17	11
Pihema R - mileage and other expenses	6	3	6	3
Slack A - honorarium	17	11	17	11
Slack A - mileage and other expenses	2	2	2	2
Ward B - honorarium	33	32	33	32
Ward B - mileage and other expenses	3	4	3	4
Wells M - honorarium	-	5	-	5
Wells M - mileage and other expenses	-	1	-	1

	Council		Group	
	2024 \$000s	2023 \$000s	2024 \$000s	2023 \$000s
<b>Kaikohe-Hokianga Community Board</b>				
Byers L - honorarium	-	4	-	4
Byers L - mileage and other expenses	-	1	-	1
Davis E - honorarium	-	4	-	4
Davis E - mileage and other expenses	-	1	-	1
Edmonds M - honorarium	14	18	14	18
Edmonds M - mileage and other expenses	2	2	2	2
Edwards T - honorarium	14	10	14	10
Edwards T - mileage and other expenses	2	1	2	1
Filia T - honorarium	14	10	14	10
Filia T - mileage and other expenses	4	2	4	2
Grundy H - honorarium	14	10	14	10
Grundy H - mileage and other expenses	2	2	2	2
Hessell A - honorarium	-	4	-	4
Hessell A - mileage and other expenses	-	-	-	-
McVeagh J - honorarium	14	10	14	10
McVeagh J - mileage and other expenses	8	1	8	1
Rudkin A - honorarium	29	19	29	19
Rudkin A - mileage and other expenses	2	2	2	2
Toorenburg L - honorarium	-	4	-	4
Toorenburg L - mileage and other expenses	-	1	-	1
Van Gaalen K - honorarium	-	4	-	4
Van Gaalen K - mileage and other expenses	-	-	-	-
<b>Te Hiku Community Board</b>				
Axe D - honorarium	15	14	15	14
Axe D - mileage and other expenses	5	6	5	6
Bainbridge S - honorarium	15	14	15	14
Bainbridge S - mileage and other expenses	4	4	4	4
Baucke R - honorarium	15	10	15	10
Baucke R - mileage and other expenses	3	4	3	4
Brown J - honorarium	-	4	-	4
Brown J - mileage and other expenses	-	2	-	2
Gardner K - honorarium	29	28	29	28
Gardner K - mileage and other expenses	11	11	11	11
Stewart J - honorarium	15	14	15	14
Stewart J - mileage and other expenses	5	5	5	5
Subritzky B - honorarium	15	14	15	14
Subritzky B - mileage and other expenses	3	3	3	3
<b>Total community board costs</b>	<b>411</b>	<b>395</b>	<b>411</b>	<b>395</b>
<b>Total remuneration costs</b>	<b>1,930</b>	<b>1,943</b>	<b>1,930</b>	<b>1,943</b>

	Council 2024 Number
Total annual remuneration by band of employee as at 30 June 2024	
< \$60,000	92
\$60,000 to \$79,999	84
\$80,000 to \$99,999	90
\$100,000 to \$119,999	73
\$120,000 to \$139,999	17
\$140,000 to \$179,999	13
\$180,000 to \$349,999	9
<b>Total employees</b>	<b>378</b>

	Council 2023 Number
Total annual remuneration by band of employee as at 30 June 2023	
< \$60,000	103
\$60,000 to \$79,999	76
\$80,000 to \$99,999	87
\$100,000 to \$119,999	58
\$120,000 to \$139,999	19
\$140,000 to \$179,999	13
\$180,000 to \$339,999	9
<b>Total employees</b>	<b>365</b>

Total remuneration includes non-financial benefits provided to employees.

At balance date, the council employed 340 (2023 - 321) full time employees, with the balance of staff representing 26.39 (2023 - 29.48) full time equivalent employees. A full time employee is determined on the basis of a 40 hour week.

### 30. Severance payments

There were four severance payments made in 2023/24. The values of the payments were \$5,573, \$20,435, \$25,362 and \$14,600 totalling \$65,971 (2023 - thirteen totalling \$723,753).

### 31. Events after balance sheet date

On 12 September 2024, the council approved Far North Holdings Limited (FNHL) entering into a loan facility directly with the Local Government Funding Agency (LGFA). Transitioning to borrowing from LGFA will significantly reduce FNHL's borrowing costs by accessing lending with lower interest rates. As a result, the council will record a contingent liability for uncalled capital in the notes to the financial statements of \$150 million.

In August 2024, the ownership of the Turner Centre building located at 43 Cobham Road, Kerikeri, was transferred to the council. The land the building occupies is on a Local Purpose (cultural centre) Reserve, which is owned by the council. The transfer of ownership follows the Annual Plan 2023/24 public consultation which supported and approved the transfer of building ownership. Valuations are currently in progress and will provide updated information for asset register and insurance purposes.

In August 2024, the council subscribed for 250 'dry shares' in Mid North Water Company Limited (the Company) for a value of \$7.5 million. Dry shares entitle the holder to vote and share in dividends and to, at the option of the holder, convert each share into a 'water share'. A water share entitles the holder to receive a set volume of water per year.

There are no other material events after balance sheet date.



## 32. Financial instrument risk

### 32a Financial instrument categories

	Council		Group	
	2024 \$000s	2023 \$000s	2024 \$000s	2023 \$000s
<b>Financial assets</b>				
<b>Loans and receivables</b>				
Cash and cash equivalents	9,316	18,798	10,629	19,762
Other financial assets	-	-	-	499
Short term deposits	-	-	-	-
Loans and receivables	-	-	1,006	-
Debtors and other receivables (excluding prepayments)	42,767	32,421	43,651	32,421
<b>Total loans and receivables</b>	<b>52,083</b>	<b>51,219</b>	<b>55,286</b>	<b>52,682</b>
<b>Fair value through equity</b>				
LGNZ shares	79	77	79	77
LGFA borrower notes	2,070	2,049	2,070	2,049
<b>Total fair value through equity</b>	<b>2,149</b>	<b>2,126</b>	<b>2,149</b>	<b>2,126</b>
<b>Financial liabilities</b>				
<b>Derivatives that are cash flow hedge accounted</b>				
Derivative financial instrument liabilities	-	-	-	-
Current	-	-	-	-
Non-current	-	-	-	-
<b>Total derivatives that are in a cash flow hedge relationship</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Financial liabilities at amortised cost</b>				
Creditors and other payables	27,583	24,401	37,148	30,973
<b>Borrowings</b>				
Secured loans	131,000	105,500	189,398	164,451
<b>Total financial liabilities at amortised cost</b>	<b>158,583</b>	<b>129,901</b>	<b>226,546</b>	<b>195,424</b>

### 32b Financial instrument risks

#### Management policies with respect to financial instruments

The group has a series of policies providing risk management for interest rates and the concentration of credit risk. The group is risk averse and seeks to minimise exposure from its treasury activities. The group has established a treasury policy specifying what transactions can be entered into. The policy does not allow any financial transactions that are speculative in nature to be entered into.

#### Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices. The council is exposed to equity price risk on investments, which are classified as financial assets held at fair value through equity. The price risk arises due to changes in performance of the shares held and is annually assessed.

#### Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. This could particularly impact on the cost of borrowing or the return on investment. The interest rates on the group's borrowings are disclosed in Note 23. There are no interest rate swap agreements in place at 30 June 2024 (2023 - nil). The council manages its interest rate risk by varying financing terms of its public debt.

#### Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The group has limited exposure to currency risk.

#### Credit risk

Credit risk is the risk that a third party will default on its obligation to the Group, causing the Group to incur a loss. The maximum amount of credit risk for each class is the carrying amount in the statement of financial position. The council has minimal credit risk, apart from Māori land rates, which is provided for in the provision for Impairment of rates (Note 9), in its holdings of various financial instruments. These financial instruments include bank balances, local authority stock and accounts receivable. The council invests funds only in deposits with registered banks and local authority stock and limits the amount of credit exposure to any one institution or organisation. Accordingly, the council does not require any collateral or security to support the financial instruments with organisations it deals with. The council is exposed to credit risk as a guarantor of all of NZLGFA's borrowings. Information about this exposure is explained in note 27.

## Fair value

Fair value is the amount for which an asset could be exchanged, or a liability settled between knowledgeable, willing parties in an arms length transaction. The fair value of financial instruments is approximately equivalent to the carrying amount disclosed in the statement of financial position.

## Cash flow interest rate risk

Cash flow interest rate risk is the risk that the cash flow from a financial instrument will fluctuate because of changes in market interest rates. The council has variable rate borrowings in the form of bank facilities, drawable on demand.

## Fair value interest risk

Fair value interest risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. The council holds all long term borrowings at fixed rates which could expose the council to fair value interest rate risk.

## Maximum exposure to credit risk

	Council		Group	
	2024 \$000s	2023 \$000s	2024 \$000s	2023 \$000s
Cash at bank and term deposits	9,316	18,798	10,629	19,762
Debtors and other receivables	42,767	32,421	43,651	32,421
Other financial assets	-	-	-	499
LGNZ shares	79	77	79	77
LGFA borrower notes	2,070	2,049	2,070	2,049
Guarantee (Civic Trust)	87	70	87	70
<b>Total credit risk</b>	<b>54,319</b>	<b>53,415</b>	<b>56,516</b>	<b>54,878</b>

The council is exposed to credit risk as a guarantor of all of the LGFA's borrowings. Information about this exposure is explained in Note 27.

## Credit quality of financial assets

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to Standard and Poor's credit ratings (if available) or to historical information about counter party default rates:

	Council		Group	
	2024 \$000s	2023 \$000s	2024 \$000s	2023 \$000s
<b>Counterparties with credit ratings</b>				
<b>Cash at bank and term deposits</b>				
AA-	9,316	18,798	10,629	19,762
<b>Total cash at bank and term deposits</b>	<b>9,316</b>	<b>18,798</b>	<b>10,629</b>	<b>19,762</b>
<b>Fair value through equity</b>				
AAA	2,149	2,126	3,155	2,126
<b>Total fair value through equity</b>	<b>2,149</b>	<b>2,126</b>	<b>3,155</b>	<b>2,126</b>

Debtors and other receivables mainly arise from the council's statutory functions, therefore there are no procedures in place to monitor or report the credit quality of debtors or other receivables with reference to credit ratings. Apart from Māori land, which is provided for in the provision for impairment of rates (Note 9), the council has no significant concentration of credit risk in relation to debtors and other receivables, as it has a large number of credit customers, mainly ratepayers, and the council has powers under the Local Government (Rating) Act 2002 to recover outstanding debts from ratepayers.

## Liquidity risk

### Management of liquidity risk

The council is exposed to liquidity risk as a guarantor of all of NZLGFA's borrowings. This guarantee becomes callable in the event of the NZLGFA failing to pay its borrowings when they fall due. Information about this exposure is explained in note 27. Liquidity risk is the risk that the council will encounter difficulty raising liquid funds to meet commitments as they fall due. Prudent liquidity management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. The council aims to maintain flexibility in funding by keeping committed credit lines available. In meeting its liquidity requirements, the council maintains a loan profile, in accordance with its funding and financial policies, which includes a treasury management policy. The council has a maximum amount that can be drawn against its overdraft facility of \$3,000,000 (2023 - \$3,000,000). There are no restrictions on the use of this facility.

### Contractual maturity analysis of financial liabilities

The table below analyses the council's financial liabilities into relevant maturity groups, based on the remaining period at the balance date, up to the contractual maturity date. Future interest payments are based on the rate attributable to that debt. The amounts disclosed are the contractual undiscounted cash flows.

	Carrying amount \$000s	Contractual cash flows \$000s	Less than 1 year \$000s	1-2 years \$000s	2- 5 years \$000s	More than 5 years \$000s
<b>Council 2024</b>						
Creditors and other payables	27,583	27,583	27,583	-	-	-
Bank overdraft	-	-	-	-	-	-
Net settled derivative liabilities	-	-	-	-	-	-
Secured loans	131,000	-	62,409	10,188	43,775	26,292
Guarantee (Civic Trust)	-	-	-	-	-	-
<b>Total</b>	<b>158,583</b>	<b>27,583</b>	<b>89,992</b>	<b>10,188</b>	<b>43,775</b>	<b>26,292</b>
<b>Group 2024</b>						
Creditors and other payables	37,148	37,148	37,148	-	-	-
Bank overdraft	-	-	-	-	-	-
Net settled derivative liabilities	-	-	-	-	-	-
Secured loans	188,318	-	62,409	10,188	43,775	26,292
Guarantee (Civic Trust)	-	-	-	-	-	-
<b>Total</b>	<b>225,466</b>	<b>37,148</b>	<b>99,557</b>	<b>10,188</b>	<b>43,775</b>	<b>26,292</b>
<b>Council 2023</b>						
Creditors and other payables	23,748	23,748	23,748	-	-	-
Bank overdraft	-	-	-	-	-	-
Net settled derivative liabilities	-	-	-	-	-	-
Secured loans	105,500	110,637	56,891	21,626	21,404	10,715
Guarantee (Civic Trust)	-	-	-	-	-	-
<b>Total</b>	<b>129,248</b>	<b>134,385</b>	<b>80,641</b>	<b>21,626</b>	<b>21,404</b>	<b>10,715</b>
<b>Group 2023</b>						
Creditors and other payables	30,320	30,320	30,320	-	-	-
Bank overdraft	-	-	-	-	-	-
Net settled derivative liabilities	-	-	-	-	-	-
Secured loans	163,696	169,588	67,274	68,638	21,404	12,271
Guarantee (Civic Trust)	-	-	-	-	-	-
<b>Total</b>	<b>194,016</b>	<b>199,908</b>	<b>97,595</b>	<b>68,638</b>	<b>21,404</b>	<b>12,271</b>

The council is exposed to liquidity risk as a guarantor of all of the LGFA's borrowings. This guarantee becomes callable in the event of the LGFA failing to pay its borrowings when they fall due. Information about this exposure is explained in Note 27a.

