

FAR NORTH DISTRICT COUNCIL



2012-13
ANNUAL REPORT

Vision & Mission



He mea Kite...He mea Mahi

The Far North

Te Taitokerau ki te Raki

Frontier of Opportunity

Te Huarahi Whakapuare o nga Moemoea

Far North District Council's Mission:

Nga Mahi Whakahiahia o te Kauhihera

- To provide effective leadership and responsive, affordable services
Kia tika te mahi arahi i te iwi; horo rawa te tuku, iti rawa te utu
- To value our diverse lifestyles and unique environment
Whakanuitia nga mea o te rangi, o te whenua, tae atu ki tena, ki tena o tatou
- To build trust within stronger and safer communities
Kia hanga ai te whakapono, te kaha me te rangimarie, i waenganui i nga iwi
- To promote economic, social and cultural advancement of the Far North
Kia haere mua ai Te Taitokerau i nga kaupapa e pa ana ki te oranga tangata

Introduction

The purpose of the Annual Report is to look at Council's accomplishments in the financial year from 1 July 2012 to 30 June 2013. The Annual Report is the primary means of advising the Far North community of Council's financial and non financial performance during the 2012/13 financial year against the objectives set out in the first year of the Council's Long Term Plan 2012/22. The Annual Report also outlines challenges which the Far North community has faced.

The Annual Report includes messages from the former Mayor and CEO of Far North District Council as this report covers the period during which they had leadership of the council (the financial year 1 July 2012 to 30 June 2013).

Council has taken the decision to reduce its impact on the environment by not printing the full Annual Report document. Instead a compact disk (CD) version is available and the full printed Annual Report is available online at www.fndc.govt.nz. Both are available by request.

Activity Groups at a Glance

Council core services are categorised into activity groups. These groups and the primary services associated with each are as follows:



More details about these activity groups are on pages 100 – 224.

Message from the former Mayor



2



From a political perspective, this has been a year in which the groundwork has been done to set in train changes to the way in which local government is structured in the Far North. Our quest for a Unitary Authority for the district now rests with the Local Government Commission. Following a series of meetings with local communities the Commission now expects to make known its draft proposal for reorganisation after the local elections in October. Irrespective of the outcome, the Commission has made it clear that any changes will not be implemented until the end of the next three-year term. There are also statutory processes to be followed during which the community and the Council will have ample opportunity to continue to press the case for a single Far North authority.

On an operational front, the year in retrospect saw a major concentration on preparing options for a substantial expansion of wastewater services at Kerikeri and the redevelopment of treatment facilities in the Waitangi Forest. These options are now going through a discussion phase with the communities involved.

As a result of further inroads made in reducing public debt, which is now less than \$90 million, we can look forward with greater optimism to the funding of schemes such as this and to the construction of projects such as the alternate water supply for Kaitaia.

Through the rating system we have been targeting road users seeking a more transparent contribution towards local roading costs. This policy will continue to be strengthened with the next stage to specifically target heavy traffic users through a charge based on truck movements. This will help to share the burden of ratepayer-funded road maintenance costs more fairly. However, there will still



be a catch-up required when and if there is a change in government policy to free up more subsidy funding for the local roading network.

Major progress has been made on the Pou Herenga Tai – Twin Coast Cycle Trail with the co-operation of the majority of adjoining landowners. However there have been unresolved issues on sections of track which are subject to Waitangi Tribunal claims which we are still working to resolve. The council is still confident that the 84-kilometre trail, which has the potential to be a real fillip for the local economy, will be fully operational by the end of this year. Progress on the Kawakawa-Opua section has largely been made possible by an agreement reached with the Bay of Islands Vintage Railway Trust for a joint rail-cycle arrangement.

It has also been a year of quiet achievement for our trading company, Far North Holdings Ltd. The agreement on the cycle trail link was brokered by the company, as part of a new arrangement in which the company is expected

to play an expanded role in the economic development, promotion and marketing of the district. It will be involved in the marketing of both the cycle trail, the Te Ahu centre at Kaitaia and the Turner Centre at Kerikeri.

The company has also been proactive in encouraging the restructuring of tourist development group Destination Northland. Far North Holdings has also worked with the Council on several town centre regeneration initiatives and brokered an arrangement for the development of the former Kaitaia Service Centre as a tertiary education campus. It is currently developing a number of new strategies to drive up visitor numbers in the Far North.

Bearing in mind the difficult economy in which we are all working, this has been a year of considerable achievement.

Former Mayor - Wayne Brown

Message from the former Chief Executive



4



A well-balanced approach to financial management and an eye to cost-cutting has put Council in a stronger financial position. We continued to consolidate our finances in 2012/13 and were pleased to have reduced public debt by \$11 million to \$89.6 million at year end. This, coupled with a further streamlining of services, smarter procurement and assessment policies, and the restructuring of administration meant we were able to contain the annual rate demand to within inflation levels.

Maintaining a prudent approach to financial management helped Council lift its ranking in the Local Government League Table, which ranks the performance of New Zealand's 67 territorial authorities in terms of their financial sustainability and community affordability. The Far North District Council was ranked 37th in the table in 2013 after being ranked 55th last year. This is an impressive achievement we can take a lot of pride in.

Improving sewerage services in the district was a big focus for Council during the year. Capital projects started or completed included new sewerage collection systems at Opuia and Awanui. About 300 properties will be serviced by the new systems which pipe sewage from existing household septic tanks to public treatment plants for final disposal. The \$7.7 million investment in the two communities has largely been funded through government subsidies with only a minor financial impact on individual households. The new systems are an efficient and cost-effective way of managing sewage and will minimise the potential for up to 180 cubic metres of untreated sewage a day from contaminating our rivers and estuaries. The Opuia sewerage project was recognised at the annual NZ Contractors' Federation Awards with a citation for the innovative and cost-effective solutions that resulted from collaboration between Council, contractors, designers and the community. This approach typifies the innovation and invention we are applying to major contracts. Council also began developing an innovative community consultation exercise to support a long-awaited expansion of sewerage services in Kerikeri. A 'talking toilet' in the main street and a toilet roll mascot were among the unorthodox tactics Council used to focus public attention on the problem of failing household sewerage systems. This



high-profile campaign, which got underway at the end of the financial year, represented a major milestone for the Council in terms of how it engages with the community. Good progress was also made on a new water supply for Kaitaia. Council has been investigating an opportunity to take water from the Sweetwater Aquifer since a drought in the summer of 2009/10 reduced flows in the Awanui River to a trickle. Council entered negotiations to buy a bore field above the aquifer in the last year and expects to commission the water supply in mid-2014.

Council also restructured the way streetlights are maintained and began replacing lights with energy-efficient bulbs and lamps, a move which is expected to eventually save ratepayers about \$30,000 a year.

The most recent independent customer satisfaction survey commissioned shows user satisfaction with Council services and facilities overall remaining at about 80%, and a significant (14%) improvement in those scoring Council in the "very satisfied" category. However, there has been a downward trend in satisfaction levels related to the local roading network. We believe this is largely due to the reduced levels of subsidy available while the Government continues to concentrate its spend on roads it considers to be of national significance. This has meant we have initiated virtually no new capital projects for the third consecutive year. Our maintenance and renewal programmes will keep local roads at a reasonable standard in the short term. However, a prolonged absence of capital funding will inevitably lead to a general decline in road standards in the longer term. This has now been reflected in the latest customer satisfaction survey where the percentage

of respondents satisfied with the local roading network dropped from 57% to 51%. Council's contact centre has also fielded a growing number of complaints about the standard of the district's roads.

The customer satisfaction survey also showed a decline in public perception of aquatic facilities which had already been identified as a problem in a comprehensive independent survey of the district's future aquatic needs. Council will discuss the recommendations of this report, which elected members received in June, with community boards and schools before they confirm any implementation plan.

Overall, we have consolidated our financial performance, improved the way we deliver services and made significant progress on capital projects that will protect the coastal environment from pollution and provide the district's largest town (Kaitaia) with a reliable water supply.

David Edmunds – Former Chief Executive

Our District

6



The Far North is the most northerly district in New Zealand, sharing its southern boundaries with Kaipara and Whangarei districts.

Together, the 3 districts make up the Northern region. With 7,324 km², the Far North district is the largest of the 3 districts, contributing 54% of the land area and 38% of the region's population. This land area includes a significant amount of unrateable land belonging to Department of Conservation and Māori. The number of rateable properties is 35,615. The Far North District Council is the largest Territorial Authority in terms of land area in the North Island. The only 2 areas that are larger are both Unitary Authorities: Auckland and Gisborne.

The district has 2,347km's of coastline which includes offshore islands and 9 major harbours. Most of the land is rural; resulting in 15 widely dispersed small urban settlements with populations of between 500 and 6,000 people. The 3 service towns of Kerikeri, Kaikohe and Kaitiāia have the largest permanent populations. Home ownership in the Far North is higher than the average for New Zealand and rental costs are lower compared with the national average.

The district in December 2012 had a 21,233 strong labour force with a varied skill base, in part mirroring the district's diverse heritage, culture and knowledge. This diversity gives the district's people the opportunity to make lifestyle choices. The district was serviced by 7,423 local businesses employing 17,580 persons. The health and community

sector employs the largest percentage of workers at 13.8%.

The 2013 census put the usual resident population of the Far North district at 55,734. In the 2006 census, 39.6% of the district's population indicated that they belonged to the New Zealand Māori ethnicity group. This compares with a national average for Māori ethnicity of 14%. Between 2001 and 2006, the Far North's population grew by 2.3% with substantially higher levels of growth in many settlements on the eastern seaboard. In addition, the Far North receives a large influx of visitors during the summer season with population conservatively estimated at around 110,000 at any one time. Drawn by the district's beautiful beaches and harbours, these visitors more than treble the population of some coastal settlements at peak times.

At the last census there were about 16,000 families in the district of which approximately half have children. The average household size was about 2.7 people, which equates with the national average.

Major contributors to GDP in both 2011 and 2012 were the retail and wholesale trade followed by agriculture (including forestry and horticulture). GDP for year ending December 2012 was 1,069 million.



Representatives

As at 30 June 2013



Back Row - Left to right:

Murray McDonald - General Manager Environmental Management, David Penny - General Manager Infrastructure and Asset Management, Cr Colin Kitchen, Cr Tom Baker, Cr Steve McNally, Bernard Murphy - General Manager Corporate Services, David Edmunds - Chief Executive

Front Row - Left to right:

Cr Di Maxwell, Cr Monty Knight, Cr Ann Court, His Worship the Mayor Wayne Brown, Cr Tracy Dalton, Cr Mate Radich, Cr Sally Macauley

Portfolios

Mayor Brown

LGNZ Zone I
LGNZ / Rural Provincial Sectors
Sewerage / Water Working Party
Sister Cities Representative
NRC / Mayoral Forum
Building & Planning
NZ Historic Places Trust / Society for the preservation of the Kerikeri Stone Store Area
Harbour Catchment Group
Kororipo / Kerikeri Basin Governance Group
Kerikeri Domain Trust
Northland Economic Action Group



Councillor Court

- Refuse - Support
- Sewerage / Water Working Party
- National Marine Park for Northland working group
- NRC / Mayoral Forum
- LGNZ Zone 1
- LGNZ / Rural Provincial Sectors
- Building & Planning
- Kerikeri Domain Trust

Councillor Kitchen

- Northland Civil Defence Emergency Management Group
- Kaeo River Liaison Committee - Support
- Northland Conservation Board / DOC liaison person

Councillor Baker

- Northland Road Safety Forum
- Roothing
- Sewerage / Water Working Party
- Building & Planning
- Disability Action Group

Councillor McNally

- District Facilities - including pensioner housing
- Kaikohe Pioneer Village
- Kerikeri Waipapa River Liaison Group
- Sewerage / Water Working Party
- Roothing
- Northland Regional Transport Committee
- NRC Environmental Management Committee and sub committee (Regional Water & Soil plan for Northland Working Group) - Support
- Cycle Trail
- Waitangi River Liaison Committee

Councillor Dalton

- Cycle Trail
- The Chief Executive Performance Review Committee

Councillor Maxwell

- Northland Conservation Board / DOC liaison person - Support
- NRC Environmental Management Committee and sub committee (Regional Water and Soil Plan for Northland Working Group)
- Kaeo River Liaison Committee
- Kerikeri Waipapa River Liaison Group – Support
- Waitangi River Liaison Committee – Support
- Harbour Catchment Group

Councillor Knight

- District Facilities - including pensioner housing, Kaikohe Pioneer Village
- Sister Cities Representative
- Creative Communities Funding Assessment Committee - Support
- Te Ahu Charitable Trust
- Genetically Modified Organisms (GMO) Inter Council Working Party
- Enterprise Northland / Destination Northland
- Kerikeri Civic Trust ('The Turner Centre')
- Audit & Finance Chairperson

Councillor Radich

- Northland Road Safety Forum - Support
- Roothing
- Sport Northland / Regional Physical Activity Strategy and other sporting activities / Northland Sport and physical activity
- Awanui River Liaison Committee

Councillor Macauley

- Kerikeri Civic Trust ('The Turner Centre')
- Creative Communities Funding Assessment Committee - (Chairperson)
- District Facilities - including pensioner housing, Kaikohe Pioneer Village
- Northland Civil Defence Emergency Management Group - Support
- Disability Action Group
- Enterprise Northland / Destination Northland
- The Chief Executive Performance Review Committee

Bay of Islands – Whangaroa Community Board

As at 30 June 2013



10

Back Row - Left to right:

Johnson Davis (Elected: October 2010), Terry Greening (Elected: October 2010), Harko Brown (Elected: October 2010), Bruce Mills (Elected: October 2010)

Front Row – Left to right:

Sheryl Bainbridge (Advisory Services Officer), Belinda Ward (Elected: October 2010), Florence Annison (Elected: October 2007), Doug Turner (Elected: October 2010)

Appointments

Florence Annison

NZ Historic Places Trust / Society for the preservation of the Kerikeri Stone Store Area

Florence Annison

Disability Action Group

Florence Annison

Kororipo / Kerikeri Basin Governance Group – Support

Florence Annison

Kerikeri Domain Trust

If you need to contact a Community Board Member, then refer to the contact details on page 229 of this document or www.fndc.govt.nz/contact-us

Kaikohe - Hokianga Community Board

As at 30 June 2013



11

Left to right:

James Hikurangi (Hiku) Cherrington (Elected: October 2007), Mark Anderson (Elected: October 2010 resigned, December 2012), John Schollum (Elected: May 2008 (By Election)), Warren Gundry (Elected: October 2010), Win Stephens (Elected: October 2007), Leif Pakai (Elected October 2010), Garry Clarke (Elected: March 2013)

Front Row:

Aisha Huriwai (Council Advisory Officer)

Appointments

John Schollum

LGNZ Zone 1 Community Board Executive Committee

John Schollum

Disability Action Group

If you need to contact a Community Board Member, then refer to the contact details on page 229 of this document or www.fndc.govt.nz/contact-us

Te Hiku Community Board

As at 30 June 2013



12

Left to right:

Wilhelmus (Willy) Van Der Sluis (Elected: October 2007), Clara Lugnet (Elected: October 2010), Sydney Lawrence (Lawrie) Atkinson (Elected: October 2007), Dennis Bowman (Elected: October 2010), Yvonne Smith (Elected: October 2010), David Senior (Elected: October 2007), Sheryl Bainbridge (Advisory Services Officer)

Appointments

Dennis Bowman

Refuse

David Senior

Disability Action Group

David Senior

LGNZ Zone 1 Community Board Executive Committee
(Deputy Member)

If you need to contact a Community Board Member, then refer to the contact details on page 229 of this document or www.fndc.govt.nz/contact-us

The Organisation

As at 30 June 2013

The Organisation Structure

The Senior Management Group (SMG) includes the General Management Team and all department managers. SMG is characterised by a broad & diverse skill set. The group includes gender, age, sector and geographical diversity, all contributing to the strength of the administration underpinning the directions of Council. There are twenty three (23) department managers within the SMG.

BERNARD MURPHY GM Corporate Services

JANICE SMITH Financial Controller

CHERYL GAVIN YOUNG Revenue & Collections Manager

CHRIS ELLINGTON Strategic & Policy Manager

VACANT Governance Support

ROBERT MANUEL Legal Services Manager

BILL LEE Community Development Analyst

SUE HODGE Community Policy Manager

David Edmunds – Chief Executive

MURRAY MCDONALD
GM Environmental Management

BARRY WEBB
Environmental Protection Manager

PAUL COOK
Building Manager

VACANT
Resource Management Manager

NICOLE WOOSTER
Executive Assistant

JANE JOHNSON
Project Manager
Growth Strategy

DAVID PENNY GM Infrastructure
& Asset Management

ROSS GREEN Development Consents
& Engineering Standards Manager

TONY SMITH Contracts Manager

WIL PILLE Roading Business Unit Team Leader

BILL HUTCHINSON Civil Defence Co-ordinator

LORRAINE BROCKLISS Executive Assistant / Administration Team Leader

JAMES BROOKS New Works & Asset Manager

LESLEY ELLIOTT
Human Resource Manager

JACINE WARMINGTON
Community & Customer
Services Manager

VICTORIA BEGBIE
Manager Business
Performance & IT

RICHARD EDMONDSON
Communications Manager

Table of Content

14

| | |
|--|------|
| Introduction to the Annual Report | 1-12 |
| Introduction | 1 |
| Vision & Mission | |
| Message from former the Mayor | 2-3 |
| Message from the former Chief Executive | 4-5 |
| Our District | 6-7 |
| Representation – Council | 8-9 |
| Bay of Islands-Whangaroa Community Board | 10 |
| Kaikohe-Hokianga Community Board | 11 |
| Te Hiku Community Board | 12 |

| | |
|------------------------|----|
| The Organisation | |
| Organisation Structure | 13 |

| | |
|-------------------|--|
| Table of contents | |
|-------------------|--|

| | |
|---------------------------------------|-------|
| Auditing | 16-20 |
| Audit Report from the Auditor General | 16-19 |
| Statement of Compliance | 20 |

| | |
|--------------------------|-------|
| Our Financial Highlights | 21-22 |
|--------------------------|-------|



| | |
|---|-------|
| Financial Report | 23-24 |
| Financial Overview | 23 |
| Understanding the Financial Report | 23-24 |
| Statement of Accounting Policies | 25-34 |
| Reporting Entity | 25 |
| Basis of Preparation | 25 |
| Standards and Interpretation Issued and Adopted | 25-26 |
| Specific Accounting Policies | 26-34 |

| | |
|-----------------------------------|-------|
| Financial Statements | 35-81 |
| Financial Statements | 35-38 |
| Notes to the Financial Statements | 39-81 |

Audit Report

Independent Auditor's Report

To the readers of Far North District Council and Group's Annual Report For the year ended 30 June 2013

The Auditor General is the auditor of Far North District Council (the District Council) and group. The Auditor General has appointed me, Karen MacKenzie, using the staff and resources of Audit New Zealand to audit:

- the financial statements of the District Council and group that comprise:
 - the statement of financial position as at 30 June 2013 on page 36;
 - the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended 30 June 2013 on pages 35, 37 and 38; and
 - the notes to the financial statements that include accounting policies and other explanatory information about the financial statements on pages 25 to 34 and 39 to 80;
 - the performance information of the District Council on pages 84 to 90 and each group of activities carried out by the District Council on pages 100 to 216 and 218 to 219.
- the funding impact statements in relation to each group of activities of the District Council on pages 71 to 78;
- the statements about budgeted and actual capital expenditure in relation to each group of activities of the District Council on 100 to 219; and
- the funding impact statement of the District Council on page 70;

In addition, the Auditor General has appointed me to report on whether the District Council and group's annual report complies with the Other Requirements of schedule 10 of the Local Government Act 2002, where applicable, by including:

- information about:
 - reserve funds on pages 79 to 80;
 - remuneration paid to the elected members and certain employees of the District Council on pages 60 to 62;
 - employee staffing levels and remuneration on page 62; and
 - severance payments on page 64;
 - council controlled organisations on pages 220 to 226;
- a report on the activities undertaken by the District Council and group to establish and maintain processes to provide opportunities for Māori to contribute to the Council's decision making processes on page 217; and
- a statement of compliance signed by the mayor of the Council, and by the District Council and group's chief executive on page 20.

Opinion

Audited information

In our opinion:

- the financial statements of the District Council and group on pages 25 to 80:
 - comply with generally accepted accounting practice in New Zealand; and
 - fairly reflect:
 - the District Council and group's financial position as at 30 June 2013; and
 - the results of its operations and cash flows for the year ended on that date.
- the performance information of the District Council on pages 84 to 90, 100 to 216 and 218 to 219:
 - complies with generally accepted accounting practice in New Zealand; and
 - fairly reflects the District Council's levels of service for the year ended 30 June 2013, including:
 - the levels of service as measured against the intended levels of service adopted in the long term plan; and
 - the reasons for any significant variances between the actual service and the expected service.



- the funding impact statements in relation to each group of activities of the District Council on pages 71 to 78, fairly reflects by each group of activities, 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 statements about budgeted and actual capital expenditure in relation to each group of activities of the District Council on pages 100 to 219 fairly reflects by each group of activities the capital expenditure spent as compared to the amounts budgeted and set out in the District Council's long term plan or annual plan.
- the funding impact statement of the District Council on page 70, fairly reflects 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 annual plan.

Compliance with the other requirements of schedule 10

In our opinion, which is not an audit opinion, the District Council and group's annual report complies with the Other Requirements of schedule 10 that are applicable to the annual report.

Sweetwater Aquifer Scheme

Without modifying our audit opinion, we draw your attention to the disclosure in note 5a on page 125 about the costs incurred to date on the Sweetwater Aquifer Scheme (the Scheme). Up to 30 June 2013 the District Council spent \$2,258,000 in relation to the Scheme, resulting in assets with a carrying value of \$747,000 and operating expenditure of \$1,511,000. Up to a further \$250,000 is to be paid once the landowner has subdivided their property to enable title to the bore field property to be passed to the District Council.

We also draw your attention to the disclosure in note 26 on page 58 about the District Council's investigation into all aspects of the Scheme. That investigation will include a review of the District Council's decision-making and project management process relating to the Scheme, and its financial management of the Scheme.

Failure to meet statutory reporting deadline

In addition, we draw your attention to the fact that the Council did not adopt its annual report within the statutory time frame as set out in note 39 on page 80.

Our audit was completed on 27 February 2014. This is the date at which our opinion is expressed. The basis of our opinion is explained below. In addition, we outline the responsibilities of the Council and our responsibilities, and we explain our independence.

Basis of opinion

We carried out our audit in accordance with the Auditor General's Auditing Standards, which incorporate the International Standards on Auditing (New Zealand). Those standards require that we comply with ethical requirements and plan and carry out our audit to obtain reasonable assurance about whether the information we audited is free from material misstatement.

Material misstatements are differences or omissions of amounts and disclosures that, in our judgement, are likely to influence readers' overall understanding of the financial statements and performance information. If we had found material misstatements that were not corrected, we would have referred to them in our opinion.

Audit Report

An audit involves carrying out procedures to obtain audit evidence about the amounts and disclosures in the information we audited. The procedures selected depend on our judgement, including our assessment of risks of material misstatement of the information we audited, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the District Council and group's preparation of the information we audited that fairly reflect the matters to which they relate. We consider internal control in order to design 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.

An audit also involves evaluating:

- the appropriateness of accounting policies used and whether they have been consistently applied;
- the reasonableness of the significant accounting estimates and judgements made by the Council;
- the adequacy of all disclosures in the information we audited;
- determining the appropriateness of the reported performance information within the Council's framework for reporting performance; and
- the overall presentation of the information we audited.

We did not examine every transaction, nor do we guarantee complete accuracy of the information we audited.

When reporting on whether the annual report complies with the Other Requirements of schedule 10 of the Local Government Act 2002, our procedures were limited to making sure the information required by schedule 10 was included in the annual report, where relevant, and identifying material inconsistencies, if any, with the information we audited. This work was carried out in accordance with International Standard on Auditing (New Zealand) 720; The Auditor's Responsibilities Relating to Other Information in Documents Containing Audited Financial Statements. As a result we do not express an audit opinion on the District Council's compliance with the requirements of schedule 10.

We did not evaluate the security and controls over the electronic publication of the information we are required to audit and report on. We have obtained all the information and explanations we have required and we believe we have obtained sufficient and appropriate evidence to provide a basis for our opinion.

Responsibilities of the Council

The Council is responsible for preparing:

- financial statements and the statement of service provision that:
 - comply with generally accepted accounting practice in New Zealand;
 - fairly reflect the District Council and group's financial position, financial performance and cash flows;
 - fairly reflect its service performance, including achievements compared to forecast;
- funding impact statements in relation to each group of activities that fairly reflects by each group of activities 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;
- statements about budgeted and actual capital expenditure in relation to each group of activities that fairly reflects by each group of activities the capital expenditure spent as compared to the amounts budgeted and set out in the District Council's long term plan or annual plan; and
- a funding impact statement that fairly reflects 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 annual plan;
- the other information in accordance with the requirements of schedule 10 of the Local Government Act 2002.

The Council is responsible for such internal control as it determines is necessary to ensure that the annual report is free from material misstatement, whether due to fraud or error. The Council is also responsible for the publication of the annual report, whether in printed or electronic form.

The Council's responsibilities arise under the Local Government Act 2002.



Responsibilities of the Auditor

We are responsible for expressing an independent opinion on, the information we are required to audit, and whether the Council has complied with the Other Requirements of schedule 10, and reporting that opinion to you. Our responsibility arises under section 15 of the Public Audit Act 2001 and section 99 of the Local Government Act 2002.

Independence

When carrying out this audit, which includes our report on the Other Requirements, we followed the independence requirements of the Auditor General, which incorporate the independence requirements of the External Reporting Board. Other than this audit, which includes our report on the Other Requirements, we have no relationship with or interests in the District Council or any of its subsidiaries.

Karen MacKenzie
Audit New Zealand
On behalf of the Auditor General
Auckland, New Zealand

Statement of Compliance

Compliance

Council and management of the Far North District Council are responsible for preparing this report and financial statements and confirm that all statutory requirements of 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 2013.

Responsibility

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.

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 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 2013 fairly reflect the financial position, performance and operations of the Far North District Council and Group.



Hon John Carter QSO
MAYOR
27th February 2014



Colin Dale
CHIEF EXECUTIVE
27th February 2014

NB please refer to page 129 and Note 26 (page 58) for disclosures on the SweetH2O scheme

Our Financial Highlights... at a Glance

Council has recorded a net surplus of \$6.6 million

The net surplus is calculated using the formula:

$$- \text{Total income} - \text{total expenses} = \text{net surplus}$$

The main factors contributing to the variance against budget of \$5.4 million are detailed in note 36 of the Annual Report.

Council budgeted for a surplus of \$12.0 million in the 2012/13 Long Term Plan. The majority of the reported surplus represents funding received from third parties for capital purposes. As this income is received for specific capital projects, it cannot be used to offset rates.

Understanding the Council's result for the year ended 30 June 2013

The underlying financial performance outlined below shows an adjusted surplus of \$18 million versus the budgeted surplus for the year after the exclusion of fair value movements and other items that are not cash expenditure. There were 3 items which have had an impact on the adjusted surplus for the year.

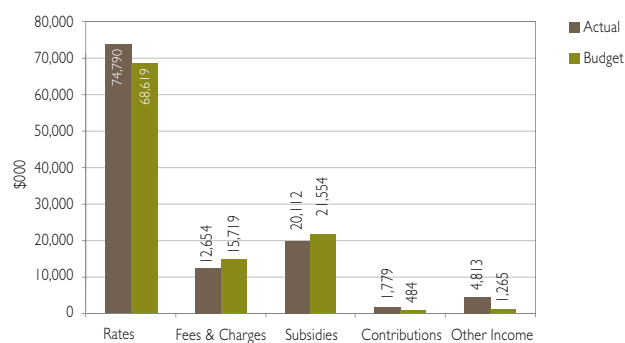
The first item reflects a reduction in valuations of land which saw a significant reduction over and above the revaluation reserves of \$10.5m. This was passed through the accounts as an expense in line with accounting standard requirements.

The second item was a loss on disposal of property, plant & equipment of \$1.133m. This item is not a cash item and is therefore added back to the recorded surplus.

The third item relates to income from derivative's that has been passed through the P&L due to some ineffectiveness of swap transactions.

| | 2013 \$000's |
|--|-----------------|
| Reported council surplus | 6,657 |
| 1. Loss on valuation through P&L | 10,546 |
| 2. Loss on disposal on property, plant & equipment | 1,133 |
| 3. Income from derivatives through P&L | (362) |
| Adjusted surplus | 17,974 |
| Budgeted surplus | 12,020 |
| Movement in surplus | 5,954 |

Where our Funds come from



Council receives income from a range of sources. These can be broken down into 5 main categories as shown in the graph above.

Rates

Rates income is the cumulative total that is charged to the ratepayers of the district. It encompasses the general rate, uniform annual general charges as well as targeted rates.

Fees & charges

Fees & charges cover a range of activities within Council. Building consent fees, resource consent fees, hire charges, bulk water purchases and rents.

Subsidies

These are payments that Council receives largely from NZTA towards both operational and capital costs associated with the district's roading network. Other subsidies can be received in relation to water and wastewater schemes as well as contributions towards replacement of rural fire equipment. These are much smaller in value and variable in nature.

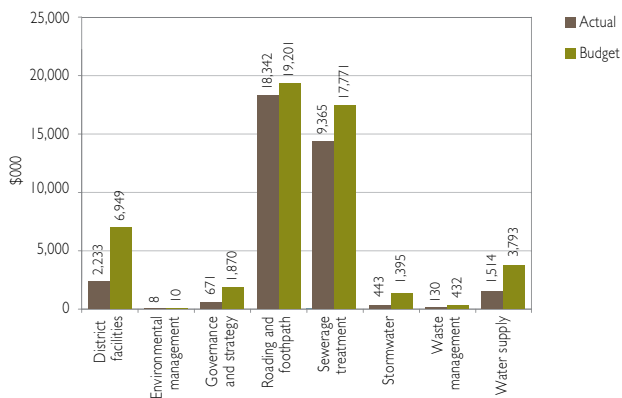
Contributions

These are mainly development contributions but also include vested assets and other minor contributions. Vested assets are items of infrastructure that are vested in Council by a developer and are unbudgeted in any year.

Other income

Other income relates mainly to recoveries and includes income received in relation to rural fire events. Dividends and petrol tax are also included in this group.

Building our Assets (Capital Expenditure)



We spent \$18,716k less on capital projects than was budgeted. Our total expenditure for the year ended 30 June was \$32,707k compared to a budget of \$51,422k.

Groups under spent in capital expenditure were:

- District Facilities capital expenditure was under budget by \$4,716k. Projects were delayed in relation to halls, parks & reserves and community centres.
- Governance & strategy were under budget by \$1,199k. Projects in IT were reassessed and some transferred to outer years.
- Roding and footpaths were under budget by \$859k. This was mainly due to a reduction in the programme of work approved by NZTA.
- Wastewater capital expenditure was under budget by \$8,406k. This is mainly due to the delays in commencing major projects. Funds had been included for the BOIWW project and that has been delayed until 2014/15.
- Stormwater capital expenditure was under budget by \$952k. Projects were delayed during the year.
- Water supply capital expenditure was under budget by \$2,280k. Projects were delayed during the year.

More information is provided in the appropriate Statement of Service Performance on pages 104 - 224 of this report.

Financial Report

Financial Overview

Council aims to ensure that it is able to maintain infrastructure and assets at the expected levels, while at the same time maintaining costs at an affordable level for the community. To bridge the expenditure gap, rates increased by an average of 4.8% in 2012/13, to provide ongoing levels of service to the community within the constrained economic climate.

The 2012/22 LTP strategy expresses the strategic objectives and strategies of Council's plan in financial terms. The strategy projects Council's financial commitments for 10 years and enables Council to identify and analyse trends of significance and provide for sound financial planning and decision making.

Understanding the Financial Report

Introduction

All of the financial data within this report is rounded to the nearest thousand dollars. This can lead to rounding differences in totaling some higher level numbers. The financial report shows how Council performed during the 2012/13 financial year and the overall position at the end of the financial year being 30 June 2013.

Council presents its report in accordance with NZIAS 1 Presentation of Financial Statements

Particular terms required by the NZIAS may not be familiar to some readers. Council is a Public Benefit Entity and therefore some of the generally recognised terms used in private sector company reports may not be appropriate to Council's reports.

Council is committed to accountability. It is in the context that this 'plain English guide' has been developed to assist readers understand and analyse the financial report. Further, Council has set out a glossary with a view to assist readers who may not be familiar with reading Financial Statements.

What is contained in the Annual Report?

Council's Annual Report has 1 set of statements broken into 3 parts:

- Consolidated Financial Statements;
- Notes to the Financial Statements; and

- Statements of Service Performance reflecting actual service performance for financial and non financial information and the identified effects on social, economic, environmental or cultural wellbeing.

Financial Statements

There are 4 main statements. These statements are prepared by Council staff, and then audited by the Office of the Auditor-General who has appointed Audit New Zealand to audit these statements. The 4 main statements are included on the first few pages of the financial report. They are called Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity and Statement of Cash Flows.

Statement of Comprehensive Income

The Statement of Comprehensive Income (also referred to as the Profit & Loss Account) shows all of Council's revenue earned and expenses incurred for the 12 months up to 30 June. Revenue includes income received from rates and other income such as investment income, rent and fees while expenses includes costs such as operating costs, interest payments and depreciation. This statement shows how the surplus or (deficit) is arrived at. The net surplus or (deficit) recorded in the Statement of Comprehensive Income is added or subtracted from Council's equity as shown in the Statement of Changes in Equity. The Statement of Comprehensive Income also shows the non owner changes in equity (net assets) for Council during the 12 months ending 30 June. This includes the net operating surplus / (deficit) plus movements in reserves. These items would include unrealised gains on asset revaluations and appropriations from the Statement of Comprehensive Income to restricted reserves.

Statement of Financial Position

The Statement of Financial Position (also referred to as the Balance Sheet) shows the assets and liabilities of the Council as at 30 June. Assets include cash, accounts receivable (money owed to Council but not yet received), investments, land, buildings, operational and infrastructure assets.

Current assets are amounts owed to Council that are expected to be received within the next 12 months while current liabilities are Council's short term debts that are due to be paid within the next 12 months. Property, plant and equipment are of a permanent nature and are held for the benefit of the community. Non current liabilities represent money owed by Council that does not need to

be paid within the next 12 months. The total sum of assets and liabilities is referred to as net assets. This is the net worth of Council as at 30 June. Net assets are represented by public equity which is the total accumulation of retained earnings, capital reserves, restricted and other reserves.

Statement of Changes in Equity

During the course of the year the value of total equity as set out in the Statement of Financial Position changes. The Statement of Changes in Equity shows the values of such changes and how these changes arose.

The main reasons for changes in equity arise from:

- The "profit or loss" from operations;
- The revaluation of fixed assets; and
- Movements in other reserves.

Statement of Cash Flows

The Statement of Cash Flows summarises Council's cash payments and cash receipts for the year. This statement is presented according to a very specific accounting standard and needs some care in analysis. The values may differ from those shown in the Statement of Comprehensive Income because the Statement of Comprehensive Income is prepared on an accrual accounting basis. Cash in this statement refers to bank deposits and other forms of highly liquid investments that can readily be converted to cash. Council's cash arises from, and is used in, 3 main areas:

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts

All cash received into Council's bank account from ratepayers and others who owed money to Council. Receipts also include the interest earnings from Council's cash investments.

Payments

All cash paid by Council from its bank account to staff, creditors and other persons. It does not include the costs associated with the sale of assets.

CASH FLOWS FROM INVESTING ACTIVITIES

This section shows the cash invested in the creation or purchase of property, plant or equipment, infrastructure, investment property and intangible assets and the cash received from the sale of these assets.

CASH FLOWS FROM FINANCING ACTIVITIES

This is where the receipt and repayment of borrowed funds are recorded, as well as any movement in deposits held by Council.

The bottom line of the Statement of Cash Flows is the cash at the end of the financial year. This shows the capacity of Council to meet its cash debts and other liabilities.

Statement of Accounting Policies and Notes to the Financial Statements

The Statement of Accounting Policies is a very important and informative section of the report. To enable the reader to understand how the values shown in the 4 main financial statements are established, details of Council's Accounting Policies can be found on page 25. As well as accounting policies, the notes also give the details behind many of the summary figures contained in the main statements. The note numbers are shown beside the relevant items in the main statements.

Where Council wishes to disclose other information which cannot be incorporated into the main statements, this is shown in the notes.

Other notes with specific disclosures include:

- The breakdown of expenses, revenues, reserves and other assets;
- Contingent liabilities and contingent assets;
- Transactions with persons related to Council;
- Remuneration; and
- Financial instrument risk.

The notes should be read at the same time as, and together with, the other parts of the financial statements to get a clear picture of the accounts.

Auditor-General's Report

The independent Audit Report provides the reader with an external opinion on the Financial Statements, Notes to Financial Statements and Statements of Service Performance. It confirms the Annual Report has been prepared in accordance with Schedule 10 of the Local Government Act 2002 and professional standards and that it represents a fair picture of the financial affairs of the Council.

Statements of Service Performance

Statements of Service Performance reflect actual service performance for financial and non financial information and the identified effects on social, economic, environmental or cultural wellbeing.

Statement of Accounting Policies

FOR THE YEAR ENDED 30 JUNE 2013

Reporting Entity

The Far North District Council is a territorial Local Authority governed by the Local Government Act 2002 and is domiciled in New Zealand. The financial statements reflect the operations of Far North District Council and its subsidiaries, Far North Holdings Limited (100% owned), Rolands Wood Trust and the Te Ahu Charitable Trust, and are prepared in accordance with the requirements of the Local Government Act 2002, which includes the requirement to comply with Generally Accepted Accounting Practice (GAAP).

Far North District Council has designated itself and the group to be a public benefit entity for the purposes of New Zealand equivalents to International Financial Reporting Standards (NZ IFRS). Far North District Council's primary objective is to provide 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. All available reporting exemptions allowed under the framework for public benefit entities have been adopted.

The financial statements are for the year to 30 June 2013 and were authorised by Far North District Council for issue on 27th February 2014

Basis of Preparation

Statement of compliance

The financial statements have been prepared in accordance with the requirements of the Local Government Act 2002: Part 6, Section 98 and Part 3 of Schedule 10, which includes the requirement to comply with New Zealand generally accepted accounting practices (NZ GAAP).

These financial statements have been prepared in accordance with NZ GAAP. They comply with the New Zealand equivalents to International Financial Reporting Standards (NZ IFRS) and other applicable Financial Reporting Standards, as appropriate for public benefit entities.

Measurement base

The financial information has been prepared on a historical cost basis, modified by the revaluation of forestry assets, certain classes of property, plant and equipment, certain classes of intangible assets and investment property.

Functional and presentation currency

The financial statements are presented in New Zealand dollars (NZD) and are rounded to the nearest thousand dollars (\$000's). The functional currency of Council and its subsidiaries is New Zealand dollars.

Changes in accounting policies

The accounting policies set out below have been applied consistently to the financial statements. No changes have been made to these policies during the financial year.

Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Standards and interpretation issued and adopted

Standards, amendments, and interpretations issued that are not yet effective and have not been early adopted by the group

NZ IFRS 9 Financial Instruments will eventually replace NZ IAS 39 Financial Instruments: Recognition and Measurement. NZ IAS 39 is being replaced through the following 3 main phases: Phase 1 Classification and Measurement, Phase 2 Impairment Methodology, and Phase 3 Hedge Accounting. Phase 1 on the classification and measurement of financial assets has been completed and has been published in the new financial instrument standard NZ IFRS 9. NZ IFRS 9 uses a single approach to determine whether a financial asset is measured at amortised cost or fair value, replacing the many different rules in NZ IAS 39. The approach in NZ IFRS 9 is based on how an entity manages its financial instruments (its business model) and the contractual cash flow characteristics of the financial assets. The financial liability requirements are the same as those of NZ IAS 39, except for when an entity elects to designate a financial liability at fair value through the surplus / (deficit). The new standard is required to be adopted for the year ended 30 June 2016. However, as a new accounting standards framework will apply before this date, there is no certainty when an equivalent standard to NZ IFRS 9 will be applied by Public Benefit Entities.

The Minister of Commerce has approved a new accounting standards framework (incorporating a tier strategy) developed by the External Reporting Board (XRB). Under this accounting standards framework, Far North District Council is classified as a Tier 1 reporting entity and it will be required to apply full Public Benefit Entity Accounting Standards (PAS). These standards are being developed by the XRB based on current International Public Sector Accounting Standards. The effective date for the new standards for public sector entities is expected to be for reporting periods beginning on or after 1 July 2014. This means Council expects to transition to the new standards in preparing its 30 June 2015 financial statements. As the PAS are still under development, Council is unable to assess the implications of the new accounting standards framework at this time.

Due to the change in the accounting standards framework for Public Benefit Entities, it is expected that all new NZ IFRS and amendments to existing NZ IFRS will not be applicable to Public Benefit Entities. Therefore, the XRB has effectively frozen the financial reporting requirements for Public Benefit Entities up until the new accounting standard framework is effective. Accordingly, no disclosure has been made about new or amended NZ IFRS that exclude Public Benefit Entities from their scope.

Specific Accounting Policies

(a) Basis of consolidation

The acquisition method is used to prepare the consolidated financial statements, which involves adding together like items of assets, liabilities, equity, income and expenses, on a line by line basis. All significant intragroup balances, transactions, income and expenses are eliminated on consolidation.

Subsidiaries

Council consolidates in the group financial statements all entities where 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 Council controls the majority voting power on the governing body or where such policies have been irreversibly predetermined by Council or where the determination of such policies is unable to materially affect the level of potential ownership benefits that arise from the activities of the subsidiary.

Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

The consideration transferred in an acquisition of a subsidiary reflects the fair value of the asset transferred by the acquirer and liabilities incurred by the acquirer to the former owner.

Council will recognise goodwill where there is an excess of the consideration transferred over the net identifiable assets acquired and liabilities assumed. This difference reflects the goodwill to be recognised by Council. If the consideration transferred is lower than the fair value of Council's interest in the identifiable assets acquired and liabilities assumed, the difference will be recognised immediately in the surplus or deficit.

Joint venture

A joint venture is a contractual arrangement whereby 2 or more parties undertake an economic activity that is subject to joint control. For jointly controlled operations, Council and group recognises in its financial statements the assets it controls, the liabilities and expenses it incurs, and the share of income that it earns from the joint venture.

(b) Budget Figures

The budget figures are those approved by Council after consultation with the public as part of the Annual Plan / LTP process. The budget figures have been prepared in accordance with NZ GAAP, using accounting policies that are consistent with those adopted by Far North District Council for the preparation of the financial statements.

(c) Cost Allocation

Far North District Council has derived the net cost of service for each significant activity of Council using the cost allocation system outlined below. Direct costs are charged directly to significant activities. Indirect costs are charged to significant activities based on cost drivers and related activity / usage information.

(d) Criteria for Direct and Indirect Costs

"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.

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.

(e) Cost of Service Statement

The Cost of Service Statements, as provided in the Statement of Service Performance, report the net cost of services for significant activities of Council, and are represented by the costs of providing the service less all directly related revenue that can be allocated to these activities.

(f) Property, Plant and Equipment

Property, plant and equipment shown at cost or valuation, less accumulated depreciation and impairment losses.

Property, plant & 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 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 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.

(g) Revaluations

Far North District Council 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:

- Roading infrastructural assets;
- Stormwater infrastructural assets;
- Water and sewerage infrastructural assets;
- Drainage infrastructural assets;
- Maritime assets;
- Footpaths and footbridges;
- Carparks;
- Refuse transfer stations;
- Library books;
- Ferry assets;
- Heritage assets; and
- 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 expensed in the Statement of Comprehensive Income. Any subsequent increase on revaluation that offsets a previous decrease in value recognised in the Statement of Comprehensive Income will be recognised first in the Statement of Comprehensive Income up to the amount previously expensed, and then credited to the revaluation reserve for that class of asset.

ADDITIONS

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.

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 Statement of Comprehensive Income. 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 & equipment, other than land, 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:

OPERATIONAL ASSETS:

| | | |
|---------------------------------------|--------------|-------------|
| Runways | 10 yrs | 10% |
| Buildings | 40 – 100 yrs | 1 – 2.5% |
| Motor vehicles | 3 – 5 yrs | 20 – 33% |
| Plant and machinery | 1 – 40 yrs | 2.5 – 100% |
| Wharves (concrete) | 10 – 85 yrs | 1.17 – 2% |
| Wharves (timber), moorings & ramps | 10 – 50 yrs | 2 – 10% |
| Office furniture & equipment | 5 – 15 yrs | 6.67 – 20% |
| Computers | 3 – 7 yrs | 20 – 33% |
| Library books | 3 – 45 yrs | 2.22 – 33% |
| Heritage assets | 10 – 140 yrs | 0.71 – 6.7% |

INFRASTRUCTURAL ASSETS:

Roads

| | | |
|------------------------------------|--------------|--------------|
| Top surface (seal) | 10 – 50 yrs | 2 – 10% |
| Pavement (base course) – sealed | 35 yrs | 2.85% |
| Culverts, cesspits | 15 – 100 yrs | 1 – 6.7% |
| Footpaths | 25 – 60 yrs | 1.6 – 4% |
| Kerbs | 50 – 80 yrs | 1.25 – 2% |
| Street lights | 8 – 60 yrs | 1.67 – 12.5% |
| Signs | 10 – 15 yrs | 6.67 – 10% |
| Bridges | 50 – 100 yrs | 1 – 2% |

Water Reticulation

| | | |
|------------------|--------------|-------------|
| Pipes | 40 – 100 yrs | 1 – 2.5% |
| Valves, hydrants | 50 - 70 yrs | 1.43 – 2% |
| Pump stations | 10 – 50 yrs | 2 – 10% |
| Tanks / dams | 40 – 80 yrs | 1.25 – 2.5% |

Sewerage Reticulation

| | | |
|-----------------|-------------|------------|
| Pipes | 30 – 100yrs | 1 – 3.33% |
| Manholes | 80 yrs | 1.25% |
| Treatment plant | 5 – 80 yrs | 1.25 – 20% |

Stormwater Systems

| | | |
|----------|--------------|-------------|
| Pipes | 40 – 120 yrs | 0.83 – 2.5% |
| Manholes | 100 yrs | 1% |

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 adjusted if applicable, at each financial year end.

Land is not depreciated.

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 Far North District Council and the cost of the item can be measured reliably.

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.

(h) Intangible Assets

Intangible assets that are acquired by the Far North District Council are stated at cost less accumulated amortisation. Easements, resource consents, public access rights, software, coastal permits and licences 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. These costs are amortised over their estimated useful lives at a rate of 10 - 33% per annum.

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 Far North District Council are stated at cost less accumulated amortisation and impairment losses. Easements and resource consents are included in this category and have useful lives as follows:

| | | |
|----------------------|---------------|----------|
| Resource consents | 5-25 years | 4 - 20% |
| Easements | 100 years | 1% |
| Software | 3 – 10 years | 10 – 33% |
| Public access rights | 10 - 50 years | 2 - 10% |

Where Council invests at least \$100,000 in a project, but will not ultimately own an asset, and the community has the right to use the facility, and in terms of the contract, that right exists for longer than 12 months, the cost of the right will be treated as an intangible asset. 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.

COASTAL PERMITS AND LICENCES

The coastal permits and licences are recorded at fair value in accordance with annual independent valuation. Assumptions made by the valuer are that the coastal permits and licences will be renewed. The coastal permits

and licences are for a finite period, however, it is expected that these will be renewed on an ongoing basis. Due to signalled legislative changes and the uncertainty surrounding the future occupation of the seabed and foreshore, it has been deemed prudent to amortise the coastal permits and licences over the unexpired period, whereas in 2009 the permits and licences were considered to have an infinite life and were not amortised.

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 expense 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 for impairment annually, and is carried at cost less accumulated impairment losses.

(i) Forestry Assets

Forestry assets are stated at fair value less point of sale costs and 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 Statement of Comprehensive Income. All revenues from harvesting are recognised in the Statement of Comprehensive Income when realised. Related costs are expensed as incurred.

(j) Employee Entitlements

Short term employee entitlements

Employee benefits expected to be settled within 12 months after the end of the period in which the employee renders 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 for sick leave is recognised to the extent that absences in the coming year are expected to be greater than the sick leave entitlements earned in the coming year. The amount is calculated based on the unused sick leave entitlement that can be carried forward at balance date, to the extent it will be used by staff to cover those future absences.

A liability and an expense are recognised for bonuses where Council or group has a contractual obligation or where there is a past practice that has created a constructive obligation.

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.

Defined contribution schemes

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

(k) Equity

Equity is the community's interest in Council and its subsidiaries, 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 Council makes of its accumulated surpluses. The components of equity are:

- Accumulated funds;
- Restricted reserves;
- Property revaluation reserves;
- Fair value through equity reserves; and
- Cash flow hedge reserve.

Accumulated funds

- Retained earnings; 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 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 Council and which may not be revised by 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.

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

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.

(l) Debtors and Other Receivables

Short term debtors and other receivables are stated at expected face value, less any provision for impairment.

A receivable is impaired when there is objective evidence that Council will not be able to collect amounts due. Significant financial difficulties of the debtor, probability that the debtor will enter into bankruptcy, receivership, or liquidation, and default in payments are considered indicators that the debtor is impaired. The amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the surplus or (deficit). When the receivable is uncollectible, it is written off against the allowance account for receivables. Overdue receivables that have been renegotiated are reclassified as current (that is, not past due).

(m) Revenue

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

Rates revenue

Rates are set annually by resolution from Council and relate to a financial year. All ratepayers are invoiced within the financial year to which the rates have been set. Rates revenue is classified as a non exchange transaction and is recognised when levied. Rates collected on behalf of the Northern Regional Council are not recognised in the financial statements, as Council is acting as an agent. Water billing revenue is recognised on an accrual basis. Unbilled sales, as a result of unread meters at year end, are accrued on an average usage basis.

Government grants

Grants from the government, such as New Zealand Transport Agency (NZTA) roading subsidies, are recognised at their fair value where there is a reasonable assurance that the grant will be received and Far North District Council will comply with all attached conditions.

Services rendered

Revenue from services rendered is recognised in the Statement of Comprehensive Income in proportion to the

stage of completion of the transaction at the Statement of Financial Position date. The stage of completion is assessed by reference to surveys of work performed. No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods or continuing management involvement with the goods.

Sale of goods

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

Development contributions

The revenue recognition point for development contributions is the later of the point when 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.

Rental income

Rental income from investment property is recognised in the Statement of Comprehensive Income on a straight line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income.

Other grants and bequests

Other grants and bequests, and assets vested in Council – with or without conditions – are recognised as revenue when control over the assets is obtained. Where a physical asset is acquired for nil or nominal consideration the fair value of the asset received is recognised as revenue when control over the asset is obtained.

Dividends

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

Third party / agency income

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.

Interest

Interest income is recognised using the effective interest method.

(n) Creditors and Other Payables

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 Council and when it is certain that an obligation to pay arises. Short term creditors and other payables are initially measured at fair value and are subsequently measured at amortised cost.

(o) Leases

Finance lease

Leases that effectively transfer to the lessee substantially all risks and benefits incident to ownership of the leased item are classified as finance leases. At the commencement of the lease term, Far North District Council recognises the finance leases as assets and capitalises them at the lower of the fair value of the asset or the present value of the minimum lease payments. The leased assets and corresponding lease liabilities are recognised in the Statement of Financial Position. The leased assets are depreciated over the shorter of the lease term or its useful life.

Liabilities are recognised in the Statement of Financial Position. The leased assets are depreciated over the shorter of the lease term or its useful life.

Operational lease

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.

(p) Borrowing

Borrowing

Interest bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest bearing borrowings are stated at amortised cost with any difference between cost and redemption value being recognised in the Statement of Comprehensive Income over the period of the borrowings on an effective interest basis.

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

Borrowing costs

A Public Benefit Entity that elects to defer the application of NZ IAS 23 (revised 2008) shall expense borrowing costs in accordance with NZ IAS 23 (2004). Far North District Council has elected to defer application and borrowing costs are recognised in the period in which they are incurred.

(q) 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 in the Statement of Comprehensive Income at such time Council determines that the project has ceased or no identified future benefits will be derived.

(r) Cash and Cash Equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short term highly liquid investments with original maturities of 3 months or

less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the Statement of Financial Position.

(s) Financial Assets

Far North District Council classifies its investments in the following categories:

i) Financial assets or financial liabilities at fair value through profit or loss

This category has 2 sub categories: financial assets held for trading, and those designated at fair value through profit or loss at inception. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management. Far North District Council does not have any financial assets that meet this definition.

ii) Loans and receivables

Loans and receivables are non derivative financial assets with fixed or determinable payments that are not quoted in an active market.

After initial recognition they are measured at amortised cost using the effective interest method. Gains and losses when the asset is impaired or derecognised are recognised in the Statement of Comprehensive Income. Loans and receivables are classified as "trade and other receivables" in the Statement of Financial Position.

iii) Held to maturity investments

Held to maturity investments are non derivative financial assets with fixed or determinable payments and fixed maturities that management has the positive intention and ability to hold to maturity. Far North District Council does not have any financial assets that meet this definition.

iv) Available for sale financial assets

Available for sale financial assets are non derivatives that are either designated in this category or not classified in any of the other categories. Financial assets that are included in this category are shares in Local Government Insurance Corporation Limited.

The classification depends on the purpose for which the investments were acquired.

Management determines the classification of its investments at initial recognition and re-evaluates this designation at every reporting date.

For the purposes of the parent company financial statements, Far North District Council's equity investment in its subsidiary company is stated at cost.

(t) Goods and Services Tax (GST)

All items in the financial statements are exclusive of GST. Where GST is not recoverable as an input tax then it is recognised as part of the related asset or expense.

The net amount of GST recoverable from, or payable to, the Inland Revenue Department (IRD) is included as part or 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.

(u) Inventories and Work In Progress

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. Work in progress is valued at cost. 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 Statement of Comprehensive Income.

(v) Investment Properties and Properties Intended for Resale

Investment properties are properties which are held either to earn rental income or for capital appreciation or for both.

Investment property is measured initially at its cost, including transaction costs.

After initial recognition, Far North District Council 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 Statement of Comprehensive Income. There is no depreciation on investment properties.

Rental income from investment property is accounted for as described in the accounting policy 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 retained earnings. Any loss arising in this manner is recognised immediately in the Statement of Comprehensive Income.

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 Far North District Council or its subsidiary 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.

(w) Provisions

A provision is recognised in the Statement of Financial Position when 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

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.

Far North District 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 Statement of Comprehensive Income.

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

(x) Statement of Cash Flows

Cash or cash equivalents means cash balances on hand, held in bank accounts, demand deposits of 3 months or less and other highly liquid investments in which Council or its subsidiaries invest as part of its day to day cash management.

Operating activities include cash received from all income sources of 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 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 Council and its subsidiary, FNHL.

(y) Taxation

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in the Statement of Comprehensive Income except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted at the Statement of Financial Position date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided using the Statement of Financial Position liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that affect neither accounting nor taxable profit, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the Statement of Financial Position date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(z) 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 when ever 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 assets ability to generate net cash inflows and where the entity would, if deprived of the asset, replace it's remaining future economic benefits or service potential.

The carrying amounts of Far North District Council and the group's 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 Statement of Comprehensive Income. Impairment losses on revalued assets offset any balance in the asset revaluation reserve, with any remaining impairment loss being posted to the Statement of Comprehensive Income.

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 Statement of Comprehensive Income, a reversal of the impairment loss is also recognised in the Statement of Comprehensive Income.

For assets not carried at a revalued amount the reversal of an impairment loss is recognised in the Statement of Comprehensive Income.

(aa) 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.

(ab) Financial Instruments

Council undertakes financial instrument arrangement as part of its normal operations. These financial instruments include cash and bank balances, investments, receivables, payables and borrowings. All financial instruments are recognised in the Statement of Financial Position and all revenues and expenses in relation to financial instruments are recognised in the Statement of Comprehensive Income.

(ac) Critical Accounting Estimates and Assumptions

In preparing these financial statements, Far North District 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 discussed below:

Landfill aftercare provision

Note 21 discloses an analysis of the exposure of Far North District Council in relation to the estimates and uncertainties surrounding the landfill aftercare provision.

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. Far North District 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 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 Far North District Council could be over or under estimating the annual depreciation charge recognised as an expense in the Statement of Comprehensive Income.

To minimise this risk, Far North District Council's infrastructural 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 Council's infrastructural asset revaluations.

(ad) Derivative Financial Instruments and Hedge Accounting

Far North District Council uses derivative financial instruments to hedge interest rate risks arising from financing activities. In accordance with its Treasury Policy, Far North District Council does not hold or issue derivative financial instruments for trading purposes.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair value at each balance date. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

The associated gains or losses of derivatives that are not hedge accounted are recognised in the Statement of Comprehensive Income. Far North District Council designates certain derivatives as either:

- Hedges of the fair value of recognised assets or liabilities or a firm commitment (fair value hedge); or
- Hedges of highly probable forecast transactions (cash flow hedge).

Far North District Council documents at the inception of the transaction, the relationship between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions. Far North District Council also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items.

The full fair value of hedging derivatives is classified as non current if the remaining maturity of the hedged item is more than 12 months and as current if the remaining maturity of the hedged item is less than 12 months.

Fair value hedge

The gain or loss from remeasuring the hedging instrument at fair value, along with the changes in the fair value on the hedged item attributable to the hedged risk, is recognised in the Statement of Comprehensive Income. Far North District Council only applies fair value hedge accounting for hedging fixed interest risk on borrowings. The gain or loss relating to the effective portion of interest rate swaps hedging fixed rate borrowings is recognised in the Statement of Comprehensive Income within "finance costs". The gain or loss relating to the ineffective portion is recognised in the Statement of Comprehensive Income as part of "gains" or "other expenses". Changes in the fair value of the hedged fixed rate borrowings attributable to interest rate risk are recognised in the Statement of Comprehensive Income within "finance costs".

If the hedge no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of a hedged item for which the effective interest method is used is amortised to profit or loss over the period to maturity.

Cash flow hedge

The portion of the gain or loss on a hedging instrument that is determined to be an effective hedge is recognised directly in equity through the Statement of Changes in Equity and the ineffective portion of the gain or loss on

the hedging instrument is recognised in the Statement of Comprehensive Income as part of "gains" or "other expenses".

If a hedge of a forecast transaction subsequently results in the recognition of a financial asset or a financial liability, the associated gains or losses that were recognised directly in equity will be reclassified into profit or loss in the same period or periods during which the asset acquired or liability assumed affects profit or loss. However, if Far North District Council expects that all or a portion of a loss recognised directly in equity will not be recovered in one or more future periods, it will reclassify into profit or loss the amount that is not expected to be recovered.

When a hedge of a forecast transaction subsequently results in the recognition of a non financial asset or a nonfinancial liability, or a forecast transaction for a non financial asset or non financial liability becomes a firm commitment for which fair value hedge accounting is applied, then the associated gains and losses that were recognised directly in equity will be included in the initial cost or carrying amount of the asset or liability.

If a hedging instrument expires or is sold, terminated, exercised or revoked, or it no longer meets the criteria for hedge accounting, the cumulative gain or loss on the hedging instrument that remains recognised directly in equity from the period when the hedge was effective will remain separately recognised in equity until the forecast transaction occurs. When the forecast transaction is no longer expected to occur, any related cumulative gain or loss on the hedging instrument that remains recognised directly in equity from the period when the hedge was effective will be recognised in the Statement of Comprehensive Income.

CRITICAL JUDGMENTS IN APPLYING FAR NORTH DISTRICT COUNCIL'S ACCOUNTING POLICIES

Management has exercised the following critical judgments in applying the Far North District Council accounting policies for the period ended 30 June.

CLASSIFICATION OF PROPERTY

Far North District 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 Far North District Council's social housing policy. These properties are accounted for as property, plant and equipment.

Council and Consolidated Statement of Comprehensive Income

FOR THE YEAR ENDED 30 JUNE 2013

| | NOTE | CONSOLIDATED | | ACTUAL 2013 \$000s | COUNCIL BUDGET 2013 \$000s | ACTUAL 2012 \$000s |
|--|------------|--------------------------|--------------------------|--------------------------|-------------------------------------|--------------------------|
| | | ACTUAL 2013 \$000s | ACTUAL 2012 \$000s | | | |
| OPERATIONS | | | | | | |
| Income | | | | | | |
| Rates income (excluding targeted water supply rates) | 1 | 74,790 | 70,846 | 74,790 | 68,619 | 70,846 |
| Fees, charges & targeted water supply rates | 2 | 12,654 | 12,296 | 12,654 | 15,179 | 12,114 |
| Development & financial contributions | 2 | 1,779 | 506 | 1,779 | 484 | 506 |
| Subsidies and grants | 2 | 20,112 | 18,387 | 20,112 | 21,554 | 18,387 |
| Other income | 2 | 10,525 | 12,226 | 4,813 | 1,265 | 4,271 |
| Other gains | | 2,818 | 0 | 0 | 0 | 0 |
| Rental income from investment properties | 2 | 2,116 | 1,904 | 0 | 0 | 0 |
| Total operating income | | 124,794 | 116,165 | 114,149 | 107,100 | 106,125 |
| Expenditure | | | | | | |
| District facilities | | 25,753 | 17,001 | 25,745 | 15,770 | 15,972 |
| Environmental management | | 8,962 | 9,080 | 8,962 | 10,126 | 9,080 |
| Governance & strategy | | 15,549 | 13,931 | 8,561 | 7,137 | 8,456 |
| Roading & footpaths | | 13,127 | 21,962 | 13,127 | 14,468 | 21,962 |
| Sewerage treatment & disposal | | 6,495 | 5,584 | 6,495 | 5,215 | 5,584 |
| Stormwater | | 1,136 | 1,099 | 1,136 | 1,196 | 1,099 |
| Waste management | | 4,354 | 4,104 | 4,354 | 4,320 | 4,104 |
| Water supply | | 6,879 | 4,930 | 6,879 | 4,307 | 4,930 |
| Other expenditure | | 792 | 0 | 792 | 0 | 0 |
| Depreciation / amortisation costs | 12,13,14 | 27,946 | 26,065 | 26,986 | 25,845 | 25,471 |
| Finance costs | 6 | 5,036 | 7,024 | 4,453 | 6,695 | 6,470 |
| Total operations expenditure | 4,5 | 116,029 | 110,780 | 107,492 | 95,079 | 103,127 |
| NET OPERATING SURPLUS BEFORE TAX | | 8,765 | 5,385 | 6,657 | 12,020 | 2,997 |
| Tax expense | 7 | 95 | (1,003) | 0 | 0 | 0 |
| NET OPERATING SURPLUS | | 8,670 | 6,388 | 6,657 | 12,020 | 2,997 |
| Surplus attributable to: | | | | | | |
| Far North District Council | | 8,670 | 6,388 | 6,657 | 12,020 | 2,997 |
| Items reclassified to surplus | | | | | | |
| Financial assets at fair value through equity | 24 | 10 | (40) | 10 | 0 | (40) |
| Cash flow hedges | 24 | 717 | (366) | 717 | 0 | (366) |
| Items not classified to surplus | | | | | | |
| Loss on asset revaluations | 24 | (17,763) | 63,629 | (18,131) | 48,106 | 61,939 |
| Change in other reserves | 24 | 137 | 266 | 0 | 36,723 | 158 |
| Tax on revaluation | | (74) | (116) | 0 | 0 | 0 |
| Total other comprehensive income | | (16,973) | 63,373 | (17,404) | 84,829 | 61,691 |
| Total comprehensive income | | (8,303) | 69,761 | (10,747) | 96,849 | 64,688 |

The figures shown for 2013 in terms of depreciation and amortisation do not agree to the totals shown in notes 12 and 13 by \$1,101k as the depreciation on corporate activities is allocated directly to the activities shown above.

The Statement of Accounting Policies (pages 25 to 34) and the Notes to the Financial Statements (pages 39 to 81) form an integral part of these financial statements.

Council and Consolidated Statement of Financial Position
AS AT 30 JUNE 2013

| | NOTE | CONSOLIDATED | | ACTUAL 2013 \$000s | COUNCIL BUDGET 2013 \$000s | ACTUAL 2012 \$000s |
|----------------------------------|------|--------------------------|--------------------------|--------------------------|-------------------------------------|--------------------------|
| | | ACTUAL 2013 \$000s | ACTUAL 2012 \$000s | | | |
| PUBLIC EQUITY | | | | | | |
| Other reserves | 24 | 259,959 | 278,626 | 256,041 | 306,754 | 274,410 |
| Restricted reserves | 24 | 4,011 | 2,975 | 2,508 | 586 | 1,472 |
| Retained earnings | 24 | 1,323,621 | 1,314,292 | 1,298,473 | 1,361,676 | 1,291,886 |
| Public equity | | 1,587,591 | 1,595,893 | 1,557,022 | 1,669,016 | 1,567,768 |
| represented by: | | | | | | |
| CURRENT ASSETS | | | | | | |
| Cash & cash equivalents | 8 | 4,117 | 3,058 | 3,738 | 5,490 | 2,665 |
| Debtors & other receivables | 9 | 38,422 | 32,955 | 37,728 | 34,248 | 32,553 |
| Other financial assets | 11 | 3,185 | 2,314 | 3,185 | 0 | 1,995 |
| Properties available for sale | 34 | 500 | 500 | 0 | 0 | 0 |
| Inventories | 10 | 171 | 174 | 101 | 67 | 98 |
| Current assets | | 46,395 | 39,001 | 44,752 | 39,805 | 37,311 |
| Less: | | | | | | |
| CURRENT LIABILITIES | | | | | | |
| Creditors & other payables | 20 | 24,883 | 19,656 | 23,117 | 19,384 | 18,529 |
| Borrowings | 23 | 18,032 | 7,012 | 18,032 | 15,559 | 7,012 |
| Provisions | 21 | 46 | 102 | 46 | 164 | 102 |
| Derivative financial instruments | 35 | 53 | 0 | 53 | 0 | 0 |
| Employee benefits | 22 | 1,951 | 1,777 | 1,798 | 1,551 | 1,663 |
| Current liabilities | | 44,965 | 28,547 | 43,046 | 36,658 | 27,306 |
| Working capital | | 1,430 | 10,454 | 1,706 | 3,147 | 10,005 |
| NON CURRENT ASSETS | | | | | | |
| Other financial assets | 11 | 261 | 46 | 261 | 86 | 46 |
| Forestry assets | 17 | 480 | 480 | 480 | 609 | 480 |
| Intangible assets | 13 | 7,581 | 5,146 | 14,922 | 11,861 | 12,601 |
| Investment properties | 18 | 36,085 | 32,263 | 0 | 0 | 0 |
| Investments in subsidiaries | 19 | 0 | 0 | 12,000 | 12,000 | 12,000 |
| Derivative financial instruments | 35 | 726 | 0 | 726 | 0 | 0 |
| Property, plant & equipment | 12 | 1,627,376 | 1,655,910 | 1,600,106 | 1,751,482 | 1,628,326 |
| Non current assets | | 1,672,509 | 1,693,845 | 1,628,495 | 1,776,038 | 1,653,453 |
| NON CURRENT LIABILITIES | | | | | | |
| Borrowings | 23 | 82,130 | 103,994 | 71,590 | 109,036 | 93,704 |
| Trade & other payables | 20 | 1,163 | 1,129 | 0 | 0 | 0 |
| Employee benefits | 22 | 0 | 0 | 0 | 0 | 0 |
| Derivative financial instruments | 35 | 324 | 731 | 324 | 365 | 731 |
| Deferred tax liability | 7 | 1,466 | 1,297 | 0 | 0 | 0 |
| Provisions | 21 | 1,265 | 1,255 | 1,265 | 768 | 1,255 |
| Non current liabilities | | 86,348 | 108,406 | 73,179 | 110,169 | 95,690 |
| Net assets | | 1,587,591 | 1,595,893 | 1,557,022 | 1,669,016 | 1,567,768 |

The Statement of Accounting Policies (pages 25 to 34) and the Notes to the Financial Statements (pages 39 to 81) form an integral part of these financial statements.

Council and Consolidated Statement of Changes in Equity
FOR THE YEAR ENDED 30 JUNE 2013

| | NOTE | CONSOLIDATED | | ACTUAL 2013 \$000s | COUNCIL BUDGET 2013 \$000s | ACTUAL 2012 \$000s |
|----------------------------|------|--------------------------|--------------------------|--------------------------|-------------------------------------|--------------------------|
| | | ACTUAL 2013 \$000s | ACTUAL 2012 \$000s | | | |
| OPENING BALANCE | | 1,595,893 | 1,526,132 | 1,567,769 | 1,572,167 | 1,503,081 |
| Total comprehensive income | | (8,303) | 69,761 | (10,747) | 96,849 | 64,688 |
| CLOSING BALANCE | | 1,587,591 | 1,595,893 | 1,557,022 | 1,669,016 | 1,567,769 |

Council and Consolidated Statement of Cash Flows
FOR THE YEAR ENDED 30 JUNE 2013

| | NOTE | CONSOLIDATED | | ACTUAL 2013 \$000s | COUNCIL BUDGET 2013 \$000s | ACTUAL 2012 \$000s |
|--|------|--------------------------|--------------------------|--------------------------|-------------------------------------|--------------------------|
| | | ACTUAL 2013 \$000s | ACTUAL 2012 \$000s | | | |
| CASH FLOW FROM OPERATING ACTIVITIES | | | | | | |
| Cash was provided from: | | | | | | |
| Rates | | 78,014 | 74,177 | 78,014 | 75,401 | 74,177 |
| Interest and dividends | | 323 | 462 | 509 | 118 | 417 |
| Other income | | 35,238 | 34,351 | 26,930 | 30,519 | 23,712 |
| | | 113,575 | 108,990 | 105,453 | 106,457 | 98,306 |
| Cash was applied to: | | | | | | |
| Payment for goods, services and employees | | 67,042 | 69,558 | 60,734 | 55,443 | 62,829 |
| Interest paid | | 4,893 | 7,008 | 4,453 | 6,695 | 6,470 |
| GST (net) | | (3,214) | (3,055) | (3,234) | 0 | (4,513) |
| Income and fringe benefit tax paid | | 80 | 77 | 86 | 64 | 87 |
| | | 68,881 | 73,588 | 62,039 | 62,202 | 64,813 |
| Net cash inflows from operating activities (A) | 25 | 44,774 | 35,402 | 43,413 | 43,836 | 33,433 |
| CASH FLOW FROM FINANCING ACTIVITIES | | | | | | |
| Cash was provided from: | | | | | | |
| Borrowing | | 10,250 | 5,970 | 10,000 | 15,356 | 5,000 |
| Sale of shares in associate | | 0 | 0 | 0 | 0 | 0 |
| | | 10,250 | 5,970 | 10,000 | 15,356 | 5,000 |
| Cash was applied to: | | | | | | |
| Borrowing | | 21,094 | 13,607 | 21,094 | 4,593 | 13,607 |
| Dividends paid | | 0 | 476 | 0 | 0 | 0 |
| | | 21,094 | 14,083 | 21,094 | 4,593 | 13,607 |
| Net cash inflows from financing activities (B) | | (10,844) | (8,113) | (11,094) | 10,763 | (8,607) |

The Statement of Accounting Policies (pages 25 to 34) and the Notes to the Financial Statements (pages 39 to 81) form an integral part of these financial statements.

Council and Consolidated

STATEMENT OF CASH FLOWS CONTINUED

| | NOTE | CONSOLIDATED | | ACTUAL 2013 \$000s | COUNCIL BUDGET 2013 \$000s | ACTUAL 2012 \$000s |
|---|------|-----------------|-----------------|--------------------------|-------------------------------------|--------------------------|
| | | ACTUAL | ACTUAL | | | |
| | | 2013 | 2012 | | | |
| CASH FLOW FROM INVESTING ACTIVITIES | | | | | | |
| Cash was provided from: | | | | | | |
| Sale of property, plant and equipment, investment properties and properties intended for sale | 3 | | 355 | 0 | 0 | 0 |
| Cash provided from maturing investments | | 2,314 | 0 | 1,995 | 0 | 0 |
| Advances repaid | | 0 | 0 | 0 | 0 | 0 |
| | | 2,317 | 355 | 1,995 | 0 | 0 |
| Cash was applied to: | | | | | | |
| Purchase & development of intangibles | | 3,000 | 1,743 | 3,300 | 0 | 10,185 |
| Cash applied to replace investments | | 3,185 | 0 | 3,185 | 0 | 0 |
| Purchase & development of property, plant and equipment | | 29,003 | 27,555 | 26,755 | 51,422 | 15,491 |
| Net cash inflows / (outflows) from investing activities | | 35,188 | 29,297 | 33,240 | 51,422 | 25,676 |
| Net (decrease) in cash flows (C) | | (32,872) | (28,943) | (31,245) | (51,422) | (25,676) |
| NET CASH (=A+B+C) | | 1,058 | (1,653) | 1,074 | 3,177 | (850) |
| Opening balances 1 July | | | | | | |
| Cash & cash equivalents | 8 | 3,058 | 6,686 | 2,665 | 2,313 | 5,490 |
| | | 3,058 | 6,686 | 2,665 | 2,313 | 5,490 |
| Less balances 30 June | | | | | | |
| Cash & cash equivalents | 8 | 4,116 | 5,032 | 3,738 | 5,490 | 4,640 |
| | | 4,116 | 5,032 | 3,738 | 5,490 | 4,660 |
| CASH MOVEMENTS FOR THE YEAR | | 1,058 | (1,653) | 1,074 | 3,177 | (850) |

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.

The Statement of Accounting Policies (pages 25 to 34) and the Notes to the Financial Statements (pages 39 to 81) form an integral part of these financial statements.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2013

| I. RATES REVENUE | CONSOLIDATED | | COUNCIL | |
|---|----------------|----------------|----------------|----------------|
| | 2013 \$000s | 2012 \$000s | 2013 \$000s | 2012 \$000s |
| Rates - general | 46,342 | 45,811 | 46,342 | 45,811 |
| Targeted rates attributable to activities | | | | |
| - Drainage | 539 | 531 | 539 | 531 |
| - Sewerage | 9,844 | 8,666 | 9,844 | 8,666 |
| - Water, excluding water supply rates | 1,564 | 2,055 | 1,564 | 2,055 |
| - District facilities | 9,392 | 7,811 | 9,392 | 7,811 |
| Rates - penalties | 7,109 | 5,972 | 7,109 | 5,972 |
| Total rates, excluding targeted water supply rates | 74,790 | 70,846 | 74,790 | 70,846 |

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 Council for which those other Local Authorities rate. The annual rates income of Council for the year ended 30 June 2013 for the purposes of the LGFA Guarantee and Indemnity Deed disclosure is shown below:

| | COUNCIL | |
|--|----------------|----------------|
| | 2013 \$000s | 2012 \$000s |
| Rates, excluding targeted water supply rates | 74,790 | 70,846 |
| Targeted water supply rates | 5,621 | 5,500 |
| Total annual rates income | 80,411 | 76,346 |

Rates income is not adjusted for remissions of \$3,261,162 (2012 \$3,731,747). Rate remissions are shown as an expense within governance and strategy. 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 Far North District Council's rates remission policy.

| 2. OTHER INCOME | CONSOLIDATED | | COUNCIL | |
|---|----------------|----------------|----------------|----------------|
| | 2013 \$000s | 2012 \$000s | 2013 \$000s | 2012 \$000s |
| Fees and charges | 12,654 | 12,296 | 12,654 | 12,114 |
| Subsidies – operational | 5,942 | 8,440 | 5,942 | 8,440 |
| Subsidies – projects | 14,171 | 9,947 | 14,171 | 9,947 |
| Contributions | 1,779 | 506 | 1,779 | 506 |
| Interest & dividends | 118 | 212 | 509 | 417 |
| Vested and previously unrecognised assets | 2,652 | 1,072 | 2,652 | 1,072 |
| Rental income from investment properties | 2,116 | 1,904 | 0 | 0 |
| Other income | 7,455 | 10,941 | 1,652 | 2,781 |
| Total operating income | 46,886 | 45,318 | 39,359 | 35,277 |

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

| 3. OTHER GAINS/(LOSSES) | CONSOLIDATED | | COUNCIL | |
|---|----------------|----------------|----------------|----------------|
| | 2013 \$000s | 2012 \$000s | 2013 \$000s | 2012 \$000s |
| Net gain on forestry assets | 0 | 57 | 0 | 57 |
| Net gain on property, plant and equipment sales | 0 | 6 | 0 | 6 |
| Net gain on sale of investment properties | 2,818 | 700 | 0 | 0 |
| Total gains | 2,818 | 763 | 0 | 63 |
| Net loss on property, plant & equipment | (1,133) | (6,576) | (1,133) | (6,576) |
| Net loss on investment properties | 0 | 0 | 0 | 0 |
| Net loss on forestry assets | 0 | 0 | 0 | 0 |
| Total other gains / (losses) | (1,133) | (6,576) | (1,133) | (6,576) |

| 4. PERSONNEL COSTS | CONSOLIDATED | | COUNCIL | |
|---|----------------|----------------|----------------|----------------|
| | 2013 \$000s | 2012 \$000s | 2013 \$000s | 2012 \$000s |
| Salaries and wages | 17,157 | 16,245 | 15,144 | 14,568 |
| Kiwi saver contributions | 245 | 191 | 217 | 172 |
| Increase / (Decrease) in employee benefit liabilities | 173 | 153 | 135 | 156 |
| Total employee benefit expenses | 17,575 | 16,589 | 15,496 | 14,896 |

Expenditure in relation to Notes 4 and 5 are included within the activity group expenditure in the Statement of Comprehensive Income.

| 5. OTHER EXPENSES | CONSOLIDATED | | COUNCIL | |
|--|----------------|----------------|----------------|----------------|
| | 2013 \$000s | 2012 \$000s | 2013 \$000s | 2012 \$000s |
| Fees paid to the principal auditor | | | | |
| Audit of financial statements | 234 | 218 | 144 | 158 |
| Audit for LTP | 0 | 132 | 0 | 132 |
| Audit disbursements | 24 | 18 | 18 | 13 |
| Donations | 36 | 72 | 0 | 0 |
| Inventory expenses in year | 2,388 | 2,281 | 3 | 3 |
| Impairment of property, plant & equipment | 0 | 25 | 0 | 0 |
| Impairment of investment property | 0 | (815) | 0 | 0 |
| Impairment of receivables | (30) | 17 | 0 | 0 |
| Devaluation of property, plant & equipment | 10,546 | (208) | 10,546 | (208) |
| Direct expenses from investment property | 908 | 750 | 0 | 0 |
| Minimum lease payments - operating leases | 549 | 581 | 450 | 519 |
| Other expenses | 14,631 | 3,071 | 11,161 | 617 |

| 6. FINANCE COSTS | CONSOLIDATED | | COUNCIL | |
|--------------------------------------|----------------|----------------|----------------|----------------|
| | 2013 \$000s | 2012 \$000s | 2013 \$000s | 2012 \$000s |
| Interest expense on borrowings | 5,004 | 6,985 | 4,421 | 6,431 |
| Interest unwind - landfill aftercare | 32 | 39 | 32 | 39 |
| Total finance costs | 5,036 | 7,024 | 4,453 | 6,470 |

| 7. TAX | CONSOLIDATED | | COUNCIL | |
|--|----------------|----------------|----------------|----------------|
| | 2013 \$000s | 2012 \$000s | 2013 \$000s | 2012 \$000s |
| Components of tax expenses | | | | |
| Deferred tax expenses – continuing operations | 95 | (1,003) | 0 | 0 |
| Deferred tax expenses – discontinued operations | 0 | 0 | 0 | 0 |
| Income tax expense | 95 | (1,003) | 0 | 0 |
| Relationship between tax expenses and accounting profit | | | | |
| Continuing operations | 8,765 | 5,385 | 6,657 | 2,997 |
| Discontinued operations | 0 | 0 | 0 | 0 |
| Profit before taxation and share of profit of associate | 8,765 | 5,385 | 6,657 | 2,997 |
| Taxation at 28% (2012 -28%) | 2,454 | 1,508 | 1,864 | 839 |
| Plus (less) tax effect of | | | | |
| Non taxable income | (2,359) | (1,510) | (1,864) | (839) |
| Group loss offset | 0 | 0 | 0 | 0 |
| Deferred tax adjustment | 0 | (1,001) | 0 | 0 |
| Taxation expense | 95 | (1,003) | 0 | 0 |

| CONSOLIDATED Deferred Tax | Property Plant and equipment \$000s | Investment properties \$000s | Employee entitlements \$000s | Other provisions \$000s | Total \$000s |
|--|--|------------------------------------|------------------------------------|-------------------------------|-----------------|
| Balance at 30 June 2011 | 825 | 1,424 | (63) | 0 | 2,187 |
| Charged to Statement of Comprehensive Income | 20 | (341) | (2) | (681) | (1,003) |
| Charged to equity | 116 | 0 | 0 | 0 | 116 |
| Balance at 30 June 2012 | 961 | 1,084 | (65) | (681) | 1,297 |
| Charged to Statement of Comprehensive Income | 1 | 25 | (9) | 79 | 95 |
| Charged to equity | 74 | 0 | 0 | 0 | 74 |
| Balance at 30 June 2013 | 1,036 | 1,109 | (74) | (602) | 1,466 |

From 1 July 2007 Council and Far North Holdings have formed a consolidated group for tax purposes. The tax liability for the group has been eliminated by losses transferred from Far North District Council by loss offset of \$841,175 (2012 \$414,934). Council has not recognised a deferred tax asset in relation to tax losses of \$2,152k (2012 \$2,433k). However, these losses have been recognised in the group accounts. The deferred tax comparative balances have been restated as Far North Holdings adopted "Deferred Tax: Recovery of Underlying Assets – Amendments to NZ IAS 12" from 1 July 2012. The amendment is applied retrospectively.

| 8. CASH & CASH EQUIVALENTS | CONSOLIDATED | | COUNCIL | |
|---|----------------|----------------|----------------|----------------|
| | 2013 \$000s | 2012 \$000s | 2013 \$000s | 2012 \$000s |
| Cash at bank and in hand: | | | | |
| Various (subsidiaries, community facilities, etc) | 6 | 6 | 6 | 6 |
| General fund (unsecured) | 4,111 | 3,052 | 3,731 | 2,659 |
| Total cash & cash equivalents | 4,117 | 3,058 | 3,737 | 2,665 |

The carrying value of short term deposits with maturity dates of 3 months or less approximates their fair value. Cash and bank overdrafts include the following for the purpose of the Statement of Cash Flow.

| | CONSOLIDATED | | COUNCIL | |
|---------------------------|----------------|----------------|----------------|----------------|
| | 2013 \$000s | 2012 \$000s | 2013 \$000s | 2012 \$000s |
| Cash at bank and in hand | 4,117 | 3,058 | 3,737 | 2,665 |
| Bank overdrafts (Note 20) | 0 | 0 | 0 | 0 |
| | 4,117 | 3,058 | 3,737 | 2,665 |

Council has an overdraft facility of \$3m (2012 \$3m).

| 9. DEBTORS & OTHER RECEIVABLES | CONSOLIDATED | | COUNCIL | |
|--|----------------|----------------|----------------|----------------|
| | 2013 \$000s | 2012 \$000s | 2013 \$000s | 2012 \$000s |
| Rates and penalties | 46,836 | 40,573 | 46,836 | 40,573 |
| Sundry debtors | 12,629 | 11,382 | 12,085 | 10,911 |
| Prepayments | 319 | 358 | 300 | 339 |
| Related party receivables | 186 | 0 | 0 | 0 |
| | 59,970 | 52,313 | 59,221 | 51,823 |
| Less provision for impairment - rates | 21,240 | 17,373 | 21,240 | 17,373 |
| Less provision for impairment - sundry debts | 308 | 1,985 | 252 | 1,897 |
| Current debtors & other receivables | 38,422 | 32,955 | 37,728 | 32,553 |

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.

As at 30 June 2013 and 2012, all overdue receivables have been assessed for impairment and the appropriate provisions applied. Far North Holdings Limited holds no collateral as security or other credit enhancements over receivables that are either past due or impaired.

Under NZ IFRS7 Far North District Council is required to provide information about the aging of debtor liabilities.

| | 2013 | | | 2012 | | |
|-----------------------|-----------------|----------------------|---------------|-----------------|----------------------|---------------|
| | Gross \$000s | Impairment \$000s | Net \$000s | Gross \$000s | Impairment \$000s | Net \$000s |
| Council | | | | | | |
| Not past due | 4,179 | 0 | 4,179 | 2,165 | 0 | 2,165 |
| Past due 1 – 60 days | 20,869 | 5,393 | 15,476 | 17,374 | 4,320 | 13,054 |
| Past due 61 – 90 days | 605 | 0 | 605 | 154 | 0 | 154 |
| Past due over 90 days | 33,569 | 16,099 | 17,470 | 32,131 | 14,950 | 17,181 |
| Total | 59,221 | 21,492 | 37,728 | 51,824 | 19,270 | 32,554 |
| Group | | | | | | |
| Not past due | 4,559 | 0 | 4,559 | 2,421 | 2 | 2,419 |
| Past due 1 – 60 days | 21,024 | 5,394 | 15,630 | 17,470 | 4,323 | 13,147 |
| Past due 61 – 90 days | 631 | 2 | 629 | 196 | 2 | 194 |
| Past due over 90 days | 33,756 | 16,152 | 17,604 | 32,234 | 15,030 | 17,204 |
| Total | 59,970 | 21,548 | 38,422 | 52,312 | 19,357 | 32,955 |

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

| | CONSOLIDATED | | COUNCIL | |
|--|----------------|----------------|----------------|----------------|
| | 2013 \$000s | 2012 \$000s | 2013 \$000s | 2012 \$000s |
| Impairment of rates | | | | |
| At July | 17,374 | 14,765 | 17,374 | 14,765 |
| Additional provisions made during the year | 5,381 | 3,323 | 5,381 | 3,323 |
| Receivables written off during period | (1,515) | (714) | (1,515) | (714) |
| At 30 June | 21,240 | 17,374 | 21,240 | 17,374 |
| Impairment of sundry debts | | | | |
| At July | 1,984 | 2,355 | 1,897 | 2,287 |
| Additional provisions made during the year | 3 | 279 | 25 | 243 |
| Receivables written off during period | (1,678) | (650) | (1,670) | (633) |
| At 30 June | 309 | 1,984 | 252 | 1,897 |

| 10. INVENTORIES | CONSOLIDATED | | COUNCIL | |
|---------------------------------|----------------|----------------|----------------|----------------|
| | 2013 \$000s | 2012 \$000s | 2013 \$000s | 2012 \$000s |
| Consumable stocks and materials | 101 | 98 | 101 | 98 |
| Marina berths | 33 | 53 | 0 | 0 |
| Chandlery and boatyard | 37 | 23 | 0 | 0 |
| Total inventories | 171 | 174 | 101 | 98 |

There are no inventory items held for distribution.

| 11. OTHER FINANCIAL ASSETS | CONSOLIDATED | | COUNCIL | |
|--|----------------|----------------|----------------|----------------|
| | 2013 \$000s | 2012 \$000s | 2013 \$000s | 2012 \$000s |
| Current portion | | | | |
| <i>Loans and receivables</i> | | | | |
| Short term deposits maturity 4 - 12 months | 3,185 | 2,314 | 3,185 | 1,995 |
| Total current portion | 3,185 | 2,314 | 3,185 | 1,995 |
| Non current portion | | | | |
| <i>Available for sale</i> | | | | |
| LGNZ Shares | 101 | 46 | 101 | 46 |
| LGFA Borrower notes at cost – May 2013 | 160 | 0 | 160 | 0 |
| Total non current portion | 261 | 46 | 261 | 46 |

There were no impairment provisions for other financial assets.

A short term loan of \$20,000 that had been granted to Kerikeri Sports Complex Trust was written off in June 13.