### Sensitivity analysis

The following table illustrates the potential profit and loss impact for reasonably possible market movements, with all other variables held constant based on the council's financial instrument exposures at the balance date.

### Interest rate risk

Council	2024 \$000s		2023 \$000s	
	Profit - 100 bps	Profit + 100 bps	Profit - 100 bps	Profit + 100 bps
<b>Financial assets</b>				
Cash and cash equivalents	20	13	13	13
<b>Derivative financial assets</b>				
Derivative financial instruments	-	-	-	-
<b>Financial liabilities</b>				
<b>Borrowings</b>				
Credit lines	-	-	-	-
<b>Total sensitivity to interest rate risk</b>	<b>20</b>	<b>13</b>	<b>13</b>	<b>13</b>

## Explanation of sensitivity analysis

### 1. Cash and cash equivalents

Cash and cash equivalents are \$9,315,771 (2023 \$18,798,265) which are at a floating rate. A movement of plus or minus 1% has an effect on interest revenue of \$93,158 (2023 \$187,983).

### 2. Credit lines

The balance on the credit lines was \$61 million at 30 June 2024 (2023 \$55.5 million) at a floating rate. A movement in interest rates of plus or minus 1% has an effect on interest payable of \$14,094 (2023 \$13,913).

FNHL does not have any significant interest rate risk.

## 32c. Reconciliation of movements in liabilities arising from financing activities

Borrowings \$000s	
<b>Council</b>	
Balance as at 1 July 2023	105,500
Cash inflows and outflows	23,517
Fair value	-
Other changes	1,983
<b>Balance as at 30 June 2024</b>	<b>131,000</b>
<b>Group</b>	
Balance as at 1 July 2023	165,206
Cash inflows and outflows	26,473
Fair value	-
Other changes	(1,202)
<b>Balance as at 30 June 2024</b>	<b>190,477</b>

## 33. Capital management

The council's capital is its equity (or ratepayers' funds), which comprise retained earnings and reserves. Equity is represented by net assets. The Local Government Act 2002 (the Act) requires the council to manage its revenues, expenses, assets, liabilities, investments and general financial dealings prudently and in a manner that promotes the current and future interests of the community. Ratepayer's funds are largely managed as a by-product of managing revenues, expenses, liabilities, investments and general financial dealings.

The council has created reserves for different areas of benefit. These are used where there is a discrete set of rate payers as distinct from the general rate. Any surplus or deficit relating to these separate areas of benefit is applied to specific reserves.

## 34. Property available for sale

### Accounting policy

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 nor amortised while they are classified as held for sale (including those that are part of a disposal group).

### Breakdown of non-current assets held for sale and further information

	Council		Group	
	2024 \$000s	2023 \$000s	2024 \$000s	2023 \$000s
<b>Non-current assets held for sale are:</b>				
Land	-	-	6,663	17,073
Wharves	-	-	-	-
<b>Total non-current assets held for sale</b>	<b>-</b>	<b>-</b>	<b>6,663</b>	<b>17,073</b>

Council has no properties declared surplus and held for sale at the 30 June 24 year end. FNHL has seven properties with a registered valuation of \$8,790 thousand (2023 - ten properties with a market value \$22,750 thousand) that are intended for sale as at 30 June 2024.

### 35. Variances to Annual Plan

	Council 2024 \$000s
<b>Statement of comprehensive revenue and expense</b>	
Annual Plan surplus	6,540
Annual Report surplus / (deficit)	2,849
<b>Net operating variance surplus / (deficit)</b>	<b>(3,691)</b>
<b>Variance represented by:</b>	
Variance area	
Rates	(1,444)
Other	15,589
<b>Total revenue variance / surplus / (deficit)</b>	<b>14,145</b>
<b>Variance represented by:</b>	
Variance area	
Personnel costs	4,094
Depreciation and amortisation expense	(2,214)
Finance costs	(326)
Other expenses	(19,390)
<b>Total expenditure variance surplus / (deficit)</b>	<b>(17,836)</b>
<b>Net operating variance surplus / (deficit)</b>	<b>(3,691)</b>

#### Significant variances to Annual Plan budget - statement of financial position

The major variances to annual plan budget arise mainly because the budgeted figures were based upon the audited closing balances for June 2022, adjusted for activity that was expected to occur during the 2022/23 financial year. The closing balances for June 2023 were not known at the time the 2023/24 budgets were approved. The planned capital programme was not fully delivered in the financial year to 30 June 2024 due to supply chain disruptions, high demand for construction services and delays from the severe weather events. The key areas of under delivery were for district facilities and wastewater capital projects. We also experienced delays in consents being issued, flow-on impacts to timing and scheduling of multi-year projects, project concept refinement and clarification; and delays with community engagement.

- Other reserves were \$4.07 million greater than anticipated largely due to an increase in asset revaluation reserves
- Restricted reserves were \$7.96 million less than anticipated partly due to Community services reserves being overstated in prior years by \$4.56 million resulting in the re-statement to opening balances in the current year
- There was an increase in Receivables \$10.5 million due to an increase in rates and Waka Kotahi (NZTA) subsidy, sundry and accrued debtors. Referring to Note 9, we can also see the similar movements year on year, with an increase of \$11.3 million, again largely driven by rates and sundry debtors, combined with Other Receivables (GST) also contributing to the increase.
- Borrowings were less than expected by \$42.85 million, and Property, plant and equipment was less than expected by \$56.33 million. These were both due to capital projects not being completed as planned resulting in loan funding not required.

### 36. Water Services Reform Programme

On 27 November 2023, the National-led coalition government announced that it would repeal the Three Waters reforms introduced by the former Labour-led government. Local Water Done Well is the Coalition Government's plan to address New Zealand's long-standing water infrastructure challenges. It recognises the importance of local decision making and flexibility for communities and councils to determine how their water services will be delivered in the future. It will do this while ensuring a strong emphasis on meeting economic, environmental and water quality regulatory requirements.

The key components of Local Water Done Well:

- Fit-for-purpose service delivery models and financing tools
- Ensuring water services are financially sustainable
- Introducing greater central government oversight, economic and quality regulation.

Local Water Done Well is being implemented in three stages, each with its own piece of legislation.