Council holds 85,440 shares in Local Government Insurance Corp Ltd which are held at net asset backing. An additional 50,000 shares were purchased during the year.

These shares are non traded.

| Maturity analysis and interest rates | CONSOLIDATED | | COUNCIL | |
|--------------------------------------|----------------|----------------|----------------|----------------|
| | 2013 \$000s | 2012 \$000s | 2013 \$000s | 2012 \$000s |
| <i>Loans and receivables</i> | | | | |
| Short term loan 4 - 12 months | 0 | 20 | 0 | 20 |
| Short term deposits 4 - 12 months | 3,185 | 2,294 | 3,185 | 1,975 |
| Maturing within 4 - 12 months | 3,185 | 2,314 | 3,185 | 1,995 |

Property, Plant and Equipment Notes

| 12. PROPERTY, PLANT & EQUIPMENT – COUNCIL | | | | | | | | | | | | 2013 |
|--|-----------------------------------|---|--------------------------------|------------------------------|------------------------------|--|--|------------------------|------------------------------------|---|----------------------------------|------|
| | COST / REVALUATION 1-JUL-12 | ACCUMULATED DEPRECIATION AND IMPAIRMENT CHARGES 1-JUL-12 | CARRYING AMOUNT 1-JUL-12 | CURRENT YEAR ADDITIONS | CURRENT YEAR DISPOSALS | CURRENT YEAR IMPAIRMENT CHARGES | CURRENT YEAR DEPRECIATION ADJUSTMENTS | REVALUATION SURPLUS | COST/ REVALUATION 30 JUNE-13 | ACCUMULATED DEPRECIATION AND IMPAIRMENT CHARGES 30 JUNE-13 | CARRYING AMOUNT 30 JUNE-13 | |
| | | | | | | | | | | | | |
| Land | 393,636 | 0 | 393,636 | 849 | (20) | 0 | 0 | (34,082) | 358,857 | (1) | 358,856 | |
| Vehicles & plant | 5,180 | (1,272) | 3,907 | 469 | (192) | 0 | (322) | 0 | 5,112 | (1,248) | 3,864 | |
| Leasehold improvements | 3,595 | (1,376) | 2,219 | 94 | 0 | 0 | (387) | 339 | 2,587 | (1,443) | 1,144 | |
| Wharves, ramps, moorings | 4,805 | 0 | 4,805 | 341 | (9) | 0 | (442) | 377 | 5,073 | 0 | 5,073 | |
| F&F and office equipment | 5,230 | (1,453) | 3,776 | 270 | (20) | 0 | (457) | 2,044 | 6,440 | (751) | 5,689 | |
| Information systems | 3,019 | (2,390) | 629 | 190 | 0 | 0 | (228) | 0 | 2,946 | (2,355) | 591 | |
| *Work in progress | 437 | 0 | 437 | 668 | (979) | 0 | 0 | 0 | 125 | 0 | 125 | |
| Total operational assets | 415,902 | (6,491) | 409,409 | 2,881 | (1,220) | 0 | (1,836) | (31,322) | 381,139 | (5,797) | 375,342 | |
| Roading | 904,219 | (205) | 904,014 | 13,704 | (139) | 0 | (14,989) | 13,540 | 916,748 | (635) | 916,113 | |
| Water | 59,590 | (11) | 59,578 | 1,998 | (169) | 0 | (2,238) | 0 | 61,444 | (2,233) | 59,210 | |
| Sewerage | 95,665 | 0 | 95,665 | 2,809 | (313) | 0 | (3,413) | 0 | 98,181 | (3,394) | 94,787 | |
| Refuse | 4,676 | (479) | 4,198 | 224 | (14) | 0 | (549) | 272 | 4,130 | 0 | 4,130 | |
| Stormwater | 49,095 | (1,248) | 47,847 | 888 | (54) | 0 | (659) | 515 | 38,495 | 0 | 48,495 | |
| Community facilities | 53,841 | (3,965) | 49,877 | 1,974 | (349) | 0 | (3,433) | 7,101 | 58,250 | (531) | 57,719 | |
| Work in progress | 12,963 | 0 | 12,963 | 29,386 | (23,479) | 0 | 0 | 0 | 18,306 | 0 | 18,306 | |
| Total infrastructural assets | 1,180,049 | (5,908) | 1,174,142 | 50,983 | (24,517) | 0 | (25,282) | 21,427 | 1,205,553 | (6,794) | 1,198,761 | |
| Council restricted assets | | | | | | | | | | | | |
| Land | 44,775 | 0 | 44,775 | 0 | 0 | 0 | 0 | (18,771) | 26,004 | 0 | 26,004 | |
| Total restricted assets | 44,775 | 0 | 44,775 | 0 | 0 | 0 | 0 | (18,771) | 26,004 | 0 | 26,004 | |
| Total property, plant & equipment | 1,640,726 | (12,399) | 1,628,325 | 53,864 | (25,736) | 0 | (27,118) | (28,666) | 1,612,699 | (12,590) | 1,600,106 | |

1.2. PROPERTY, PLANT & EQUIPMENT – COUNCIL

| | COST / REVALUATION 1-JUL-11 | ACCUMULATED DEPRECIATION AND IMPAIRMENT CHARGES 1-JUL-11 | CARRYING AMOUNT 1-JUL-11 | CURRENT YEAR ADDITIONS | CURRENT YEAR DISPOSALS | CURRENT YEAR IMPAIRMENT CHARGES | CURRENT YEAR DEPRECIATION | CURRENT YEAR ADJUSTMENTS | REVALUATION SURPLUS | REVALUATION 1-30 JUNE-12 | COST/ REVALUATION 1-30 JUNE-12 | ACCUMULATED DEPRECIATION AND IMPAIRMENT CHARGES 30 JUNE-12 | CARRYING AMOUNT 30 JUNE-12 |
|--|-----------------------------------|---|--------------------------------|------------------------------|------------------------------|--|---------------------------------|--------------------------------|------------------------|-----------------------------|--------------------------------------|---|----------------------------------|
| Land | 394,293 | 0 | 394,293 | 402 | (698) | 0 | 0 | 0 | 0 | 393,636 | 0 | 393,636 | |
| Vehicles & plant | 3,829 | (1,454) | 2,375 | 551 | (83) | 0 | (163) | (15) | 1,244 | 5,180 | (1,273) | 3,907 | |
| Leasehold improvements | 3,564 | (1,034) | 2,530 | 63 | (9) | 0 | (365) | 0 | 0 | 3,595 | (1,376) | 2,219 | |
| Wharves, ramps, moorings | 3,575 | 0 | 3,575 | 11 | 0 | 0 | (351) | 151 | 1,420 | 4,805 | 0 | 4,805 | |
| F&F and office equipment | 5,114 | (975) | 4,139 | 154 | (16) | 0 | (500) | 0 | 0 | 5,230 | (1,454) | 3,776 | |
| Information systems | 2,628 | (2,168) | 460 | 382 | 0 | 0 | (222) | 9 | 0 | 3,019 | (2,390) | 629 | |
| *Work in progress | 7,728 | 0 | 7,728 | 2,774 | (10,059) | 0 | 0 | (6) | 0 | 437 | 0 | 437 | |
| Total operational assets | 420,731 | (5,631) | 415,101 | 4,337 | (10,865) | 0 | (1,601) | (222) | 2,663 | 415,902 | (6,493) | 409,409 | |
| Roading | 858,532 | (13,122) | 845,410 | 28,078 | (5,515) | 0 | (14,408) | 264 | 50,185 | 904,219 | (205) | 904,014 | |
| Water | 58,695 | (2,074) | 56,621 | 1,341 | (139) | 0 | (2,082) | 0 | 3,836 | 59,590 | (11) | 59,578 | |
| Sewerage | 94,297 | (2,984) | 91,313 | 2,488 | (95) | 0 | (3,171) | 0 | 5,130 | 95,665 | 0 | 95,665 | |
| Refuse | 4,662 | 0 | 4,662 | 107 | (5) | 0 | (526) | 0 | (41) | 4,676 | (478) | 4,198 | |
| Stormwater | 46,207 | (622) | 45,585 | 2,927 | (38) | 0 | (627) | 0 | 0 | 49,095 | (1,248) | 47,847 | |
| Community facilities | 49,035 | (606) | 48,429 | 4,874 | (164) | 0 | (3,477) | 214 | 0 | 53,841 | (3,964) | 49,877 | |
| Work in progress | 31,104 | 0 | 31,104 | 22,902 | (40,439) | 0 | 0 | (604) | 0 | 12,963 | 0 | 12,963 | |
| Total infrastructural assets | 1,142,532 | (19,408) | 1,123,124 | 62,718 | (46,395) | 0 | (24,291) | (126) | 59,109 | 1,180,049 | (5,907) | 1,174,142 | |
| Council restricted assets | | | | | | | | | | | | | |
| Land | 44,775 | 0 | 44,775 | 0 | 0 | 0 | 0 | 0 | 0 | 44,775 | 0 | 44,775 | |
| Total restricted assets | 44,775 | 0 | 44,775 | 0 | 0 | 0 | 0 | 0 | 0 | 44,775 | 0 | 44,775 | |
| Total property, plant & equipment | 1,608,038 | (25,039) | 1,582,999 | 67,055 | (57,260) | 0 | (25,892) | (348) | 61,772 | 1,640,726 | (12,400) | 1,628,325 | |

1.2. PROPERTY, PLANT & EQUIPMENT – CONSOLIDATED

2013

| | COST / REVALUATION 1-JUL-12 | ACCUMULATED DEPRECIATION AND IMPAIRMENT CHARGES 1-JUL-12 | CARRYING AMOUNT 1-JUL-12 | CURRENT YEAR ADDITIONS | CURRENT YEAR DISPOSALS | CURRENT YEAR IMPAIRMENT CHARGES | CURRENT YEAR DEPRECIATION | CURRENT YEAR ADJUSTMENTS | REVALUATION SURPLUS | REVALUATION 30 JUNE-13 | COST/ IMPAIRMENT CHARGES 30 JUNE-13 | CARRYING AMOUNT 30 JUNE-13 |
|--|-----------------------------------|---|--------------------------------|------------------------------|------------------------------|--|---------------------------------|--------------------------------|------------------------|---------------------------|--|----------------------------------|
| Land | 400,149 | 0 | 400,149 | 849 | (20) | 0 | 0 | (1,526) | (34,002) | 365,451 | (1) | 365,450 |
| Buildings | 13,049 | (113) | 12,936 | 672 | 0 | 0 | (342) | (830) | 132 | 12,568 | 0 | 12,568 |
| Vehicles & plant | 6,031 | (1,954) | 4,077 | 550 | (192) | 0 | (390) | 0 | 0 | 6,017 | (1,972) | 4,045 |
| Leasehold improvements | 3,649 | (1,400) | 2,249 | 112 | 0 | 0 | (388) | (1,123) | 339 | 2,659 | (1,470) | 1,189 |
| Wharves, ramps, moorings | 6,228 | (17) | 6,211 | 358 | (9) | 0 | (485) | 0 | 363 | 6,460 | (22) | 6,438 |
| F&F and office equipment | 7,536 | (2,025) | 5,511 | 465 | (20) | 0 | (755) | 1,394 | 2,044 | 9,950 | (1,311) | 8,639 |
| Information systems | 3,019 | (2,390) | 629 | 190 | 0 | 0 | (228) | 0 | 0 | 2,946 | (2,355) | 591 |
| Runways | 2,463 | 0 | 2,463 | 0 | 0 | 0 | (99) | 0 | 0 | 2,364 | 0 | 2,364 |
| Boat transporters | 461 | (82) | 379 | 0 | 0 | 0 | (24) | 0 | 0 | 461 | (106) | 355 |
| Site works | 521 | (10) | 511 | 0 | 0 | 0 | (1) | (489) | 0 | 21 | 0 | 21 |
| Heritage assets | 717 | 0 | 717 | 61 | 0 | 0 | 0 | 0 | 0 | 778 | 0 | 778 |
| Work in progress | 437 | 0 | 437 | 668 | (979) | 0 | 0 | 0 | 0 | 126 | 0 | 126 |
| Total operational assets | 444,260 | (7,991) | 436,269 | 3,925 | (1,220) | 0 | (2,712) | (2,574) | (31,124) | 409,801 | (7,237) | 402,564 |
| Roading | 904,219 | (205) | 904,014 | 13,704 | (139) | 0 | (14,989) | (17) | 13,540 | 916,748 | (635) | 916,113 |
| Water | 59,590 | (11) | 59,578 | 1,998 | (169) | 0 | (2,238) | 41 | 0 | 61,444 | (2,233) | 59,210 |
| Sewerage | 95,665 | 0 | 95,665 | 2,809 | (313) | 0 | (3,413) | 39 | 0 | 98,181 | (3,394) | 94,787 |
| Refuse | 4,676 | (478) | 4,198 | 224 | (14) | 0 | (549) | 0 | 272 | 4,130 | 0 | 4,130 |
| Stormwater | 49,095 | (1,248) | 47,847 | 888 | (54) | 0 | (659) | (42) | 515 | 38,495 | 0 | 48,495 |
| Community facilities | 53,841 | (3,964) | 49,877 | 1,974 | (349) | 0 | (3,433) | 2,551 | 7,101 | 58,250 | (531) | 57,719 |
| Work in progress | 12,963 | 0 | 12,963 | 29,386 | (23,479) | 0 | 0 | (566) | 0 | 18,304 | 0 | 18,304 |
| Total infrastructural assets | 1,180,049 | (5,907) | 1,174,142 | 50,983 | (24,517) | 0 | (25,282) | 2,007 | 21,427 | 1,205,555 | (6,794) | 1,198,762 |
| Council restricted assets | | | | | | | | | | | | |
| Land | 44,775 | 0 | 44,775 | 0 | 0 | 0 | 0 | 0 | (18,771) | 26,004 | 0 | 26,004 |
| Total restricted assets | 44,775 | 0 | 44,775 | 0 | 0 | 0 | 0 | 0 | (18,771) | 26,004 | 0 | 26,004 |
| Total property, plant & equipment | 1,669,084 | (13,897) | 1,656,187 | 54,908 | (25,737) | 0 | (27,993) | (568) | (28,467) | 1,641,406 | (14,030) | 1,627,376 |

1.2. PROPERTY, PLANT & EQUIPMENT – CONSOLIDATED

| | COST / REVALUATION 1-JUL-11 | ACCUMULATED DEPRECIATION AND IMPAIRMENT CHARGES 1-JUL-11 | CARRYING AMOUNT 1-JUL-11 | CURRENT YEAR ADDITIONS | CURRENT YEAR DISPOSALS | CURRENT YEAR IMPAIRMENT CHARGES | CURRENT YEAR DEPRECIATION | CURRENT YEAR ADJUSTMENTS | REVALUATION SURPLUS | REVALUATION 30 JUNE-12 | COST/ 30 JUNE-12 | ACCUMULATED DEPRECIATION AND IMPAIRMENT CHARGES 30 JUNE-12 | CARRYING AMOUNT 30 JUNE-12 |
|--|-----------------------------------|---|--------------------------------|------------------------------|------------------------------|--|---------------------------------|--------------------------------|------------------------|---------------------------|---------------------|---|----------------------------------|
| Land | 400,775 | (3,705) | 397,070 | 402 | (698) | 0 | 0 | (361) | 0 | 396,413 | (1,803) | 393,251 | |
| Buildings | 7,291 | 697 | 7,988 | 12,406 | 0 | 0 | (207) | 0 | 156 | 20,466 | (123) | 20,343 | |
| Vehicles & plant | 4,674 | (2,067) | 2,609 | 573 | (83) | (16) | (232) | (15) | 1,243 | 4,674 | (1,954) | 4,079 | |
| Leasehold improvements | 3,618 | (1,058) | 2,560 | 63 | (9) | 0 | (366) | 0 | 0 | 3,649 | (1,401) | 2,248 | |
| Wharves, ramps, moorings | 4,470 | 0 | 4,470 | 11 | 0 | 0 | (392) | 151 | 1,406 | 5,646 | 0 | 5,646 | |
| F&F and office equipment | 5,485 | (1,474) | 4,011 | 1,872 | (16) | 0 | (571) | 0 | 0 | 5,828 | (533) | 5,295 | |
| Information systems | 2,628 | (2,168) | 460 | 382 | 0 | 0 | (222) | 9 | 0 | 3,019 | (2,390) | 629 | |
| Runways | 2,368 | 0 | 2,368 | 0 | 0 | 0 | (99) | 0 | 193 | 2,462 | 0 | 2,462 | |
| Boat transporters | 467 | (57) | 410 | 0 | 0 | (6) | (25) | 0 | 0 | 467 | (88) | 379 | |
| Moorings | 107 | (14) | 93 | 31 | 0 | (3) | (4) | 0 | 0 | 135 | (18) | 117 | |
| Work in progress | 7,728 | 0 | 7,728 | 2,774 | (13,221) | 0 | 0 | (6) | 0 | 437 | 0 | 437 | |
| Total operational assets | 439,611 | (9,846) | 429,767 | 18,514 | (14,027) | (25) | (2,118) | (222) | 2,999 | 443,196 | (8,310) | 434,886 | |
| Roading | 858,532 | (13,122) | 845,601 | 28,078 | (5,515) | 0 | (14,408) | 264 | 50,185 | 904,219 | (14) | 904,205 | |
| Water | 58,695 | (2,074) | 56,621 | 1,341 | (139) | 0 | (2,082) | 0 | 3,836 | 58,695 | 882 | 59,577 | |
| Sewerage | 94,297 | (2,984) | 91,313 | 2,488 | (95) | 0 | (3,171) | 0 | 5,130 | 94,297 | 1,368 | 95,665 | |
| Refuse | 4,662 | 0 | 4,662 | 107 | (5) | 0 | (526) | 0 | (41) | 4,662 | (464) | 4,198 | |
| Stormwater | 46,207 | (622) | 45,585 | 2,927 | (38) | 0 | (627) | 0 | 0 | 46,207 | 1,640 | 47,847 | |
| Community facilities | 49,035 | (606) | 48,429 | 4,874 | (164) | 0 | (3,477) | 214 | 0 | 49,035 | 842 | 49,877 | |
| Work in progress | 33,028 | 0 | 33,028 | 22,902 | (40,439) | 0 | 0 | (604) | 0 | 14,879 | 0 | 14,879 | |
| Total infrastructural assets | 1,144,456 | (19,408) | 1,125,239 | 62,717 | (46,395) | 0 | (24,291) | (126) | 59,109 | 1,171,994 | 4,254 | 1,176,248 | |
| Council restricted assets | | | | | | | | | | | | | |
| Land | 44,775 | 0 | 44,775 | 0 | 0 | 0 | 0 | 0 | 0 | 44,775 | 0 | 44,775 | |
| Total restricted assets | 44,775 | 0 | 44,775 | 0 | 0 | 0 | 0 | 0 | 0 | 44,775 | 0 | 44,775 | |
| Total property, plant & equipment | 1,628,842 | (29,254) | 1,599,777 | 81,231 | (60,422) | (25) | (26,409) | (348) | 62,108 | 1,659,965 | (4,056) | 1,655,909 | |

VALUATION

* Note to table 12, page 47 – Includes work in progress (WIP) for intangible assets \$0.367m (\$3.663m 2011/12)

Land (operational, restricted and infrastructural)

The most recent valuation of land and buildings was performed by an independent registered valuer at Quotable Value New Zealand (Darroch Ltd). This valuation was effective as at 30 June 2013. 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.

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 Far North District Council in freehold ownership.

Buildings (operational and restricted)

All buildings have been valued on either a fair market or depreciated replacement cost basis depending on the type and use of the building.

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

- Replacement cost rates derived from construction contracts of like assets.
- It was considered that most current buildings in the property portfolio are fully utilised and optimisation is not necessary under a market-derived assessment.
- 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 Far North District Councils replacement / maintenance plans

The Councils residential buildings (Pensioner Housing) 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.

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

Sewerage, water, stormwater and roading are valued at depreciated replacement cost by Fraser Campbell of Campbell Consulting and SPM Consultants. The sewerage and water valuations, as well as some of the smaller roading asset classes, have an effective date as at 30 June 2012. The stormwater and more significant roading asset class valuations have an effective date as at 30 June 2013. Refuse is valued at depreciated replacement cost by Fraser Campbell of Campbell Consulting and SPM Consultants. Refuse valuations have an effective date as at 30 June 2013.

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.
- Optimisation Issues due to functional and design obsolescence and surplus capacity have been considered but not allowed for as this was not 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 Consultants. The last valuation was effective as at 31 December 2012.

Maritime assets:

Maritime assets were valued at depreciated replacement cost by Telfer Young (Northland) Ltd. The last valuation was effective as at 30 June 2013. 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 February 2012. 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 Opus International Consultants Ltd with the last valuation having an effective date of 31 March 2013.

Operational Assets:

Ferry assets were valued at depreciated replacement cost by Auckland Shipbrokers Ltd, Marine Valuers, effective as at 30 June 2012

Rural Fire Appliances were valued by Turners Auctions as at 30 June 2011

Disposals

The majority of disposals were carried out during the year as part of the Council on-going renewal programmes. Other disposals include:

- The log cabin in Kaikohe as this was demolished in June 2013
- Part of the Russell wharf as a result of the significant upgrade carried out by Far North Holdings Limited
- Work carried out on the buildings vacated by the move to the Te Ahu centre in Kaitia

Work In Progress

The total amount of property, plant and equipment in the course of construction is \$18,391,000 (2012 \$13,399,000)

| TOTAL VALUE OF PROPERTY, PLANT & EQUIPMENT - VALUED BY EACH VALUER | COUNCIL | |
|---|----------------|----------------|
| | 2013 \$000s | 2012 \$000s |
| Campbell Consulting Ltd | 968,859 | 1,048,534 |
| SPM Consulting (peer review) | 2,675 | 0 |
| Opus International Consultants Ltd | 2,356 | 0 |
| Telfer Young (Northland) Ltd | 5,270 | 5,035 |
| Auckland Shipbrokers | 0 | 2,623 |
| Quotable Value | 419,813 | 0 |
| TOTAL VALUE OF PROPERTY, PLANT & EQUIPMENT - VALUED BY EACH VALUER | GROUP | |
| | 2013 \$000s | 2012 \$000s |
| Campbell Consulting Ltd | 968,859 | 1,048,534 |
| SPM Consulting (peer review) | 2,675 | 0 |
| Opus International Consultants Ltd | 2,356 | 0 |
| Telfer Young (Northland) Ltd | 56,372 | 38,286 |
| Auckland Shipbrokers | 0 | 2,623 |
| Quotable Value | 419,813 | 0 |

Intangible Assets - Capital Commitments

| 13. INTANGIBLE ASSETS | CONSOLIDATED | | COUNCIL | |
|---|----------------|----------------|----------------|----------------|
| | 2013 \$000s | 2012 \$000s | 2013 \$000s | 2012 \$000s |
| Computer software | | | | |
| Balance at 1 July | | | | |
| Cost | 4,892 | 3,867 | 4,862 | 3,837 |
| Accumulated amortisation and impairment | (2,951) | (2,385) | (2,921) | (2,360) |
| Year ended 30 June | 1,941 | 1,482 | 1,941 | 1,477 |
| Opening carrying amount | 1,941 | 1,482 | 1,941 | 1,477 |
| Additions | 399 | 1,025 | 399 | 1,025 |
| Amortisation charges | (558) | (566) | (558) | (561) |
| Balance at 30 June | 1,782 | 1,941 | 1,782 | 1,941 |
| Resource consents / easements | | | | |
| Balance at 1 July | | | | |
| Cost | 1,682 | 1,203 | 1,682 | 1,203 |
| Accumulated amortisation and impairment | (241) | (163) | (241) | (163) |
| Year ended 30 June | 1,441 | 1,040 | 1,441 | 1,040 |
| Opening carrying amount | 1,441 | 1,040 | 1,441 | 1,040 |
| Additions | 2,601 | 496 | 2,601 | 496 |
| Amortisation charges | (161) | (78) | (161) | (78) |
| Disposals / adjustments | (10) | (17) | (10) | (17) |
| Balance at 30 June | 3,871 | 1,441 | 3,871 | 1,441 |
| Coastal permits & licences | 1,028 | 988 | 0 | 0 |
| Goodwill | | | | |
| Balance 1 July | 0 | 0 | 0 | 0 |
| Additions | 201 | 0 | 0 | 0 |
| Balance 30 June | 201 | 0 | 0 | 0 |
| Public access rights | | | | |
| Balance at 1 July | | | | |
| Cost | 1,071 | 677 | 9,341 | 677 |
| Accumulated amortisation and impairment | (122) | 0 | (122) | 0 |
| Year ended 30 June | 0 | 677 | 0 | 677 |
| Opening carrying amount | 949 | 677 | 9,219 | 677 |
| Additions | 0 | 221 | 300 | 8,664 |
| Amortisation charges | (250) | (122) | (250) | (122) |
| Disposals / adjustments | 0 | 0 | 0 | 0 |
| Balance at 30 June | 699 | 776 | 9,269 | 9,219 |
| Total intangible assets | 7,581 | 5,146 | 14,922 | 12,601 |

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

The valuation of the coastal permits and licences of Far North Holdings Ltd are at fair value as determined annually by an independent registered valuer, T S Baker ANZIV, of the firm Telfer Young (Northland) Ltd, as at 30 June 2013. Assumptions made by the valuer are that the coastal permits and licences will be renewed. The coastal permits and licences are for a finite period, however, it is expected that these will be renewed on an ongoing basis. Due to signalled legislative changes and the uncertainty surrounding the future occupation of the seabed and foreshore, it has been deemed prudent to amortise the coastal permits and licences over the unexpired period.

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.

Far North District Council were allocated NZU's relating to 37.7 ha of forested land. These are deemed to have no value at this time.

| 14. DEPRECIATION & AMORTISATION EXPENSE BY ACTIVITY | COUNCIL | |
|--|----------------|----------------|
| | 2013 \$000s | 2012 \$000s |
| Directly attributable depreciation & amortisation by activity | | |
| District facilities | 4,030 | 3,792 |
| Environmental management | 48 | 51 |
| Governance & strategy | 8 | 4 |
| Roading & footpaths | 15,855 | 15,118 |
| Sewerage treatment & disposal | 3,522 | 3,228 |
| Stormwater drainage | 691 | 659 |
| Waste management | 549 | 527 |
| Water supply | 2,282 | 2,092 |
| Total depreciation & amortisation attributable to activities | 26,986 | 25,471 |

| 15. RECONCILIATION OF REVALUATION RESERVES | 2013 \$000s |
|--|----------------|
| Revaluation surplus reconciliation | |
| Reported in property, plant & equipment (note 12) | 28,666 |
| Reported in intangible assets (note 13) | 10 |
| Total reported revaluation reserves | 28,676 |
| Reported movement in revaluation reserves (note 24) | 19,097 |
| Difference in revaluation reserves reported | 9,578 |
| Reconciliation: | |
| Land sold prior year | 210 |
| Write back previous revaluation loss through Statement of Comprehensive Income (footpaths) | 815 |
| Loss on revaluation of land – directly to Statement of Comprehensive Income | (11,358) |
| Adjustment of revaluation reserves for disposal | 756 |
| Total reconciling items | 9,578 |

16. RECLASSIFICATION OF CARRYING AMOUNT OF ASSETS AT JUNE 12

| | PRIOR TO ADJUSTMENT \$000s | 2012 ADJUSTMENT \$000s | POST ADJUSTMENT \$000s |
|--|----------------------------------|------------------------------|------------------------------|
| Council operational assets | | | |
| Land | 393,636 | (1,526) | 392,110 |
| Vehicles & plant | 3,907 | 0 | 3,907 |
| Leasehold improvements | 2,219 | (1,123) | 1,096 |
| Wharves, ramps, moorings | 4,805 | 0 | 4,805 |
| F&F and office equipment | 3,776 | 76 | 3,852 |
| Information systems | 629 | 0 | 629 |
| Work in progress | 437 | 0 | 437 |
| Total operational assets | 409,409 | (2,572) | 406,837 |
| Council infrastructure assets | | | |
| Roading | 904,014 | (17) | 903,997 |
| Water | 59,578 | 41 | 59,619 |
| Sewerage | 95,665 | 39 | 95,704 |
| Refuse | 4,198 | 0 | 4,198 |
| Drainage | 47,847 | (42) | 47,805 |
| Community facilities | 49,877 | 2,551 | 52,428 |
| Work in progress | 12,963 | (566) | 12,397 |
| Total infrastructural assets | 1,174,142 | 2,007 | 1,176,149 |
| Council restricted assets | | | |
| Land | 44,775 | 0 | 44,775 |
| Total restricted assets | 44,775 | 0 | 44,775 |
| TOTAL RECLASSIFICATION OF PROPERTY, PLANT & EQUIPMENT | 1,628,325 | (566) | 1,627,759 |

17. FORESTRY ASSETS

| | CONSOLIDATED | | COUNCIL | |
|---|----------------|----------------|----------------|----------------|
| | 2013 \$000s | 2012 \$000s | 2013 \$000s | 2012 \$000s |
| Balance at 1 July | 480 | 423 | 480 | 423 |
| Gains/(losses) arising from changes in value less attributable point of sales costs | 0 | 57 | 0 | 57 |
| Balance at 30 June | 480 | 480 | 480 | 480 |

Far North District Council owns 57.4 hectares of forest which are in varying stages of maturity ranging from 3 years to 29 years. No forests have been harvested during the period (2012 - nil). Independent registered valuers, Chandler Fraser Keating Ltd have valued the forestry assets as at 30 June 2013. A discount rate of 8% has been used in discounting the present value of expected cash flows.

FINANCIAL RISK MANAGEMENT STRATEGIES

Far North District Council is exposed to financial risks arising from the changes in timber prices. Far North District 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 | CONSOLIDATED | | COUNCIL | |
|--|---------------|---------------|----------|----------|
| | 2013 | 2012 | 2013 | 2012 |
| | \$000s | \$000s | \$000s | \$000s |
| Balance at 1 July | 32,263 | 30,448 | 0 | 0 |
| WIP additions | 108 | 80 | 0 | 0 |
| Additions | 1,057 | 575 | 0 | 0 |
| Disposals | (162) | 1,275 | 0 | 0 |
| Impairment | 0 | (815) | 0 | 0 |
| Fair value gains/(losses) on valuation | 2,818 | 700 | 0 | 0 |
| Balance at 30 June | 36,084 | 32,263 | 0 | 0 |

Far North Holdings Limited investment properties are valued annually at fair value effective 30 June. All investment properties were valued based on open market evidence. The valuation was performed by T S Baker ANZIV, of the firm Telfer Young (Northland) Ltd, a valuer with extensive market knowledge in the types of investment properties owned by Far North Holdings Limited.

| RENTAL INCOME | CONSOLIDATED | | COUNCIL | |
|---|--------------|--------|---------|--------|
| | 2013 | 2012 | 2013 | 2012 |
| | \$000s | \$000s | \$000s | \$000s |
| Rental income | 2,116 | 1,904 | 0 | 0 |
| Expenses from investment property generating income | 908 | 725 | 0 | 0 |
| Expenses from investment property not generating income | 26 | 24 | 0 | 0 |

| 19. INVESTMENT IN SUBSIDIARIES | CONSOLIDATED | | COUNCIL | |
|---|--------------|----------|---------------|---------------|
| | 2013 | 2012 | 2013 | 2012 |
| | \$000s | \$000s | \$000s | \$000s |
| Far North Holdings Ltd | 0 | 0 | 12,000 | 12,000 |
| Total investment in subsidiaries | 0 | 0 | 12,000 | 12,000 |

Council has a 100% investment in Far North Holdings Limited and its reporting date is 30 June.

The investment in Far North Holdings Limited comprises 7,000,000 ordinary shares and 5,000,000 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 share at the available subscribed capital per share.

| 20. CREDITORS & OTHER PAYABLES | CONSOLIDATED | | COUNCIL | |
|----------------------------------|---------------|---------------|---------------|---------------|
| | 2013 | 2012 | 2013 | 2012 |
| | \$000s | \$000s | \$000s | \$000s |
| Current portion | | | | |
| Creditors | 6,398 | 5,078 | 4,868 | 3,951 |
| Related party payables | 236 | 0 | 0 | 0 |
| Accruals | 10,033 | 7,087 | 10,033 | 7,087 |
| Deposits | 5,375 | 4,907 | 5,375 | 4,907 |
| Income in advance | 2,841 | 2,584 | 2,841 | 2,584 |
| Total current portion | 24,883 | 19,656 | 23,117 | 18,529 |
| Non current portion | | | | |
| Income in advance | 1,163 | 1,129 | 0 | 0 |
| Total non current portion | 1,163 | 1,129 | 0 | 0 |

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 | CONSOLIDATED | | COUNCIL | |
|--|----------------|----------------|----------------|----------------|
| | 2013 \$000s | 2012 \$000s | 2013 \$000s | 2012 \$000s |
| Provision for weather-tight homes | | | | |
| Current | 0 | 39 | 0 | 39 |
| Non current | 875 | 871 | 875 | 871 |
| Total provision weather-tight homes | 875 | 910 | 875 | 910 |
| Balance 1 July | 910 | 1,307 | 910 | 1,307 |
| Provision added | 60 | 0 | 60 | 0 |
| Provision unused | (5) | (386) | (5) | (386) |
| Provision utilised | (89) | (11) | (89) | (11) |
| Balance 30 June | 875 | 910 | 875 | 910 |
| Landfill aftercare liability | | | | |
| Current provisions | 46 | 63 | 46 | 63 |
| Non current provisions | 388 | 385 | 388 | 385 |
| Total provisions | 434 | 448 | 434 | 448 |
| <i>This is represented by:</i> | | | | |
| Ahipara | | | | |
| Opening balance July 2012 | 229 | 210 | 229 | 210 |
| Plus provision added | 0 | 19 | 0 | 19 |
| Less amount utilised | 10 | 0 | 10 | 0 |
| Closing balance June 2013 | 219 | 229 | 219 | 229 |
| Kaikohe | | | | |
| Opening balance July 2012 | 10 | 11 | 10 | 11 |
| Less amount utilised | 1 | 1 | 1 | 1 |
| Closing balance June 2013 | 9 | 10 | 9 | 10 |
| Russell | | | | |
| Opening balance July 2012 | 186 | 186 | 186 | 186 |
| Closing balance June 2013 | 186 | 186 | 186 | 186 |
| Whangae | | | | |
| Opening balance July 2012 | 23 | 24 | 23 | 24 |
| Less amount utilised | 1 | 1 | 1 | 1 |
| Closing balance June 2013 | 22 | 23 | 22 | 23 |
| Total landfill aftercare provisions | 436 | 448 | 436 | 448 |
| Total current provisions | 46 | 102 | 46 | 102 |
| Total non current provisions | 1,265 | 1,256 | 1,265 | 1,256 |
| Total provisions | 1,311 | 1,358 | 1,311 | 1,358 |

LANDFILL AFTERCARE PROVISIONS

Far North District 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 sites of Ahipara and Russell will operate in 2 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.

CAPACITY OF THE SITES

The remaining cubic capacity of refuse, cleanfill and cover of Council's 2 current sites as at 30 June 2013 are:

Ahipara – 8,000 cubic meters

Russell – 15,000 cubic meters

The estimated remaining lives are:

Ahipara – 1-2 years

Kaikohe – nil

Russell – 23 years

Whangae – nil

Estimates of the remaining lives have been made by Council's engineers based upon historical volume information.

The cash flows for the landfill post closures are expected to occur for the years between 2013 and 2030. The long term nature of the liability means that there are inherent uncertainties in estimating costs that will be incurred. The provision has been estimated taking into account existing technology and is discounted using a discount rate of 8%.

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

- The cost of monitoring of surface / ground water; and
- No major remedial works being required at any of the sites.

Weather-tight homes provision

Far North District Council has made a provision of \$875,037 (2012 - \$910,036) in response to 7 (2012 – 6) weather-tight homes claims currently lodged with the Weather-tight Homes Resolution Service. These claims are not proved to be the responsibility of Council but as an outcome is awaited, it has been deemed prudent to make suitable provision should Council be required to settle the claims.

| 22. EMPLOYEE BENEFITS | CONSOLIDATED | | COUNCIL | |
|--------------------------------|----------------|----------------|----------------|----------------|
| | 2013 \$000s | 2012 \$000s | 2013 \$000s | 2012 \$000s |
| Accrued pay | 481 | 408 | 436 | 371 |
| Annual leave entitlement | 1,282 | 1,187 | 1,174 | 1,110 |
| Other entitlements | 187 | 182 | 187 | 182 |
| Total employee benefits | 1,950 | 1,777 | 1,798 | 1,663 |
| Comprising | | | | |
| Current | 1,950 | 1,777 | 1,798 | 1,663 |
| Non current | 0 | 0 | 0 | 0 |
| Total employee benefits | 1,950 | 1,777 | 1,798 | 1,663 |

| 23. BORROWINGS | CONSOLIDATED | | COUNCIL | |
|-------------------------------------|----------------|----------------|----------------|----------------|
| | 2013 \$000s | 2012 \$000s | 2013 \$000s | 2012 \$000s |
| Current | | | | |
| Bank overdraft | 0 | 0 | 0 | 0 |
| Secured loans | 18,032 | 7,012 | 18,032 | 7,012 |
| Finance lease liability | 0 | 0 | 0 | 0 |
| Total current borrowings | 18,032 | 7,012 | 18,032 | 7,012 |
| Non current | | | | |
| Secured loans | 82,130 | 103,994 | 71,590 | 93,704 |
| Finance lease liability | 0 | 0 | 0 | 0 |
| Total non current borrowings | 82,130 | 103,994 | 71,590 | 93,704 |

Council loans are secured over rating income. Far North Holdings Limited has loans of \$10,540,000 (2012 - \$10,290,000). Land and buildings to a value of \$21,494,000 (\$20,788,000 in 2012) have been given as security for the term loans. Far North District Council has an overdraft limit of \$3 million (2012 - \$3m) which is not secured.

Far North District Council has a short term loan facilities of \$30 million as at 30 June 2013 (2012- \$50 million).

Maturity periods

| | | | | |
|--------------------------------------|---------|---------|--------|---------|
| Payable no later than 1 year | 18,032 | 7,012 | 18,032 | 7,012 |
| Later than 1, not later than 2 years | 22,565 | 42,380 | 12,025 | 32,090 |
| Later than 2, not later than 5 years | 43,065 | 45,114 | 43,065 | 45,114 |
| Later than 5 years | 16,500 | 16,500 | 16,500 | 16,500 |
| | 100,162 | 111,006 | 89,622 | 100,716 |

The carrying amount of borrowings approximates their fair value.

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

| | | |
|------------------------------|-------|-------|
| Secured loans and debentures | 6.29% | 5.83% |
|------------------------------|-------|-------|

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

| Ratio | Target | Achievement 2012/13 |
|--|---------------------------------------|---------------------|
| Net debt as % total revenue | Debt not greater than 200% of revenue | 90% |
| Gross annual interest to total revenue | Less than 15% | 4% |
| Current ratio (liquidity ratio) | Equal or greater than 1 times | 1.39:1 |

| 24. EQUITY | CONSOLIDATED | | COUNCIL | |
|--|------------------|------------------|------------------|------------------|
| | 2013 \$000s | 2012 \$000s | 2013 \$000s | 2012 \$000s |
| Retained earnings | | | | |
| As at 1 July | 1,314,292 | 1,305,633 | 1,291,886 | 1,288,300 |
| Transfer to retained reserves | 22,386 | 24,225 | 21,737 | 22,330 |
| Transfer from retained reserves | (21,807) | (21,741) | (21,807) | (21,742) |
| Surplus / (deficit) for the year | 8,750 | 6,175 | 6,657 | 2,997 |
| Balance as at 30 June | 1,323,621 | 1,314,292 | 1,298,473 | 1,291,886 |
| Restricted reserves | | | | |
| As at 1 July | 2,975 | 3,406 | 1,472 | 1,903 |
| Transfer to restricted reserves | 39,355 | 30,190 | 37,852 | 28,687 |
| Transfer from restricted reserves | 38,319 | 30,621 | 36,816 | 29,118 |
| Balance as at 30 June | 4,011 | 2,975 | 2,508 | 1,472 |
| Restricted reserves consists of: | | | | |
| Community – district | (835) | (1,994) | (835) | (1,994) |
| Drainage | 87 | 68 | 87 | 68 |
| Stormwater separate rate | 957 | 546 | 957 | 546 |
| Sewerage | 217 | (260) | 217 | (260) |
| Water | (2,910) | (1,496) | (2,910) | (1,496) |
| Special funds | 4,062 | 3,942 | 4,062 | 3,942 |
| Kerikeri main street reserve | 322 | 307 | 322 | 307 |
| Economic development | 10 | 10 | 10 | 10 |
| Paihia central business district development | 40 | 25 | 40 | 25 |
| BOI-Whangaroa community reserve | 105 | 0 | 105 | 0 |
| Te Hiku community reserve | 72 | 0 | 72 | 0 |
| Kaikohe-Hokianga community reserve | 57 | 0 | 57 | 0 |
| Carpark funds | 324 | 324 | 324 | 324 |
| Subsidiary assets | 1,503 | 1,503 | 0 | 0 |
| Total restricted reserves | 4,011 | 2,975 | 2,508 | 1,472 |
| Other reserves consist of: | | | | |
| Asset revaluation reserves | | | | |
| As at 1 July | 279,312 | 215,683 | 272,399 | 210,460 |
| Revaluation gains / (losses) | (19,361) | 63,629 | (19,097) | 61,939 |
| Balance as at 30 June | 259,917 | 279,312 | 253,302 | 272,399 |

| 24. EQUITY | CONSOLIDATED | | COUNCIL | |
|---|----------------|----------------|----------------|----------------|
| | 2013 \$000s | 2012 \$000s | 2013 \$000s | 2012 \$000s |
| Asset revaluation reserve consists of: | | | | |
| Maritime | 2,820 | 2,464 | 2,820 | 2,464 |
| Pensioner housing | 1,631 | 1,712 | 1,631 | 1,712 |
| Heritage | 366 | 362 | 366 | 362 |
| Plant & equipment | 0 | 0 | 0 | 0 |
| Halls | 2,251 | 1,806 | 2,251 | 1,806 |
| Swimming pools | 175 | 109 | 175 | 109 |
| Parks & reserves | 4,740 | 1,366 | 4,740 | 1,366 |
| Cemeteries | 224 | 320 | 224 | 320 |
| Land – parks & reserves | 0 | 0 | 0 | 0 |
| Public toilets | 420 | 98 | 420 | 98 |
| Carparks | 651 | 397 | 651 | 397 |
| Camping grounds | 310 | 455 | 310 | 455 |
| Footpaths | 1,676 | 0 | 1,826 | 0 |
| Library buildings | 2,221 | 1,511 | 2,221 | 1,511 |
| Library books | 1,332 | 1,423 | 1,332 | 1,423 |
| Drainage | 12,551 | 12,057 | 12,551 | 12,057 |
| Roading | 183,068 | 209,535 | 183,068 | 209,535 |
| Refuse | 1,855 | 1,605 | 1,855 | 1,605 |
| Water | 15,762 | 15,970 | 15,762 | 15,970 |
| Wastewater | 21,099 | 21,206 | 21,099 | 21,206 |
| Subsidiary assets | 6,615 | 6,913 | 0 | 0 |
| Total asset revaluation reserve | 259,917 | 279,312 | 253,302 | 272,399 |
| Fair value through equity reserve | | | | |
| LGNZ shares revaluation movements | | | | |
| As at 1 July | 46 | 86 | 46 | 86 |
| Fair value gains/(losses) | 10 | (40) | 10 | (40) |
| Total LGNZ shares valuation reserve | 56 | 46 | 56 | 46 |
| Cash flow hedge equity reserve | | | | |
| As at 1 July | (731) | (365) | (731) | (365) |
| Fair value gains/(losses) | 717 | (366) | 717 | (366) |
| Balance 30 June | (14) | (731) | (14) | (731) |
| Capital reserve | | | | |
| As at 1 July | 0 | 0 | 2,697 | 2,697 |
| Fair value gains/(losses) | 0 | 0 | 0 | 0 |
| Balance as at 30 June | 0 | 0 | 2,697 | 2,697 |
| Total other reserves | 259,959 | 278,627 | 256,041 | 274,410 |

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 Council's shares in Far North Maritime Limited to Far North Holdings Limited, and a capital profit of \$1,067,000 on the sale of land and buildings to Far North Properties, a former subsidiary of Far North Holdings Limited.

| 25. CASH FLOW RECONCILIATION | CONSOLIDATED | | COUNCIL | |
|--|----------------|----------------|----------------|----------------|
| | 2013 \$000s | 2012 \$000s | 2013 \$000s | 2012 \$000s |
| Reported surplus / (deficit) | 4,156 | 6,175 | 7,087 | 2,997 |
| Add non cash items | | | | |
| Depreciation and amortisation | 28,541 | 27,186 | 28,087 | 26,566 |
| Vested assets | (2,652) | (1,072) | (2,652) | (1,072) |
| Change in deferred taxation | 15 | (86) | 0 | 0 |
| Loss on property, plant & equipment | 1,133 | 6,576 | 1,133 | 6,576 |
| Unrealised revaluation and devaluation | 13,341 | (208) | 10,546 | (208) |
| Add/(less) movements in other working capital items | | | | |
| (Increase) / decrease in debtors & other receivables | (5,551) | (2,217) | (5,260) | (2,553) |
| (Increase) / decrease in inventories | 3 | (20) | (3) | (3) |
| Increase / (decrease) in provisions | (56) | 62 | (56) | 62 |
| Increase / (decrease) in employee benefits | 174 | 153 | 135 | 156 |
| Increase / (decrease) in trade & other payables | 5,311 | (3,049) | 4,672 | (1,962) |
| Items classed as investing activities | 359 | (588) | (279) | 488 |
| Net operating cash flows | 44,774 | 35,402 | 43,413 | 33,433 |

Reconciliation of reported operating surplus to net cash inflow / outflow from operating activities.

Capital Commitments - Statement of Financial Position

| 26. CAPITAL COMMITMENTS | CONSOLIDATED | | COUNCIL | |
|--|----------------|----------------|----------------|----------------|
| | 2013 \$000s | 2012 \$000s | 2013 \$000s | 2012 \$000s |
| Capital commitments approved and contracted | | | | |
| Roading | 23 | 1,386 | 23 | 1,386 |
| Sewerage | 434 | 25 | 434 | 25 |
| Water (Sweetwater land) | 250 | 0 | 250 | 0 |
| Governance and Strategy | 678 | 0 | 678 | 0 |
| Community facilities | 0 | 45 | 0 | 45 |
| Subsidiaries investment property | 0 | 533 | 0 | 0 |
| Total capital commitments | 1,385 | 1,989 | 1,385 | 1,457 |

The Rooding commitments attract subsidy to the value of \$13k (2012 - \$781,145). Rooding maintenance and renewal commitments of \$50,425,900 exist for future years. The Governance & Strategy commitment relates to future grants to The Centre at Kerikeri Ltd (The Turner Centre).

On 4 December 2013, an investigation commenced that included a full review of all aspects in relation to the Sweetwater Aquifer project.

To the best of council's knowledge the accounting treatment included in the 2012/13 Annual Report reflects the transactions for the period covered in the Report. Council has not yet completed its investigation into the Sweetwater project. The review at this stage is not sufficiently advanced to give assurances either way, around planning and management, legal compliance, probity and process.

NON-CANCELLABLE OPERATING LEASE COMMITMENTS

Council has operating lease agreements for the use of facsimile machines, property and photocopiers/printers.

| | CONSOLIDATED | | COUNCIL | |
|---|----------------|----------------|----------------|----------------|
| | 2013 \$000s | 2012 \$000s | 2013 \$000s | 2012 \$000s |
| Operating lease | | | | |
| Lease payments made: | 487 | 608 | 450 | 546 |
| Lease payments due: | | | | |
| Not later than 1 year | 359 | 312 | 282 | 250 |
| Later than 1 year and not later than 2 years | 244 | 260 | 170 | 198 |
| Later than 2 years and not later than 5 years | 242 | 361 | 126 | 238 |
| Later than 5 years | 791 | 370 | 219 | 277 |
| Total operating leases | 1,636 | 1,303 | 797 | 963 |

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

OPERATING LEASES AS LESSOR

Far North Holdings Limited leases its investment property under operating leases. The future aggregate minimum lease payments to be collected under non cancellable operating leases are as follows:

| | CONSOLIDATED | | COUNCIL | |
|--|----------------|----------------|----------------|----------------|
| | 2013 \$000s | 2012 \$000s | 2013 \$000s | 2012 \$000s |
| Non-cancellable operating leases lessor | | | | |
| Not later than 1 year | 1,505 | 1,336 | 0 | 0 |
| Later than 1 and not later than 5 years | 4,202 | 3,598 | 0 | 0 |
| Later than 5 years | 854 | 1,177 | 0 | 0 |
| Total non cancellable operating leases | 6,561 | 6,111 | 0 | 0 |

| 27. CONTINGENCIES | CONSOLIDATED | | COUNCIL | |
|-------------------------------------|----------------|----------------|----------------|----------------|
| | 2013 \$000s | 2012 \$000s | 2013 \$000s | 2012 \$000s |
| Building Act claims | 0 | 15 | 0 | 15 |
| Weather-tight home calls – Riskpool | 0 | 324 | 0 | 324 |
| Other legal proceedings | 122 | 75 | 122 | 75 |
| Roading legalisation claims | 50 | 50 | 50 | 50 |
| Total contingent liabilities | 172 | 464 | 172 | 464 |

LITIGATION

There are 11 claims involving possible future costs totalling an estimated value of \$172,000 exist. These claims are contingent and have not been accrued in the financial statements. (Last year there were 11 possible claims at an estimated value of \$464,000).

The Council is subject to some litigation claims in respect of repair costs for weather-tight homes claims. As at the date of this report, the Weather-tight Homes Resolution Service advises that it is actioning 7 claims in relation to Far North District Council. There is provision for these of \$875,037 shown as a provision in Note 21. The number of buildings affected by those claims is unknown. Claims lodged prior to July 07 will be substantially covered by insurance and those from July 08 will be subject to an excess of \$50k per claim. From July 09 no further claims will be covered by Riskpool.

GUARANTEES

Far North District Council has guaranteed a bank loan for the Civic Centre Trust for \$1,709,603 (2012 \$1,900,000), Hohoura Big Game Sports & Fishing Club \$50,000 (2012 \$50,000) and the Kawakawa Bowling Club of \$40,000 (2012 \$40,000).

28. RELATED PARTY TRANSACTIONS

Key management personnel in relation to NZ IAS24 are deemed to be the Chief Executive, senior management team and Mayor; Councillors, Elected Members of Far North District Council and the Directors of Far North Holdings Limited.

COUNCIL

During the year Councillors and key management, as part of a normal customer relationship, were involved in minor transactions with Council (such as payment of rates). Other details relating to expenditure incurred by Council are as follows:

| | COUNCIL | |
|--|----------------|----------------|
| | 2013 \$000s | 2012 \$000s |
| Cllr Kitchen – New Zealand Fire Service | 0 | 10 |
| Cllr Kitchen/Macauley – Northland District Health Board | 295 | 295 |
| Cllr Macauley – Kaikohe & District Historical & Mechanical Society | 37 | 36 |
| Cllr Macauley/Member Davis – Kawakawa Hundertwasser Centre | 53 | 40 |
| Cllr Macauley – Palmer Macauley Lawyers | 14 | 4 |
| Cllr Knight – Kaitaia Business Association | 50 | 22 |
| Cllr Knight/Cllr Macauley – The Turner Centre | 3 | 7 |
| Cllr McNally – The Rintoul Group | 283 | 0 |
| Cllr McNally – Twin Coast Valuations | 2 | 2 |
| Cllr Maxwell – Creative Edge Bay of Islands | 0 | 5 |
| Cllr Court – Top Energy Consumer Trust | 337 | 0 |
| Member Lugnet – Doubtless Bay Information Centre | 10 | 6 |
| Member Ward – Paihia Business Incorporated | 4 | 0 |
| Member Davis – BOI Vintage Railway Trust | 23 | 8 |

No other Councillors or senior management have entered into related party transactions with the group.

The values above included payments made after 1 July 2013 as follows: \$237 Turner Centre; \$33,390 The Rintoul Group; \$13,388 BOI Vintage Railway Trust; \$4,370 Palmer Macauley

| KEY MANAGEMENT PERSONNEL | CONSOLIDATED | | COUNCIL | |
|--|----------------|----------------|----------------|----------------|
| | 2013 \$000s | 2012 \$000s | 2013 \$000s | 2012 \$000s |
| Council – salaries | 1,669 | 1,541 | 1,669 | 1,541 |
| Council – severance | 0 | 0 | 0 | 0 |
| Subsidiary – salaries | 381 | 375 | 0 | 0 |
| Total salaries - key management personnel | 2,050 | 1,916 | 1,669 | 1,541 |

Far North Holdings Limited is wholly owned by Far North District Council. In presenting the financial statements of the group the effect of transactions and balances between fellow subsidiaries have been eliminated.

TRANSACTIONS

All transactions between companies in the Group and Far North District Council were made on commercial terms and conditions with the exception of management and administrative services which were supplied to Far North Developments Limited free of charge.

Transactions between the Group and Far North District Council

| | COUNCIL | |
|--|----------------|----------------|
| | 2013 \$000s | 2012 \$000s |
| Far North Holdings Ltd | | |
| Services received from Council | 247 | 257 |
| Services provided to Council | 988 | 676 |
| Amounts payable to members of the Group | 186 | 105 |
| Amounts receivable from members of the Group | 236 | 68 |
| Te Ahu Charitable Trust | | |
| Contribution to Te Ahu Charitable Trust. | 300 | 3,141 |
| Amounts payable to Council | 51 | 20 |

No provision has been required, nor any expense recognised for impairment of receivables for any loans or other receivables to related parties (2012 \$nil).

Council has 3 CCO's – Far North Holdings Limited, Te Ahu Charitable Trust and Rolands Wood Trust. The values relating to the Rolands Wood trust are deemed not material for the Far North District Council consolidation. The Rolands Wood Trust has a balance of \$130k (\$134k June 2012) shown as a deposit in Far North District Council accounts. This was specifically bequeathed to Council for the maintenance of an area of woodland for community use

| 29.REMUNERATION | CONSOLIDATED | | COUNCIL | |
|-----------------|----------------|----------------|----------------|----------------|
| | 2013 \$000s | 2012 \$000s | 2013 \$000s | 2012 \$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:

| CEO | 2013 | 2012 | 2013 | 2012 |
|------------------------|------------|------------|------------|------------|
| Salary | 291 | 272 | 291 | 272 |
| Vehicle | 11 | 0 | 11 | 0 |
| Principal allowance | 1 | 1 | 1 | 1 |
| Telephone allowance | 1 | 1 | 1 | 1 |
| Total CEO costs | 304 | 274 | 304 | 274 |

| 29.REMUNERATION | CONSOLIDATED | | COUNCIL | |
|--|----------------|----------------|----------------|----------------|
| | 2013 \$000s | 2012 \$000s | 2013 \$000s | 2012 \$000s |
| Elected representatives: | | | | |
| Mayor Brown - salary | 108 | 108 | 108 | 108 |
| Mayor Brown - vehicle | 11 | 6 | 11 | 6 |
| Other elected representatives | | | | |
| Baker T – salary | 41 | 41 | 41 | 41 |
| Baker T – mileage & other expenses | 2 | 3 | 2 | 3 |
| Court A – salary | 52 | 52 | 52 | 52 |
| Court A – mileage & other expenses | 5 | 5 | 5 | 5 |
| Dalton T – salary | 41 | 41 | 41 | 41 |
| Dalton T – mileage & other expenses | 1 | 1 | 1 | 1 |
| Macauley S – salary | 42 | 42 | 42 | 42 |
| Macauley S – mileage & other expenses | 1 | 1 | 1 | 1 |
| Kitchen C – salary | 41 | 41 | 41 | 41 |
| Kitchen C – mileage & other expenses | 1 | 1 | 1 | 1 |
| Maxwell D – salary | 42 | 41 | 42 | 41 |
| Maxwell D – mileage & other expenses | 2 | 2 | 2 | 2 |
| McNally S – salary | 41 | 41 | 41 | 41 |
| McNally S – mileage & other expenses | 2 | 2 | 2 | 2 |
| Knight M – salary | 41 | 41 | 41 | 41 |
| Knight M – mileage & other expenses | 5 | 3 | 5 | 3 |
| Radich M – salary | 41 | 41 | 41 | 41 |
| Radich M – mileage & other expenses | 4 | 3 | 4 | 3 |
| Total elected representatives | 524 | 516 | 524 | 516 |
| Elected members | | | | |
| Te Hiku Community Board | | | | |
| Bowman D – salary | 19 | 19 | 19 | 19 |
| Bowman D – mileage & other expenses | 3 | 3 | 3 | 3 |
| Lugnet C – salary | 10 | 10 | 10 | 10 |
| Lugnet C – mileage & other expenses | 2 | 1 | 2 | 1 |
| Van Der Sluis W – salary | 10 | 10 | 10 | 10 |
| Van Der Sluis W – mileage & other expenses | 1 | 0 | 1 | 0 |
| Atkinson S – salary | 14 | 14 | 14 | 14 |
| Atkinson S – mileage & other expenses | 2 | 2 | 2 | 2 |
| Senior D – salary | 10 | 10 | 10 | 10 |
| Senior D – mileage & other expenses | 2 | 2 | 2 | 2 |
| Smith Y – salary | 10 | 10 | 10 | 10 |
| Smith Y – mileage & other expenses | 2 | 1 | 2 | 1 |
| Kaikohe-Hokianga Community Board | | | | |
| Stephens W – salary | 19 | 19 | 19 | 19 |
| Stephens W – mileage & other expenses | 4 | 1 | 4 | 1 |
| Anderson M – salary | 5 | 10 | 5 | 10 |
| Anderson M – mileage & other expenses | 1 | 3 | 1 | 3 |

| 29.REMUNERATION | CONSOLIDATED | | COUNCIL | |
|---|----------------|----------------|----------------|----------------|
| | 2013 \$000s | 2012 \$000s | 2013 \$000s | 2012 \$000s |
| Gundry W – salary | 10 | 10 | 10 | 10 |
| Pakai L – salary | 10 | 10 | 10 | 10 |
| Pakai L mileage & other expenses | 1 | 0 | 1 | 0 |
| Cherrington J – salary | 10 | 10 | 10 | 10 |
| Cherrington J – mileage & other expenses | 2 | 1 | 2 | 1 |
| Schollum J – salary | 14 | 14 | 14 | 14 |
| Schollum J – mileage & other expenses | 2 | 1 | 2 | 1 |
| Clarke G – salary | 3 | 0 | 3 | 0 |
| Clarke G – mileage & other expenses | 1 | 0 | 1 | 0 |
| Bay of Islands-Whangaroa Community Board | | | | |
| Annison F – salary | 19 | 19 | 19 | 19 |
| Annison F – mileage & other expenses | 1 | 1 | 1 | 1 |
| Brown H – salary | 10 | 10 | 10 | 10 |
| Brown H – mileage & other expenses | 1 | 1 | 1 | 1 |
| Davis J – salary | 10 | 10 | 10 | 10 |
| Davis J – mileage & other expenses | 1 | 1 | 1 | 1 |
| Greening T – salary | 10 | 10 | 10 | 10 |
| Greening T – mileage & other expenses | 2 | 1 | 2 | 1 |
| Mills B – salary | 10 | 10 | 10 | 10 |
| Mills B – mileage & other expenses | 3 | 2 | 3 | 2 |
| Turner D – salary | 10 | 10 | 10 | 10 |
| Turner D – mileage & other expenses | 2 | 3 | 2 | 3 |
| Ward B – salary | 14 | 14 | 14 | 14 |
| Ward B – mileage & other expenses | 1 | 0 | 1 | 0 |
| Total community board costs | 261 | 253 | 261 | 253 |
| Total remuneration costs | 1,089 | 1,043 | 1,089 | 1,043 |

| | COUNCIL | |
|--|----------------|----------------|
| | 2013 \$000s | 2012 \$000s |
| Total annual remuneration by band of employee as at 30 June | | |
| < \$60,000 | 139 | 150 |
| \$60,000 to \$79,999 | 65 | 54 |
| \$80,000 to \$99,999 | 22 | 19 |
| \$100,000 to \$119,999 | 12 | 8 |
| \$120,000 to \$139,999 | 7 | 5 |
| \$140,000 to \$280,000 | 4 | 5 |
| Total employees | 249 | 241 |

Total remuneration includes non-financial benefits provided to employees

At balance date, the Council employed 218 (2011/12 – 214) full time employees, with the balance of staff representing 22.7 (2011/12 – 16.4) full time equivalent employees. A full time employee is determined on the basis of a 40 hour week.

**MEETING ATTENDANCE
ELECTED MEMBERS**

COUNCIL

AUDIT & FINANCE

| | COUNCIL | AUDIT & FINANCE |
|------------------------------|-----------|-----------------|
| Meetings for the year | 12 | 8 |
| W Brown (*) | 12 | 7 |
| A Court (*) | 11 | 6 |
| T Baker (*) | 8 | 3 |
| S McNally (*) | 12 | 7 |
| D Maxwell (*) | 10 | 2 |
| S Macauley | 11 | 0 |
| T Dalton | 8 | 0 |
| C Kitchen | 7 | 0 |
| M Radich | 12 | 0 |
| M Knight (*) | 12 | 8 |

Cllr Baker was granted a leave of absence of four months due to ill health.

The Audit & Finance Committee has five (2012 four) elected members with all of the others able to attend if they wish.

Cllr Maxwell stood down from the Audit & Finance Committee in August 2012 and Cllr Court joined in September 2012. The Committee was increased to five members in March 2013 when Cllr Baker joined.

MEETING ATTENDANCE

Bay of Islands-Whangaroa Community Board

| | |
|------------------------------|-----------|
| Meetings for the year | 11 |
| F Annison | 11 |
| H Brown | 11 |
| J Davis | 11 |
| T Greening | 10 |
| B Mills | 11 |
| D Turner | 11 |
| B Ward | 11 |

Te Hiku Community Board

| | |
|------------------------------|-----------|
| Meetings for the year | 11 |
| D Bowman | 11 |
| C Lugnet | 10 |
| Y Smith | 11 |
| W Van De Sluis | 11 |
| S Atkinson | 10 |
| D Senior | 10 |

Kaikohe-Hokianga Community Board

| | |
|------------------------------|-----------|
| Meetings for the year | 12 |
| W Stephens | 12 |
| M Anderson (**) | 4 |
| G Clarke (**) | 4 |
| W Gundry | 8 |
| L Pakai | 10 |
| J Cherrington | 10 |
| J Schollum | 12 |

** Member Anderson resigned in December 2012 and Member Clarke was appointed in March 2013

30. SEVERANCE PAYMENTS

There were no severance payments made in 2012/13 (2011/12 – 1 for \$84,366).

31. EVENTS AFTER BALANCE SHEET DATE

Neither Far North District Council or its subsidiaries, had any events occurring after the balance sheet date that require disclosure in these financial statements (2012 - nil).

| 32. FINANCIAL INSTRUMENT RISK | CONSOLIDATED | | COUNCIL | |
|--|----------------|----------------|----------------|----------------|
| | 2013 \$000s | 2012 \$000s | 2013 \$000s | 2012 \$000s |
| 32a. Financial Instrument categories | | | | |
| FINANCIAL ASSETS | | | | |
| Derivatives that are hedge accounted | | | | |
| Derivative financial instrument liabilities | 726 | 0 | 726 | 0 |
| Total derivatives that are hedge accounted | 726 | 0 | 726 | 0 |
| Loans and receivables | | | | |
| Cash and cash equivalents | 4,117 | 3,058 | 3,738 | 2,665 |
| Other financial assets | | | | |
| Short term deposits | 3,185 | 2,314 | 3,185 | 1,995 |
| Debtors and other receivables | 38,422 | 32,955 | 37,728 | 32,553 |
| Total loans and receivables | 45,725 | 38,327 | 44,652 | 37,213 |
| Available for sale | | | | |
| LGNZ shares | 101 | 46 | 101 | 46 |
| LGFA borrower notes | 160 | 0 | 160 | 0 |
| Total available for sale | 261 | 46 | 261 | 46 |
| FINANCIAL LIABILITIES | | | | |
| Derivatives that are hedge accounted | | | | |
| Derivative financial instrument liabilities | | | | |
| Current | 53 | 0 | 53 | 0 |
| Non-current | 324 | 731 | 324 | 731 |
| Total derivatives that are hedge accounted | 377 | 731 | 377 | 731 |
| Financial liabilities at amortised cost | | | | |
| Creditors and other payables | 24,883 | 19,656 | 23,117 | 18,529 |
| Borrowings | | | | |
| Bank overdraft | 0 | 0 | 0 | 0 |
| Secured loans | 100,163 | 111,006 | 89,622 | 100,716 |
| Total financial liabilities at amortised cost | 125,046 | 131,393 | 112,739 | 119,976 |

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. 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 12 interest rate swap agreements in place at 30 June 2013 (2012 - 4). 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. 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.

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, Council does not require any collateral or security to support the financial instruments with organisations it deals with.

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. 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. Council holds all long term borrowings at fixed rates which could expose the Council to fair value interest rate risk.

| | CONSOLIDATED | | COUNCIL | |
|---------------------------------|----------------|----------------|----------------|----------------|
| | 2013 \$000s | 2012 \$000s | 2013 \$000s | 2012 \$000s |
| Maximum exposure to credit risk | | | | |
| Cash at bank and term deposits | 4,117 | 3,058 | 3,738 | 2,665 |
| Debtors and other receivables | 38,422 | 32,955 | 37,728 | 32,553 |
| Other financial assets | 3,185 | 2,314 | 3,185 | 1,995 |
| LGNZ shares | 101 | 46 | 101 | 46 |
| LGFA borrower notes | 160 | 0 | 160 | 0 |
| Total credit risk | 45,986 | 38,373 | 44,913 | 37,259 |

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:

| | CONSOLIDATED | | COUNCIL | |
|---|----------------|----------------|----------------|----------------|
| | 2013 \$000s | 2012 \$000s | 2013 \$000s | 2012 \$000s |
| COUNTERPARTIES WITH CREDIT RATINGS | | | | |
| Cash at bank and term deposits | | | | |
| AA- | 4,117 | 3,058 | 3,738 | 2,665 |
| Total cash at bank and term deposits | 4,117 | 3,058 | 3,738 | 2,665 |
| Derivative financial assets | | | | |
| Derivative financial instruments | | | | |
| AA- | 349 | (731) | 349 | (731) |
| Total Derivative financial assets | 349 | (731) | 349 | (731) |
| Fair value through equity | | | | |
| A+ | 261 | 46 | 261 | 46 |
| Total fair value through equity | 261 | 46 | 261 | 46 |

Debtors and other receivables mainly arise from 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), 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 rate payers, and Council has powers under the Local Government (Rating) Act 2002 to recover outstanding debts from ratepayers.

LIQUIDITY RISK

MANAGEMENT OF LIQUIDITY RISK

Liquidity risk is the risk that 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. Council aims to maintain flexibility in funding by keeping committed credit lines available. In meeting its liquidity requirements, Council maintains a loan profile, in accordance with its funding and financial policies, which includes a Treasury Management Policy. Council has a maximum amount that can be drawn against its overdraft facility of \$3,000,000 (2012- \$3,000,000). There are no restrictions on the use of this facility.

CONTRACTUAL MATURITY ANALYSIS OF FINANCIAL LIABILITIES

The table below analyses 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 |
|------------------------------------|------------------------------|-------------------------------------|-------------------------------|---------------------|---------------------|--------------------------------|
| Council 2013 | | | | | | |
| Creditors and other payables | 23,117 | 23,117 | 23,117 | 0 | 0 | 0 |
| Bank overdraft | 0 | 0 | 0 | 0 | 0 | 0 |
| Net settled derivative liabilities | (14) | (14) | 0 | 0 | (14) | 0 |
| Secured loans | 89,622 | 106,970 | 8,330 | 13,189 | 62,817 | 22,634 |
| Finance leases | 0 | 0 | 0 | 0 | 0 | 0 |
| Total | 112,725 | 130,073 | 31,447 | 13,189 | 62,803 | 22,634 |
| Group 2013 | | | | | | |
| Creditors and other payables | 24,883 | 24,883 | 24,883 | 0 | 0 | 0 |
| Bank overdraft | 0 | 0 | 0 | 0 | 0 | 0 |
| Net settled derivative liabilities | (14) | (14) | 0 | 0 | (14) | 0 |
| Secured loans | 100,162 | 117,510 | 8,330 | 23,729 | 62,817 | 22,634 |
| Finance leases | 0 | 0 | 0 | 0 | 0 | 0 |
| Total | 125,031 | 142,379 | 33,213 | 23,729 | 62,803 | 22,634 |
| Council 2012 | | | | | | |
| Creditors and other payables | 18,529 | 18,529 | 18,529 | 0 | 0 | 0 |
| Bank overdraft | 0 | 0 | 0 | 0 | 0 | 0 |
| Net settled derivative liabilities | 731 | 731 | 0 | 0 | 731 | 0 |
| Secured loans | 100,716 | 120,146 | 7,223 | 34,100 | 55,343 | 23,480 |
| Finance leases | 0 | 0 | 0 | 0 | 0 | 0 |
| Total | 119,976 | 139,406 | 25,752 | 34,100 | 56,074 | 23,480 |
| Group 2012 | | | | | | |
| Creditors and other payables | 19,656 | 19,656 | 19,656 | 0 | 0 | 0 |
| Bank overdraft | 0 | 0 | 0 | 0 | 0 | 0 |
| Net settled derivative liabilities | 731 | 731 | 0 | 0 | 731 | 0 |
| Secured loans | 111,006 | 129,466 | 7,223 | 34,100 | 55,343 | 23,480 |
| Finance leases | 0 | 0 | 0 | 0 | 0 | 0 |
| Total | 131,393 | 149,853 | 26,879 | 34,100 | 56,074 | 23,480 |

SENSITIVITY ANALYSIS

The table below illustrates the potential profit and loss impact for reasonably possible market movements, with all other variables held constant based on Council's financial instrument exposures at the balance date.

| INTEREST RATE RISK COUNCIL | 2013 \$000s | | 2012 \$000s | |
|--|---------------------|---------------------|---------------------|---------------------|
| | Profit – 100 bps | Profit + 100 bps | Profit – 100 bps | Profit + 100 bps |
| Financial assets | | | | |
| Cash and cash equivalents | 2 | (2) | 2 | (2) |
| Derivative financial assets | | | | |
| Derivative financial instruments | (2,363) | 2,219 | (769) | 718 |
| Financial liabilities | | | | |
| Borrowings | | | | |
| Credit lines | (51) | 51 | (30) | 30 |
| Total sensitivity to interest rate risk | (2,412) | 2,268 | (797) | 746 |

EXPLANATION OF SENSITIVITY ANALYSIS

1. Cash and cash equivalents

Cash and cash equivalents are \$3,738,000 (2012 \$2,665,000) which are at a floating rate. A movement of plus or minus 1% has an effect on interest income of \$2,175 (2012 \$2,107)

2. Credit lines

The balance on the credit lines was \$10,000,000 (2012 \$24,000,000) at a floating rate. A movement in interest rates of plus or minus 1% has an effect on interest payable of \$50,659 (2012 \$30,397)

Far North Holdings does not have any significant interest rate risk.

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.

Far North District 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

Far North District Council has 4 (2012 – nil) parcels of land that will be transferred under an Office of Treaty Settlement agreement at a value of \$610,000. There are an additional 3 (2012 – nil) parcels that have been declared surplus to requirement and marketed for sale and have a market value of \$441,000. Directors of Far North Holdings Limited have initiated a plan to sell 1 properties with a total value of \$500,000 (2012 – 1 properties \$500,000).

35. DERIVATIVE FINANCIAL INSTRUMENTS

| | COUNCIL | |
|--|----------------|----------------|
| | 2013 \$000s | 2012 \$000s |
| Non-current asset – cash flow hedge | 726 | 0 |
| Current liability – cash flow hedge | (53) | 0 |
| Non-current liability - cash flow hedge | (324) | (731) |
| Total derivative financial instrument liabilities | 349 | (731) |

FAIR VALUE

The fair value of the interest rate swap has been determined using discounted cash flow valuation based on quoted market rates. Derivative financial assets and liabilities are valued using valuation techniques using observable inputs, being level two per the fair value hierarchy.

INTEREST RATE SWAP

The notional principal amount of the outstanding interest rate swap contracts with Council was \$60,000,000 (June 2012 \$20,000,000). At June 30 the fixed interest rates of the cash flow hedges ranged from 2.89% to 7.1% with maturity dates ranging from February 2014 to March 2022 (2012 – 6.5%, 6.51%, 3.89% and 7.1%). There was a gain of \$362k recognised in the Statement of Comprehensive Income (2012 nil).

| 36. VARIANCES TO ANNUAL PLAN | COUNCIL 2013 \$000s |
|--|---------------------------|
| Statement of Comprehensive Income | |
| Annual Plan surplus | 12,020 |
| Annual Report surplus | 6,657 |
| Net operating surplus variance | (5,363) |
| Variance represented by: | |
| Variance area | |
| Rates | 6,171 |
| Other | 878 |
| Total income variance | 7,049 |
| District facilities (*) | (9,975) |
| Environmental management (*) | 1,164 |
| Governance & strategy (*) | (1,424) |
| Roading & footpaths | 1,341 |
| Sewerage treatment & disposal | (1,280) |
| Stormwater drainage | 60 |
| Waste management | (34) |
| Water supply | (2,572) |
| Other expenditure | (792) |
| Increased depreciation | (1,141) |
| Decrease in finance costs | 2,242 |
| Total expenditure variance | (12,411) |
| Net operating surplus variance | (5,363) |

(*) See individual Statement of Service Performance for explanation of each group's variance to Annual Plan.

Council's asset revaluation reserves have decreased by \$19 million during the year.

| 37. FUNDING IMPACT STATEMENT | ANNUAL PLAN 2013 \$000s | ANNUAL REPORT 2012 \$000s | LTP 2013 \$000s | ACTUAL 2012 \$000s |
|---|----------------------------------|------------------------------------|-----------------------|--------------------------|
| Whole of Council | | | | |
| Sources of operational funding | | | | |
| General rates, uniform annual general charges, rates penalties | 47,245 | 51,783 | 45,817 | 53,451 |
| Targeted rates (excluding water supply rates) | 17,013 | 19,065 | 22,801 | 21,339 |
| Subsidies and grants for operating purposes | 7,270 | 8,608 | 5,621 | 6,051 |
| Fees, charges and targeted water supply rates | 16,105 | 12,460 | 15,492 | 13,063 |
| Interest and dividends from investments | 608 | 482 | 399 | 939 |
| Local authority fuel tax, fines, infringement fees and other receipts | 961 | 2,725 | 954 | 1,214 |
| Total operating funding (A) | 89,202 | 95,122 | 91,084 | 96,057 |
| Applications of operating funding | | | | |
| Payments to staff and suppliers | 60,776 | 64,530 | 61,152 | 62,707 |
| Finance costs | 8,868 | 6,237 | 7,120 | 5,171 |
| Internal charges and overheads applied | 0 | 0 | 0 | 13 |
| Total applications of operating funding (B) | 69,644 | 70,767 | 68,272 | 67,891 |
| Surplus/(deficit of operating funding (A-B)) | 19,558 | 24,355 | 22,811 | 28,166 |
| Sources of capital funding | | | | |
| Subsidies and grants for capital expenditure | 13,885 | 10,001 | 16,075 | 14,256 |
| Development and financial contributions | 2,297 | 1,578 | 484 | 1,780 |
| Increase (decrease) in debt | 5,153 | (8,607) | 10,762 | (11,094) |
| Total sources of capital funding (C) | 21,335 | 2,973 | 27,321 | 4,942 |
| Applications of capital funding | | | | |
| Capital expenditure to meet: | | | | |
| -Additional demand | 859 | 667 | 902 | 413 |
| -Improved levels of service | 19,682 | 10,279 | 26,482 | 16,237 |
| -Replacement of existing assets | 15,144 | 14,921 | 24,038 | 14,401 |
| Increase (decrease) in reserves | 5,208 | 1,461 | (1,290) | 2,057 |
| Total applications of capital funding (D) | 40,893 | 27,328 | 50,132 | 33,108 |
| Surplus/(deficit) of capital funding (C-D) | (19,558) | (24,355) | (22,811) | (28,166) |
| Funding balance ((A-B) + (C-D)) | 0 | 0 | 0 | 0 |

37. FUNDING IMPACT STATEMENT CONTINUED

| District facilities | LTP 2011/12 \$000s | LTP 2012/13 \$000s | ACTUAL 2012/13 \$000s |
|---|--------------------------|--------------------------|-----------------------------|
| Sources of operational funding | | | |
| General rates, uniform annual general charges, rates penalties | 9,215 | 9,652 | 10,738 |
| Targeted rates (excluding water supply rates) | 6,743 | 8,334 | 8,402 |
| Subsidies and grants for operating purposes | 150 | 110 | 111 |
| Fees, charges and targeted water supply rates | 1,633 | 2,108 | 1,887 |
| Internal charges and overheads recovered | 6 | 13 | 300 |
| Local authority fuel tax, fines, infringement fees and other receipts | 153 | 157 | 178 |
| Total operating funding (A) | 17,899 | 20,374 | 21,616 |
| Applications of operating funding | | | |
| Payments to staff and suppliers | 10,599 | 11,593 | 11,847 |
| Finance costs | 1,250 | 1,200 | 675 |
| Internal charges and overheads applied | 3,769 | 4,177 | 3,050 |
| Total applications of operating funding (B) | 15,618 | 16,970 | 15,573 |
| Surplus/(deficit of operating funding (A-B)) | 2,281 | 3,404 | 6,043 |
| Sources of capital funding | | | |
| Subsidies and grants for capital expenditure | 0 | 0 | 110 |
| Development and financial contributions | 570 | 113 | 166 |
| Increase (decrease) in debt | 798 | 714 | (7) |
| Total sources of capital funding (C) | 1,369 | 827 | 269 |
| Applications of capital funding | | | |
| Capital expenditure to meet: | | | |
| -Additional demand | 50 | 170 | 138 |
| -Improved levels of service | 1,550 | 825 | 664 |
| -Replacement of existing assets | 612 | 5,954 | 1,391 |
| Increase (decrease) in reserves | 1,438 | (2,718) | 4,119 |
| Total applications of capital funding (D) | 3,650 | 4,232 | 6,312 |
| Surplus/(deficit) of capital funding (C-D) | (2,281) | (3,404) | (6,043) |
| Funding balance ((A-B) + (C-D)) | 0 | 0 | 0 |

37. FUNDING IMPACT STATEMENT CONTINUED

| Environmental Management | LTP 2011/12 \$000s | LTP 2012/13 \$000s | ACTUAL 2012/13 \$000s |
|---|--------------------------|--------------------------|-----------------------------|
| Sources of operational funding | | | |
| General rates, uniform annual general charges, rates penalties | 7,355 | 7,211 | 7,554 |
| Targeted rates (excluding water supply rates) | 0 | 0 | 0 |
| Subsidies and grants for operating purposes | 10 | 0 | 0 |
| Fees, charges and targeted water supply rates | 3,558 | 3,160 | 3,023 |
| Internal charges and overheads recovered | 4 | 4 | 39 |
| Local authority fuel tax, fines, infringement fees and other receipts | 89 | 92 | 56 |
| Total operating funding (A) | 11,016 | 10,467 | 10,675 |
| Applications of operating funding | | | |
| Payments to staff and suppliers | 7,354 | 7,774 | 6,923 |
| Finance costs | 8 | 177 | 20 |
| Internal charges and overheads applied | 3,506 | 2,352 | 2,039 |
| Total applications of operating funding (B) | 10,868 | 10,303 | 8,982 |
| Surplus/(deficit of operating funding (A-B)) | 148 | 164 | 1,690 |
| Sources of capital funding | | | |
| Subsidies and grants for capital expenditure | 0 | 0 | 0 |
| Development and financial contributions | 0 | 0 | 0 |
| Increase (decrease) in debt | (7) | (23) | (23) |
| Total sources of capital funding (C) | (7) | (23) | (23) |
| Applications of capital funding | | | |
| Capital expenditure to meet: | | | |
| -Additional demand | 0 | 0 | 0 |
| -Improved levels of service | 0 | 10 | 8 |
| -Replacement of existing assets | 0 | 0 | 0 |
| Increase (decrease) in reserves | 141 | 131 | 1,659 |
| Total applications of capital funding (D) | 141 | 141 | 1,667 |
| Surplus/(deficit) of capital funding (C-D) | (148) | (164) | (1,690) |
| Funding balance ((A-B) + (C-D)) | 0 | 0 | 0 |

37. FUNDING IMPACT STATEMENT CONTINUED

| Governance and strategy | LTP 2011/12 \$000s | LTP 2012/13 \$000s | ACTUAL 2012/13 \$000s |
|---|--------------------------|--------------------------|-----------------------------|
| Sources of operational funding | | | |
| General rates, uniform annual general charges, rates penalties | 9,867 | 10,087 | 11,254 |
| Targeted rates (excluding water supply rates) | 0 | 0 | 0 |
| Subsidies and grants for operating purposes | 10 | 32 | 0 |
| Fees, charges and targeted water supply rates | 567 | 528 | 596 |
| Internal charges and overheads recovered | 51 | 13 | 50 |
| Local authority fuel tax, fines, infringement fees and other receipts | 493 | 280 | 789 |
| Total operating funding (A) | 10,988 | 10,940 | 12,689 |
| Applications of operating funding | | | |
| Payments to staff and suppliers | 15,766 | 15,822 | 15,422 |
| Finance costs | 1,059 | 1,435 | 1,283 |
| Internal charges and overheads applied | (9,362) | (10,072) | (7,774) |
| Total applications of operating funding (B) | 7,463 | 7,185 | 8,930 |
| Surplus/(deficit of operating funding (A-B)) | 3,525 | 3,755 | 3,758 |
| Sources of capital funding | | | |
| Subsidies and grants for capital expenditure | 0 | 0 | 0 |
| Development and financial contributions | 124 | 371 | 234 |
| Increase (decrease) in debt | (672) | 54 | (73) |
| Total sources of capital funding (C) | (548) | 425 | 161 |
| Applications of capital funding | | | |
| Capital expenditure to meet: | | | |
| -Additional demand | 0 | 0 | 0 |
| -Improved levels of service | 116 | 585 | 198 |
| -Replacement of existing assets | 676 | 1,285 | 473 |
| Increase (decrease) in reserves | 2,185 | 2,310 | 3,034 |
| Increase (decrease) in investments | 0 | 0 | 214 |
| Total applications of capital funding (D) | 2,977 | 4,180 | 3,919 |
| Surplus/(deficit) of capital funding (C-D) | (3,525) | (3,755) | (3,758) |
| Funding balance ((A-B) + (C-D)) | 0 | 0 | 0 |

37. FUNDING IMPACT STATEMENT CONTINUED

| | LTP 2011/12 \$000s | LTP 2012/13 \$000s | ACTUAL 2012/13 \$000s |
|---|--------------------------|--------------------------|-----------------------------|
| Roads and footpaths | | | |
| Sources of operational funding | | | |
| General rates, uniform annual general charges, rates penalties | 13,630 | 11,558 | 14,915 |
| Targeted rates (excluding water supply rates) | 1,051 | 4,026 | 989 |
| Subsidies and grants for operating purposes | 7,101 | 5,479 | 5,939 |
| Fees, charges and targeted water supply rates | 757 | 792 | 685 |
| Internal charges and overheads recovered | 13 | 27 | 5 |
| Local authority fuel tax, fines, infringement fees and other receipts | 580 | 597 | 565 |
| Total operating funding (A) | 23,132 | 22,479 | 23,099 |
| Applications of operating funding | | | |
| Payments to staff and suppliers | 14,366 | 14,667 | 13,252 |
| Finance costs | 1,332 | 961 | 673 |
| Internal charges and overheads applied | 301 | (199) | 622 |
| Total applications of operating funding (B) | 15,999 | 15,428 | 14,547 |
| Surplus/(deficit of operating funding (A-B)) | 7,132 | 7,050 | 8,552 |
| Sources of capital funding | | | |
| Subsidies and grants for capital expenditure | 10,365 | 9,904 | 9,059 |
| Development and financial contributions | 313 | 0 | 110 |
| Increase (decrease) in debt | 583 | 2,332 | 143 |
| Total sources of capital funding (C) | 11,261 | 12,237 | 9,312 |
| Applications of capital funding | | | |
| Capital expenditure to meet: | | | |
| -Additional demand | 809 | 732 | 275 |
| -Improved levels of service | 4,792 | 6,195 | 4,750 |
| -Replacement of existing assets | 13,762 | 12,274 | 11,663 |
| Increase (decrease) in reserves | (970) | 86 | 1,176 |
| Total applications of capital funding (D) | 18,393 | 19,287 | 17,864 |
| Surplus/(deficit) of capital funding (C-D) | (7,132) | (7,050) | (8,552) |
| Funding balance ((A-B) + (C-D)) | 0 | 0 | 0 |

37. FUNDING IMPACT STATEMENT CONTINUED

| | LTP 2011/12 \$000s | LTP 2012/13 \$000s | ACTUAL 2012/13 \$000s |
|---|--------------------------|--------------------------|-----------------------------|
| Sewerage treatment and disposal | | | |
| Sources of operational funding | | | |
| General rates, uniform annual general charges, rates penalties | 715 | 762 | 1,537 |
| Targeted rates (excluding water supply rates) | 8,701 | 9,925 | 9,844 |
| Subsidies and grants for operating purposes | 0 | 0 | 0 |
| Fees, charges and targeted water supply rates | 677 | 231 | 156 |
| Internal charges and overheads recovered | 4 | 4 | (14) |
| Local authority fuel tax, fines, infringement fees and other receipts | 0 | 0 | 0 |
| Total operating funding (A) | 10,097 | 10,923 | 11,523 |
| Applications of operating funding | | | |
| Payments to staff and suppliers | 4,112 | 4,234 | 4,999 |
| Finance costs | 2,722 | 1,711 | 1,320 |
| Internal charges and overheads applied | 601 | 981 | 721 |
| Total applications of operating funding (B) | 7,435 | 6,926 | 7,815 |
| Surplus/(deficit of operating funding (A-B)) | 2,662 | 3,996 | 3,708 |
| Sources of capital funding | | | |
| Subsidies and grants for capital expenditure | 2,930 | 5,757 | 5,060 |
| Development and financial contributions | 922 | 0 | 654 |
| Increase (decrease) in debt | 4,902 | 7,028 | 1,900 |
| Total sources of capital funding (C) | 8,753 | 12,785 | 7,614 |
| Applications of capital funding | | | |
| Capital expenditure to meet: | | | |
| -Additional demand | 0 | 0 | 0 |
| -Improved levels of service | 10,354 | 15,750 | 8,824 |
| -Replacement of existing assets | 25 | 2,021 | 541 |
| Increase (decrease) in reserves | 1,036 | (990) | 1,957 |
| Total applications of capital funding (D) | 11,415 | 16,782 | 11,322 |
| Surplus/(deficit) of capital funding (C-D) | (2,662) | (3,996) | (3,708) |
| Funding balance ((A-B) + (C-D)) | 0 | 0 | 0 |

37. FUNDING IMPACT STATEMENT CONTINUED

| Stormwater Drainage | LTP 2011/12 \$000s | LTP 2012/13 \$000s | ACTUAL 2012/13 \$000s |
|---|--------------------------|--------------------------|-----------------------------|
| Sources of operational funding | | | |
| General rates, uniform annual general charges, rates penalties | 2,197 | 2,125 | 2,250 |
| Targeted rates (excluding water supply rates) | 518 | 517 | 539 |
| Subsidies and grants for operating purposes | 0 | 0 | 0 |
| Fees, charges and targeted water supply rates | 0 | 0 | 0 |
| Internal charges and overheads recovered | 12 | 0 | 0 |
| Local authority fuel tax, fines, infringement fees and other receipts | 0 | 0 | 0 |
| Total operating funding (A) | 2,727 | 2,642 | 2,790 |
| Applications of operating funding | | | |
| Payments to staff and suppliers | 928 | 899 | 740 |
| Finance costs | 626 | 339 | 263 |
| Internal charges and overheads applied | 256 | 298 | 249 |
| Total applications of operating funding (B) | 1,809 | 1,535 | 1,252 |
| Surplus/(deficit of operating funding (A-B)) | 917 | 1,107 | 1,537 |
| Sources of capital funding | | | |
| Subsidies and grants for capital expenditure | 0 | 0 | 0 |
| Development and financial contributions | 181 | 0 | 40 |
| Increase (decrease) in debt | (242) | 286 | (287) |
| Total sources of capital funding (C) | (60) | 286 | (247) |
| Applications of capital funding | | | |
| Capital expenditure to meet: | | | |
| -Additional demand | 0 | 0 | 0 |
| -Improved levels of service | 850 | 1,095 | 444 |
| -Replacement of existing assets | 0 | 300 | 0 |
| Increase (decrease) in reserves | 7 | (2) | 846 |
| Total applications of capital funding (D) | 857 | 1,393 | 1,290 |
| Surplus/(deficit) of capital funding (C-D) | (917) | (1,107) | (1,537) |
| Funding balance ((A-B) + (C-D)) | 0 | 0 | 0 |

37. FUNDING IMPACT STATEMENT CONTINUED

| Waste management | LTP 2011/12 \$000s | LTP 2012/13 \$000s | ACTUAL 2012/13 \$000s |
|---|--------------------------|--------------------------|-----------------------------|
| Sources of operational funding | | | |
| General rates, uniform annual general charges, rates penalties | 4,055 | 4,216 | 4,449 |
| Targeted rates (excluding water supply rates) | 0 | 0 | 0 |
| Subsidies and grants for operating purposes | 0 | 0 | 0 |
| Fees, charges and targeted water supply rates | 1,019 | 916 | 921 |
| Internal charges and overheads recovered | 0 | 0 | 16 |
| Local authority fuel tax, fines, infringement fees and other receipts | 165 | 166 | 169 |
| Total operating funding (A) | 5,238 | 5,297 | 5,555 |
| Applications of operating funding | | | |
| Payments to staff and suppliers | 3,865 | 3,829 | 3,931 |
| Finance costs | 530 | 394 | 304 |
| Internal charges and overheads applied | 307 | 491 | 355 |
| Total applications of operating funding (B) | 4,703 | 4,714 | 4,589 |
| Surplus/(deficit of operating funding (A-B)) | 536 | 583 | 966 |
| Sources of capital funding | | | |
| Subsidies and grants for capital expenditure | 0 | 0 | 0 |
| Development and financial contributions | 0 | 0 | 0 |
| Increase (decrease) in debt | (339) | (227) | (302) |
| Total sources of capital funding (C) | (339) | (227) | (302) |
| Applications of capital funding | | | |
| Capital expenditure to meet: | | | |
| -Additional demand | 0 | 0 | 0 |
| -Improved levels of service | 170 | 215 | 89 |
| -Replacement of existing assets | 69 | 217 | 41 |
| Increase (decrease) in reserves | (42) | (76) | 533 |
| Total applications of capital funding (D) | 197 | 356 | 663 |
| Surplus/(deficit) of capital funding (C-D) | (536) | (583) | (966) |
| Funding balance ((A-B) + (C-D)) | 0 | 0 | 0 |

37. FUNDING IMPACT STATEMENT CONTINUED

| Water supply | LTP 2011/12 \$000s | LTP 2012/13 \$000s | ACTUAL 2012/13 \$000s |
|---|--------------------------|--------------------------|-----------------------------|
| Sources of operational funding | | | |
| General rates, uniform annual general charges, rates penalties | 212 | 206 | 754 |
| Targeted rates (excluding water supply rates) | 0 | 0 | 1,564 |
| Subsidies and grants for operating purposes | 0 | 0 | 0 |
| Fees, charges and targeted water supply rates | 7,894 | 7,756 | 5,794 |
| Internal charges and overheads recovered | 0 | 0 | 0 |
| Local authority fuel tax, fines, infringement fees and other receipts | 0 | 0 | 0 |
| Total operating funding (A) | 8,106 | 7,962 | 8,112 |
| Applications of operating funding | | | |
| Payments to staff and suppliers | 3,787 | 3,470 | 5,594 |
| Finance costs | 1,341 | 903 | 633 |
| Internal charges and overheads applied | 621 | 837 | 696 |
| Total applications of operating funding (B) | 5,749 | 5,211 | 6,923 |
| Surplus/(deficit of operating funding (A-B)) | 2,357 | 2,751 | 1,189 |
| Sources of capital funding | | | |
| Subsidies and grants for capital expenditure | 590 | 413 | 27 |
| Development and financial contributions | 186 | 0 | 576 |
| Increase (decrease) in debt | 131 | 597 | (177) |
| Total sources of capital funding (C) | 906 | 1,010 | 426 |
| Applications of capital funding | | | |
| Capital expenditure to meet: | | | |
| -Additional demand | 0 | 0 | 0 |
| -Improved levels of service | 1,850 | 1,808 | 1,224 |
| -Replacement of existing assets | 0 | 1,985 | 290 |
| Increase (decrease) in reserves | 1,413 | (32) | 101 |
| Total applications of capital funding (D) | 3,263 | 3,761 | 1,615 |
| Surplus/(deficit) of capital funding (C-D) | (2,357) | (2,751) | (1,189) |
| Funding balance ((A-B) + (C-D)) | 0 | 0 | 0 |

Reserves report

The LGA, Schedule 10, requires the Annual Report to include information on each reserve fund set aside by 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

Reserve balance purposes

OTHER RESERVES:

Revaluation reserves

These reserves represent the movement in the valuation of 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 dev't, 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.