1. Repeal of previous water services legislation
2. Establish framework and preliminary arrangements for the new water services system
3. Establish enduring settings

Guidance and information will be shared to support councils to develop their Water Services Delivery Plans (WSDP) once the Local Government (Water Services Preliminary Arrangements) Bill is enacted. Consultation and adoption of the council's WSDP will be progressed once developed. The reforms to date have had no effect on the 2024 financial statements or performance information.

## Financial prudence benchmarks

This section discloses the council's financial performance in relation to various benchmarks to enable an 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 accordance with the Local Government (Financial Reporting and Prudence) Regulations 2014.

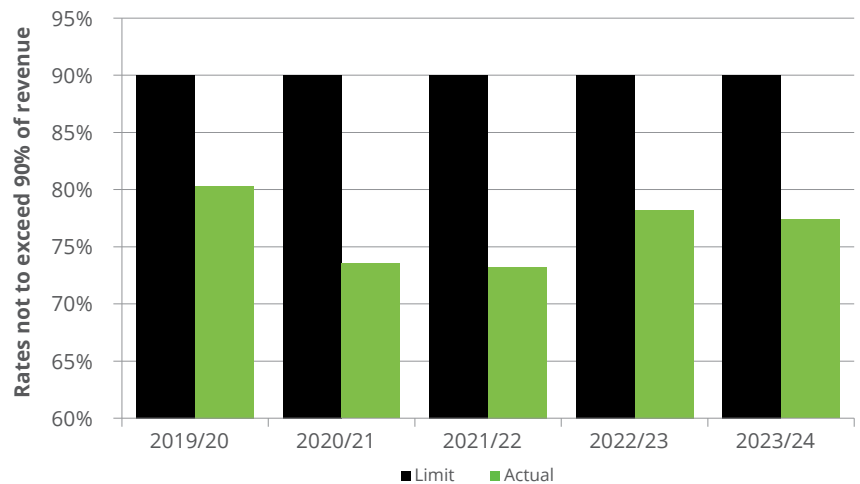
### Rates affordability benchmarks

The council meets the rates affordability benchmark if:

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

#### Rates (income) affordability

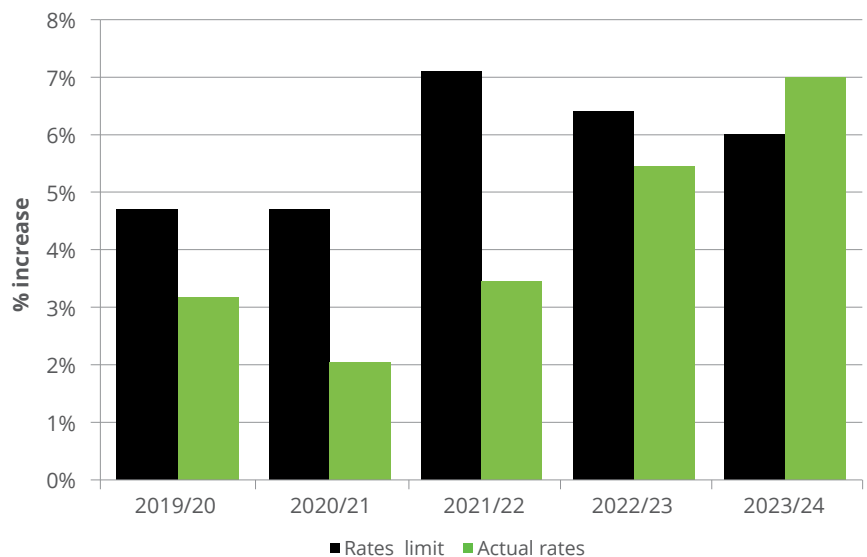
This graph compares the Council's actual rates income with a quantified limit on rates contained in the financial strategy included in the council's LTP 2021-31. The quantified limit is that rates revenue (excluding subsidies and capital income) will not exceed 90% of total revenue. The graph shows the budgeted rates proportion of revenue measured against the actual proportion achieved. The council has achieved this benchmark.



#### Rates (increase) affordability

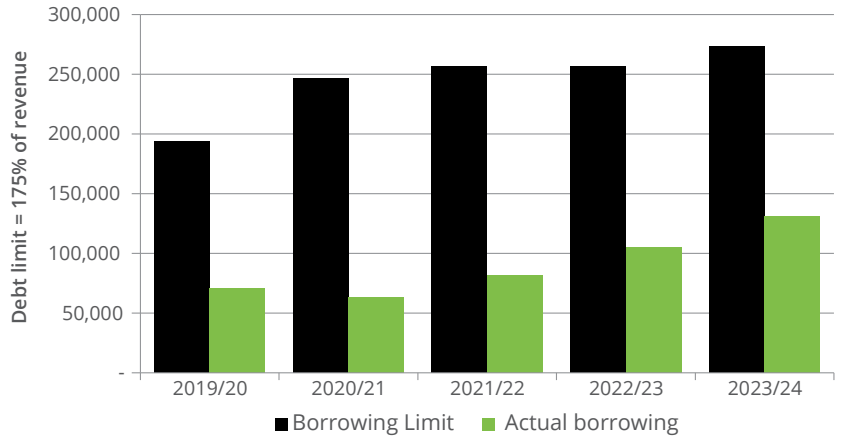
This graph compares the council's actual rate increases with a quantified limit on rates increases (included in the financial strategy within the council's LTP 2021-31). The quantified limit is that total rates increase should not exceed LGCI (Local Government Cost Index) plus 3.5%. The graph shows the actual rate increase percentages measured against the predicted rate percentage increases.

The council has not achieved this benchmark as several budgets were adjusted upwards to account for cost increases, along with a revised work programme to re-prioritise and carry forward projects delayed due to severe weather, supply chain issues and resource availability.



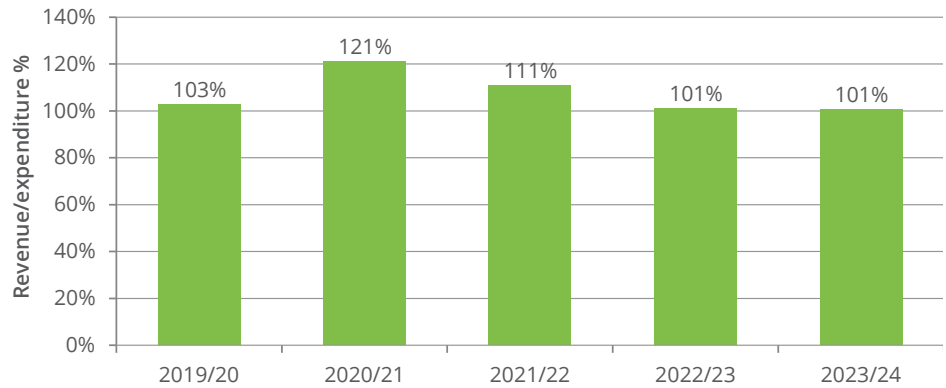
### Debt affordability benchmark

The council meets the debt affordability benchmark if its actual borrowing is within the quantified limit on borrowing. This graph compares the council's actual borrowing with a quantified limit on borrowing stated in the financial strategy included in the council's LTP 2021-31. The quantified limit is that debt be no higher than 175% of total revenue (excluding subsidies and capital income). The graph shows the actual borrowing measured against the maximum borrowing determined by the quantified limit. The council has achieved this benchmark.



### Balanced budget benchmark

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



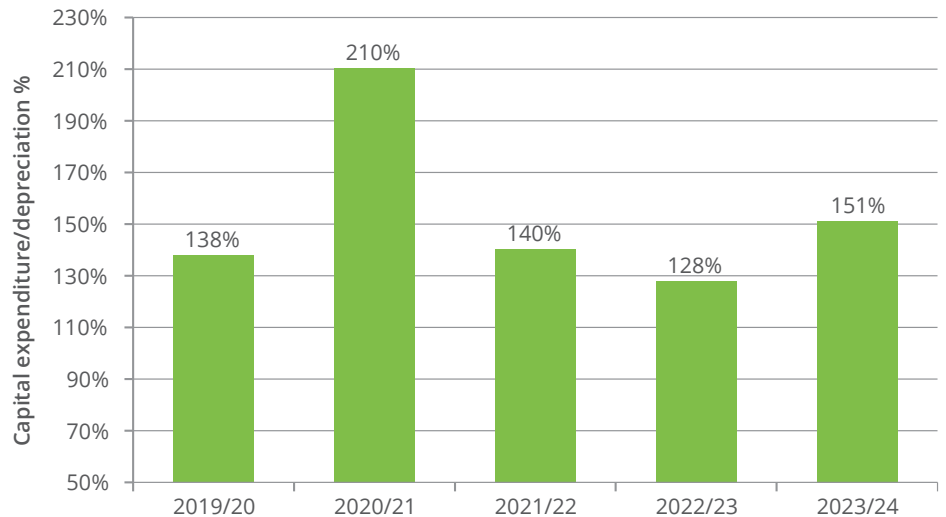
The council meets this benchmark if its revenue equals or is greater than its operating expenses. The council has achieved this benchmark.

### Essential services benchmark

This graph displays the council's capital expenditure on network services as a proportion of depreciation on network services. Network services are defined as:

- Water supply
- Sewerage and treatment and disposal of sewage
- Stormwater drainage
- The provision of roads and footpaths

The council meets this benchmark if its capital expenditure on network services equals or is greater than depreciation on network services. The council has achieved this benchmark.

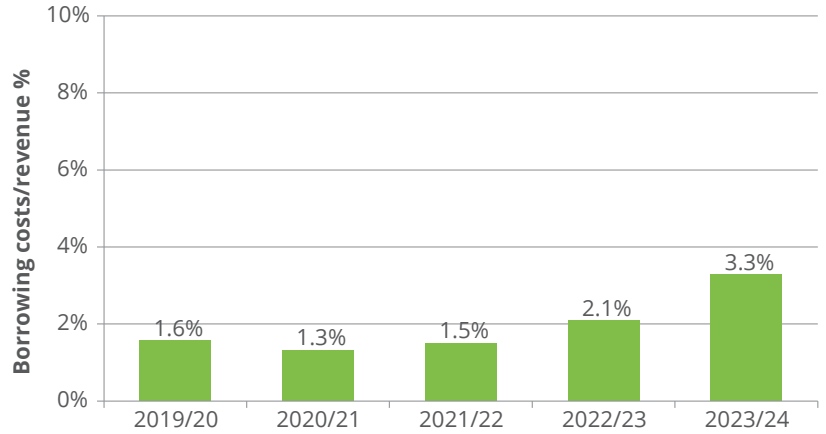




### Debt servicing benchmark

The following graph displays the council's borrowing costs as a proportion of revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments and revaluations of property, plant and equipment).

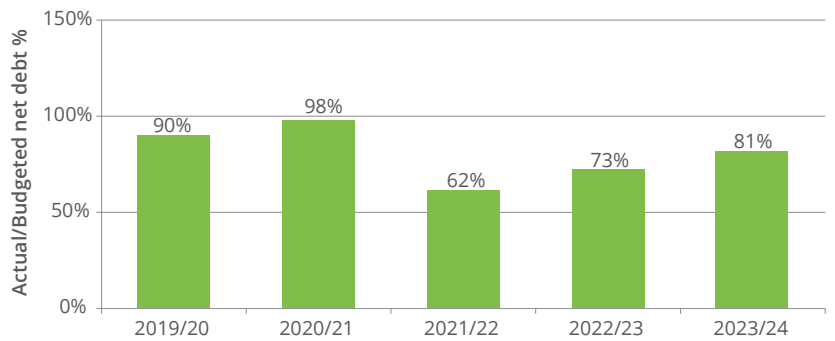
Because Statistics New Zealand projects the council's population will grow more slowly than the national population growth rate, it meets the debt servicing benchmark if its borrowing costs equal or are less than 10% of its revenue. The council has achieved this benchmark.



### Debt control benchmark

This graph displays the Council's actual net debt as a proportion of planned net debt. In this statement, net debt means financial liabilities less financial assets (excluding trade and other receivables).

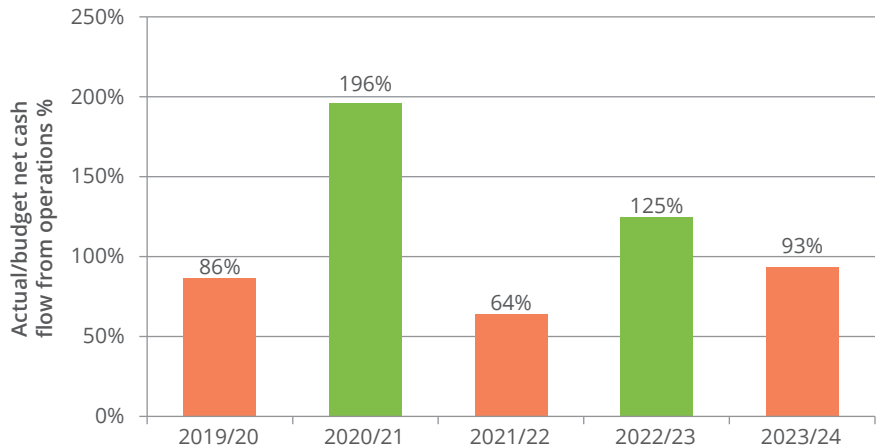
The council meets the debt control benchmark if its actual net debt is equal or is less than its planned net debt. The council has achieved this benchmark.



### Operations control benchmark

This graph displays the council's actual net cash flow from operations as a proportion of its planned net cash flow from operations.