RETAINED EARNINGS:

Retained earnings

General funds retained by Council arising from the accumulation of prior year's surpluses or deficits from general rate funded operations.

Development contributions

Contributions received in line with 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.

Open spaces development contributions

Contributions received in line with 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

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 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.

| 38. RESERVES | OPENING BALANCE 2012/13 \$000s | ADDITIONS 2012/13 \$000s | WITHDRAWALS 2012/13 \$000s | CLOSING BALANCE 2012/13 \$000s |
|--|---|--------------------------------|----------------------------------|---|
| Other reserves | | | | |
| Revaluation reserves | 272,399 | 22,595 | (41,692) | 253,302 |
| LGNZ Share valuation reserve | 46 | 10 | 0 | 56 |
| Cash flow hedge reserve | (731) | 717 | 0 | (14) |
| Capital reserve | 2,697 | 0 | 0 | 2,697 |
| Total other reserves | 274,411 | 23,322 | (41,692) | 256,041 |
| Restricted reserves | | | | |
| Community services reserves | (1,994) | 10,899 | (9,740) | (835) |
| General separate funds (drainage, stormwater, water, wastewater) | (1,142) | 26,434 | (26,941) | (1,649) |
| Special funds | 3,942 | 152 | (32) | 4,062 |
| General separate funds (Kerikeri mainstreet, economic development, CBD rates, car parks) | 666 | 133 | (103) | 696 |
| General separate funds (footpaths) | 0 | 234 | 0 | 234 |
| Total restricted reserves | 1,472 | 37,852 | (36,816) | 2,508 |
| Retained Earnings | | | | |
| Retained earnings | 1,346,211 | 7,087 | (14,976) | 1,338,322 |
| Development contributions | (17,663) | 766 | (767) | (17,664) |
| Open spaces development contributions | (4,078) | 68 | (132) | (4,142) |
| Depreciation reserves | (33,126) | 42,179 | (28,087) | (19,034) |
| Emergency event reserve | (57) | 1,531 | (887) | 587 |
| Property disposal reserve | 549 | 0 | (154) | 395 |
| Mineral survey reserve | 50 | 0 | 0 | 50 |
| Total retained earnings | 1,291,886 | 51,631 | (45,003) | 1,298,514 |

39. STATUTORY REPORTING DEADLINE

Section 98(3) of the Local Government Act 2002 requires Local Authorities to complete and adopt their annual report within four months of the end of the financial year (31 October). The Council did not adopt the 2012/13 annual report within the statutory reporting deadline.

| CAPITAL STATEMENT | CONSOLIDATED | | | COUNCIL | |
|----------------------------------|----------------|---------------|----------------|---------------|---------------|
| | ACTUAL | ACTUAL | ACTUAL | BUDGET | ACTUAL |
| | 2013 | 2012 | 2013 | 2013 | 2012 |
| | \$000s | \$000s | \$000s | \$000s | \$000s |
| Capital Statement | | | | | |
| Net Operating surplus | 8,670 | 6,175 | 6,657 | 12,020 | 2,997 |
| Depreciation funding | 19,073 | 19,600 | 19,073 | 29,872 | 19,600 |
| Loans | 5,669 | 16,344 | 5,669 | 15,356 | 16,344 |
| Development funding | 899 | 1,073 | 899 | 1,332 | 1,073 |
| Reserve funding | 81 | 475 | 81 | 375 | 475 |
| Reserve appropriations | (2,163) | (772) | (2,163) | (4,985) | (772) |
| Retained profit funding | 32 | 137 | 32 | 2,046 | 137 |
| Other funding | 0 | 0 | 0 | 0 | 0 |
| Total Funding | 32,261 | 43,032 | 30,247 | 56,016 | 39,855 |
| New work | 17,608 | 11,132 | 17,608 | 26,391 | 11,132 |
| Renewal works | 15,099 | 15,617 | 15,099 | 25,031 | 15,617 |
| Total Capital Works | 32,707 | 26,749 | 32,707 | 51,422 | 26,749 |
| Loan repayments | 7,094 | 13,607 | 7,094 | 4,593 | 13,607 |
| Total Debt | 7,094 | 13,607 | 7,094 | 4,593 | 13,607 |
| Total Capital Expenditure | 39,801 | 40,356 | 39,801 | 56,016 | 40,356 |
| NET SURPLUS/(DEFICIT) | (7,540) | 2,676 | (9,554) | 0 | (501) |

Overview of Contents

82



| | | | |
|--|---------|--|---------|
| | | | |
| Welcome | 84-99 | Water Supply Group | 118-125 |
| Welcome to Council's Performance | 84 | Water | 118-123 |
| Why does Council have performance as part of the Annual Report | 84 | Financial Information | 124-125 |
| Navigating the performance section | 84 | | |
| Performance Highlights against Council's Key Strategic Initiatives | 85-86 | Sewerage Treatment Group | 126-133 |
| Community Outcomes | 87-89 | Sewerage | 126-131 |
| Planning and Reporting Framework | 90 | Financial Information | 132-133 |
| Consulting with our Community | 91-93 | | |
| Risk Management and Auditing | 93-99 | Waste Management Group | 134-140 |
| | | Waste | 134-138 |
| Roading and Footpaths Group | 100-112 | Financial Information | 139-140 |
| Roading | 100-107 | | |
| Footpaths | 108-110 | District Facilities Group | 141-171 |
| Financial Information | 111-112 | Cemeteries | 141-142 |
| | | Civic and Community Buildings | 143-144 |
| Stormwater Drainage Group | 113-117 | Motor Camps | 145-146 |
| Stormwater | 113-115 | Pensioner Housing | 147-148 |
| Financial Information | 116-117 | Recreation | 149-153 |
| | | Town Maintenance, Public Toilets, Car Parks and Amenity Lighting | 154-156 |
| | | | |



| | |
|--------------------------------|---------|
| Customer Services | 157-161 |
| i-SITEs | 162-164 |
| Libraries | 165-168 |
| Financial Information | 169-171 |
| <hr/> | |
| Environmental Management Group | 172-200 |
| Animal Control | 172-175 |
| Environmental Health | 176-177 |
| Monitoring and Enforcement | 178-180 |
| Liquor Licensing Agency | 181-183 |
| Parking Enforcement | 184-185 |
| Environmental Policy | 186-189 |
| Resource Consent Management | 190-193 |
| Building Consent Management | 194-198 |
| Financial Information | 199-200 |
| <hr/> | |
| Governance and Strategy Group | 201-219 |
| Governance | 201-207 |
| Strategic Planning | 208-209 |

| | |
|---|---------|
| Economic Development | 210-212 |
| Māori Engagement and Statement of Intent | 213-217 |
| Financial Information | 218-219 |
| <hr/> | |
| Council Controlled Trading Organisations | 220-224 |
| Far North Holdings Limited | |
| <hr/> | |
| Council Controlled Organisations | 225-226 |
| Te Ahu | |
| <hr/> | |
| Glossary | 227-228 |
| <hr/> | |
| Contact Details | 229 |

Welcome to Council's Performance

This section of the report measures Council's performance against what we said we would do in the first year of our Long-Term Plan 2012/22. The Long-Term Plan (LTP) sets out the vision for the Far North District as well as priorities and action/projects for Council to follow each year. In particular it provides the financial framework for delivering all the everyday services and facilities that the community enjoys and expects from their local Council.

Why does Council have performance as part of the Annual Report?

As well as meeting this statutory requirement detailed below, Council sees this as a vital tool to keep residents, businesses, employees, community groups and organisations informed about its performance and future direction.

The Local Government Act 2002, under Schedule 10, requires all councils to include the following performance information within each group of activities:

- Identify the activities within the group of activities; and
- Identify the community outcomes to which the group of activities primarily contributes; and
- Report the results of any measurement undertaken during the year of progress towards the achievement of those outcomes; and
- Describe any identified effects that any activity within the group of activities has on the community.

Council also is required to:

- Report the result of established and maintained processes to provide opportunities for Māori to contribute to the decision-making processes with Council.

Navigating the performance section

This performance section comprises two main sections.

The first section provides an overview of:

1. Performance highlights against Council's key strategic initiatives from the LTP 2012/22.
2. An understanding of Community Outcomes.
3. Consulting with our community relates to community feedback on Council's services and facilities.
4. Risk management and auditing explains the role of the Audit and Finance Committee, internal audits undertaken, Council's insurance cover and policies on risk management including an update on risks identified in the LTP 2012/12 as extreme/high activity risks.

This section covers pages 87 to 104.

The main body of the performance report provides an overview from each group activity on the following:

1. Who we are.
2. Major achievements in 2012/13.
3. Challenges we experienced.
4. Plans for the next 12 months.
5. How we performed against the first year of the LTP 2012/22 is a progress update on action/projects contributing to the priorities in the LTP. We have also linked the action/projects to the Council's key strategic objectives. Actual achievements against the Key Performance Indicators (KPI) and targets that the Council uses to monitor levels of service.
6. Financial information provides a detailed account of our financial performance. For more information on our financials please refer to pages 21 to 85.

This section covers pages 104 to 229.

For additional navigation, please refer to the performance table of contents on page 86.



Performance highlights against Council's key strategic initiatives

Council continually needs to undertake certain works or projects to ensure that the district assets and facilities are maintained or enhanced to meet the needs of residents. Some of these works are based on recognising opportunities for improvement or new developments and others are aimed at providing efficiencies which will reduce costs over the long-term. The following projects are the largest included in Council's capital expenditure programme within the Long-Term Plan (LTP) 2012/22.

Performance highlights against Council's strategic initiatives are explained below:

Opua new sewer reticulation

Council is to install a new low pressure sewer system in Opua and connect this scheme to the Paihia scheme. Failing septic systems in this area are causing pollution in the Bay of Islands.

During 2012/13 the contract was tendered, awarded and completed in September 2013.

Work to be done 2013/14: Completion of commissioning.

District wide asbestos cement water pipe replacement

Pipes in the water network are deteriorating, leading to excessive pipe breaks which impact on customer levels of service, cost and water losses. This project is to progressively replace asbestos cement pipes.

Work to be done 2013/14: Investigation and condition assessment; then will target critical areas over succeeding years.

Kaitaia new Sweetwater source

An alternative water source is required to mitigate the risk of future drought impact. Severe water shortages were experienced in 2010.

Resource consent has been obtained to extract water from the Aupouri Aquifer to supply the township. Work to finalise a pipeline route to Kaitaia and to establish the required infrastructure is proceeding. Construction is expected to commence during 2013.

Work programmed 2013/14: Commissioning.

East Coast wastewater

Renewal of the resource consent for discharge from the Taipa Wastewater Treatment Plant requires consideration for an upgrade. Discharge to land as irrigation for horticulture is being considered as a way of reducing discharge to water.

Resource consent application is still in progress.

Work programmed 2013/14: Work is expected to commence this year.

Awanui sewer reticulation upgrade

Awanui has an ageing effluent disposal scheme with failing septic tanks, leaking infrastructure, prone to flooding, and a deteriorating treatment plant. The proposed solution is to replace it with a low pressure system and transfer effluent to the Kaitaia sewage treatment plant.

During 2012/13 the contract was tendered, awarded and completed in September 2013.

Work to be done 2013/14: Some commissioning to be completed as well as decommissioning the existing sewerage treatment plant.

Forward planning

Council will start a 2 year project to produce a longer term sustainable plan for the district that will look out over the next 30-50 years at the communities' needs and how best to plan for them. It will combine elements of a spatial plan and a growth strategy in a cost effective manner that is appropriate to this district. The plan will build on aspects of this Long-Term Plan, the District Plan and other documents such as the various Community Plans held by Council.

The plan has been named "The Far North Sustainable Growth Strategy" and during 2012/13 staff have completed the research phase along with the associated engagement phases.

Work to be done 2013/14: Draft scenarios will be prepared based on the research phase and will go out for consultation. Adoption is expected in late 2013 or early 2014.

Minerals

Council will continue to support work to develop opportunities for the district's minerals potential which will involve marketing and promotion of the airborne geophysical data to the international marketplace in partnership with the Ministry of Economic Development, Institute of Geological and Nuclear

Sciences Ltd, Enterprise Northland, the private sector and other local authorities.

Work to be done 2013/14: Continue to work in partnership with NZ Petroleum and Minerals and regional stakeholders. This is to ensure good public information provision for the region and the district as well as a joint approach to any potential investors.

Cycle Trail

Council is advancing the development of an 83km cycle trail walkway between Kawakawa and Horeke. The grade 1 cycle trail follows as closely as possible the historic railway corridor from Kawakawa to Okaihau. From Okaihau to Horeke it will use a combination of road berm and track through private land. Since this is a government funded economic development initiative every support is being given to individuals and organisations to help leverage the economic opportunities arising from visitors coming to experience and enjoy the outstanding scenery experiences that the cycle trail offers.

The Pou Herenga Tai Cycle Trail is expected to be fully functional by October 2013.

Work to be done 2013/14: Ongoing discussions are taking place with the Bay of Islands Vintage Railway Trust to access a connection from Kawakawa to Opuā.

Converting waste to fuel

Council is exploring cost effective solutions and technologies to convert waste into products of value. The district has a rich source of wood waste from forestry harvesting operations and technology is now available to convert this woody biomass into automotive diesel and synthetic fuels for electricity generation. Another advantage is to reduce liability for carbon taxes imposed by Central Government by diverting and using the 17,000 tonnes of district waste which goes to landfills each year. As part of the review project, Council will examine the correct business model for waste collection and processing with a view to refining, where possible, and ensuring that adequate controls/incentives are in place to achieve an efficient and effective waste disposal operation.

Council's research to date indicates that it is unlikely to be a viable option at this stage.

Work to be done 2013/14: Continue to monitor the development of the technology and the cost benefit associated.

Bay of Islands wastewater treatment project

While the original concept was proposed for Kerikeri with an upgrade to the Paihia Treatment Plant in the 2009/10 Long-Term Council Community Plan (LTCCP), Council is now considering further concepts for an increased area of benefit for Kerikeri, and incorporating the ability to add to the scheme to meet future growth demands. For the purposes of this discussion, the projects are now all referred to as the Bay of Islands Wastewater Treatment Project (BOIWWTP)

Hearings around the consent were protracted with numerous litigants to be addressed and issues resolved. The strong community interest in the issue raised the standard of discharge required to one of the highest in New Zealand with the consent finally awarded in June 2012 becoming effective from 2014/2033.

In 2007 Council made an initial application under the Sanitary Wastewater Scheme (SWSS) for funding from the Ministry of Health to mitigate the establishment cost of upgrading the treatment process and extending the areas of benefit (reticulation) in Kerikeri that were close to water and for which there were high incidents of failure of septic tanks in the area. The SWSS scheme has a primary focus of protecting the environment from contamination by human effluent. The 2007 application was further refined in 2009 with Ministerial approval for a reduced contribution confirmed in 2011.

During the 2012/13 year, Council advanced the planning for the upgrade of the Paihia-Waitangi Treatment Plant well aware of its responsibility to give effect to the recently amended Local Government Act 2002 Amendment Act 2012 that requires (Section 3d) "local authorities to play a broad role in meeting the current and future needs of their communities for good-quality local infrastructure, local public services and performance of regulatory functions in a way that is most cost-effective for households and businesses".

Given the likely interest and impact on the affected communities, Council completed an intensive consultation with ratepayers in July/August 2013. To inform the community for these discussions Council will have developed a range of options identified proposed new areas of benefit to be included in the scheme, and the indicative cost impact on Council and the ratepayer of the proposed works.

The conclusions derived from these consultations will be used to inform and develop key cost elements in the 2014/15 Annual Plan.

For further information go to www.letstalkcrap.co.nz

Shared responsibility

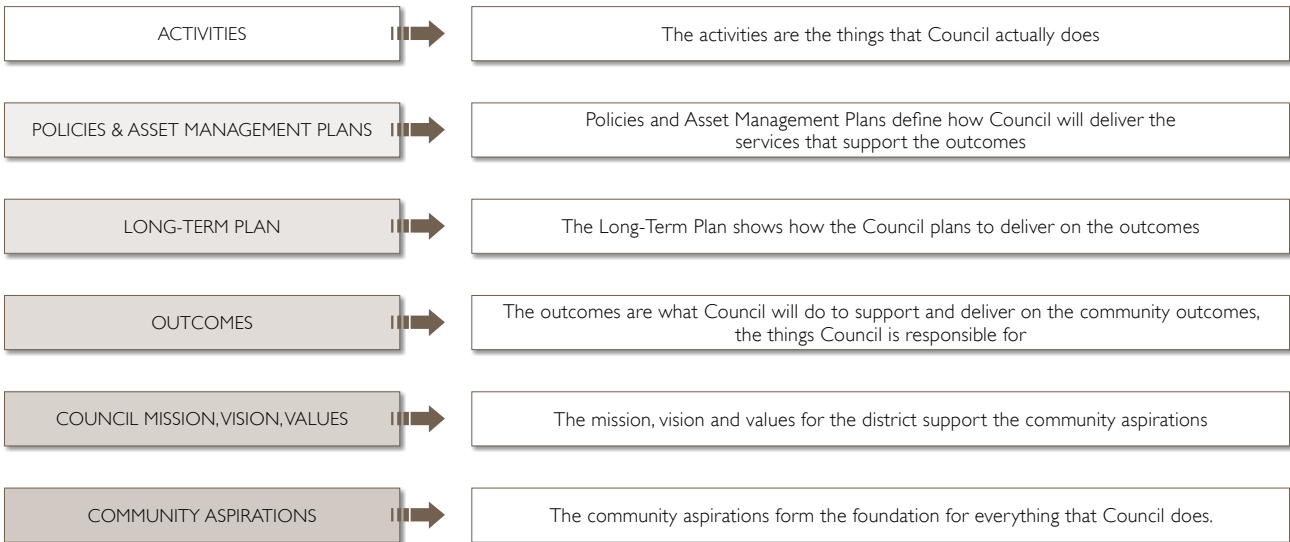
Council is always looking for opportunities to work closely with communities and share responsibility for services and facilities, to help keep rates down.

As part of the Civil Defence Emergency Management structures and processes in place to deal with potential events and emergencies Council arranged funding and installed Tsunami warning sirens within the vulnerable communities and increased community participation, preparedness and resilience through community based emergency planning.

Community Outcomes

At a glance

This section shows the link between community aspirations, district vision, organisational objectives and community outcomes and how these drive the Long-Term Plan (LTP) process, as well as the delivery of services to the community. The linkage is shown in the diagram below:-



Community aspirations

The Local Government Act 2002 (LGA) requires local authorities to identify Community Outcomes for their districts. For the Far North, these create a picture of the type of district people want to live in over the next 0-15 years. A recent change to the LGA has altered the focus of the Community Outcomes.

In past years, the community outcomes were owned by the community and Council's role was to show how it contributed towards them. Under the latest change to the legislation, Council now owns the outcomes, which makes them more focused on what Council does and can achieve on behalf of the community rather than the more aspirational outcomes which have been the feature of previous plans.

Council has based the new outcomes on the 2006 Community Outcomes, as we consulted on them widely with community groups and key organisations. Council has kept these original outcomes in the form of 7 community aspirations and used them to develop 3 outcomes for the things for which Council is responsible. These in turn have been used to underpin the LTP and inform the policy and asset management processes.

These 7 community aspirations can be summarised as:

- Public health – key health issues are identified and addressed.
- Public safety – community and visitors to the district feel safe and secure at any time of the day or night.
- Transportation – transport networks are maintained and developed to enable access to and within the district.
- Environment – the Far North's built environment and infrastructure are further developed in a sustainable way which contributes to the wellbeing of people, communities and the natural environment now and into the future.
- Education, training and business opportunities – opportunities in the Far North are sufficient to attract skilled professionals to the district and to reduce the number of young people leaving the area.
- Services that support communities – the cohesiveness of our communities is maintained or increased by retaining the services they need.
- Culture and heritage – having a strong and positive district identity that includes awareness and knowledge of the Far North's unique heritage and history.

These aspirations continue to provide the overall guidance for Council and have formed the platform on which it has built the LTP.

Vision

Council has developed a new vision for the Far North: The top place where talent wants to live, work and invest.

This is about:

- Attracting more skills, talent and investment to the district.
- Retaining the skilled people already here and maintaining economic prosperity.
- Being competitive with other districts.

Values

Council developed three new values to drive work across the organisation on behalf of the community:

- Enabling.
- Enthusiasm.
- Innovation.

Strategic objectives

Council had 8 overarching objectives in the 2009/19 LTCCP and these remain unchanged for the current LTP. The strategic objectives are internal within the organisation to support the vision and values. However, since then most of the world including New Zealand has entered into a recession and a decision has been made to focus more on the 4 core objectives (in bold below) for the 2012/22 LTP. This does not mean that the other 4 have been abandoned.

- **Value for Ratepayers.**
- **Provide economic development for the Far North.**
- Responding effectively to the growth of the district.
- **Investment in new infrastructure as and when affordable.**
- **A leaner, more customer focused organisation.**
- Safeguarding our communities.
- Improving the quality of life in the Far North.
- Community development.

Council has determined these 3 proposed Community Outcomes that it will contribute to over the life of the Long-Term Plan:

A safe and healthy district

A sustainable and liveable environment

A vibrant and thriving economy



A safe and healthy district

- The district is easy to get around with a safe and well maintained roading network.
- Public buildings, car parks, parks and reserves are accessible by all.
- All footpaths are safe and functional.
- Council's potable water supplies conform to established public health standards.
- Wastewater systems support and promote safe and sanitary conditions.
- Recreation and leisure facilities are maintained to ensure access to quality facilities, and opportunities for developing new facilities are investigated.
- The district's elderly, young and disabled citizens are valued.
- Appropriate lighting is provided for parks, reserves, roads and public places.
- Appropriate controls are in place to ensure all building work is carried out in accordance with the Building Act and Building Codes.
- Civil Defence Emergency Management structures and processes are in place to deal with potential events and emergencies; and Council will work to improve community participation, preparedness and resilience through community based planning.
- Unrestrained dogs and wandering stock are controlled.



A sustainable and liveable environment

- Growth is not taking place to the detriment of the natural environment.
- Growth is encouraged at a rate and in locations beneficial to the district.
- The district's natural assets, landforms and waterways are protected.
- Historic and archaeological sites/buildings of significance, and Wahi Tapu sites valued by Māori are supported, protected and preserved.
- Council supports environmental initiatives that enhance the district.
- Recycling and waste management is encouraged and supported.
- Built environments are attractive, well designed and safe.



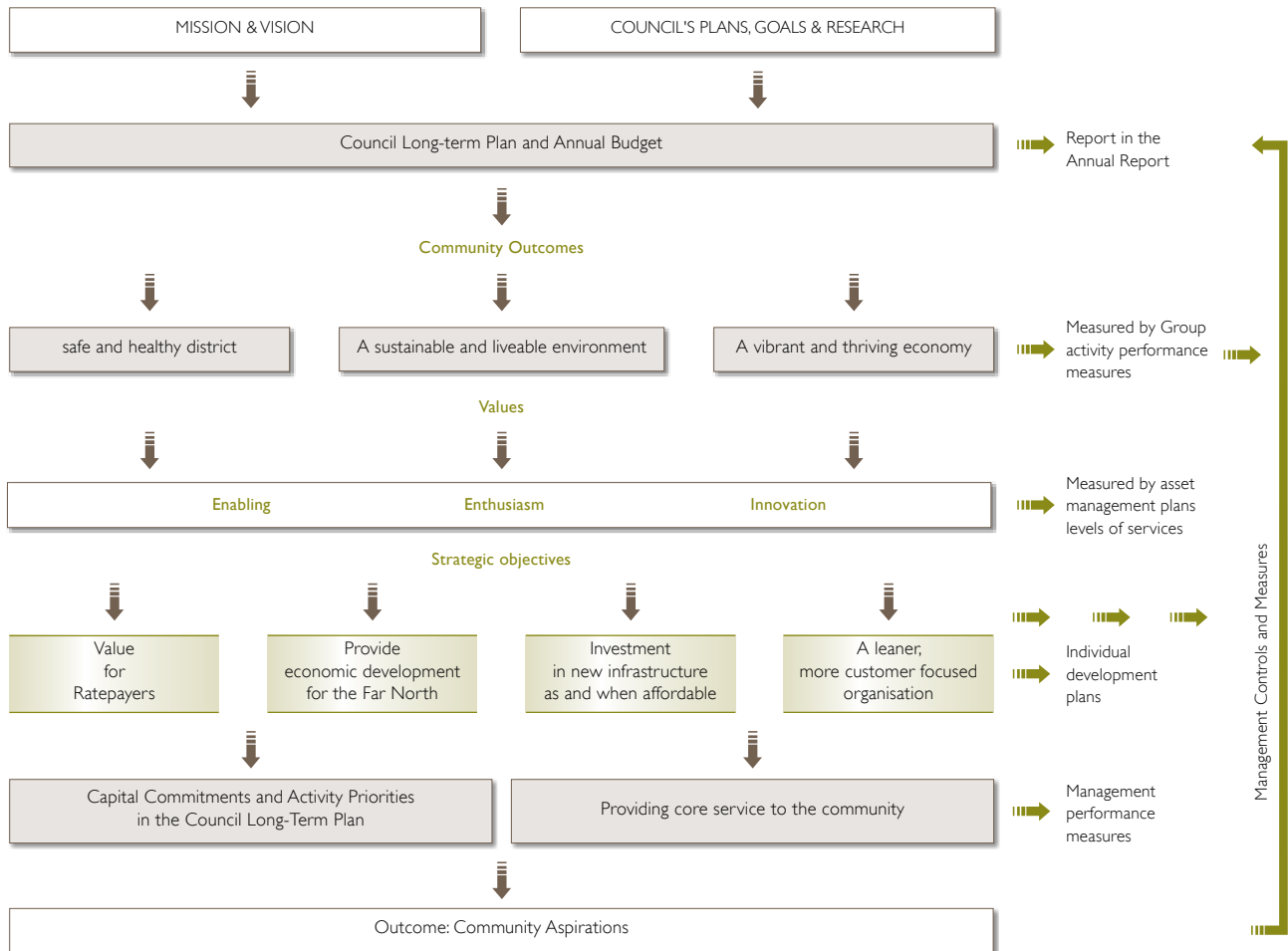
A vibrant and thriving economy

- Council's processes aid the establishment of new businesses and industry.
- The contribution of tourism, agriculture and forestry to the district is acknowledged.
- Council supports major events that contribute to the economy of the district.
- All towns are encouraged and supported to develop town centres that attract new business, tourists; and which locals are proud of.
- The district encourages a wide range of sporting, cultural and community activities and local events.

Planning and Reporting Framework

Far North District Council's culture of improvement and innovation makes sure that future strategies, plans and policies are updated with considerable community consultation.

Our culture of foresight thinking also ensures that we identify future global and local issues to achieve our vision of "The top place where talent wants to live, work and invest" which fosters the cultural, environmental, economic and social wellbeing within community aspirations. Please refer to the integrated planning framework outlined in the diagram below:



Reporting

Short Term

- Annual Plan and Annual Budget progress is reported monthly and quarterly to Council and Audit and Finance Committee.

Medium Term

- Annual Plan is produced in the intervening years of a three year LTP. Council report the strategic directions, service provision, what we will do and performance indicators.
- Annual Report is produced yearly demonstrating financial and non-financial progress in relation to what we said we would do in the Annual Plan and Annual Budget.

Long Term

Council reviews the Long-Term Plan every three years. The LTP is the most important document Council produces. It sets out Council's thinking on the major issues facing the Far North District and the priorities for the next 10 years. The 2012/22 Plan is part of a series of 10 year plans which Council will review every 3 years as required by Central Government. Each plan builds on the direction set in the previous one, but it also takes account of how the world and our district have moved on over the last 3 years and the new issues and challenges we face.

Where to get a copy?

Electronic copies of the reports above are available on Far North District Council's website www.fndc.govt.nz

Consulting with our Community

The Far North District Council conducted a community feedback survey in July 2013. This survey identifies and measures the perceptions that residents of the Far North District have towards Council and the services it provides.

The main goal of the survey was to report against specific performance measures determined in the first year of Council's Long-Term Plan 2012/22 regarding services, facilities, customer service, environmental policy and communications.

406 interviews were carried out via telephone (Computer Assisted Telephone Interviewing) in-house at Versus Research between 8 and 23 July 2013 with residents from the Far North District. The findings from the survey have been analysed by Ward in the first instance, as quotas were applied to ensure a representative sample. Data was weighed by gender and age; and significant demographic differences by gender, age and ethnic group are highlighted throughout the findings.

The survey asked residents about their use of a selection of Council services and facilities namely, public swimming pools, parks and reserves, playgrounds, refuse disposal services, recycling services, cemeteries, and libraries. Residents were asked to rate their satisfaction with each of these services and facilities as well as other Council provided services and facilities such as the district roading network, footpaths, access to beaches, storm water drainage, and public toilets. Following this, residents were asked to rate their overall satisfaction with Council-provided services and facilities.

For customer service ratings Council asked those residents who had made contact with Council in the last 12 months to rate their satisfaction with service at point of contact, whether made in writing, by phone, or through a visit to a Council office or service centre. Regarding environmental policy, residents were asked to rate how informed they felt about the District Plan and potential outcomes for communities, as well as the incidence of applications for building or resource consents. Residents were also asked to rate their satisfaction with their most recent consent application experience, and inspection experience, with Council.

The section on Council communications and governance covered resident satisfaction with the ease of access to Council information services, being informed about Council and its activities, and awareness of local community boards. Key results, and Council's Key Performance targets (KPI), are given below.

Overall satisfaction with Council-provided services and facilities remains at 80 per cent with a significant increase in those who are 'very satisfied' (up 7pts to 14% in 2013). Residents who are 'very satisfied' overall are more likely to be 'very satisfied' with all individual services and facilities; with public libraries, access to beaches, refuse disposal, and recycling stations the greatest contributors. Conversely, residents who are 'not very satisfied' overall are more likely to be 'not very satisfied' with all individual services and facilities, with the roading network, storm water drainage, footpaths, and public toilets the greatest detractors.

Services

None of the service Key Performance targets were met in 2013. Significant declines in satisfaction, indicated with purple shading in the table below, are measured for urban storm water collection (storm water drainage), recycling station services, and refuse transfer station services.

The lowest level of satisfaction was measured for storm water drainage, a service that is urban-specific. The highest rating

is for recycling station services, with 65 per cent 'satisfied' or 'very satisfied' with the service, and user satisfaction on target.

Additional prompting around reasons behind resident rating identify access to services, availability within the community and on-going maintenance as the main drivers for satisfaction across services.

Table 1.1: Key Performance re: Council Services

| MEASURE | 2012 SATISFIED & VERY SATISFIED | 2013 SATISFIED & VERY SATISFIED | 2012/2013 KPI TARGET | KPI MET? |
|----------------------------------|---------------------------------|---------------------------------|---------------------------|----------|
| Roading network | 57% | 51% | 57% resident satisfaction | no |
| Footpaths | 58% | 53% | 58% resident satisfaction | no |
| Urban storm water collection | 56% | 38% | 64% resident satisfaction | no |
| Recycling station services | 78% | 65% | 83% resident satisfaction | no |
| | 86% | 84% user satisfaction | - | yes |
| Refuse transfer station services | 80% | 58% | 83% resident satisfaction | no |
| | 85% | 78% user satisfaction | - | no |

Facilities

Playgrounds exceed (80%) and cemeteries meet (80%) Key Performance targets for user satisfaction. Public libraries (90%) and parks and reserves (82%) remain on target despite significant declines in satisfaction amongst users in the last 12 months, indicated with purple shading in the table below. User satisfaction with public swimming pools has declined as well and fails to meet the Key Performance target.

All three residents' satisfaction ratings show significant decline compared to last year with the greatest being cemeteries (down 31pts to 46%), followed by coastal access (down 15pts to 64%), and cleanliness of public toilets (down 10pts to 50%). Similar to services, lack of maintenance, availability, and access to facilities are identified as key drivers to dissatisfaction.

Table 1.2: Key Performance re: Council Facilities

| MEASURE | 2012 SATISFIED & VERY SATISFIED | 2013 SATISFIED & VERY SATISFIED | 2012/2013 KPI TARGET | KPI MET? |
|-------------------------------|---------------------------------|---------------------------------|---------------------------|----------|
| Cemeteries | 77% | 46% | 62% resident satisfaction | no |
| | 87% | 80% | 80% resident satisfaction | yes |
| Parks and reserves | 92% | 82% | 75% resident satisfaction | yes |
| Playgrounds | 84% | 80% | 75% resident satisfaction | yes |
| Public swimming pools | 84% | 72% | 80% resident satisfaction | no |
| Coastal access | 79% | 64% | 76% resident satisfaction | no |
| Cleanliness of public toilets | 60% | 50% | 62% resident satisfaction | no |
| Public libraries | 96% | 90% | 85% resident satisfaction | yes |

Customer Services

Overall satisfaction with Council services at point of contact does not meet the Key Performance target and has declined since last year. Incidence of contact via telephone and visits to Council office or service centres are considerably lower than last year, as indicated through purple shading in the table below. Satisfaction levels remain on par for both these contact points, with results regarding written communication indicative only, given the small sample size. The main reasons for satisfaction with Council contact are based on a satisfactory outcome, with lack of action and poor service/incompetence causing dissatisfaction amongst residents.

Table 1.3: Key Performance re: Customer Services

| METHOD OF CONTACT | 2012 SATISFIED & VERY SATISFIED WITH CONTACT | 2012 INCIDENCE OF CONTACT | 2013 SATISFIED & VERY SATISFIED WITH CONTACT | 2012/2013 KPI TARGET | KPI MET? |
|--|--|---------------------------|--|----------------------|----------|
| Overall satisfaction when contacting Council | 77% | - | 72% | 75% | no |
| Telephone | 71% / 78% | 34% | 81% | Not specified | |
| Visit to a Council office or Service Centre | 92% | 51% | 83% | Not specified | |
| Written Communication | 82% | 14% | 63% | Not specified | |

Environmental Management

All Key Performance targets for Environmental Management were met or exceeded with 40% of residents feeling well informed or informed about the District Plan and its implications for their community; and 58% and 75% of applicants are satisfied or very satisfied with the application and inspection experience respectively.

Table 1.4: Key Performance re: Environmental Management

| MEASURE | 2012 SATISFIED & VERY SATISFIED | 2013 RESULT | 2012/2013 KPI TARGET | KPI MET? |
|--|---------------------------------|------------------------------|----------------------|----------|
| 'Being informed' about the District plan | 38% | 40% well informed / informed | 40% | yes |
| Most recent consent application experience | 66% | 58% well informed / informed | 50% | yes |
| Most recent inspection experience | 74% | 75% well informed / informed | Not specified | |

Council Communications and Governance

All Communication and Governance measures perform on par with last year but fail to meet the set Key Performance targets. Satisfaction with ease of access to Council information and services stems from experiencing no problems, but also polite and helpful service. Conversely, dissatisfaction is compounded by a lack of communication and information.

Table 1.5: Key Performance re: Communications and Governance

| MEASURE | 2012 RESULT | 2013 RESULT | 2012/2013 KPI TARGET | KPI MET? |
|--|-------------|-------------------------------------|----------------------|----------|
| 'Being informed' about the Council and it's activities | 54% | 50% well informed / informed | 60% | no |
| Ease of access to the Council information and services | 43% | 44% extremely satisfied / satisfied | 60% | no |
| Awareness of the local community boards | 43% | 49% awareness | 73% | no |

In terms of demographic differences, it should be noted that NZ Māori residents are more likely to feel not at all informed of the District plan and its implications for their community (21% c.f. the total, 13%); and more likely to feel uninformed about Council and its activities in general (31% not informed/not at all informed c.f. the total, 18%). NZ Māori are also more likely to be dissatisfied with the ease of access to Council information and services (20% c.f. the total, 11%).

Risk Management and Auditing

Audit and Finance Committee

The Audit and Finance Committee is in place to assist Council in the effective management of financial reporting, risk and internal controls. The committee meets on a monthly basis.

Its membership comprises of 5 elected members, Cllr Knight, Cllr McNally, Cllr Court, Cllr Baker and the Mayor, the Chief Executive Officer, General Manager Corporate Services, Financial Controller, and Manager Business Performance & IT, and General Managers.

During the year, the Audit and Finance Committee dealt with:

- 2013/14 Annual Budget.
- Current year financial reporting.
- Risk management.
- Outstanding debtors review.
- Council controlled organisation reporting and statement of intent.
- Monthly and quarterly performance reporting.
- Strategic risk reporting.
- Internal Audit programme.

Internal Audit Programme

The following reviews were undertaken during the year:

- Review of Development Contributions policies, processes and methods of payment and collections. Recommendations in place.
- Review of Road Assessment and Maintenance Management System with Roding Business Unit by Business Performance and IT Team.
- Far North District Council IT Infrastructure review by Eagle Technologies and review of IT security audit by Keon Securities
- Completion of drinking water annual assessor audit.

External Audit Programme

The following reviews were undertaken during the year:

- Council established a Rooding Business Unit twelve months ago and successfully received a clear audit by New Zealand Transport Agency.
- Resource Consents compliance audit completed by Northland Regional Council.

Insurance Audits

The following reviews were undertaken during the year:

- Insurable risk review – to ensure that Council maintains the correct balance in insurance cover versus risk.

Insurance

Council has a responsibility to the community to ensure that the nature and extent of our insurance cover is adequate.

Council has insurance policies that cover:

- Material Damage (excluding underground assets).
- Business Interruption.
- Motor vehicle.
- Trustee Liability.
- Statutory liability.
- Employers liability.
- Marine hull.
- Forestry.
- Crime.
- Public liability and indemnity.

These insurances are reviewed annually and adjusted accordingly, having consideration for the various associated risks, past history and the benefit of expert advice of Council's insurance brokers.

Council liaises regularly with its insurance brokers regarding changes in legislation, court decisions and industry best practice. Council manages public and property liability claims based on the framework and advice of its insurers. Regular contact is made with the insurance brokers to discuss claims and/or risk mitigation activities.

Risk Management

The Far North Risk Management Policy 2012/13, sets out Council's commitment to risk management. The policy is aligned to the risk management standard, AS/ISO31000 and sets key directions for further development of Council's risk management systems and processes during 2013/15. It is applicable to the management of all risks facing the organisation including; financial, reputation, Occupational Health and Safety, personnel and legislative.