The council meets the operations control benchmark if its actual net cash flow from operations equals or is greater than its planned net cash flow from operations. The council has not achieved this benchmark in 2023/24. This is primarily due to rates revenue collection being lower than planned together with the impact of not completing projects at balance sheet date, resulting in lower subsidies and grants received than forecast. This includes projects like Lindvart Park now complete with planned budget no longer required, plus Rāwene Wastewater improvements in progress and carried forward to the following financial year.



# Reserves report

The LGA, Schedule 10, requires the Annual Report to include information on each reserve fund set aside by the council. The Annual Report must identify the purpose of the fund, the activity it relates to and the amount expected to be in the fund as well as indicating the amounts that were allocated to and from the reserves during the year. The following tables identify the reserves the council maintains.

## Reserve balance purposes

### Other reserves

#### Revaluation reserves

These reserves represent the movement in the valuation of the council's assets.

#### Fair value through equity reserve, capital reserve, cash flow hedge reserve

These reserves are all balance sheet reserves used for accounting purposes only.

## Restricted reserves

### Community services fund

Funds are generated by way of targeted rates and are intended for the use of maintenance of community infrastructure such as parks and reserves, public toilets, cemeteries, swimming pools, footpaths, halls etc., and the maintenance of central town areas such as street cleaning and rubbish collection. Funds were maintained at ward level but as the rating policy has changed over time, funds are now maintained as a district wide reserve.

### General separate funds (drainage, stormwater separate rate, water, wastewater)

These are restricted reserves that are restricted for specific purposes and are not available for general expenditure.

### Special funds

Funds received under the RMA that are ring fenced for specific works relating to the aspect of the RMA under which they were contributed.

General separate funds (Kerikeri mainstreet, economic development, CBD reserves, car park funds).

These are restricted reserves that are restricted for specific purposes and are not available for general expenditure.

### General separate funds (Community footpath reserves)

These are restricted reserves that are restricted for specific purposes and are not available for general expenditure.

## Development agreement funds

The council ceased charging Development Contributions from 1 July 2015. A more targeted approach was adopted where development agreements are negotiated for significant developments where there are significant infrastructure impacts from the development. These funds are restricted for a specific purpose identified at the time of negotiation.

## Retained earnings

General funds retained by the council arising from the accumulation of prior year's surpluses or deficits from general rate funded operations.

## Development contributions

The council's Development Contributions policy was revised effective 1 July 2015 whereby Development Contributions ceased to be charged and replaced with Development Agreements for significant developments.

Development Contributions in respect of development consents granted prior to 1 July 2015, however, remain payable in accordance with the policy applicable at the time that the consent was granted.

## Open spaces development contributions

Contributions received in line with the council's development contributions policy. As the policy has changed over time, funds are required to be kept at both district wide and ward levels to provide an account of the contributions received under each policy and their use.

## Depreciation reserves

The council is required to fund depreciation on assets that it is intending to renew at a future date. The depreciation charges generated are held by asset/activity area so that funds are available for future replacement.

## Emergency event reserve

Specific funds earmarked for the recovery requirements of future weather-related events.

## Property disposal reserve

Net sale proceeds arising from surplus property for use to fund future strategic needs within communities. The funds are held at activity and ward levels. The funding decisions are made by the council either at the time of sale or at a future date.

## Mineral survey reserve

Reserve to investigate the mineral potential of the Northland region.

Note: Where a reserve balance is shown in brackets it means the reserve is overdrawn.

## Reserves

	Opening Balance 2022/23 \$000s	Prior Year adjustment	Additions 2023/24 \$000s	Withdrawals 2023/24 \$000s	Closing Balance 2023/24 \$000s
<b>Other reserves</b>					
Revaluation reserves	975,683	-	110,223	(5,814)	1,080,092
LGNZ share valuation reserve	31	-	-	3	34
Cash flow hedge reserve	-	-	-	-	-
Capital reserve	2,697	-	-	-	2,697
<b>Total other reserves</b>	<b>978,411</b>		<b>110,223</b>	<b>(5,811)</b>	<b>1,082,823</b>
<b>Restricted reserves</b>					
Community services reserves	5,141	(4,558)	18,633	(18,624)	591
General separate funds (drainage, stormwater, water, wastewater)	2,186	-	30,651	(34,156)	(1,320)
Special funds	5,121	-	305	-	5,426
General separate funds (Kerikeri mainstreet, economic development, CBD rates, car parks)	458	-	109	(50)	517
Development agreement funds	-	-	615	-	615
General separate funds (footpaths)	-	-	-	-	-
<b>Total restricted reserves</b>	<b>12,906</b>	<b>(4,558)</b>	<b>50,313</b>	<b>(52,830)</b>	<b>5,830</b>
<b>Retained earnings</b>					
Retained earnings	1,420,935	-	-	-	1,423,622
Development contributions	(16,942)	-	8	-	(16,934)
Open spaces development contributions	(3,722)	-	1	-	(3,721)
Depreciation reserves	94,056	-	33,281	(27,862)	99,474
Emergency event reserve	3,439	8,385	2,567	(3,323)	11,069
Property disposal reserve	198	-	-	-	198
Mineral survey reserve	50	-	-	-	50
<b>Total retained earnings</b>	<b>1,498,014</b>	<b>8,385</b>	<b>35,857</b>	<b>(31,185)</b>	<b>1,513,758</b>

The prior year adjustments relate to historical re-classifications to Community Services and Emergency Event reserve opening balances.

# Insurance on assets

## Water, wastewater and drainage assets

These assets have a total asset value for insurance purposes of \$274,304,592. The net book value of these assets at 30 June 2024 was \$97,663,617. The insurance cover in this group relates to over ground assets. The council's underground assets are not insured. The council has undertaken a risk assessment for insurance purposes and this has shown that these assets are not at significant risk from earthquake. No provision for self-insurance of these assets has been made.

## Roading and footpath assets

The vehicle ferry - Kohu Ra, Pākaraka stock effluent facility, strategic property and the 100% NZTA subsidy funded footbridge in Kerikeri are specifically insured with an asset value of \$19,855,567. The net book value of these assets at 30 June 2024 is \$7,231,588. The remaining \$1,566,963,913 of assets within this group are considered to be uninsured. No provision has been made to self insure these assets as they are deemed to be subject to NZTA subsidy support of at least 60%.

## Waste management assets

These assets have a total asset value for insurance purposes of \$5,627,611. The net book value of these assets at 30 June 2024 was \$3,516,783. The remaining assets valued at \$2,322,825 are considered to be uninsured. No provision is made to self insure these assets.

## Heritage assets

These assets have a total value for insurance purposes of \$13,302,553. The net book value of these assets was \$5,788,255 at 30 June 2024. There are no uninsured assets in this group.

## Community assets

These assets have a total asset value for insurance purposes of \$277,543,752. The net book value of these assets at 30 June 2024 was \$106,352,271. The remaining assets valued at \$12,064,236 are considered to be uninsured. No provision is made to self insure these assets. Of the insured assets, the largest values are held within community centres, parks and reserves, libraries and Housing For The Elderly with an insurance value of \$219,778,147 and a net book value of \$78,569,694.

## Leasehold improvements, plant and equipment and vehicle assets

These assets have a total asset value for insurance purposes of \$3,741,802. The net book value of these assets at 30 June 2024 was \$1,766,980.

The council's excess for material damage insurance claims resulting from flood or storm is \$100,000 per claim. This reflects the opinion that the Far North is at risk from weather type events including possible tsunamis. The council rates to cover one claim per annum arising from weather events and in years where significant claims are not made, this funding is used to support any additional funding requirements on roading arising from weather related emergency works.

## Independent Auditor's Report

### To the Readers of Far North District Council's Annual Report for the year ended 30 June 2024

The Auditor-General is the auditor of Far North District Council (the District Council) and its subsidiaries and controlled entities (the Group). The Auditor-General has appointed me, Bennie Greyling, using the staff and resources of Deloitte Limited, to report on the information in the District Council's annual report that we are required to audit under the Local Government Act 2002 (the Act). We refer to this information as "the audited information" in our report.

We are also required to report on:

- whether the District Council has complied with the requirements of Schedule 10 of the Act that apply to the annual report; and
- the completeness and accuracy of the District Council's disclosures about its performance against benchmarks that are required by the Local Government (Financial Reporting and Prudence) Regulations 2014.

We refer to this information as "the disclosure requirements" in our report.

We completed our work on 31 October 2024. This is the date on which we give our report.

### Opinion on the audited information

In our opinion:

- the financial statements on pages 67 to 118:
  - present fairly, in all material respects:
    - the District Council and Group's financial position as at 30 June 2024;
    - the results of the operations and cash flows for the year ended on that date; and
  - comply with generally accepted accounting practice in New Zealand in accordance with the Public Benefit Entity Reporting Standards.
- the funding impact statement on page 29, presents fairly, in all material respects, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council's Long-term plan;
- the statement of service provision on pages 23 to 65:
  - presents fairly, in all material respects, the levels of service for each group of activities for the year ended 30 June 2024, including:
    - the levels of service achieved compared with the intended levels of service and whether any intended changes to levels of service were achieved;
    - the reasons for any significant variation between the levels of service achieved and the intended levels of service; and
  - complies with generally accepted accounting practice in New Zealand; and
- the statement about capital expenditure for each group of activities on pages 32, 36, 39, 41, 43, 47, 51, 56, 58 and 59, presents fairly, in all material respects, actual capital expenditure as compared to the budgeted capital expenditure included in the District Council's Long-term plan; and
- the funding impact statement for each group of activities on pages 32, 36, 39, 41, 43, 47, 51, 56, 58 and 59, presents fairly, in all material respects, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council's Long-term plan.

### Report on the disclosure requirements

We report that the District Council has:

- complied with the requirements of Schedule 10 of the Act that apply to the annual report; and
- made the disclosures about performance against benchmarks as required by the Local Government (Financial Reporting and Prudence) Regulations 2014 on pages 119 to 121, which represent a complete list of required disclosures and accurately reflects the information drawn from the District Council and Group's audited information and, where applicable, the District Council's long-term plan and annual plans.

The basis for our opinion is explained below and we draw attention to other matters. In addition, we outline the responsibilities of the Council and our responsibilities relating to the audited information, we comment on other information, and we explain our independence.

## **Basis for our opinion on the audited information**

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. We describe our responsibilities under those standards further in the "*Responsibilities of the auditor for the audited information*" section of this report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the audited information.

## **Responsibilities of the Council for the audited information**

The Council is responsible for meeting all legal requirements that apply to its annual report.

The Council's responsibilities arise under the Local Government Act 2002 and the Local Government (Financial Reporting and Prudence) Regulations 2014.

The Council is responsible for such internal control as it determines is necessary to enable it to prepare the information we audit that is free from material misstatement, whether due to fraud or error.

In preparing the information we audit the Council is responsible for assessing its ability to continue as a going concern. The Council is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless there is an intention to amalgamate or cease all of the functions of the District Council and the Group or there is no realistic alternative but to do so.

## **Responsibilities of the auditor for the audited information**

Our objectives are to obtain reasonable assurance about whether the audited information, as a whole, is free from material misstatement, whether due to fraud or error, and to issue an audit report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit carried out in accordance with the Auditor General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers taken on the basis of this audited information.

For the budget information reported in the audited information, our procedures were limited to checking that the budget information agreed to the District Council's Long-term plan.

We did not evaluate the security and controls over the electronic publication of the audited information.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the audited information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District Council and Group's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Council.

- We determine the appropriateness of the reported intended levels of service in the statement of service provision, as a reasonable basis for assessing the levels of service achieved and reported by the District Council.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Council and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast a significant doubt on the District Council and Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit report to the related disclosures in the audited information or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the District Council and the Group to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the audited information, including the disclosures, and whether the audited information represents, where applicable, the underlying transactions and events in a manner that achieves fair presentation.
- We obtain sufficient appropriate audit evidence regarding the audited information of the entities or business activities within the Group to express an opinion on the consolidated audited information. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the Council regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Our responsibilities arise from the Public Audit Act 2001.

## Other Information

The Council is responsible for the other information included in the annual report. The other information comprises the information included on pages 1 to 21, 122 to 124 and 129 to 133, but does not include the audited information and the disclosure requirements, and our auditor's report thereon.

Our opinion on the audited information and our report on the disclosure requirements do not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

Our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the audited information and the disclosure requirements, or our knowledge obtained during our work, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Independence

We are independent of the District Council and Group in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1: *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand) (PES 1)* issued by the New Zealand Auditing and Assurance Standards Board.