Year 1 actions implemented during 2012/13 included:

- Implementation of a risk management software programme.
- Allocation of resource focusing on risk for the organisation.
- Development of a training and awareness programme.
- Quarterly meetings conducted with the General Managers and Managers.
- Updated risk management policy and operational framework communicated across the organisation.

Action plan for the next 12 months include:

- Review and develop frameworks, procedures and tools.
- Improve access of frameworks, procedures and tools for staff.
- Consideration of risk registers in organisation business planning.
- Improve consideration of risk across organisational processes including Council reports and business cases.

Risk categories

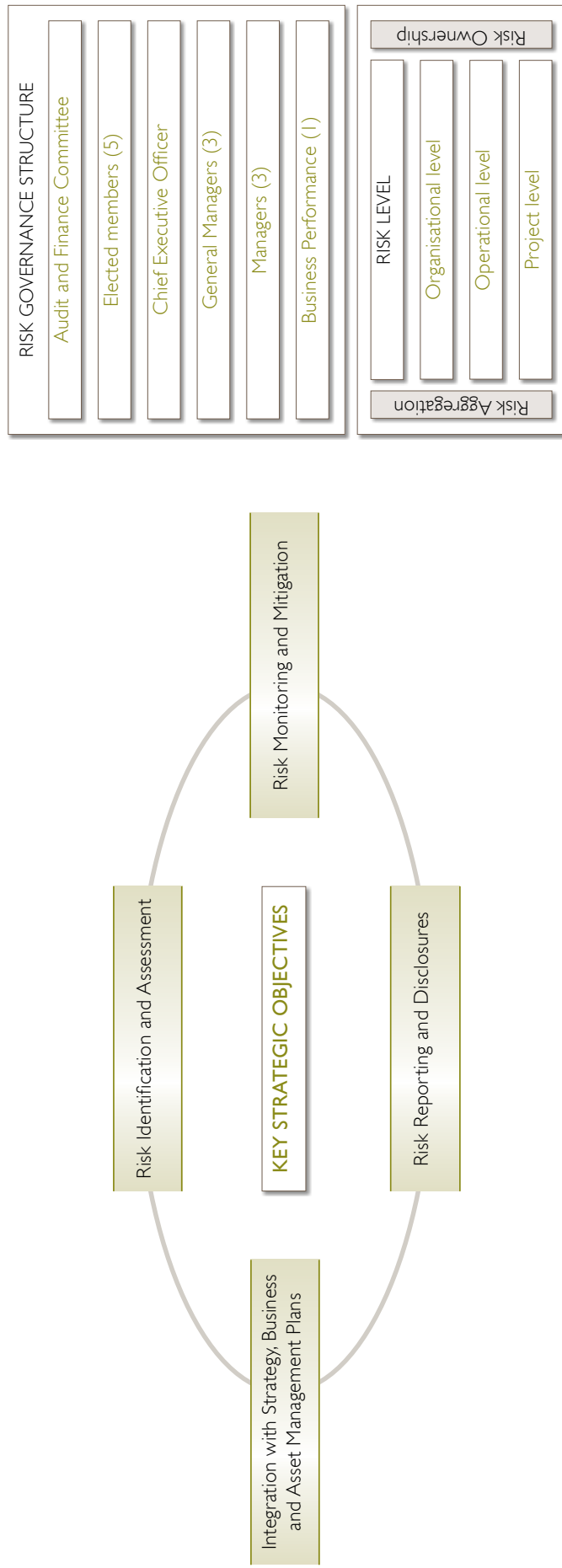
The following broad categories of risks to the organisation have been considered in our risk management framework:

Strategy: Strategic risks are those risks at an organisation level.

Operational: Operational risks are those risks at an operational level.

Projects: Project risk assessments provide the capability of identifying risks linked to Actions/projects.

Key components of Far North District Council risk management framework



Management of the activity risks identified as extreme/high ratings from the LTP 2012/13
 Council reports on the management of risk to the Audit and Finance Committee. The table below is the final report for the 2012/13 Financial Year:

| CONTRACTS (SEWERAGE TREATMENT GROUP) – INFRASTRUCTURE AND ASSET MANAGEMENT | | | | | | | |
|--|--|--------------------|--------------------------|----------------|--|--------------------------|--|
| ACTIVITY | Risk | Consequence rating | Likelihood of occurrence | Current rating | Current controls | Ratings after mitigation | Future Treatments |
| | Contamination caused by sewage overflows from pipe breaks or network flooding. | 4 | 4 | High | Review complaints, identify priority areas if able, and programme suitable response. Utilise closed-circuit television (CCTV) inspection to identify cross connection and other issues. | High | Core key performance indicator of current contract in place to achieve rapid response and repair. Utilising CCTV inspection is undertaken on a case by case basis but this is an operational cost and will impact on an already tight operational budget |
| | Blue green algae outbreak on treatment plant ponds leading to non compliance and/or health risk to downstream users | 5 | 4 | Extreme | Extensive sampling and monitoring programme in place. Management procedures for communication with downstream users. Contact lists are established. | High | Council has introduced in the past two years floating wetlands to the Kaitaia ponds in the past two years where algae has been a problem in the past. The presence of high algae levels has reduced in this pond system |
| | The planned expansion of the Bay of Islands reticulated wastewater scheme fails to keep to budget or delivers a system that does not meet original requirements. | 5 | 3 | High | Ensure there is affordability attached to any proposal and that all project risks are identified. Follow correct consultation process and all tenders are inline with procurement policy. Currently preparing proposal for inclusion in Annual Plan 2014/15. | Medium | Project to identify and mitigate all high/likely risks. |
| | Contamination caused by sewer overflows from pump station failures | 4 | 4 | High | Replace failing infrastructure. Planned maintenance based on criticality of asset and risk of failure are now implemented. | High | Council has established preventive maintenance programmes and renewals programmes. Renewals and projects are prioritised with the contractor and asset management team. |

ACTIVITY NEW WORKS AND ASSET MANAGEMENT (ROADING AND FOOTPATHS GROUP) – INFRASTRUCTURE AND ASSET MANAGEMENT

| Risk | Consequence rating | Likelihood of occurrence | Current rating | Current controls | Ratings after mitigation | Future Treatments |
|--|--------------------|--------------------------|----------------|--|--------------------------|--|
| Worksite control – road construction materials left on road shoulder causing contamination or potential vehicle drift from loose chips, inadequate signage, etc. | 4 | 4 | Extreme | Control construction methods, audit sites and ensure compliance with contractor quality plans. Impose penalties for non compliance. Ensure appropriate training and certification. | High | Contractors are required to submit methodology as part of the Contract Quality Plan with their tender submission then revise to be site specific following award of contract. Council engineers carry out spot checks and audit works during the contract period and following completion of contract. |
| Poor knowledge of bridge stock – number, condition and load capacity unknown for some bridges/structures. | 5 | 4 | Extreme | The introduction of a new bridge engineer to Councils infrastructure team has strengthened management of this asset category and there is now a structured programme of work being executed that will give council detailed knowledge of its bridge stock. | High | The current bridge upgrade and renewal programme is based on the most recent detailed investigations. Council's renewal programme will include replacing 7 bridges in 2013/14. |
| Lack of posting – overloading of bridge/structure causing collapse. | 5 | 4 | Extreme | Review load postings annually.Undertake network inspections to identify lack of signage Continue to review current capacity of bridges. | High | Inspections of previously posted bridges and suspect bridges are undertaken annually before declaring and advertising bridge restrictions. Road maintenance contractors and area engineers are tasked with ensuring appropriate signage is in place. |
| Inadequate Asset Management Systems for District Facilities leads to essential maintenance not being carried out resulting in injury to member of public. | 5 | 4 | Extreme | Manual Systems identify when problems occur with assets and maintenance is scheduled accordingly. | High | Council has advanced a deliberate programme of strengthening the asset management team by adding three professional staff to this team covering the disciplines of structures, buildings and marine and water and wastewater. |
| Dust pollution caused by heavy trucks is affecting some Far North communities, leading to negative publicity and/or direct community action. | 4 | 4 | High | Liaison with affected communities. Traffic Control signage. | High | Working with forestry contractors to treat high volume roads during the summer months with dust suppressants. |

| NEW WORKS AND ASSET MANAGEMENT (STORMWATER DRAINAGE GROUP) – INFRASTRUCTURE AND ASSET MANAGEMENT | | | | | | |
|--|---|--------------------|--------------------------|----------------|--|---|
| ACTIVITY | Risk | Consequence rating | Likelihood of occurrence | Current rating | Current controls | Ratings after mitigation |
| | | 5 | 4 | High | Robust Civil Defence procedures. Modelling of Council infrastructure (in particular stormwater systems takes account of projected Annual Rainfall Returns. Consenting (both building and planning) process uses latest hazard data when processing applications. | High |
| | Global Natural Hazards - Climate Change leading to increased intensity, frequency and duration of rainfall, rise in sea levels, Tsunami. | | | | | Participating in a new storm modelling research programme lead by Northland Regional Council to ensure Northland has current data to guide its forward works programmes. |
| | Lack of reticulated network in existing areas – flooding, ponding, downstream effects. | 4 | 4 | High | Identification through Asset/Stormwater Management Plans. Prioritised funding. Public consultation. Complaints and Requests for Services. | High |
| | | | | | | Evaluation spreadsheet within the Stormwater Management Plans developed based on modelling works to determined future works based on capacity of the system, risk hierarchy, location, overland flowpath availability, growth etc. Currently this work is not being investigated due to staff time constraints. |
| CONTRACTS (WASTE MANAGEMENT GROUP) – INFRASTRUCTURE AND ASSET MANAGEMENT | | | | | | |
| | Public health risk at landfills and Refuse Transfer Stations. | 5 | 3 | High | Continually review site specific Health and Safety procedures. | High |
| | | | | | | Refuse Transfer Station contractors are required to carry out Health and Safety audits every 2 months as a condition of contract. Landfills and Refuse Transfer Station site operators check conditions daily. Council requires contract staff on landfills and Refuse Transfer Station sites to be current Site Safe card holders. |
| ENVIRONMENTAL MANAGEMENT GROUP - RESOURCE CONSENT MANAGEMENT | | | | | | |
| | Rising costs of the service may deter compliance if people feel that the risk of not complying is equivalent to the cost of complying. | 4 | 3 | High | Continue to focus on cost containment and process efficiencies to reduce the need for fee increases. | Moderate |
| | | | | | | Some costs are beyond the control of the Council. An example is additional legislative requirements imposed by Central Government, which then impose a direct cost on applicants. Council's consents processing will continue to identify process improvements aimed at further simplifying and streamlining consents processing. |
| | Introduction of National Online Consenting System (initially for Building Consents) raises possibility that Council will not be ready to use/offer the service. | 4 | 4 | High | Undertake an assessment on the impact on Council processes and systems. | Medium |
| | Creation of a Unitary Authority for Northland or the Far North will radically change Councils Resource Management Act responsibilities | 4 | 5 | High | Will require restructuring of Planning Process, and changes to the District Plan. Re-skilling and re-organisation of staff. | Medium |
| | | | | | | Government has indicated it expects larger cities (in particular Auckland) to be early adopters of the system. Council will be able to learn from these Councils experiences. Formulate Plan to accommodate changes. |

| REVENUE AND COLLECTION - CORPORATE SERVICES | | | | | | |
|--|--------------------|--------------------------|----------------|--|--------------------------|--|
| ACTIVITY | Consequence rating | Likelihood of occurrence | Current rating | Current controls | Ratings after mitigation | Future Treatments |
| Risk Non collection of rates for Māori Freehold Land (MFL) | 5 | 4 | Extreme | Budget for remission and statute barred annually. Recovery of MFL rates continues to be a focus of the debt management team. | High | Recovery processes as outlined in Local Government Act 2002 and Te Ture Whenua Māori Act 1993. Court appointee. Judgement, Charging order and enforcement through the Māori Land Court. |
| Last Year 30% of Capital Works were deferred to future years. | 4 | 5 | High | Progress will be reported after the September accounts have been collated. Strategic Planning of Capital Works programme. | Medium | A change to accounting reporting identified budget from depreciation that was available to spend, however assessment of the actual need lead to deferring or cancelling some projects as not required at the present time. More detailed planning for the Annual Plan 2014/15 addressed a prioritised list of projects requiring attention. This will reduce reporting the number of non-started projects. As the Council's Asset Management System develops forward planning of work will become more refined and accurate. |
| INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) - BUSINESS PERFORMANCE AND IT | | | | | | |
| Business Continuity – As FNDC does not have a business continuity plan then in an event Information and communications technology (ICT) will not be able to deliver core ICT services as required during an event and then during the recovery from the event. | 5 | 4 | High | Data is backed up to tape and sent offsite. In the event of a disaster then new systems procured and the IT environment recreated. | Medium | Council is currently investigating outsourcing ICT infrastructure, which has the potential to include IT Business Continuity. Ultimately whatever solution is implemented will need to be tested to be sure the risk has been adequately mitigated. |
| Growth of demand for storage and processing speed requires urgent implementation of additional storage which is unplanned. | 4 | 4 | High | Avoidance | High | Identification of test environments and archive environments that do not require to be backed up on a daily basis. Commencement of scanned information management practices to identify duplication of images. |

Roading and Footpaths Group



100

The roading and footpaths group is the first of the mandatory groups. It is made up of 2 activities which have been split into separate subgroups to show their different funding arrangements.

Activity: Roding

Council maintains and manages the local roading network including roads, street lighting, and signage.

Council's vision is to provide an effective and sustainable road network that supports community strength and wellbeing.

The road network is a vital part of the district that enables safe and comfortable access for employment, personal/social activities and recreation, and the movement of goods and services. The transport network is essential to the functioning of the district's economy, benefiting residents and the district as a whole. Maintaining and improving roads are regarded as two of the core functions of Council.

Key facts

Council operates and maintains a network of some 2,542 km which includes:

- 887 km of sealed roads.
- 1,665 km of unsealed roads.
- 714 bridges and large culverts.
- 1,632 streetlights.
- 628 minor structures (retaining and sea walls).

Council also:

- Operates 1 vehicular ferry, 'Kohu Ra Tuarua', on the Hokianga Harbour.
- Owns 7 inactive quarries.
- Receives an average of 260 Request for Service each month regarding the road network.



Our major achievements in 2012/13

Highlights of our progress during 2012/13 include:

- The Roding Business Unit was established 12 months ago and during the year had to establish a full administration operating system, a new accounting system, a new field operations system, developed relationships with new contractors operating in areas that were different, complete difficult legacy projects, helped contractors to understand a new performance based contract system and developed a monthly auditing system to support the performance based focus, respond to the substantial increase in logging related road movements and the resulting damage.
- Developed the Road Assessment and Maintenance Management System to a full electronic network integrated communications system.
- Cycle Trail work progressed on the three remaining sections of the cycleway. Actively growing engagement of Iwi with the Utakura Incorporation working with Council to provide access across working forestry land to ensure the Cycleway can get through to Horeke off road. The scenic views for cyclists on this leg of the trail will be outstanding. Ngati Hine is also revisiting their position to provide access through their forestry land to bypass the poor and largely uninteresting areas along Ngapipito Road. Work is progressing on bridge and track construction and clearing the track on multiple sections as part of an intensive effort to have the trail complete before the current tourist season.
- Significant progress has been made towards developing modern communication equipment linking the road maintenance contract teams into one central road asset management database managed by Council, using a cloud computing structure.
- Implemented a complete restructure of the long established street lighting programme introducing long life, energy efficient and a higher standard of lighting to the district. The change restructured the relationship with Top Energy, reduced margins, reduced the number of crews being charged to Council from 3 to 1, while progressively replaced all the lights at the ends of the network with long life light-emitting diode (LED) technology, effectively commencing a cost saving for Council of more than \$600,000 over 20 years. Council took over the lighting registry from Top Energy and with a diligent programme of data cleansing removed 285 lights which we were being charged for, that either did not exist or were owned by others.
- Achieved a clean audit with New Zealand Transport Agency (NZTA).
- Completed a comprehensive audit of contractor performance against the level of service required in the contracts.
- A new method of working with the forestry sector was developed during the year with a wider level of information exchange and cost consequences explored, and with the developed forestry companies a shared expense environment approach has been developed. Formative work has been completed on the network using a ground-penetrating radar survey of some of the key forestry corridor roads with this indicating in most cases they are not fit for purpose and will require long term development to support the industry. A user pays method has been identified using electronic road user charging which is currently under development.

Challenges we experienced

- In September 2012 extensive damage was caused to the road network due to slips and slumping of roads and the high rate of damage caused by the continued logging activity through the winter months. Monitoring activity has shown that heavy vehicle traffic has increased by 50% this year on some roads with this traffic increase evident in the failure of the pavement.
- The Roding Business Unit team have succeeded despite many challenges facing them. The team has been handicapped by poorly performing data capture units that are now being replaced as they were not able to support the geographic information system requirements needed in the North due to the wide geography of the district. Despite these issues the team

- brought the budget in on target and the majority of planned works were achieved. Strengthening the team is a priority to ensure the gaps identified by management and NZTA are addressed.
- Three bridge replacement projects were not completed by June 2013 due to consultant and resource consent issues. Work to finalise the outstanding three 2012/13 bridges is expected to be completed in 2013/14.
- Road network reseals funds were regrettably reduced this year to provide funds for urgent repairs (metalling of damaged forestry roads).

Plans for the next 12 months

Capital Projects

- Continuing to work with NZTA towards upgrading the intersection of State Highway 10 (Waipapa Road/ Waipapa Loop Road) to a roundabout and at the same time complete the link road between Kahikatearoa Road and Waipapa Loop Road (Klinac Lane).

Maintenance and Renewal

- Carrying out a minimum of 1% (approximately 8.5 km) of sealed road pavement rehabilitation (with associated improvements where applicable)*.
- Carrying out a minimum of 8% (approximately 70 km) of reseals.
- Maintaining and improving Tau Henare Drive, which is on Waitangi National Trust land.
- Carrying out replacement of the structural components on the following bridges:
 - Blue Gorge Road E87 (Peria).
 - Churtons Road C13 (Kaingaroa).
 - Waikuku Road R07 (Waimate North).
 - Hapanga Road L11 (Horeke).
 - Tawata Road N03 (Waimatenui).
 - Runaruna Road (Hokianga).
 - West Coast Road (North Hokianga).
 - Browns Road (Kaikohe).

Safety Improvements

- Completing a minimum of 20 minor safety improvements on the network targeted at reducing the number of crashes and severity of loss of control on bends.
- Maximising the amount of funding assistance for the Far North from the National Land Transport Fund.
- Supporting, subject to affordability, sealing projects where an element of local community contribution is available, and where the proposed project is in line with relevant Council policy.

Promoting Safer Driving

- Pursuing community programmes to raise awareness and educate communities about high risk issues such as drink driving, crashes on bends, speed, child restraint compliancy, and fatigue, in association with the New Zealand Transport Agency.

Ferry

- Continuing to operate Council's ferry, Kohu Ra Tuarua, 7 days a week, 365 days a year.
- Continue to annually review fares to reduce operating losses and to meet unavoidable cost increases.

Pou Herenga Tai - Twin Coast Cycle Trail

- Stage 2 - Kaikohe to Kawakawa (22 km).
- Stage 3 - Okaihau to Horeke (25 km).
- Stage 4 - Kawakawa to Opua (11 km - Kawakawa Vintage Rail).

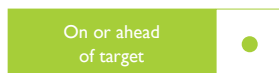
FNDC and New Zealand Transport Authority (NZTA) – Shared Services

- Develop a shared service approach with a Road Assessment and Maintenance Management System (RAMMS) use, potential adoption of Council road hierarchy in region, and common contracting approach.

* (For further information please refer to the Annual Plan 2013/14 "How is this plan different to year two of the Long-Term Plan" on page 22)

How we performed against the first year of the Long-Term Plan (LTP) 2012/22

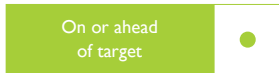
The tables below reflect the progress of our key work during 2012/13. Each action/project is linked to the strategic objectives and priorities set in the LTP. The progress at the end of the financial year against each action/project has been represented by:



Strategic Objective:
Investment in new infrastructure as and when affordable.

| 2012/13 Action/project | Background | Progress |
|--|--|----------|
| PRIORITY 1: Carry out improvements to the network to meet current and future traffic demands and encourage appropriate land use development in areas of population growth | | |
| Link road between Kahikatearoa Road and Waipapa Loop Road | Completing investigations and negotiations with NZTA as planning for the link road between Kahikatearoa Road and Waipapa Loop Road (Klinac Lane) to alleviate pressure from the State Highway intersection | ● |
| Progress comments: Deferred until NZTA has completed the roundabout. The land purchased in preparation for this new road is now clear of buildings and is ready for construction once the roundabout is constructed. | | |
| Upgrading the intersection of State Highway 10 | Continuing to work with NZTA towards upgrading the intersection of State Highway 10 (Waipapa Road/Waipapa Loop Road) to a roundabout | ● |
| Progress comments: Deferred until NZTA has completed the roundabout. Note this is a state highway / NZTA project. Continue to work with NZTA towards upgrading the intersection of State Highway 10/Waipapa Road/Waipapa Loop Road to a roundabout. Additional information on traffic flows in the area provided to NZTA recently to try to bolster the case for funding. Roundabout not yet on NZTA's priority list for funding. | | |

| 2012/13 Action/project | Background | Progress |
|---|---|----------|
| PRIORITY 2: Maintain and renew all road assets to provide a level of service that is affordable and meets community expectations. | | |
| Bridges | Carry out replacement of the structural components of other bridges on an as required basis, in accordance with current known priorities, during the term of the Long-Term Plan | ● |
| Progress comments: Bridge replacements at Runaruna Road, Hokianga, Browns Road, Kaikohe and West Coast Road, Hokianga were not completed by June 2013 due to consultant and resource consent issues. | | |
| Sealed road pavement rehabilitation completed | Carrying out a minimum of 1.3% (approximately 11 km) of sealed road pavement rehabilitation | ● |
| Reseals completed | Carrying out a minimum of 9% (approximately 80 km) of reseals per annum | ● |
| Progress comments: 60 km (6%) of the network has been resealed. Programme of work reduced this year to provide funds for other priorities (metalling of damaged forestry roads). | | |
| Rehabilitation of approx. 240m length of Tau Henare Drive completed | Maintaining and improving Tau Henare Drive, which is on Waitangi National Trust land | ● |



| | | |
|-------------------------------------|--|---|
| Rawene Road Slip Repair completed | Significant upgrade to Rawene Road caused by land movement | ● |
| Blacks Road, Kerikeri completed | Community Partnership Sealing | ● |
| Orangewood Lane, Kerikeri completed | Community Partnership Sealing | ● |

| 2012/13 Action/project | Background | Progress |
|--|--|----------|
| PRIORITY 3: Reduce the number of fatal and serious injury crashes, especially those where road factors, alcohol and excessive speed are contributory factors. | | |
| Minor safety improvements | Completing a minimum of 20 minor safety improvements on the network each year targeted at reducing the number of crashes and severity of loss of control on bends the most | ● |
| Progress comments: The physical works have commenced, supported by a request for carryover of budget from NZTA. | | |

| 2012/13 Action/project | Background | Progress |
|---|---|----------|
| PRIORITY 4: Achieve value for ratepayers. | | |
| Ferry <small>* This is for maintenance and operation of the ferry. The project to undertake major refurbishment of the ferry is not included</small> | Continuing to operate the Council's ferry, Kohu Ra Tuarua, 7 days a week, 365 days a year and reviewing fares to reduce operating losses and to meet unavoidable cost increases | ● |
| Progress comments: One days' shutdown due to extreme weather; no significant breakdowns to the ferry service in 2012/13. | | |

| | | |
|---|--|---|
| NZTA funding applications subsidy for 2012/15 completed | Maximising the amount of funding assistance for the Far North District from the National Land Transport Fund and other sources as may become available | ● |
|---|--|---|

| 2012/13 Action/project | Background | Progress |
|--|--|----------|
| PRIORITY 5: Improve Road Safety. | | |
| Safer Journeys compliance | Identifying and coordinating for safer journeys (safe roads and roadsides, safe speeds, safe vehicles, safe road use) interventions with Police, NZTA, Roadsafe Northland and community groups | ● |
| Progress comments: Several staff attended NZTA training to achieve compliance requirements in March 2013. Update of deficiency database has been undertaken. Additional works in process of being identified and populated. | | |

Community Outcome: A Safe and Healthy District

About this Outcome: Develop and maintain a safe and affordable transport network to enable access to, from and within the district.

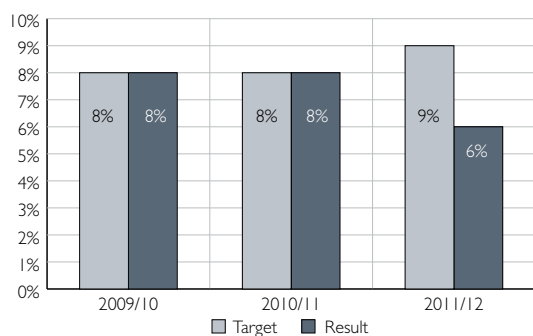
Actual achievements against the Key Performance Indicators (KPI) and targets that the Council uses to monitor levels of service are detailed below:

| KPI: The ferry service will run in accordance with the advertised timetable | LTP Target | Result 2012/13 |
|--|------------|----------------|
| ACHIEVED: No service related delays or disruptions. Contractors performing satisfactorily. | 95% | 99% |
| * This KPI above is new in the LTP 2012/13. Unable to provide a three year view of performance. | | |

| KPI: Roads are accessible all year round or access restored within response times | LTP target | Result 2012/13 |
|--|------------|----------------|
| NOT ACHIEVED: Maintenance contractors performing services satisfactorily due to long periods of dry weather in 2012/13. However, five road closure incidences occurred during the year due to damage from logging trucks and wet weather. | 100% | 99% |
| * KPI above is new in the LTP 2012/13. Unable to provide a three year view of performance. | | |

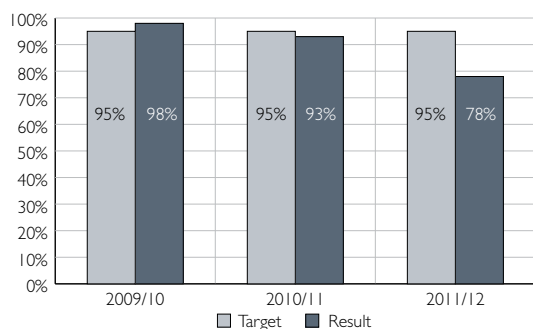
| KPI: At least 9% (approximately 80 km) of the network is resealed per year (subject to NZTA confirmation of funds available) | LTP Target | Result 2012/13 |
|---|------------|----------------|
| NOT ACHIEVED: 60 km of the network has been resealed. Reduced this year to provide funds for other priorities (metalling of damaged forestry roads). | 9% | 6% |

Graph shown below details a three year view of performance:



| KPI: Percentage of requests for service (RFS) responded to in set time for the road network | LTP Target | Result 2012/13 |
|---|------------|----------------|
| NOT ACHIEVED: Roving RFS dominated statistics as anticipated during winter months. Streetlight RFS statistics slipped as contractor demand rose while new LED streetlight installations' progressed. | 95% | 76% |

Graph shown below details a three year view of performance:

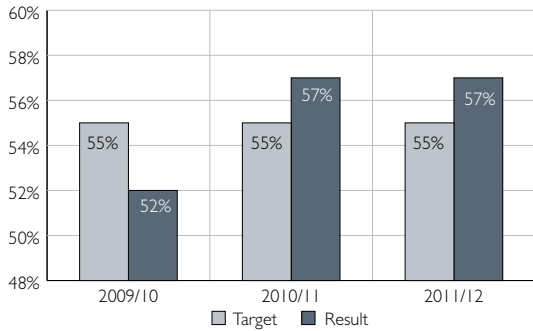


| KPI: Percentage satisfied with the roading network | LTP Target | Result 2012/13 |
|--|------------|----------------|
|--|------------|----------------|

NOT ACHIEVED: Hokianga, Kaitaia, Kerikeri, Towai and Waipapa roads raised the greatest concerns, with complaints ranging across traffic, potholes, maintenance and safety issues. However, the other half of residents surveyed indicated that the road conditions are fine or adequate, with some mention of the roads being well maintained and allowing travel to 'where you want to go'.

57% 51%

Graph shown below details a three year view of performance:

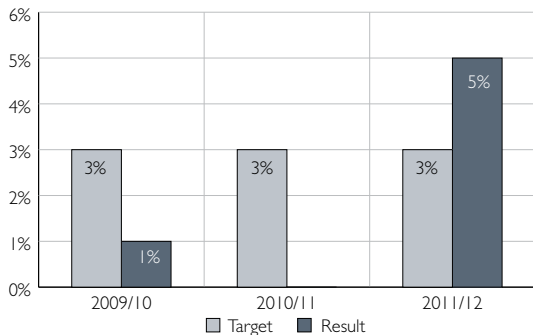


| KPI: At least 3 bridge renewals/upgrades under taken per year | LTP Target | Result 2012/13 |
|---|------------|----------------|
|---|------------|----------------|

NOT ACHIEVED: Bridge replacements at Runaruna Road, Hokianga, Browns Road, Kaikohe and West Coast Road, Hokianga were not completed by June 2013 due to consultant and resource consent issues.

3 0

Graph shown below details a three year view of performance:

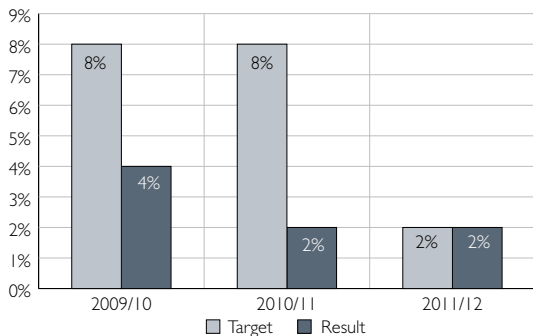


| KPI: To reduce the number of fatal crashes per year where the Council roads is the contributing factor | LTP Target | Result 2012/13 |
|--|------------|----------------|
|--|------------|----------------|

ACHIEVED: There is no one reason for the reduction and is a result of a number of variations.

<2 0

Graph shown below details a three year view of performance:



KPI: To reduce the number of serious crashes per year where the Council roads is the contributing factor

LTP Target

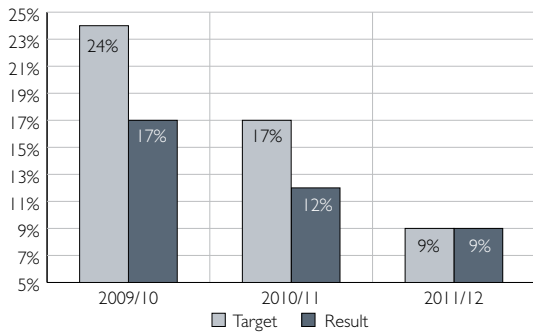
Result 2012/13

ACHIEVED: There is no one reason for the reduction and is a result of a number of variations.

<12

1

Graph shown below details a three year view of performance:



Roading and Footpaths Group



108

Activity: Footpaths

Council's vision is to provide an effective and sustainable footpath network that supports community strength and wellbeing.

Council monitors the need for footpaths and, where affordable, builds new ones. In prioritising where to build new footpaths, Council takes into account:

- The location (e.g. areas close to hospitals and schools have higher priority).
- The traffic density in the area.
- Whether the berm is suitable for pedestrians without a formed footpath.

The community, especially children and the aged, need safe routes to use as they move to and from places in their community.

Key facts

Council operates and maintains a footpath network of some 184.6 km which includes:

- Concrete – 180.1 km.
- Metal Tracks – 2.2 km.
- Timber – 2.3 km.

Our major achievements in 2012/13

Highlights of our progress during 2012/13 include:

- New footpath works completed.
- Renewal footpath works completed.
- Efforts to remove chewing gum from footpaths on Kaikohe main street.

Challenges we experienced

- Subdivision has been slow over the 2012/13 year, particularly in the urban areas where footpaths are likely to be required.

** (The full schedule of footpath renewals can be found in the Transportation Asset Management Plan, Table 126, available on Council's website).*

Plans for the next 12 months

Maintenance and Renewal

- Carrying out 3,000 m² of footpath renewals across the district.*
- Carrying out regular maintenance of existing footpaths across the network.

How we performed against the first year of the Long-Term Plan (LTP) 2012/22

The tables below reflect the progress of our key work during 2012/13. Each action/project is linked to the strategic objectives and priorities set in the LTP. The progress at the end of the financial year against each action/project has been represented by:



Strategic Objective:
Investment in new infrastructure as and when affordable.

| 2012/13 Action/project | Background | Progress |
|---|------------|----------|
| PRIORITY I: Maintain and renew footpath assets to provide a level of service that is affordable and meets community expectations by: | | |

MAINTAINING AND RENEWING EXISTING FOOTPATHS.

| | | |
|-----------|--|---|
| Footpaths | Maintain an effective, sustainable and integrated footpath network | ● |
|-----------|--|---|

Progress comments:

New footpath works completed, area in square meters:

- SH12 Signal Station Road to Omapere 4 Square – 600 m².
- Kaka Street Ahipara to 90 Mile Beach entry – 285 m².
- Awaroa Road Kaitaia Herekino School to stockyards – 240 m².
- Omaunu Road, Kaeo – 837 m².
- Old Wharf Road, Haruru Falls – 60 m².

Renewal footpath works completed and area in square meters:

- SH 12 Opononi Seaward side opposite Opononi Motor Camp – 75 m².
- Parnell Street, Rawene outside former Ferryman Restaurant – 81 m².
- Gillies Street, Kawakawa outside Star Hotel – 37 m².
- Marsden Road, Paihia – 424 m².
- Awaroa Road, Kaitaia – 64 m².
- Commercial Street, Kawakawa – 135 m².
- Tohitapu Road, Paihia – 75 m².
- State Highway 1, Moerewa – 85 m².
- Raymond Street, Kawakawa – 20 m².
- Paihia Road, Te Haumi – 120 m².
- Matthews Avenue, Kaitaia – 63 m².
- Brodie Passage, Russell – 120.5 m².

ENSURE DEVELOPERS INCLUDE A FOOTPATH ON AT LEAST ONE SIDE OF THE ROAD IN EACH NEW SUBDIVISION.

| | | |
|-------------------------------|---|---|
| Footpaths for new development | Ensure developers include a footpath on at least one side of the road in each new subdivision | ● |
|-------------------------------|---|---|

Progress comments: Subdivision has been slow over the 2012/13 year, particularly in the urban areas where footpaths are likely to be required. The 100% result relates to the fact that where footpaths are required, according to the Council Standards, they have been.

Community Outcome: A Safe and Healthy District

About this Outcome: All footpaths are safe and functional.

Actual achievements against the Key Performance Indicators (KPI) and targets that the Council uses to monitor levels of service are detailed below:

| KPI: Percentage satisfied with footpaths | LTP Target | Result 2012/13 | | | | | | | | | | | | |
|---|------------|----------------|------|--------|--------|---------|-----|-----|---------|-----|-----|---------|-----|-----|
| NOT ACHIEVED: A general satisfaction with footpaths being fairly good, ease of access and are maintained with a tidy appearance. However; a proportion of residents indicated that some footpaths have uneven surfaces, being rough and cracked and that there is a need to make more footpaths available. | 58% | 53% | | | | | | | | | | | | |
| Graph shown below details a three year view of performance: | | | | | | | | | | | | | | |
| <table border="1"> <caption>Percentage satisfied with footpaths (2009/10 - 2011/12)</caption> <thead> <tr> <th>Year</th> <th>Target</th> <th>Result</th> </tr> </thead> <tbody> <tr> <td>2009/10</td> <td>70%</td> <td>63%</td> </tr> <tr> <td>2010/11</td> <td>70%</td> <td>55%</td> </tr> <tr> <td>2011/12</td> <td>70%</td> <td>58%</td> </tr> </tbody> </table> | | | Year | Target | Result | 2009/10 | 70% | 63% | 2010/11 | 70% | 55% | 2011/12 | 70% | 58% |
| Year | Target | Result | | | | | | | | | | | | |
| 2009/10 | 70% | 63% | | | | | | | | | | | | |
| 2010/11 | 70% | 55% | | | | | | | | | | | | |
| 2011/12 | 70% | 58% | | | | | | | | | | | | |

| KPI: Renew footpath network | LTP Target | Result 2012/13 | | | | | | | | | | | | |
|--|------------|----------------|------|--------|--------|---------|---|-----|---------|---|-----|---------|---|-------|
| NOT ACHIEVED: The target is an estimate and based on past activity, whereas the actual outputs for 2012/13 were subject to financial programming from the fixed asset register; and site specific needs assessment to optimise expenditure. In future this KPI will be reviewed to reflect real levels of service expectations rather than arbitrary distance measurements. | 3 km | 2.013 km | | | | | | | | | | | | |
| Graph shown below details a three year view of performance: | | | | | | | | | | | | | | |
| <table border="1"> <caption>Footpath network renewal (2009/10 - 2011/12)</caption> <thead> <tr> <th>Year</th> <th>Target</th> <th>Result</th> </tr> </thead> <tbody> <tr> <td>2009/10</td> <td>2</td> <td>2.4</td> </tr> <tr> <td>2010/11</td> <td>2</td> <td>1.2</td> </tr> <tr> <td>2011/12</td> <td>2</td> <td>0.790</td> </tr> </tbody> </table> | | | Year | Target | Result | 2009/10 | 2 | 2.4 | 2010/11 | 2 | 1.2 | 2011/12 | 2 | 0.790 |
| Year | Target | Result | | | | | | | | | | | | |
| 2009/10 | 2 | 2.4 | | | | | | | | | | | | |
| 2010/11 | 2 | 1.2 | | | | | | | | | | | | |
| 2011/12 | 2 | 0.790 | | | | | | | | | | | | |

Financial Information Roads and Footpaths

FINANCIAL SUMMARY FOR THE YEAR ENDED 30 JUNE 2013

| | NOTE | ACTUAL 2013 \$000s | COUNCIL BUDGET 2013 \$000s | VARIANCE \$000s |
|--|------|--------------------------|-------------------------------------|--------------------|
| Income | | | | |
| Rates income (excluding targeted water supply rates) | 1 | 15,904 | 15,583 | 321 |
| Fees, charges & targeted water supply rates | 2 | 685 | 792 | (107) |
| Development & financial contributions | 3 | 110 | 0 | 110 |
| Subsidies & grants | 4 | 14,998 | 15,383 | (385) |
| Other income | 5 | 2,256 | 624 | 1,632 |
| Total operating income | | 33,953 | 32,383 | 1,570 |
| Expenditure | | | | |
| Direct costs | 6 | 12,468 | 13,585 | 1,117 |
| Indirect costs | 7 | 660 | 883 | 223 |
| Activity expenditure | | 13,128 | 14,468 | 1,340 |
| Depreciation | 8 | 15,855 | 14,549 | (1,306) |
| Interest payable | | 673 | 961 | 287 |
| Total operating expenditure | | 29,656 | 29,977 | 321 |
| Net operating surplus/(deficit) | | 4,297 | 2,405 | 1,892 |
| Capital statement | | | | |
| Net operating surplus | | 4,297 | 2,405 | 1,892 |
| Loans | | 911 | 2,943 | (2,032) |
| Other funding | | 13,809 | 14,462 | (653) |
| Total funding | | 19,017 | 19,811 | (794) |
| New work | 9 | 6,287 | 6,406 | 119 |
| Renewal works | 9 | 12,095 | 12,795 | 700 |
| Loan repayments | | 767 | 610 | (157) |
| Total capital expenditure | | 19,149 | 19,811 | 662 |
| NET SURPLUS/(DEFICIT) | | (132) | 0 | (132) |

NOTE:

A favourable variance is shown as a positive number and an unfavourable variance is shown as a negative number.

The direct and indirect budgets shown in the table do not individually agree to those published in the LTP due to a difference in allocation. The total activity expenditure, however, does agree to the total published in the LTP.

VARIANCE TO THE LONG TERM PLAN 2012/13

1. Rates income is showing a favourable variance of \$321k predominantly due to:
 - a. An increase in penalty rate income of \$1,122k; and
 - b. General rates are showing an unfavourable variance of \$808k.
2. Fees and charges are showing a unfavourable variance of \$107k predominantly due to:
 - a. A shortfall in fees associated with the ferry of \$80k;
 - b. A shortfall in rent income of \$23k.
3. Development and financial contributions are showing a favourable variance due to:
 - a. Ratepayer contributions to seal extensions of \$77k were received and were not budgeted in the LTP;
 - b. Development contribution income of \$34k was received.
4. Subsidies and grants are showing an unfavourable variance of \$385k largely due to variations in work on the Cycleway. Milestones are under review and work will continue in 2013/14.

5. Other income is showing a favourable variance of \$1,632k predominantly due to the receipt of vested assets which are not budgeted in the LTP.
6. Direct costs are showing a favourable variance of \$1,117k predominantly due to:
 - a. Expenditure on contractor & professional fees are below budget by \$1,445k;
 - b. Loss on disposal on property, plant & equipment of \$164k;
 - c. Gain on valuation of roading assets \$813k, offset against a prior loss for footpaths;
 - d. Bad debt provisions exceeded budget by \$1,013k due to increased penalty charges.
7. Indirect costs are under budget \$223k due to a decrease in corporate allocations.
8. Depreciation is showing an unfavourable variance of \$1,306k.
9. Capital expenditure is showing a favourable variance of \$819k predominantly due to a reduced roading programme

KEY CAPITAL PROJECTS

FOR THE YEAR ENDED 30 JUNE 2013

| | ACTUAL 2013 \$000s | COUNCIL BUDGET 2013 \$000s | VARIANCE \$000s |
|------------------------|--------------------------|-------------------------------------|--------------------|
| New works | | | |
| Footpaths | 566 | 434 | (132) |
| Roading operations | 2,725 | 5,093 | 2,368 |
| Emergency works | 1,727 | 0 | (1,727) |
| Safety services | 1,269 | 879 | (390) |
| Total new works | 6,287 | 6,406 | 119 |
| Renewals | | | |
| Footpaths | 172 | 385 | 213 |
| Roading operations | 11,887 | 11,593 | (294) |
| Ferries | 13 | 230 | 217 |
| Safety services | 23 | 586 | 563 |
| Total renewals | 12,095 | 12,795 | 700 |

SIGNIFICANT ACQUISITIONS OR REPLACEMENTS OF ASSETS FOR 2012/13

The Local Government Act 2002 requires councils to provide information regarding any significant assets acquired or replaced during the year. Council's Significance Policy does not specify a value but does identify the following assets as significant:

| ROADING NETWORK | BUDGET 2013 \$000s | ACTUAL 2013 \$000s |
|---|--------------------------|--------------------------|
| Sealed road resurfacing | | |
| Ongoing replacement of the top surface of an existing road base | 3,338 | 2,060 |
| Unsealed road metalling | | |
| Renewal of metal on unsealed roads | 3,047 | 5,345 |
| Pavement rehabilitation | | |
| Repairing and replacing road base course and replacement of top surface | 2,844 | 2,049 |
| Storm events: Roading network recovery following storm | | |
| December 2011 | 0 | 678 |
| July 2012 | 0 | 438 |
| September 2012 | 0 | 548 |
| Cycleway project | | |
| Part of the Cycleway project being funded by Central Government | 2,519 | 544 |

VARIANCE TO THE ANNUAL PLAN 2012/13

- Pavement rehabilitation, unsealed road metalling and sealed road resurfacing:
The work completed was in line with the programme and the subsidy levels agreed with NZTA. Some modifications were made to the work schedules as a result of unplanned work required as a result of damage made to the network by the increased number of logging trucks.
- Storm events – December 2011 and July/September 2012
Work on storm damage is not budgeted but is eligible for emergency works subsidy at variable rates.
- Cycleway project
This project is part of the Government funded Cycleway and is fully subsidised.

Stormwater Drainage Group



113

This group manages stormwater runoff in urban areas and comprises pipeline reticulation, open channels, retention dams and floodgates.

The group also manages land drainage in a number of locations predominantly in the Kaitaia Area. These drainage areas are designed to improve the productive capacity of the land.

Activity: Stormwater

Council manages the removal and disposal of stormwater runoff in defined urban areas. The activity predominantly relates to the built environment and paved areas where natural soakage does not exist.

Council provides stormwater management systems to control stormwater discharges from urban areas throughout the district. This involves the sustainable management of stormwater runoff within a defined urban catchment utilising piped networks, open drains and overland flowpaths giving consideration to current and future development, climate change, system capacity and condition, water quality, financial affordability, and the environment.

Key facts

Council operates and maintains:

- 117 km of pipes.
- 37.5 km of lined and unlined channels.
- 2,746 manholes.
- 17 retention dams.
- 50 floodgates.
- 1793 inlets and outlets.
- 1 pump station.

Council also:

- Receives an average of 22 Requests for Service each month in regard to the Stormwater network.
- Manages stormwater network improvement projects.
- Develops stormwater catchment management plans for defined urban areas.

Our major achievements in 2012/13

Highlights of our progress during 2012/13 include:

- Coopers Beach stormwater project that has required almost eight years of sustained effort to achieve through the design, resource consent and construction phases has been completed.
- Ahipara stormwater outlet project completed.

Challenges we experienced

- A rising level of protest from farmers receiving water from catchments due to the increased rainfall and the impact on overland flow paths that cross valuable grazing land.
- Investigation of options to address network deficiencies identified by stormwater management plan capacity studies is delayed due to resource capacity.

Plans for the next 12 months

- Continue to investigate options to address network deficiencies identified by Stormwater Catchment Management Plan capacity studies.
- Undertake improvements to make high profile beach outlets in areas of high tourist numbers more aesthetically pleasing.
- Continuing stormwater maintenance and improvements.
- District Wide Emergency Response to address identified works that arise during the year.

How we performed against the first year of the Long-Term Plan (LTP) 2012/22

The tables below reflect the progress of our key work during 2012/13. Each action/project is linked to the strategic objectives and priorities set in the LTP. The progress at the end of the financial year against each action/project has been represented by:



Strategic Objective:
Safeguarding our communities.

| 2012/13 Action/project | Background | Progress |
|--|--|----------|
| PRIORITY I: Continuation of investigation of options to address network deficiencies identified by Stormwater Management Plan capacity studies by: | | |
| IDENTIFYING A PRIORITISED PROGRAMME BASED UPON SUBDIVISION DEVELOPMENT ACTIVITIES, SYSTEM DEFICIENCIES, AND FUNDING AVAILABILITY. | | |
| Foreshore Road, Ahipara | This project is to alleviate the flooding problems associated with upstream development on Tasman Heights Road. The proposed works involves the installation of a new pipeline, outlet and upgrade of the reticulated network in Tasman Heights Road | ● |
| Progress comments: Geotech investigations complete. Design alignments determined. Consultation underway with local community and affected property owners. | | |

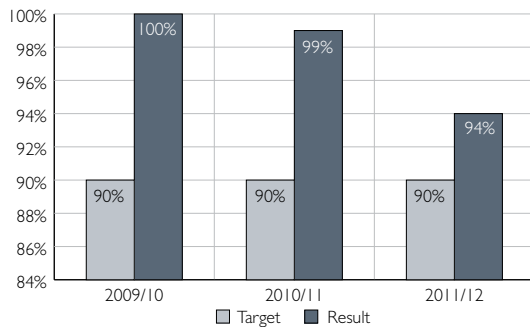
Community Outcome: A Safe and Healthy District and a Sustainable and Liveable Environment

About this Outcome: Drainage systems support, promote safe and healthy conditions and drainage systems do not adversely affect the environment.

Actual achievements against the Key Performance Indicators (KPI) and targets that the Council uses to monitor levels of service are detailed below:

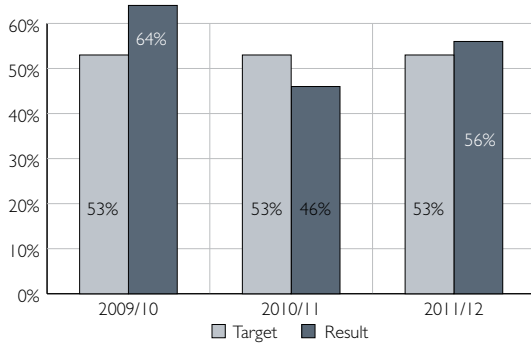
| KPI: Percentage of Request for Service (RFS) responded to in set time for stormwater | LTP Target | Result 2012/13 |
|--|------------|----------------|
| NOT ACHIEVED: A total of 257 RFS received, 238 responded to within the timeframe and 19 RFS responded to outside the timeframe. | 99% | 92% |

Graph shown below details a three year view of performance:



| KPI: Percentage satisfied with urban stormwater collection | LTP Target | Result 2012/13 |
|--|------------|----------------|
| NOT ACHIEVED: Residents who are satisfied with storm water drainage indicated that their problems have been addressed and drains are working well and do not flood. However, there are a proportion of residents that mentions water pooling, flooding and blocked drains that need cleaning. | 64% | 38% |

Graph shown below details a three year view of performance:



Financial Information Stormwater Drainage

FINANCIAL SUMMARY FOR THE YEAR ENDED 30 JUNE 2013

| | NOTE | ACTUAL 2013 \$000s | COUNCIL BUDGET 2013 \$000s | VARIANCE \$000s |
|--|------|--------------------------|-------------------------------------|--------------------|
| Income | | | | |
| Rates income | 1 | 2,790 | 2,642 | 148 |
| Development & financial contributions | | 40 | 0 | 40 |
| Other income | 2 | 357 | 0 | 357 |
| Total operating income | | 3,186 | 2,642 | 544 |
| Expenditure | | | | |
| Direct costs | | 1,017 | 1,017 | 0 |
| Indirect costs | | 119 | 179 | 60 |
| Activity expenditure | | 1,136 | 1,196 | 60 |
| Depreciation | | 691 | 687 | (4) |
| Interest payable | | 263 | 339 | 75 |
| Total operating expenditure | | 2,090 | 2,222 | 132 |
| Net operating surplus/(deficit) | | 1,097 | 420 | 677 |
| Capital statement | | | | |
| Net operating surplus | | 1,097 | 420 | 677 |
| Loans | | 43 | 720 | (677) |
| Other funding | | (135) | 689 | (824) |
| Total funding | | 1,005 | 1,829 | (824) |
| New work | 3 | 443 | 1,095 | 652 |
| Renewal works | 3 | 1 | 300 | 299 |
| Loan repayments | | 329 | 434 | 105 |
| Total capital expenditure | | 773 | 1,829 | 1,056 |
| NET SURPLUS/(DEFICIT) | | 232 | 0 | 232 |

NOTE:

A favourable variance is shown as a positive number and an unfavourable variance is shown as a negative number.

The direct and indirect budgets shown in the table do not individually agree to those published in the LTP due to a difference in allocation. The total activity expenditure, however, does agree to the total published in the LTP.

VARIANCE TO THE LONG TERM PLAN 2012/13

1. Rates income is showing a favourable variance of \$148k predominantly due to:
 - a. An increase in penalty rate income of \$153k; and
 - b. A shortfall in general rates of \$28k.
2. Other income is showing an unfavourable variance of \$357k predominantly due to:
 - a. Vested assets of \$357k were received during the year and these are unbudgeted.
3. Capital expenditure is showing a favourable variance of \$921k predominantly due to delays in the commencement of projects.

KEY CAPITAL PROJECTS
FOR THE YEAR ENDED 30 JUNE 2013

| | ACTUAL 2013 \$000s | COUNCIL BUDGET 2013 \$000s | VARIANCE \$000s |
|------------------------|--------------------------|-------------------------------------|--------------------|
| Income | | | |
| Urban stormwater | 443 | 1,095 | 652 |
| Total new works | 443 | 1,095 | 652 |
| Renewals | | | |
| Urban stormwater | 1 | 300 | 299 |
| Total renewals | 1 | 300 | 299 |

SIGNIFICANT ACQUISITIONS OR REPLACEMENTS OF ASSETS FOR 2012/13

The Local Government Act 2002 requires councils to provide information regarding any significant assets acquired or replaced during the year. Council carried out no works of a significant level for this activity during the year.

Water Supply Group



118

Council meets the need for high quality drinking water and ensures fire-fighting performance standards are met within the defined water supply areas. This activity contributes significantly to present and future environmental and economic well-being of the district.

Activity: Water supply

Council's vision is for everybody in the Far North to have access to sufficient, safe, and reliable sources of drinking water that is provided in a sustainable manner. The water treatment plants, pumping stations, and reticulation systems contribute to that by providing the treatment and delivery of safe drinking water to communities served by Council owned systems.

Water supply is regarded as one of the core functions of Council, as required by statute. The Local Government Act 2002 ("the Act") generally requires the continued operation of any water system that Council operated at the time the Act was passed, as well as continuing to operate any new system that Council constructs from that date.

Key facts

Council operates and maintains:

- 8 potable (drinkable) water systems and one non potable system.
- 9 water treatment plants.
- 3 raw water dams.
- 14 borehole sources.
- 33 storage reservoirs.
- 330 km of water mains.
- 20 booster pump stations.
- 9,279 properties are connected to Council water systems.

Council also:

- Provides new water connections to areas of development.
- Installs water meters and undertakes reading for billing purposes.
- Promotes water conservation.
- Provides drinking water supply to commercial operators who service private rainwater tank owners.



Our major achievements in 2012/13

Highlights of our progress during 2012/13 include:

- Council have proposed a Hokianga accord where a backbone pipeline would be installed that permitted movement of water between three adjacent catchments depending on the available supply in each catchment.

The water pipeline would receive Ministry of Health funding and be owned and maintained by Council. Recent meetings with the Iwi groups and agencies indicated positive support and further design work will be progressed.

Challenges we experienced

- Drought conditions in the South Hokianga area due to the current raw water sources being very small.
- Cost management was a key focus for projects with a diverse range of options, including new technologies being explored and in some cases introduced. This was particularly challenging for staff, many of whom were new to the organisation or have new roles and therefore limited experience, placing a heavy load on senior staff, and who were involved in detailed oversight

of operational areas.

- Council lags significantly behind the larger councils when measured against some of the Asset Management Plan criteria. Council has recognised this weakness and is now advancing a project to develop an integrated Asset Management System.
- May 2013 water shortage affected Kaikohe as bores supplying the town were not recovering as quickly as expected.

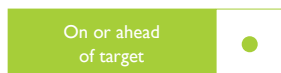
Plans for the next 12 months

- Work to finalise a pipeline route to Kaitaia and to establish the required infrastructure is proceeding. Construction is expected to commence during 2013.
- Progress water supply issues in Omanaia.
- Changes to water quality monitoring in line with drinking water standards.
- Gain approval for public health risk management plans.

- Assessment of fire-fighting performance, i.e. identifying improvements that compliment local fire-fighting operational strategies.
- Upgrade works at Paihia to meet new demands from Waitangi Trust/Copthorne Hotel.

How we performed against the first year of the Long-Term Plan (LTP) 2012/22

The tables below reflect the progress of our key work during 2012/13. Each action/project is linked to the strategic objectives and priorities set in the LTP. The progress at the end of the financial year against each action/project has been represented by:



Strategic Objective:
Investment in new infrastructure as and when affordable.

| 2012/13 Action/project | Background | Progress |
|--|------------|----------|
| PRIORITY 1: Ensure continued supplies of safe potable drinking water. | | |

| | | |
|--|--|---|
| Drinking water standards | Further improvements to assets and management procedures to align with the latest drinking water standards | ● |
| <p>Progress comments: All plants are now being assessed for compliance under the Drinking Water Standards of New Zealand 2008. Kaitaia, Squires springs and Taraire hills have insufficient log credits to meet the requirements of the source water. Cartridge filtration for Squires Springs has proved effective and Ultraviolet (UV) units have been priced for Kaitaia and Taraire Hills. Kerikeri and Kawakawa have recently achieved Ab grading.</p> | | |

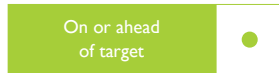
| | | |
|--|--|---|
| Public health risk management plans | Approval and implementation of public health risk management plans for all schemes | ● |
| <p>Progress comments: Plans have been drafted for all schemes. Council and Transfield Services are currently reviewing/editing existing plans. All scheme plans however have been submitted to the drinking water assessor for initial comment.</p> | | |

| 2012/13 Action/project | Background | Progress |
|---|------------|----------|
| PRIORITY 2: Safeguard future water supply. | | |

| | | |
|--|--|---|
| Unaccounted water use | Reduction in levels of unaccounted water use | ● |
| <p>Progress comments: Progress has been made in Moerewa and Kawakawa reducing unaccounted for water. Transfield Services is currently working with Council water asset engineers regarding current data including measurement of 'unaccounted for water'. Kaitaia reticulation is an area currently being reviewed by the assets team. The annual average of unaccounted for water across the district was 26%.</p> | | |

| 2012/13 Action/project | Background | Progress |
|--|------------|----------|
| PRIORITY 3: Comply with NZ fire fighting water supplies code of practise. | | |

| | | |
|---|---|---|
| New Zealand (NZ) Fire Service | Working with the NZ Fire Service to ensure Council actions compliment fire-fighting technologies deployed in the district | ● |
| <p>Progress comments: Ongoing operational activity/goal.</p> | | |



| 2012/13 Action/project | Background | Progress |
|--|---|----------|
| PRIORITY 4: Promote sustainable water usage. | | |
| Water conservation education programme | Education and advertising aimed at 30/06/2014 improving water conservation throughout the community | ● |
| <p>Progress comments: The recent drought saw a number of media releases regarding water conservation. Resulting from contractor investigations carried out during the drought and customers contacting Council with information, a number of actions were identified for follow-up. These included water leakage and previously unknown water usage.</p> | | |
| Sustainability | Continuing the commitment to sustainability by examining the options available to achieve an efficient use of resources including water, power, chemicals and developing solutions appropriate for the district | ● |
| <p>Progress comments: Transfield Services are currently investigating the potential to achieve further chemical savings utilising a procurement contract with a supplier in Australia. Power consumption is continually reviewed given its significance to the operational budget across the schemes. Some variable speed drives have been fitted where appropriate. Power costs/energy management is under review by senior staff with outcomes anticipated during 2013/14 year.</p> | | |

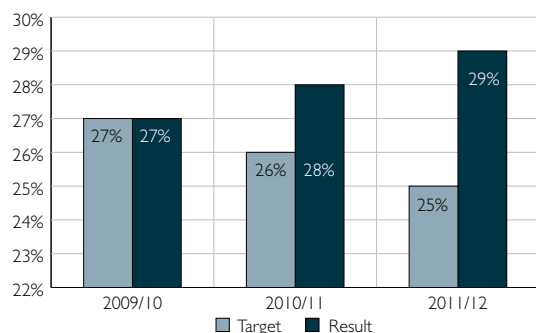
Community Outcome: A Safe and Healthy District and a Sustainable and Liveable Environment

About this Outcome: Treated drinking water supplies conform to established public health standards and water treatment does not adversely affect the environment.

Actual achievements against the Key Performance Indicators (KPI) and targets that the Council uses to monitor levels of service are detailed below:

| KPI: Percentage of non revenue water measured (Losses) | LTP Target | Result 2012/13 |
|---|------------|----------------|
| NOT ACHIEVED: Currently targeting Moerewa, Kawakawa and Rawene (Hokianga Hospital) for reduction in unaccounted water use. | 26% | 27% |

Graph shown below details a three year view of performance: (The difference being "Percentage of unaccounted for water (leakage, illegal connections, unauthorised use)" to monitor this KPI in previous years)

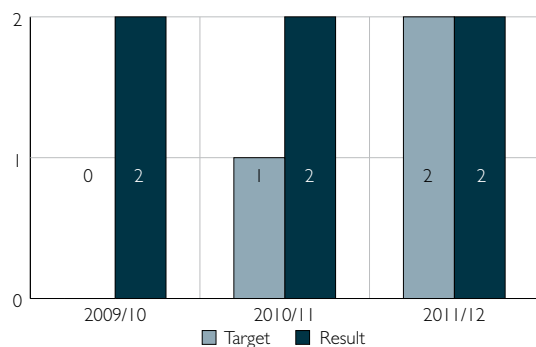


122

| KPI: Compliance with consented water take limits, maximum number of fails per month | LTP Target | Result 2012/13 |
|--|------------|----------------|
| ACHIEVED: Under Limit. One breach at Monument Hill. | 5 | 1 |
| * KPI above is new in the LTP 2012/13. Unable to provide a three year view of performance. | | |

| KPI: Number of systems achieving grade Bb | LTP Target | Result 2012/13 |
|--|------------|----------------|
| ACHIEVED: Existing systems are meeting the water quality standards. Kerikeri and Kawakawa schemes have achieved Ab grade. | 4 | 4 |

Graph shown below details a three year view of performance:



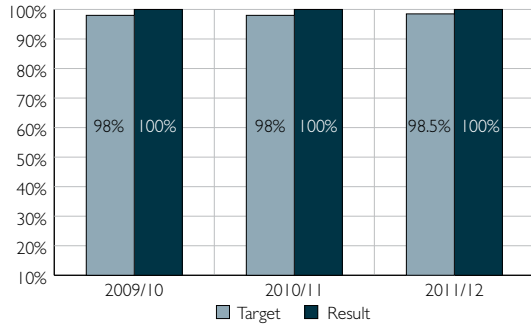
| KPI: All systems fully compliant with the Drinking Water Standards for New Zealand | LTP Target | Result 2012/13 |
|--|------------|----------------|
|--|------------|----------------|

NOT ACHIEVED: Monument Hill and Okaihau are not compliant with 2000 Standard: UV not recognised for 2000 Standard. Work is in progress on Monument Hill and Okaihau schemes to achieve compliance with Drinking Water Standards 2008.

8

6

Graph shown below details a three year view of performance: (The difference being % was used to monitor this KPI in previous years)



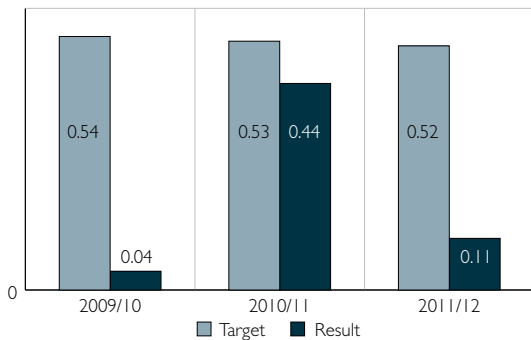
| KPI: To reduce number of bursts per km of pipe | LTP Target | Result 2012/13 |
|--|------------|----------------|
|--|------------|----------------|

NOT ACHIEVED: Averaging 1 to 2 main breaks per month. Future asset condition monitoring will enable improved intelligence, planned renewal and more accurate targeted replacements.

<16

19

Graph shown below details a three year view of performance: (The difference being "Reduction in number of bursts per km of pipe" to monitor this KPI in previous years).



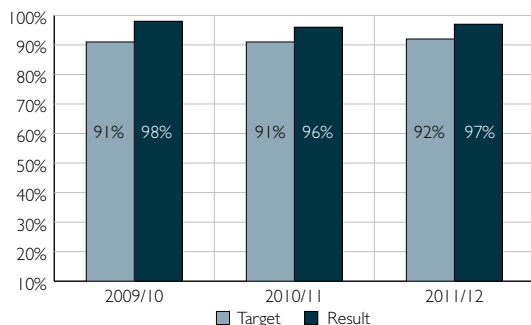
| KPI: Percentage of urgent RFS (4 hours) responded within timeframe | LTP Target | Result 2012/13 |
|--|------------|----------------|
|--|------------|----------------|

ACHIEVED: 233 incidents attended with 10 not resolved within the time frame.

93%

95%

Graph shown below details a three year view of performance:



Financial Information

Water Supply

FINANCIAL SUMMARY FOR THE YEAR ENDED 30 JUNE 2013

| | NOTE | ACTUAL 2013 \$000s | COUNCIL BUDGET 2013 \$000s | VARIANCE \$000s |
|--|------|--------------------------|-------------------------------------|--------------------|
| Income | | | | |
| Rates income (excluding targeted water supply rates) | 1 | 2,318 | 1,796 | 522 |
| Fees, charges & targeted water supply rates | 2 | 5,794 | 6,165 | (371) |
| Development & financial contributions | 3 | 576 | 0 | 576 |
| Subsidies & grants | 4 | 27 | 413 | (386) |
| Other income | | 95 | 0 | 95 |
| Total operating income | | 8,809 | 8,374 | 435 |
| Expenditure | | | | |
| Direct costs | 5 | 6,548 | 3,863 | (2,685) |
| Indirect costs | | 330 | 445 | 114 |
| Activity expenditure | | 6,878 | 4,308 | (2,570) |
| Depreciation | | 2,282 | 2,263 | (19) |
| Interest payable | | 633 | 903 | 270 |
| Total operating expenditure | | 9,793 | 7,474 | (2,320) |
| Net operating surplus/(deficit) | | (984) | 901 | (1,885) |
| Capital statement | | | | |
| Net operating surplus | | (984) | 901 | (1,885) |
| Loans | | 573 | 1,311 | (738) |
| Other funding | | 871 | 2,296 | (1,425) |
| Total funding | | 459 | 4,507 | (4,048) |
| New work | 6 | 1,081 | 1,781 | 700 |
| Renewal works | 6 | 433 | 2,013 | 1,580 |
| Loan repayments | | 750 | 714 | (36) |
| Total capital expenditure | | 2,263 | 4,507 | 2,244 |
| NET SURPLUS/(DEFICIT) | | (1,804) | 0 | (1,804) |

NOTE:

A favourable variance is shown as a positive number and an unfavourable variance is shown as a negative number.

The direct and indirect budgets shown in the table do not individually agree to those published in the LTP due to a difference in allocation. The total activity expenditure, however, does agree to the total published in the LTP.

VARIANCE TO THE LONG TERM PLAN 2012/13

- Rates income is showing a favourable variance of \$522k predominantly due to:
 - An increase in penalty rate income of \$548k; and
 - Water service fees are showing an unfavourable variance of \$27k.
- Fees, charges and targeted supply rates are showing a favourable variance of \$966k [predominantly due to:
 - An increase in water by meter charges of \$817k;
 - An increase in water by meter penalty income of \$115k.
- Development and financial contributions are showing a favourable variance of \$576k predominantly due to a contribution of \$500 towards an expansion of the Paihia water scheme to include the Copthorne Hotel.
- Subsidies and grants are showing an unfavourable variance of \$386k due to changes in the proposed scheme for Rawene/Omania.

5. Direct costs are showing an unfavourable variance of \$2,685k predominantly due to:
- External services are showing an unfavourable variance of \$1,599k, mainly due to a payment for the Sweetwater scheme. The Council has spent \$2.258 million on assets with a book (or carrying) value of \$747k in relation to the Sweetwater scheme up to 30 June 2013. This includes:
 - \$343k which relates to resource consents obtained for the scheme;
 - \$357k which relates to the borefield and pipeline; and
 - \$47k of other costs and fees.
 - The balance of \$1,511k has been expensed. A further \$250,000 is to be paid once the landowner has subdivided their property to enable title to the bore field property to be passed to the Council. This has been included in capital commitments in note 26.
 - Loss on disposal of property, plant & equipment of \$169k;
 - Loss on valuation of property, plant and equipment of \$420k;
 - Bad debt provisions exceeded budget by \$536k due to increased penalty charges.
6. Capital expenditure is showing a favourable variance of \$2,280k predominantly due to delays in the commencement of projects.

KEY CAPITAL PROJECTS FOR THE YEAR ENDED 30 JUNE 2013

| | ACTUAL 2013 \$000s | COUNCIL BUDGET 2013 \$000s | VARIANCE 2013 \$000s |
|------------------------|--------------------------|-------------------------------------|----------------------------|
| New Works | | | |
| Water schemes | 1,081 | 1,781 | 700 |
| Total new works | 1,081 | 1,781 | 700 |
| Renewals | | | |
| Water schemes | 433 | 2,013 | 1,580 |
| Total renewals | 433 | 2,013 | 1,580 |

SIGNIFICANT ACQUISITIONS OR REPLACEMENTS OF ASSETS FOR 2012/13

The Local Government Act 2002 requires councils to provide information regarding any significant assets replaced during the year. Council's significance policy does not specify a value but does identify the following assets as significant:

| WATER TREATMENT, STORAGE AND SUPPLY NETWORK | COUNCIL BUDGET 2013 \$000s | VARIANCE 2013 \$000s |
|---|-------------------------------------|----------------------------|
| Water schemes | | |
| Kaitia specified renewals | 586 | 17 |
| Proposed water asset renewals for Kaitia | | |
| Rawene treatment upgrade | | |
| Major project for the Rawene / Omania area | 700 | 150 |

VARIANCE TO THE ANNUAL PLAN 2012/13

- Kaitia specified renewals.
A schedule of works that are expected to be completed each year is produced for budgetary purposes. Most of those items were not renewed during 2012/13 and will be reconsidered for future years dependant upon their condition.
- Rawene treatment upgrade.
Delay continues due to extensive consultation with the community.

Sewerage Treatment Group



126

The wastewater system carries liquid wastes from households, businesses and community facilities. It treats and disposes of the effluent to minimise the risk to the environment and public health.

Activity: Sewerage treatment

Council's vision is that the Far North's coastal marine, river waters and lakes are healthy at all times, so that they support healthy marine and freshwater ecosystems, recreational use, fishing and shellfisheries.

Sewage treatment plants, pumping stations and reticulation systems contribute by controlling the quality of effluent and minimising the risk of sewage overflows and spills.

The work programme is driven by community expectations about the quality of our environment and the need for sustainability by reducing our overall impact on the environment, both now and in the future.

The sewerage activity is one of the core activities of Council as confirmed by statute in the Local Government Act (LGA). Generally, the LGA requires the continued operation of any sewerage system that Council operated at the time the LGA was passed and the continued operation of any new system that Council constructs after that date.

Key facts

Council operates and maintains:

- 18 wastewater systems.
- 17 wastewater treatment plants (11 ponds, 4 activated sludge plants).
- 333 km of sewer pipes.
- 150 pumping stations.
- 9,593 properties are connected to Council's systems.

Council also:

- Monitors maintenance of on site sewage disposal systems.
- Provides treatment and reception services for on site septage discharged by commercial operators.



Our major achievements in 2012/13

Highlights of our progress during 2012/13 include:

- Council's Long-Term Plan (LTP) envisaged a \$2.8 million upgrade to the current Hihi plant. Council has spent \$400,000 on a new filtration and UV system that enabled the plant to comply with the resource consent.
- A two month community consultation on the Bay of Islands Wastewater Treatment Scheme options for treating and disposing of treated wastewater is complete. The marketing campaign "Let's Talk Crap" was a great success, receiving over 600 submissions from the affected communities. Council are preparing, through the draft Annual Plan 2014/15 planning and decision-making process, a decision towards a positive community outcome.
- Council have deconstructed the original Bay of Islands scheme into two smaller schemes, one for Kerikeri and Paihia, and have applied to Northland Regional Council for a reduced standard of treatment for Paihia in line with the lower than expected treatment volume. In collaboration with Transfield Services Ltd alternate treatment options have been designed and priced for upgrading the Paihia treatment ponds, as well as pricing treatment options for Kerikeri. From this work, the overall capital investment saving given acceptance by Northland Regional Council of the resource consent change, will be in the order of \$9 million.
- Working with a research group at Auckland University who have developed a prototype for disinfecting treated wastewater using nano particle titanium for concentrating the ultraviolet in sunlight. A small test unit has been built to trial the effectiveness of the solution since it offers strong potential to provide a low cost solution to current high cost ultra violet treatment alternatives.
- Existing septic tanks have been replaced with new low pressure sewer systems in Awanui and Opuā.
- Feasibility study and resource consent consideration completed for the new treatment plant in Whangaroa.
- Providing forums for better engagement with the community and informed involvements in the operation of local infrastructure.
- Council worked with the community liaison group appointed by the Environmental Court on the proposed changes to the resource conditions for the Rawene Wastewater Treatment Scheme. The outcome was a success for Council and a community saving of \$100,000 in court fees.
- Developed a bio solids business model for Council to remove the sludge from the ponds, partially dewater and then combine the sludge with green waste, and using advanced management of a worm treatment method turn the sludge in a product suitable for land distribution. The intention is that with appropriate marketing and distribution, the sale of the enriched product recovered from the process will cover all processing costs.
- Council has completed the installation of a new Council designed wastewater system in Kaeo leveraging the pond system. The savings from the LTP budget was over \$600,000 allowing for the possibility of an ultraviolet (UV) plant addition if required. The community collaborated with staff to plant a wetland from locally sourced plant material.

Challenges we experienced

- Cost management is a key focus for projects with a diverse range of options, including new technologies being explored and in some cases introduced. This was particularly challenging for staff, many of whom were new to the organisation, or have new roles, and therefore limited experience. Thus placing a heavy load on senior staff, requiring them being involved in detailed oversight of operational areas.
- Council lag significantly behind the larger councils when measured against some of the Asset Management Plans

criteria. Council has recognised this weakness and is now advancing a project to develop an integrated Asset Management System.

- Hot weather across the district caused low dissolved oxygen levels in many wastewater treatment ponds causing consent limits to be exceeded for short periods. Kaikohe was particularly affected by this with rising levels of algae in the ponds occurring.

Plans for the next 12 months

- Prioritise and commence district wide inflow and infiltration assessment works.
- Commence the Kaikohe Treatment Plant upgrade.
- Creation of sludge drying facility at Kaitaia Sewerage Treatment Pond.

- The conclusions derived from the Bay of Islands Wastewater Treatment Scheme consultation with ratepayers in July/August 2013 will be used to inform and develop key cost elements in the 2014/15 Annual Plan.
- For further information go to www.letstalkcrap.co.nz

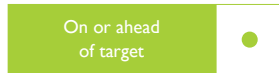
How we performed against the first year of the Long-Term Plan (LTP) 2012/22

The tables below reflect the progress of our key work during 2012/13. Each action/project is linked to the strategic objectives and priorities set in the LTP. The progress at the end of the financial year against each action/project has been represented by:



Strategic Objective:
Investment in new infrastructure as and when affordable.

| 2012/13 Action/project | Background | Progress |
|---|--|----------|
| PRIORITY I: Council will upgrade treatment plants to meet Resource Consent renewals. | | |
| Kaeo sewerage treatment plant upgrade in progress | Kaeo sewerage treatment plant upgrade to meet resource consent renewal standards | ● |
| Progress comments: Plant upgrade has been commissioned and is undergoing performance testing at present. There may be a requirement to add a final UV disinfection process if resource consent compliance cannot be achieved. Discussions are being held with Northland Regional Council on current performance and final need for UV treatment. | | |
| Hihi sewerage treatment plant upgrade | Hihi sewerage treatment plant upgrade to meet resource consent renewal standards | ● |
| Progress comments: Construction of new filters and UV equipment is complete. | | |



| 2012/13 Action/project | Background | Progress |
|--|------------|----------|
| PRIORITY 2: Provide sewer reticulation extensions and upgrades. | | |

| | | |
|--|---|---|
| Awanui reticulation replacement | Awanui Effluent Disposal System (EDS) replacement | ● |
| <p>Progress comments: Construction works in progress, 98% pumps installed. Transfer rising main to Kaitaia completed and final pump station under construction.</p> | | |

| | | |
|--|------------------------------|---|
| Opua reticulation extension | Opua new reticulation system | ● |
| <p>Progress comments: Construction completed.</p> | | |

| 2012/13 Action/project | Background | Progress |
|--|------------|----------|
| PRIORITY 3: Improvements in customer levels of service. | | |

| | | |
|--|---|---|
| Reduce sewer spills | Reduction in sewer spills through increased sewer maintenance | ● |
| <p>Progress comments: Sewer spills have reduced by approximately 50% since November 2012. Pipe replacement work is being carried out under the renewals programme on an 'as needs' and identified basis. Routine pipe hydroblasting has assisted in the reduction of spills. The implementation of closed-circuit television (CCTV) work as a preventive maintenance measure is being investigated.</p> <p>Each sewer spill to land or water regardless of quantity is investigated and discussed with our contractor and mitigation measures put in place which in most cases requires some level of renewal work. Transfield Services Ltd and Council will compare blockage data with similar councils and industry standard figures.</p> | | |

| | | |
|--|-------------------------------|---|
| Odour remedies | Reduction in odour complaints | ● |
| <p>Progress comments: The Kerikeri Wastewater Treatment Plant and Paihia waterfront are known odour areas. Actions relating to the Kerikeri Wastewater Treatment Plant include ensuring the covers on sedimentation tanks are closed after maintenance activities. Discussion at present regarding minor refurbishment of the bark biofilter. An odour complaint regarding the Kaikohe ponds resulted in an action to ensure the screenings bin is regularly limed.</p> <p>There have been no recorded odour complaints relating to the Paihia waterfront for several months.</p> | | |

Community Outcome: A Safe and Healthy District and a Sustainable and Liveable Environment

About this Outcome: Wastewater systems support and promote safe and healthy conditions and sewerage treatment does not adversely effect the environment.

Actual achievements against the Key Performance Indicators (KPI) and targets that the Council uses to monitor levels of service are detailed below:

| KPI: Number of sewage spills to water | LTP Target | Result 2012/13 | | | | | | | | | | | | |
|---|------------|----------------|------|--------|--------|---------|----|---|---------|----|----|---------|---|---|
| ACHIEVED: Council achieved this by a risk analysis of facilities most likely to cause spillage, and focusing attention and resources to manage those risks appropriately. | <10 | 8 | | | | | | | | | | | | |
| Graph shown below details a three year view of performance: | | | | | | | | | | | | | | |
| <table border="1"> <caption>Number of sewage spills to water (2009/10 - 2011/12)</caption> <thead> <tr> <th>Year</th> <th>Target</th> <th>Result</th> </tr> </thead> <tbody> <tr> <td>2009/10</td> <td>11</td> <td>4</td> </tr> <tr> <td>2010/11</td> <td>10</td> <td>11</td> </tr> <tr> <td>2011/12</td> <td>9</td> <td>8</td> </tr> </tbody> </table> | | | Year | Target | Result | 2009/10 | 11 | 4 | 2010/11 | 10 | 11 | 2011/12 | 9 | 8 |
| Year | Target | Result | | | | | | | | | | | | |
| 2009/10 | 11 | 4 | | | | | | | | | | | | |
| 2010/11 | 10 | 11 | | | | | | | | | | | | |
| 2011/12 | 9 | 8 | | | | | | | | | | | | |

130

| KPI: Percentage of requests for service (RFS) responded to in set time for sewerage | LTP Target | Result 2012/13 | | | | | | | | | | | | |
|--|------------|----------------|------|--------|--------|---------|-----|-----|---------|-----|-----|---------|-----|-----|
| ACHIEVED: 106 incidents resolved within the timeframe and 6 incidents resolved outside the timeframe. | 95% | 98% | | | | | | | | | | | | |
| Graph shown below details a three year view of performance: | | | | | | | | | | | | | | |
| <table border="1"> <caption>Percentage of requests for service (RFS) responded to in set time for sewerage (2009/10 - 2011/12)</caption> <thead> <tr> <th>Year</th> <th>Target</th> <th>Result</th> </tr> </thead> <tbody> <tr> <td>2009/10</td> <td>92%</td> <td>99%</td> </tr> <tr> <td>2010/11</td> <td>95%</td> <td>99%</td> </tr> <tr> <td>2011/12</td> <td>95%</td> <td>99%</td> </tr> </tbody> </table> | | | Year | Target | Result | 2009/10 | 92% | 99% | 2010/11 | 95% | 99% | 2011/12 | 95% | 99% |
| Year | Target | Result | | | | | | | | | | | | |
| 2009/10 | 92% | 99% | | | | | | | | | | | | |
| 2010/11 | 95% | 99% | | | | | | | | | | | | |
| 2011/12 | 95% | 99% | | | | | | | | | | | | |

| KPI: Percentage compliance with resource consents discharge flow limits | LTP Target | Result 2012/13 |
|--|------------|----------------|
| ACHIEVED: The contract target for flow limit compliance – 2012/13 was 95%. Transfield Services Ltd are responsible for monitoring effluent (final) discharges from all wastewater schemes and achieved a success rate of 96%. Monitoring data is supplied to the Northland Regional Council as required for each schemes' resource consent. | 95% | 96% |
| Several schemes experienced flow exceedances primarily due to high rainfall events during winter months and on rare occasions, mechanical failure of flow monitoring instrumentation. | | |
| Schemes affected by rainfall events from July to September 2013 were: Kawakawa, Paihia and Opononi. Kaitaia and Kaeo experienced intermittent flow monitoring equipment failure. | | |
| KPI above is new in the LTP 2012/13. Unable to provide a three year view of performance. | | |

| KPI: Percentage compliance with resource consents quality limits | LTP Target | Result 2012/13 |
|--|------------|----------------|
| <p>ACHIEVED: The contract target for quality limit compliance – 2012/13 was 95%. Transfield Services Ltd are responsible for monitoring the effluent biological quality from all wastewater schemes and achieved a success rate of 96%.</p> <p>There is an extensive range of biological limits that are monitored for schemes including: Total suspended solids, Ammonia, E-Coli, Faecals and Nitrogen. The 17 schemes vary in biological treatment processes from basic oxidation ponds/wetlands to activated sludge plants. Some schemes experience intermittent quality limit consent breaches due to seasonal variance and/or unachievable limits prescribed in the scheme resource consent. Council is pursuing some minor consent changes with Northland Regional Council relating to these issues.</p> <p>Equipment upgrades have been scheduled and completed at some schemes during 2012/13 to help achieve compliance such as the installation of UV disinfection at Hihī and Kaikohe.</p> | 95% | 96% |
| <p><i>KPI above is new in the LTP 2012/13. Unable to provide a three year view of performance.</i></p> | | |

Financial Information Sewerage Treatment Group

FINANCIAL SUMMARY FOR THE YEAR ENDED 30 JUNE 2013

| | NOTE | ACTUAL 2013 \$000s | COUNCIL BUDGET 2013 \$000s | VARIANCE \$000s |
|--|------|--------------------------|-------------------------------------|--------------------|
| Income | | | | |
| Rates income (excluding targeted water supply rates) | 1 | 11,381 | 10,687 | 694 |
| Fees, charges & targeted water supply rates | | 156 | 231 | (75) |
| Development & financial contributions | 2 | 653 | 0 | 653 |
| Subsidies & grants | 3 | 5,060 | 5,757 | (698) |
| Other income | 4 | 431 | 4 | 427 |
| Total operating income | | 17,681 | 16,680 | 1,002 |
| Expenditure | | | | |
| Direct costs | 5 | 6,037 | 4,579 | (1,458) |
| Indirect costs | 6 | 458 | 636 | 178 |
| Activity expenditure | | 6,495 | 5,215 | (1,280) |
| Depreciation | | 3,522 | 3,493 | (29) |
| Interest payable | | 1,320 | 1,711 | 392 |
| Total operating expenditure | | 11,337 | 10,419 | (918) |
| Net operating surplus/(deficit) | | 6,344 | 6,260 | 84 |
| Capital statement | | | | |
| Net operating surplus | | 6,344 | 6,260 | 84 |
| Loans | | 3,275 | 8,659 | (5,384) |
| Other funding | | 1,440 | 4,482 | (3,042) |
| Total funding | | 11,060 | 19,402 | (8,342) |
| New work | 7 | 8,687 | 15,149 | 6,463 |
| Renewal works | 7 | 678 | 2,622 | 1,944 |
| Loan repayments | | 1,375 | 1,631 | 256 |
| Total capital expenditure | | 10,740 | 19,402 | 8,662 |
| NET SURPLUS/(DEFICIT) | | 320 | 0 | 320 |

NOTE:

A favourable variance is shown as a positive number and an unfavourable variance is shown as a negative number.

The direct and indirect budgets shown in the table do not individually agree to those published in the LTP due to a difference in allocation. The total activity expenditure, however, does agree to the total published in the LTP.

VARIANCE TO THE LONG TERM PLAN 2012/13

1. Rates income is showing a favourable variance of \$694k predominantly due to:
 - a. An increase in penalty rate income of \$781k.
2. Development and financial contributions are showing a favourable variance of \$653k:
 - a. Lump sum capital contributions to an upgrade to the Opuia reticulation scheme were received of \$174k and other contributions were received of \$67k relating to other works;
 - b. Development contributions of \$413k were received and these were unbudgeted in the LTP.
3. Subsidies and grants are showing an unfavourable variance of \$698k predominantly due to delays in progressing the BOIWW scheme which had been included in part in the LTP budgets.
4. Other income is showing a favourable variance of \$427k predominantly due to:
 - a. Vested assets of \$432k were received during the year and these are unbudgeted.

5. Direct costs are showing an unfavourable variance of \$1,458k predominantly due to:
 - a. Loss on valuation of \$408k;
 - b. Loss on disposal of property, plant & equipment of \$313k;
 - c. Bad debt provisions exceeded budget by \$684k due to increased penalty charges.
6. Indirect costs are showing a favourable variance of \$178k due to a decrease in corporate allocations.
7. Capital expenditure is showing a favourable variance of \$8,407k predominantly due to delays in the commencement of projects.

KEY CAPITAL PROJECTS FOR THE YEAR ENDED 30 JUNE 2013

| | ACTUAL 2013 \$000s | COUNCIL BUDGET 2013 \$000s | VARIANCE \$000s |
|------------------------|--------------------------|-------------------------------------|--------------------|
| New works | | | |
| Wastewater schemes | 8,687 | 15,149 | 6,463 |
| Total new works | 8,687 | 15,149 | 6,463 |
| Renewals | | | |
| Wastewater schemes | 678 | 2,622 | 1,944 |
| Total renewals | 678 | 2,622 | 1,944 |

133

SIGNIFICANT ACQUISITIONS OR REPLACEMENTS OF ASSETS FOR 2012/13

The Local Government Act 2002 requires councils to provide information regarding any significant assets acquired or replaced during the year. Council's significance policy does not specify a value but does identify the following assets as significant:

| WASTEWATER NETWORKS AND TREATMENT | BUDGET 2013 \$000s | ACTUAL 2013 \$000s |
|---|--------------------------|--------------------------|
| Wastewater schemes | | |
| Hihi treatment plant | | |
| Work to develop a new wastewater scheme for the Hihi area | 1,362 | 437 |
| Opua reticulation subsidy scheme | | |
| Proposed upgrade of the treatment plant for Kaeo | 2,930 | 4,101 |
| Paihia treatment plant | | |
| Proposed upgrade of the treatment plant for Paihia | 2,879 | 37 |
| Awanui reticulation subsidy scheme | | |
| Ongoing minor renewals across the district | 3,000 | 3,134 |
| Bol Wastewater Scheme | | |
| Proposed water source for Kaitaia | 3,260 | 42 |

VARIANCE TO THE ANNUAL PLAN 2012/13

- Hihi treatment plant.
This project was completed at a significantly lower cost than anticipated.
- Opua reticulation subsidy scheme.
This project was completed early and funds were brought forward from outer years to achieve this outcome.
- Paihia treatment plant.
This forms part of the solution to phases 1 and 2 of the Bay of Islands wastewater scheme. Planning for this scheme continues and is expected to be included in the 2014/15 Annual Plan.
- Awanui water reticulation.
Awanui project progress was affected by design concerns raised over the capacity of the downstream catchment, which required additional modeling work to verify adequacy.
- Bay of Islands wastewater project.
This forms part of the solution to phases 1 and 2 of the Bay of Islands wastewater scheme. Planning for this scheme continues and is expected to be included in the 2014/15 Annual Plan.

Waste Management Group



134

The Waste Management Group provides disposal facilities for the disposal of refuse balanced with the provision of recycling and other waste minimisation facilities to minimise the risk to the environment and public health. Council does not provide refuse collection services, these are undertaken by the private sector. This activity contributes significantly to present and future environmental and economic well-being of the district.

Activity: Waste management

Council's vision is for the Far North to waste nothing of value, the amount of waste generated in the Far North is kept to a minimum, so that the maximum value is realised from our renewable resources.