In addition to our audit and our report on the disclosure requirements, we have carried out an assurance engagement on trustee reporting, which is compatible with those independence requirements. Other than this engagement we have no relationship with or interests in the District Council or its subsidiaries



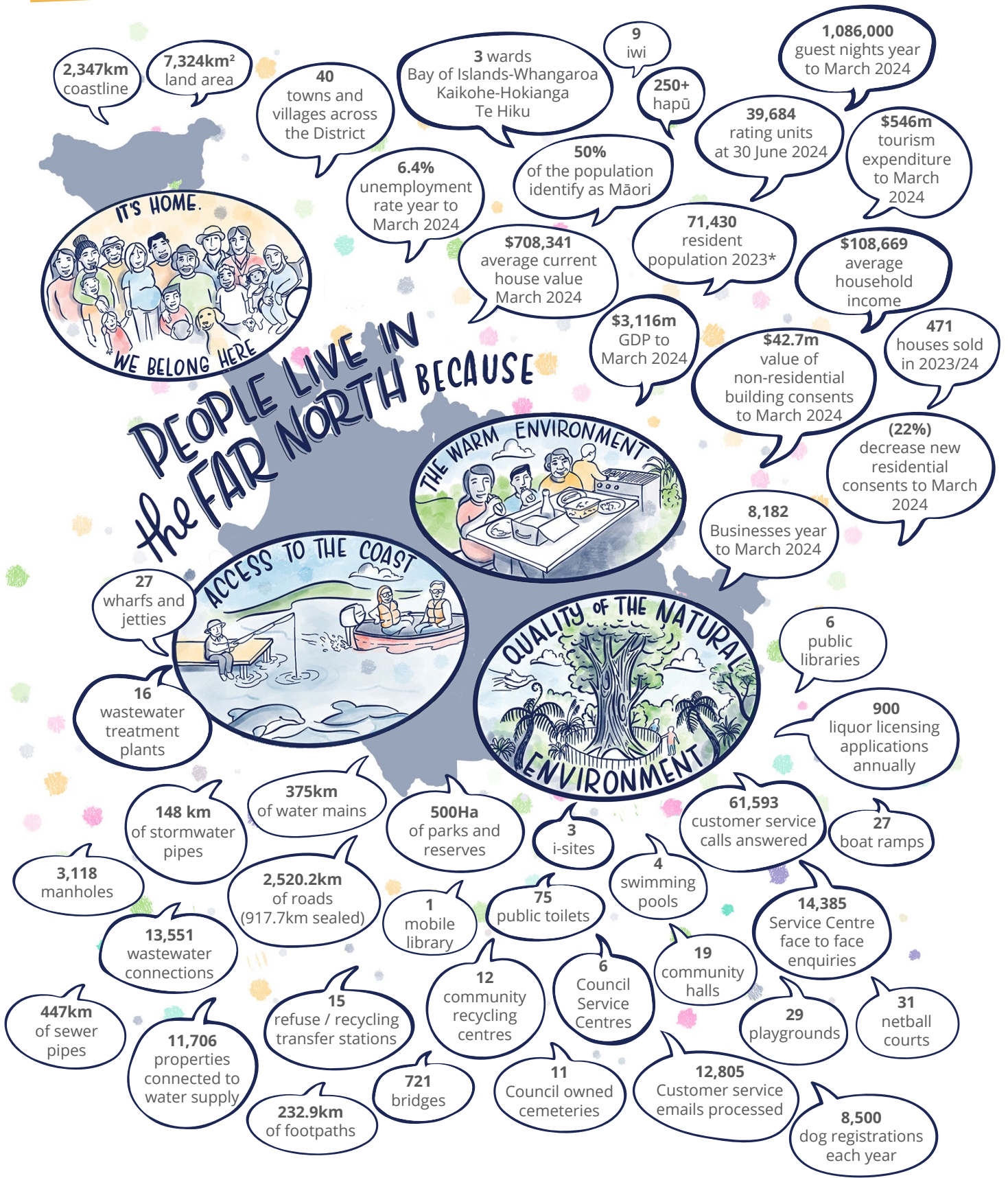
Bennie Greyling  
for Deloitte Limited  
On behalf of the Auditor-General  
Auckland, New Zealand  
31 October 2024

Mōhiohio whānui • General information





# Ko tō tātou rohe Our District



Data sources: \*Stats NZ Census data 2023 via Infometrics quarterly economic profile 2023, FNDC LTP 2024-27

## Activity

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

## Activity Management Plans (AMPS)

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

## Allocated costs

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

## Annual Plan

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

## Annual Report

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

## Appropriation

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

## Assets

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

## BERL

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

## BKBM

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

## Capital Value (CV)

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

## Capital expenditure (CAPEX)

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

## CBEC

Abbreviation for Community Business and Environment Centre.

## CP

Abbreviation for commercial paper.

## Community

The people of the area covered by the council.

## Community Board

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

## Community Development (CD)

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

## Community outcomes

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

## Constituency

An electoral area within district boundaries.

## Council Controlled Organisation (CCO)

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

## Council Controlled Trade Organisation (CCTO)

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

## Council

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

## Development contributions

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

## Depreciation

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

**FNHL (Far North Holdings Limited)**

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

**Fees and Charges**

Fees and Charges are charges for a council service that must be met by the user of the service (e.g. fees for dumping waste at transfer station etc).

**FNDC**

Abbreviation for Far North District Council.

**FRAs**

Abbreviation for Forward Rate Agreements.

**Infrastructure**

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

**Internal recoveries**

Recovery of costs by support departments from other council departments.

**ISDA**

Abbreviation for International Swaps and Derivatives Agreement.

**Land Value (LV)**

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

**Levels of service (LOS)**

A measure of a service that the council delivers e.g. a number of sportsfields available for use, water quality etc.

**LGA**

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

**LGCI**

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

**Liabilities**

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

**Loan funds**

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

**Local Government Statement**

A collection of information prepared under Section 40 of the Local Government Act 2002 that includes information about the ways in which a local authority engages with its community, how

it makes decisions, and the ways in which citizens can influence those processes.

**Long Term Plan (LTP)**

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

**NTA**

Northland Transportation Alliance.

**New Zealand Transport Strategy**

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

**NZ GAAP**

New Zealand Generally Accepted Accounting Practices.

**Operating expenditure**

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

**Performance indicators**

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

**Private benefit**

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

**Public benefit**

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

**Rates**

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

**Regional Council**

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

**Renewal expenditure**

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

**Reserve contribution**

A contribution made either in money or land (at the council's discretion) to the District's reserves, payable for any subdivision in which the number of lots is increased, or for any significant development of land.

**Resource Consent**

Special permission from the council for an activity related to land.

### **Restricted assets**

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

### **Reticulation**

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

### **Revenue and Financing Policy**

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

### **Request for Service (RFS)**

This is the council's system for tracking all public requests such as maintenance requests, questions or complaints.

### **Service levels**

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

### **Significance**

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

- The current and future well-being of the District or Region
- Any persons who are likely to be particularly affected by, or interested in, the issue, proposal, decision, or matter
- The capacity of the council to perform its role and the financial and other costs of doing so.

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

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

### **Special funds / Reserve funds**

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

### **Stormwater Catchment Management Plans**

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

### **Sustainability**

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

### **Sustainable development**

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

### **Territorial Authority**

A city or district council.

### **Triennial agreement**

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

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

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

### **Utilities (Utility assets)**

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

### **Waka Kotahi - New Zealand Transport Agency (NZTA)**

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

### **Ward**

An area within the District administered by the council.

**WHAKAPĀ MAI  
CONTACT US**

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**HE ARA TĀMATA  
CREATING GREAT PLACES**  
*Supporting our people*