The refuse and recycling services contribute to the vision by providing the facilities and opportunities to enable the communities in the district to dispose of their waste in a way that minimises the harmful environmental effects, and maximises the opportunities for recycling.

Council is involved in refuse and recycling because effective management is necessary to protect public health and the environment.

Key facts

Council operates and maintains:

- 14 refuse transfer stations.
- Landfills at Ahipara and Russell.
- Resource Recovery Centre at Kaitaia.
- 6 community Recycling Stations.

Council also:

- Provides recycling access through 3 Moloks.



Our major achievements in 2012/13

Highlights of our progress during 2012/13 include:

- Residents have reduced household waste from about 300kg per head of population to 268kg in the last 12 months.
- A new recycling station near Okaihau is further evidence of the Council's commitment to reducing waste going to landfill down to the target of 200kg per person each year.
- The Council and Transpacific Industries have established a community recycling station on a former rubbish dump on Waiare Road between State Highway 1 and Wehirua Road.

- Investigating options using a gasifier for the district. The gasifier would burn wood waste and by torrefying wood create a product with the calorific value of a high grade coal. This product is seen as a sustainable environmentally friendly fuel source.

Challenges we experienced

- The seasonal recycling/refuse site at TeUenga was shifted to TeHuruhi Bay.
- New recycling stations were developed at Totara North and Okaihau.

- Upgrades for recycling at Whangaroa, Herekino and Russell were completed.

Plans for the next 12 months

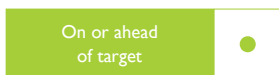
Maintenance and Renewal

- Continuing to work towards meeting long-term waste disposal needs by exploring alternative options to landfill for waste disposal while aiming for a goal of zero waste to landfill.
- Increase waste recycling by improving access to recycling services across the district.

- Continuing to encourage environmental awareness and waste minimisation through education programmes in schools.

How we performed against the first year of the Long-Term Plan (LTP) 2012/22

The tables below reflect the progress of our key work during 2012/13. Each action/project is linked to the strategic objectives and priorities set in the LTP. The progress at the end of the financial year against each action/project has been represented by:



Strategic Objective:

A leaner, more customer focused organisation.

| 2012/13 Action/project | Background | Progress |
|---|---|----------|
| PRIORITY 1: We will work towards meeting long-term waste disposal needs by exploring alternative options to landfill for waste disposal while aiming for the goal of zero waste to landfill. | | |
| Waste Minimisation Plan | Work towards zero waste by exploring and adopting alternatives to landfill disposal | ● |
| Progress comments: Action has been taken to divert tyres from landfill to recovery. Clothing bins for recovery introduced at Whitehills and Whangae Refuse Transfer Station. | | |

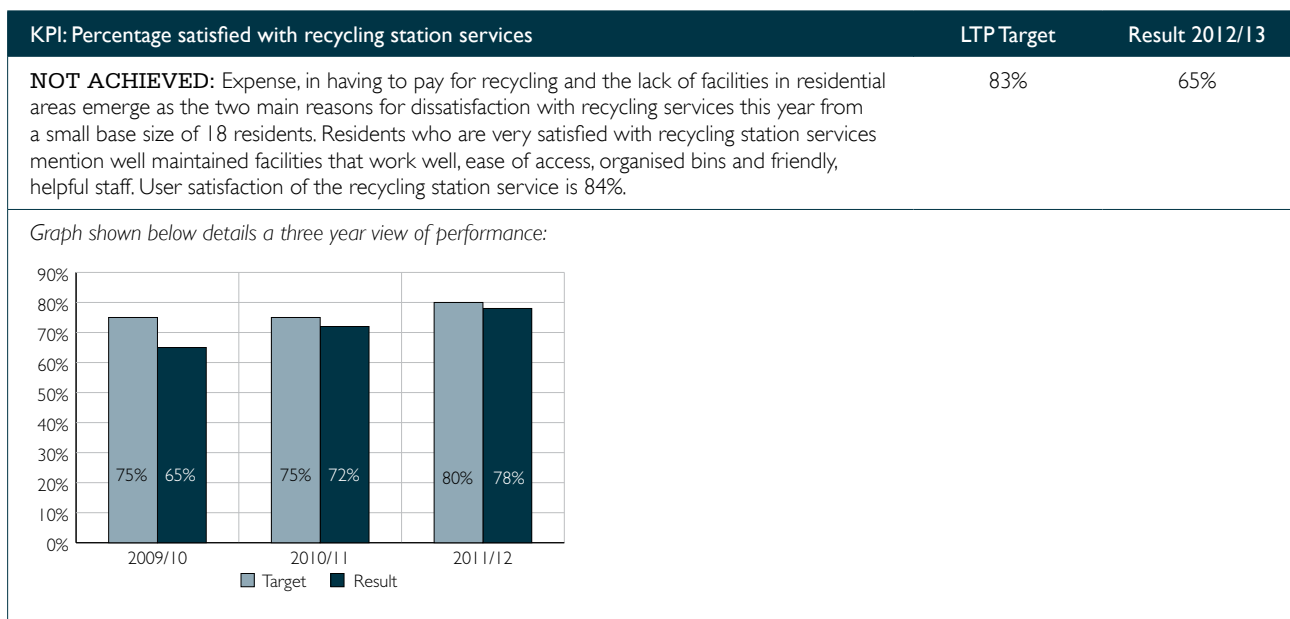
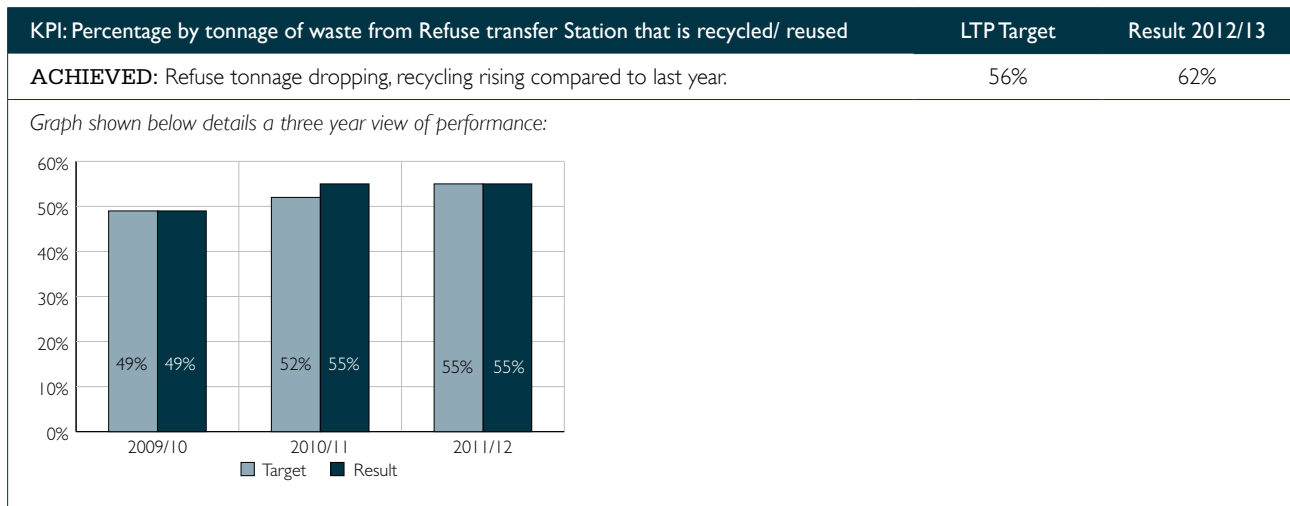
| 2012/13 Action/project | Background | Progress |
|--|--|----------|
| PRIORITY 2: Increase waste recycling by increasing access to recycling services across the district through community recycling stations and street recycling bins. | | |
| Provide community stations and recycling bins | Increasing access to recycling services across the district through community recycling stations and street recycling bins | ● |
| Progress comments: New recycling station in place on Rangiahua Rd as alternative to Horeke Molok. | | |

| 2012/13 Action/project | Background | Progress |
|--|--|----------|
| PRIORITY 3: Encourage environmental awareness and waste minimisation through education programmes in schools. | | |
| Promotional and educational programme | Council provide schools with education programmes encouraging environmental awareness and waste minimisation | ● |
| Progress comments: 328 lessons delivered in schools for 12 months from July 2012 to June 2013. | | |

Community Outcome: A Sustainable and Liveable Environment

About this Outcome: Recycling and waste management is encouraged and supported.

Actual achievements against the Key Performance Indicators (KPI) and targets that the Council uses to monitor levels of service are detailed below:



| KPI: Percentage satisfied with Refuse Transfer Station services | LTP Target | Result 2012/13 |
|---|------------|----------------|
| <p>NOT ACHIEVED: Expense, in that residents having to pay at the transfer station, lack of facilities within the local areas and operational hours that are not suitable emerge as the three main reasons for dissatisfaction this year from a small base size of 23 residents. Residents who are satisfied with Council's refuse disposal service stems from good service that elicits no complaints, well maintained and tidy facilities. User satisfaction of the refuse transfer station services is 78%.</p> <p>Graph shown below details a three year view of performance:</p> | 83% | 58% |

| Year | Target | Result |
|---------|--------|--------|
| 2009/10 | 71% | 66% |
| 2010/11 | 71% | 68% |
| 2011/12 | 75% | 80% |

| KPI: Per capita Kilograms of refuse from District disposed of at landfills | LTP Target | Result 2012/13 |
|---|------------|----------------|
| <p>NOT ACHIEVED: 19% drop required. Tonnes at refuse transfer stations dropped 6.4% Commercial operators dropped 0.4%. Campaign to target businesses to encourage recovery/recycling required.</p> <p>Graph shown below details a three year view of performance: (The difference being volume was used to monitor this KPI in previous years)</p> | 220 | 268 |

| Year | Target | Result |
|---------|--------|--------|
| 2009/10 | 1.62 | 1.70 |
| 2010/11 | 1.58 | 1.51 |
| 2011/12 | 1.55 | 1.38 |

Financial Information

Waste Management

FINANCIAL SUMMARY FOR THE YEAR ENDED 30 JUNE 2013

| | NOTE | ACTUAL 2013 \$000s | COUNCIL BUDGET 2013 \$000s | VARIANCE \$000s |
|---|------|--------------------------|-------------------------------------|--------------------|
| Income | | | | |
| Rates income | 1 | 4,449 | 4,216 | 233 |
| Fees, charges & targeted water supply rates | | 923 | 916 | 7 |
| Other income | | 183 | 165 | 18 |
| Total operating income | | 5,555 | 5,297 | 258 |
| Expenditure | | | | |
| Direct costs | 2 | 4,161 | 4,047 | (115) |
| Indirect costs | | 193 | 274 | 81 |
| Activity expenditure | | 4,354 | 4,321 | 33 |
| Depreciation | | 549 | 538 | (11) |
| Interest payable | | 304 | 394 | 90 |
| Total operating expenditure | | 5,207 | 5,252 | 45 |
| Net operating surplus/(deficit) | | 347 | 45 | 303 |
| Capital statement | | | | |
| Net operating surplus | | 347 | 45 | 303 |
| Loans | | 56 | 170 | (114) |
| Other funding | | 396 | 614 | (218) |
| Total funding | | 799 | 829 | (30) |
| New work | 3 | 94 | 215 | 121 |
| Renewal works | 3 | 36 | 217 | 181 |
| Loan repayments | | 358 | 397 | 39 |
| Total capital expenditure | | 488 | 829 | 341 |
| NET SURPLUS/(DEFICIT) | | 311 | 0 | 311 |

NOTE:

A favourable variance is shown as a positive number and an unfavourable variance is shown as a negative number. The direct and indirect budgets shown in the table do not individually agree to those published in the LTP due to a difference in allocation. The total activity expenditure, however, does agree to the total published in the LTP.

VARIANCE TO THE LONG TERM PLAN 2012/13

1. Rates income is showing a favourable variance of \$233k predominantly due to:
 - a. An increase in penalty rate income of \$288k; and
 - b. A shortfall in general rates of \$55k.
2. Direct costs are showing an unfavourable variance of \$115k predominantly due to:
 - a. Contractor, external services and professional fees is below budget by \$155k due to efficiencies being made by the main contractor;
 - b. Loss on revaluation of property, plant & equipment of \$55k;
 - c. Bad debt provisions exceeded budget by \$251k due to increased penalty charges.
3. Capital expenditure is showing a favourable variance of \$302k predominantly due to delays in the commencement of projects.

KEY CAPITAL PROJECTS
FOR THE YEAR ENDED 30 JUNE 2013

| | ACTUAL 2013 \$000s | COUNCIL BUDGET 2013 \$000s | VARIANCE \$000s |
|------------------------|--------------------------|-------------------------------------|--------------------|
| New works | | | |
| Transfer stations | 36 | 175 | 139 |
| Landfills | 6 | 0 | (6) |
| Recycling | 53 | 40 | (13) |
| Total new works | 94 | 215 | 121 |
| Renewals | | | |
| Transfer stations | 36 | 188 | 152 |
| Landfills | 0 | 29 | 29 |
| Total renewals | 36 | 217 | 181 |

SIGNIFICANT ACQUISITIONS OR REPLACEMENTS OF ASSETS FOR 2012/13

The Local Government Act 2002 requires Councils to provide information regarding any significant assets acquired or replaced during the year. Council did not have any projects that would be classed as significant in this activity.

District Facilities Group



141

The District Facilities Group is made up of a broad collection of separate functions and activities, descriptions of each follow.

Activity: Cemeteries

Council owns a number of cemeteries that compliment the wider provision in the district.

Council carries out cemetery activities, as required by statute, for the public good in those areas of the district where the service is not provided by others. The Burial and Cremation Act 1964 requires local authorities to provide cemeteries. The Minister of Health oversees the administration of the Local Government Act.

Key facts

Council maintains or supports:

- 11 cemeteries.
- 15 cemeteries run by committees.

Council also:

- Provide burial services.

Our major achievements in 2012/13

- User satisfaction achieved with 54% residents satisfied, and 26% very satisfied with cemeteries due to tidy, well maintained cemeteries with mowed lawns and clean facilities.

Challenges we experienced

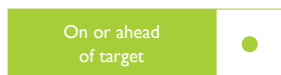
- Consenting requirements and staff long term sickness resulted in a delay in the planning, and therefore delivery of capital projects. Some were carried forward to 2013/14 budget.

Plans for the next 12 months

- Review the sanitary services assessment required by the Ministry of Health.

How we performed against the first year of the Long-Term Plan (LTP) 2012/22

The tables below reflect the progress of our key work during 2012/13. Each action/project is linked to the strategic objectives and priorities set in the LTP. The progress at the end of the financial year against each action/project has been represented by:



Strategic Objective:

Improving the quality of life in the Far North.

| 2012/13 Action/project | Background | Progress |
|--|--|----------|
| PRIORITY 1: Ensure there is an appropriate network of cemetery facilities in the district. | | |
| The assessment and prioritisation of cemetery facilities will support budget planning for the current and future years | Staff resources were insufficient during the 2012/13 year to complete this task which will be included in the delivery of the 2013/14 capital and renewals process | ● |
| Progress comments: Insufficient staff resources due to long term sickness. | | |

Community Outcome: A safe and healthy district

About this Outcome: Maintain cemetery services to ensure community has access to quality facilities.

Actual achievements against the Key Performance Indicators (KPI) and targets that the Council uses to monitor levels of service are detailed below:

| KPI: Percentage of residents that are satisfied that facilities meet the needs of different customers | LTP Target | Result 2012/13 | | | | | | | | | | | | |
|--|------------|----------------|------|--------|--------|---------|-----|-----|---------|-----|-----|---------|-----|-----|
| NOT ACHIEVED: A greater proportion of residents have not visited a cemetery and also felt unsure how to rate them. NZ Māori and Kaikohe-Hokianga Ward residents are more likely to have visited a cemetery in the district, while NZ European and BOI-Whangaroa Ward residents are more likely to be non-visitors. | 62% | 46% | | | | | | | | | | | | |
| Graph shown below details a three year view of performance: | | | | | | | | | | | | | | |
| <table border="1"> <caption>Three year view of performance</caption> <thead> <tr> <th>Year</th> <th>Target</th> <th>Result</th> </tr> </thead> <tbody> <tr> <td>2009/10</td> <td>60%</td> <td>53%</td> </tr> <tr> <td>2010/11</td> <td>62%</td> <td>60%</td> </tr> <tr> <td>2011/12</td> <td>65%</td> <td>77%</td> </tr> </tbody> </table> | | | Year | Target | Result | 2009/10 | 60% | 53% | 2010/11 | 62% | 60% | 2011/12 | 65% | 77% |
| Year | Target | Result | | | | | | | | | | | | |
| 2009/10 | 60% | 53% | | | | | | | | | | | | |
| 2010/11 | 62% | 60% | | | | | | | | | | | | |
| 2011/12 | 65% | 77% | | | | | | | | | | | | |

| KPI: Percentage of users that are satisfied that facilities meet the needs of different customers | LTP Target | Result 2012/13 |
|--|------------|----------------|
| ACHIEVED: Tidy, well maintained cemeteries, with mowed lawns and clean facilities are the main reason for residents satisfaction ratings. | 80% | 80% |
| * KPI above is new in the LTP 2012/13. Unable to provide a three year view of performance. | | |

District Facilities Group



143

Activity: Civic and community buildings

Council provides and supports a range of accessible, affordable, safe, and well maintained community and civic buildings strategically located around the district.

Council recognises the importance to the community of providing a range of public spaces strategically located where they can meet, exchange information and hold events. Council also supports Heritage Kaikohe and Far North Regional Museum Trust so that they can showcase, communicate, and preserve the district's cultural knowledge.

Key facts

Council maintains the following civic and community buildings:

- 3 Library buildings (Kerikeri, Kaikohe and Paihia).
- District office, archives and publications buildings in Kaikohe.
- 20 community halls.
- 18 community buildings.

Council also supports:

- Te Ahu, Kaitaia.
- Heritage Kaikohe (formerly known as Kaikohe Pioneer Village).
- Far North Regional Museum Trust.

Our major achievements in 2012/13

- Infrastructure and Asset Management team are making good progress on the business case options to identify community facilities that could be divested to community groups and improving disability access for key facilities.
- Buildings are safe and do not cause a hazard to users.

Challenges we experienced

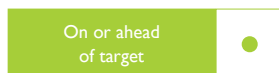
- Unable to provide adequate physical access to facilities in 2012/13 in accordance with Disability Access Standards. This project is deferred until the business case options have been worked through with the new Council after October 2013.

Plans for the next 12 months

- Continuing to identify community facilities that could be divested to community groups, and improving disability access for key facilities.
- Continue to develop the business case for the rationalisation and proposed re-development of all Kaikohe based Council buildings and facilities.

How we performed against the first year of the Long-Term Plan (LTP) 2012/22

The tables below reflect the progress of our key work during 2012/13. Each action/project is linked to the strategic objectives and priorities set in the LTP. The progress at the end of the financial year against each action/project has been represented by:



Strategic Objective:

Improving the quality of life in the Far North.

| 2012/13 Action/project | Background | Progress |
|---|------------|----------|
| PRIORITY 1: Ensure there is an appropriate network of cemetery facilities in the district. | | |

| | | |
|--|---|---|
| Upgrade Kaikohe Civic Buildings | Council is investigating combining library services and cycleway and general information services into the existing Council service centre building and linking this to the Memorial Hall | ● |
| <p>Progress comments: The initial concept has been approved by Council. Currently working on the business case of the options. Far North Holdings Ltd have provided options for consideration and these are being included in the business case. A workshop has been scheduled with the new Council after October 2013.</p> | | |

| 2012/13 Action/project | Background | Progress |
|---|------------|----------|
| PRIORITY 2: Support the development of key local community centres, including improving access to meet disability standards. | | |

| | | |
|---|---|---|
| Disability access | Improving access to meet disability standards | ● |
| <p>Progress comments: This project was deferred until the Infrastructure and Asset Management team work through the business case options with the new Council after October 2013.</p> | | |

Community Outcome: A safe and healthy district

About this Outcome: Maintain and provide a safe gathering place for the community to meet, exchanging information and hold events.

Actual achievements against the Key Performance Indicators (KPI) and targets that the Council uses to monitor levels of service are detailed below:

| KPI: Minimum 1 hall per ward per year modified to meet disability standards | LTP Target | Result 2012/13 |
|--|-----------------|-----------------|
| NOT ACHIEVED: The buildings are old and will require significant work to be completed to bring them up to the required disability standards. Currently working on the business case of the options. | 1 hall per ward | 0 hall per ward |
| * KPI above is new in the LTP 2012/13. Unable to provide a three year view of performance | | |

| KPI: Buildings requiring a warrant of fitness hold a current certificate and are maintained in accordance with the warrants | LTP Target | Result 2012/13 |
|--|------------|----------------|
| ACHIEVED: As notifications are received from Environmental Management, inspections are undertaken and any compliance requirements are attended to promptly. | 100% | 100% |
| * KPI above is new in the LTP 2012/13. Unable to provide a three year view of performance. | | |

District Facilities Group



145

Activity: Motor Camps

Council owns a small number of motor camps that compliment the wider provision of camping opportunities in the district.

The high market value of coastal land makes it unprofitable for private enterprise to retain coastal property as camp grounds. Council's ownership of camp grounds ensures camping holidays are an option for residents and visitors. Council owns and leases, for a commercial return, camp grounds at Russell, Tauranga Bay and Houhora Heads.

As a response to the growing demand for freedom camping Council has set aside some sites in remote areas that permit over night camping for self contained camping vehicles. It is still Council's policy that for the protection of the environment and for visitor's personal safety they should stay in a registered camp ground.

Key facts

Council owns and leases out motor camps at:

- Russell.
- Tauranga Bay.
- Houhora Heads.

Council has set aside freedom camping sites at the following locations:

- Derrick Landing, Kawakawa.
- Lake Waiparera, Awanui.
- Recreation Reserve, Kaimaumau.
- Unahi Wharf, Awanui

Our major achievements in 2012/13

- Implemented honorary reserve warden programme to assist with monitoring of illegal camping in 3 communities.

Challenges we experienced

- Illegal campers on the road reserves, parks and reserves throughout the district.

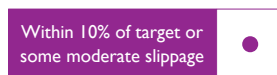
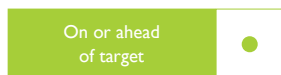
Plans for the next 12 months

- Appointing further reserve wardens throughout the district to help deter illegal camping around the district*.

* (Council's bylaws adopted under the Local Government Act 2002 prohibits camping in other than designated camping grounds or in specific areas which have been set aside for use by self contained camping vehicles).

How we performed against the first year of the Long-Term Plan (LTP) 2012/22

The tables below reflect the progress of our key work during 2012/13. Each action/project is linked to the strategic objectives and priorities set in the LTP. The progress at the end of the financial year against each action/project has been represented by:



Strategic Objective:

Provide economic development for the Far North.

| 2012/13 Action/project | Background | Progress |
|---|------------|----------|
| PRIORITY 1: We will encourage visitors to our district to use registered camp grounds. | | |

| | | |
|---|--|---|
| Increase visitor usage at camp grounds | Northland Occupancy for holiday parks (motor camp grounds) was 13.79% up from 12.9% in 2012. Council provides a message to tourists through a travel guide smart phone "app", and campervans through a travel guide radio service to vans as they pass two "intellipoints" on entering the district at State Highway 12 and 1. This message encourages visitors to the district to stay at registered motor camps for their personal safety and for the protection of the environment. | ● |
| <p>Progress comments: Continue to provide Council's freedom camping message to visitors to the district through the NZ Talking Travel Guide Apps and Tourism Radio "intellipoints" to encourage visitors to stay at registered holiday parks (motor camp grounds).</p> | | |

Community Outcome: A safe and healthy district

About this Outcome: Recreation and leisure facilities are maintained to ensure the community has access to quality facilities, and opportunities for developing new facilities are investigated.

Actual achievements against the Key Performance Indicators (KPI) and targets that the Council uses to monitor levels of service are detailed below:

| KPI: Percentage increase in occupancy rate at camp grounds | LTP Target | Result 2012/13 | | | | | | | | | | | | |
|--|------------|----------------|------|------------|------------|---------|----|----|---------|----|----|---------|----|----|
| <p>ACHIEVED: Northland Occupancy for holiday parks (motor camp grounds) was 13.79% up from 12.9% in 2012.</p> <p>Northland Occupancy for all accommodation was 23.4% up 0.1%. Northland guest nights for all accommodation decreased by 1.4% and guest nights for holiday parks increased by 4.8%.</p> | +5% | 13.79% | | | | | | | | | | | | |
| <p>Graph shown below details a three year view of performance: (The difference being "Year on year percentage increase in camping numbers at registered motor camps" was used to monitor this KPI in previous years.)</p> | | | | | | | | | | | | | | |
| <table border="1"> <caption>Percentage increase in occupancy rate at camp grounds (2009/10 to 2011/12)</caption> <thead> <tr> <th>Year</th> <th>Target (%)</th> <th>Result (%)</th> </tr> </thead> <tbody> <tr> <td>2009/10</td> <td>5%</td> <td>0%</td> </tr> <tr> <td>2010/11</td> <td>5%</td> <td>7%</td> </tr> <tr> <td>2011/12</td> <td>5%</td> <td>6%</td> </tr> </tbody> </table> | | | Year | Target (%) | Result (%) | 2009/10 | 5% | 0% | 2010/11 | 5% | 7% | 2011/12 | 5% | 6% |
| Year | Target (%) | Result (%) | | | | | | | | | | | | |
| 2009/10 | 5% | 0% | | | | | | | | | | | | |
| 2010/11 | 5% | 7% | | | | | | | | | | | | |
| 2011/12 | 5% | 6% | | | | | | | | | | | | |



Activity: Pensioner Housing

Council provides affordable housing to pensioners of modest means.

Council's vision is to provide affordable, safe, well maintained, and strategically located housing to meet the needs of pensioners of modest means.

Key facts

Council owns and maintains:

- 147 pensioner units.
- 12 separate locations.

Our major achievements in 2012/13

- Significant progress has been made to the planned maintenance work programme in 2012/13. All pensioner houses are water tight, insulated and have their maintenance up to date. Concrete blocks have been resealed, spouting repaired or renewed, and new ovens and carpets as necessary.
- Continually exceeding level of service on completion of preventative and regular maintenance checks and remedial work well within the timeframe.

Challenges we experienced

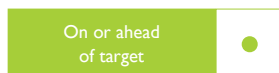
- Occupancy is not at full capacity at two locations due to local residents causing a nuisance to those residents that formerly occupied those units.

Plans for the next 12 months

- Continue to investigate alternative management of the Kohukohu units.

How we performed against the first year of the Long-Term Plan (LTP) 2012/22

The tables below reflect the progress of our key work during 2012/13. Each action/project is linked to the strategic objectives and priorities set in the LTP. The progress at the end of the financial year against each action/project has been represented by:



Strategic Objective:

Improving the quality of life in the Far North.

| 2012/13 Action/project | Background | Progress |
|---|------------|----------|
| PRIORITY 1: Manage the pensioner housing stock to achieve 95% occupancy and maintain rents through annual adjustments by consumer price index (CPI). | | |

| | | |
|---|--|---|
| Increased occupancy | Occupancy is not at full capacity at two locations | ● |
| <p>Progress comments: Ongoing media releases and newspaper advertising occurs in conjunction with security improvements and locations where concerns exist. Also Council has managed to keep the annual rent increase within the consumer price index for 2012/13.</p> | | |

Community Outcome: A safe and healthy district

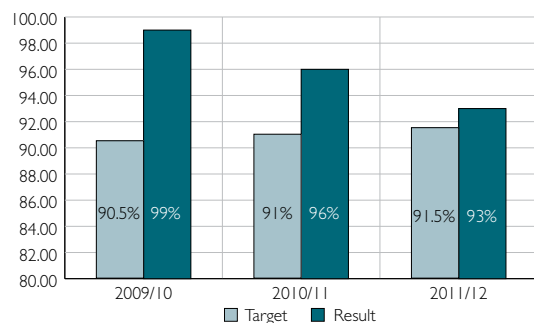
About this Outcome: The district's elderly, young and disabled citizens are valued.

Actual achievements against the Key Performance Indicators (KPI) and targets that the Council uses to monitor levels of service are detailed below:

| KPI: Percentage of occupancy of pensioner housing | LTP Target | Result 2012/13 |
|--|------------|----------------|
| ACHIEVED: Demand for pensioner housing is variable and steps are taken monthly to ensure appropriate agencies are advised of availability and in tandem public advertising is undertaken. | 95% | 95% |
| * KPI above is new in the LTP 2012/13. Unable to provide a three year view of performance | | |

| KPI: Percentage of faults responded to in set time (2 days urgent, 5 days non-urgent) | LTP Target | Result 2012/13 |
|---|------------|----------------|
| ACHIEVED: Continued utilisation of provision of in-house maintenance staff that have been able to respond to faults in a timely and programmed manner. | 96.33% | 100% |

Graph shown below details a three year view of performance:



District Facilities Group



149

Activity: Recreation

Council provides a range of parks, recreational facilities, and other activities which contribute to the health of the community. These activities include sporting and recreational events that gather people together and sometimes draw large crowds to the Far North. Swimming pools provide a range of opportunities from competitive swimming to casual recreational use.

To achieve its outcomes, Council's parks include a diverse range of community assets such as local playgrounds, court space, sports fields, through to large unspoilt wilderness areas acquired to protect the environment. Of particular importance to the district is the provision of easily available access to the coast, including strategically located maritime facilities.

Council contributes to community development and the general health of the community through the provision and maintenance of recreational facilities, encouraging the use of these facilities and supporting events that will contribute to community well being.

Key facts

Council maintains:

- 23 playgrounds and 3 skate parks.
- 154 ha of open space is mown to a variety of grades depending on use.
- Courts at 3 netball centres (6 at Kaitaia, 8 at Kaikohe and 9 at Kerikeri) as well as a number of single courts throughout the district.
- 73 community leases that include sports clubs, grazing licenses and community spaces.
- 3 swimming pools at Kaitaia, Kerikeri and Kawakawa.
- Maritime assets such as 24 boat ramps, 13 jetties, 12 pontoons, 10 wharves, and 1 tidal grid.
- The Kaikohe recreational airport.

Council maintains:

- Funds Sport Northland to facilitate the Far North Sports awards, provide 4 community sports advisors (one in each ward, and one based at Lindvart Park).
- Provides grants to improve public access to Northland College and Whangaroa community pools.

Our major achievements in 2012/13

- Completed netball courts as stage I of the Whatuwhiwhi recreation hub.
- Completed reserve management plans for Waipapa Sports Ground, Walls Bay Esplanade Reserve and Hundertwasser Park.
- Completed a review of community policies.
- An agreement to transfer management of the Unahi wharf and ramp to the Awanui Progressive and Ratepayers Association has been approved and executed by Council.
- Improvements have been made to various maritime facilities including Te Hapua Wharf, Mill Bay Jetty, Taipa Jetty Pontoon, Marlin Wharf, Pukenui Wharf, Totara North Wharf, Rawene Wharf, Waipapa Landing boat ramp, Taipa boat ramp and Russell boat ramp.

Challenges we experienced

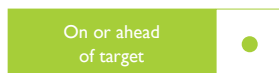
- Managing the expectations of the public for improved aquatic facilities.
- Responding to weather related damage to harbour edge facilities.

Plans for the next 12 months

- Continue to undertake local park improvements.
- Finalise the draft aquatic strategy and feasibility studies of heated pools in Kaitaia, Kerikeri and Kaikohe.
- Support the development of recreation hubs in Kaikohe, Rawene and Kaitaia (Te Hiku).
- Continue to work with Ministry of Education (MOE) to develop community access agreements to increase public access to a range of recreation facilities on school land.
- Review the decision to improve changing facilities at Kawakawa swimming pool based on the outcome of the aquatic strategy.
- Continue to investigate ways in which some of the costs associated with maritime assets could be recovered from the users.

How we performed against the first year of the Long-Term Plan (LTP) 2012/22

The tables below reflect the progress of our key work during 2012/13. Each action/project is linked to the strategic objectives and priorities set in the LTP. The progress at the end of the financial year against each action/project has been represented by:



Strategic Objective:
Improving the quality of life in the Far North.

| 2012/13 Action/project | Background | Progress |
|---|------------|----------|
| PRIORITY 1: Ensure parks and facilities are attractive to visitors | | |

| | | |
|---|---|---|
| Redevelopment at Kerikeri Basin Area | Council is contributing towards a major upgrade to be undertaken by Department of Conservation (DOC) of the Kerikeri Basin area. The upgrade includes additional car parking, toilets, removal of the old defunct road, and improved pedestrian focus | ● |
| <p>Progress comments: DOC has received confirmation that the business case prepared to secure funding for the Basin upgrade project had been accepted. However they consider that the time frame for tendering and construction phases of the project are too tight for a quality result and the Regional Conservator has deferred the construction part of the contract until March next year. The tender process will continue and the Kerikeri-Kororipo Basin Management Group will meet early October to consider a new timeline. DOC will also be releasing a media statement to let the public know that despite major restructuring of DOC, the Basin funding has been secured for the district and the time frame for work commencing will probably be after January 2014.</p> | | |

| 2012/13 Action/project | Background | Progress |
|--|------------|----------|
| PRIORITY 2: Support sustainable sporting and recreation organisations that are well run, efficient and work collaboratively to improve the range of recreation programs and facilities. | | |

| | | |
|--|---|---|
| Develop netball courts at Whatuwhiwhi | The Whatuwhiwhi community have developed a concept plan for a recreation hub adjacent to their hall. The first stage of this has been the development of netball courts | ● |
| <p>Progress comments: The courts have been constructed as a community project with significant financial contribution from the Whatuwhiwhi community.</p> | | |

| 2012/13 Action/project | Background | Progress |
|---|------------|----------|
| PRIORITY 3: Improve recreation provision | | |

| | | |
|--|--|---|
| Undertake feasibility studies for heated pools at Kerikeri and Kaitaia | A high number of submissions were received from these townships for heated swimming pools. To ensure communities were aware of the financial consequences Council approved funding for feasibility studies | ● |
| <p>Progress comments: Council determined that an aquatic strategy should be developed simultaneously with planned feasibility studies so that each project was considered in a district context. The Council believed that new pools in Kaitaia or Kerikeri will impact on the financial sustainability of existing swimming pools. This strategy was part funded by Sport New Zealand.</p> | | |

Completed

On or ahead
of targetWithin 10% of target or
some moderate slippage

Significantly off target



| 2012/13 Action/project | Background | Progress |
|--|--|----------|
| PRIORITY 4: Improve access to the coast. | | |
| Implement Council's policy – Subdivisions – Public Access to the Coast | This policy requires the report writer to consider opportunities for enhanced coastal access when considering whether or not to grant consent or impose conditions on applications for subdivision | |
| Progress comments: A number of resource consents have been approved that if brought into effect will enhance access to waterways and the coast. These include esplanade strips being created on the Pureua Peninsula, Kawakawa River and Kapiro Stream. | | |

Community Outcome: a safe and healthy district and a vibrant and thriving economy

152

About this Outcome: Recreation and leisure facilities are maintained and enhanced to ensure the community has access to quality facilities, and opportunities for developing new facilities are investigated and the district encourages a wide range of sporting, cultural and community activities and local events.

Actual achievements against the Key Performance Indicators (KPI) and targets that the Council uses to monitor levels of service are detailed below:

| KPI: Percentage of the user community is satisfied with the range of parks and facilities available | LTP Target | Result 2012/13 | | | | | | | | | | | | |
|--|------------|----------------|------|--------|--------|---------|-----|-----|---------|-----|-----|---------|-----|-----|
| ACHIEVED: Residents who are very satisfied with the parks or reserves indicated that maintained, tidy and clean facilities, nice walkways and with mowed lawns are the main attraction. Overall 59% of residents are satisfied or very satisfied with the park and reserve facilities. | 75% | 82% | | | | | | | | | | | | |
| <i>Graph shown below details a three year view of performance:</i> | | | | | | | | | | | | | | |
| <table border="1"> <caption>Three year view of performance</caption> <thead> <tr> <th>Year</th> <th>Target</th> <th>Result</th> </tr> </thead> <tbody> <tr> <td>2009/10</td> <td>80%</td> <td>75%</td> </tr> <tr> <td>2010/11</td> <td>80%</td> <td>92%</td> </tr> <tr> <td>2011/12</td> <td>80%</td> <td>93%</td> </tr> </tbody> </table> | | | Year | Target | Result | 2009/10 | 80% | 75% | 2010/11 | 80% | 92% | 2011/12 | 80% | 93% |
| Year | Target | Result | | | | | | | | | | | | |
| 2009/10 | 80% | 75% | | | | | | | | | | | | |
| 2010/11 | 80% | 92% | | | | | | | | | | | | |
| 2011/12 | 80% | 93% | | | | | | | | | | | | |

| KPI: Number of enhancements to park facilities and playgrounds facilities | LTP Target | Result 2012/13 |
|--|------------|----------------|
| ACHIEVED: Working closely with community groups Nisbet Park, Moerewa and Centennial Park, Kaitaia were completed. | 2 | 2 |
| * KPI above is new in the LTP 2012/13. Unable to provide a three year view of performance. | | |

| KPI: Percentage of users are satisfied that swimming pool facilities meet their needs | LTP Target | Result 2012/13 | | | | | | | | | | | | |
|--|------------|----------------|------------|---------|-----|-----|---------|-----|-----|---------|-----|-----|-----|-----|
| <p>NOT ACHIEVED: There is a significant increase in the number of users who are unsure how to rate the public swimming pools and residents who do not use the swimming pools. Residents who are not very satisfied base their rating mainly on the lack of facilities close to them, with no Council pool available in their area. Some mention using the school pool, while others indicate their perception is based on hearsay as they have not used the pool themselves. Also that the public swimming pools are too small for the area and need to be upgraded.</p> <p>Graph shown below details a three year view of performance: (The difference being resident satisfaction was used to monitor this KPI in previous years)</p> <table border="1"> <caption>Swimming Pool Facilities Performance Data</caption> <thead> <tr> <th>Year</th> <th>Target (%)</th> <th>Result (%)</th> </tr> </thead> <tbody> <tr> <td>2009/10</td> <td>50%</td> <td>32%</td> </tr> <tr> <td>2010/11</td> <td>55%</td> <td>32%</td> </tr> <tr> <td>2011/12</td> <td>60%</td> <td>59%</td> </tr> </tbody> </table> | Year | Target (%) | Result (%) | 2009/10 | 50% | 32% | 2010/11 | 55% | 32% | 2011/12 | 60% | 59% | 80% | 72% |
| Year | Target (%) | Result (%) | | | | | | | | | | | | |
| 2009/10 | 50% | 32% | | | | | | | | | | | | |
| 2010/11 | 55% | 32% | | | | | | | | | | | | |
| 2011/12 | 60% | 59% | | | | | | | | | | | | |

| KPI: Percentage of the community satisfied with coastal access | LTP Target | Result 2012/13 | | | | | | | | | | | | |
|--|------------|----------------|------------|---------|-----|-----|---------|-----|-----|---------|-----|-----|-----|-----|
| <p>NOT ACHIEVED: Residents who are not very satisfied with access to beaches in the area mainly due to private ownership, access through private land, and access restrictions as reasons for dissatisfaction. However, residents who are satisfied or very satisfied mentioned the ease and simplicity of accessing beaches.</p> <p>*This KPI above is new in the LTP2012/22: (Previous year results was used for research purposes)</p> <table border="1"> <caption>Coastal Access Performance Data</caption> <thead> <tr> <th>Year</th> <th>Target (%)</th> <th>Result (%)</th> </tr> </thead> <tbody> <tr> <td>2009/10</td> <td>76%</td> <td>80%</td> </tr> <tr> <td>2010/11</td> <td>76%</td> <td>66%</td> </tr> <tr> <td>2011/12</td> <td>76%</td> <td>79%</td> </tr> </tbody> </table> | Year | Target (%) | Result (%) | 2009/10 | 76% | 80% | 2010/11 | 76% | 66% | 2011/12 | 76% | 79% | 76% | 64% |
| Year | Target (%) | Result (%) | | | | | | | | | | | | |
| 2009/10 | 76% | 80% | | | | | | | | | | | | |
| 2010/11 | 76% | 66% | | | | | | | | | | | | |
| 2011/12 | 76% | 79% | | | | | | | | | | | | |

District Facilities Group



154

Activity: Town maintenance, public toilets, car parks and amenity lighting

Council provides public toilets and car parks that are strategically located to meet the needs of visitors and the travelling public. Council undertakes town maintenance and provides amenity lighting to ensure town centres are tidy, safe and attractive to visitors.

Key facts

Council operates and maintains:

- 64 public toilets located at 43 locations throughout the district.
- 21 Car parks located in 9 towns.
- Amenity lighting in 2 town centres.

Council also: (These services are delivered by a contracted private sector provider)

- Provides town maintenance services to 21 towns.
- Empties 393 litter bins and removes 8,470m³ of litter.
- Scrubs the pavements in 9 town centres between 2-6 times per year.
- Provides temporary toilet facilities at 6 locations to meet seasonal demand.

Our major achievements in 2012/13

- Three completed public toilets with disabled access.
- Recreation Services Ltd town maintenance contract extended to 2014, service delivery and management improvements have been proposed.

Challenges we experienced

- Ongoing vandalism damage by graffiti and or physical breakage is an ongoing concern.
- Weather related sports field restrictions limit the opportunities of recreation.

Plans for the next 12 months

- Continue to work with Focus Paihia to implement their Town Centre Plan.
- Public toilets upgrade at Whangaroa, Rawene, and Melba Street, Kaitia and build new toilets at Tokerau Beach.

How we performed against the first year of the Long-Term Plan (LTP) 2012/22

The tables below reflect the progress of our key work during 2012/13. Each action/project is linked to the strategic objectives and priorities set in the LTP. The progress at the end of the financial year against each action/project has been represented by:

| | | | |
|--|--|---|---|
| Completed ● | On or ahead of target ● | Within 10% of target or some moderate slippage ● | Significantly off target ● |
|--|--|---|---|

Strategic Objective:

Improving the quality of life in the Far North.

| 2012/13 Action/project | Background | Progress |
|--|--|----------|
| PRIORITY 1: Prioritise the improvement of toilet facilities across the district based on their importance to tourism and the image of the district, the ability to meet the needs of people with disabilities, when there is a perception that the facility is not hygienic when it is cleaned. | | |
| All toilet facilities across the district are to be assessed | Council did not have a complete inventory of the public toilets in all locations | ● |
| Progress comments: Council officers did not complete the work during 2012/13 year which will be reported on during the 2013/14 year | | |

| 2012/13 Action/project | Background | Progress |
|---|---|----------|
| PRIORITY 2: Creating a positive image for locals and visitors at identified locations in the district. | | |
| Upgrade of public toilets | Paihia and Broadwood toilet facilities were upgraded and themed in accordance with community feedback | ● |
| Progress comments: Project is complete. | | |

Community Outcome: A safe and healthy district

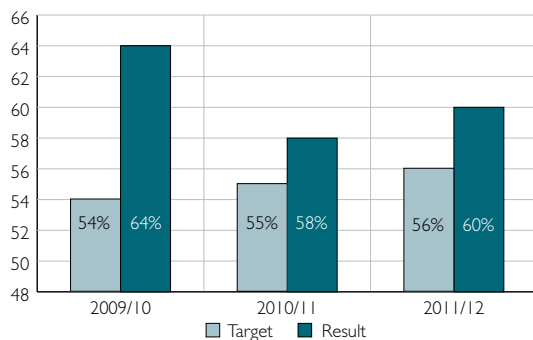
About this Outcome: Public buildings and car parks are safe, maintained and accessible by all.

Actual achievements against the Key Performance Indicators (KPI) and targets that the Council uses to monitor levels of service are detailed below:

| KPI: Increase the number of public toilets with disabled access per annum | LTP Target | Result 2012/13 |
|---|------------|----------------|
| ACHIEVED: The 2 projects for Broadwood and Rangiputa have been completed. | 2 | 2 |
| <i>KPI above is new in the LTP 2012/13. Unable to provide a three year view of performance.</i> | | |

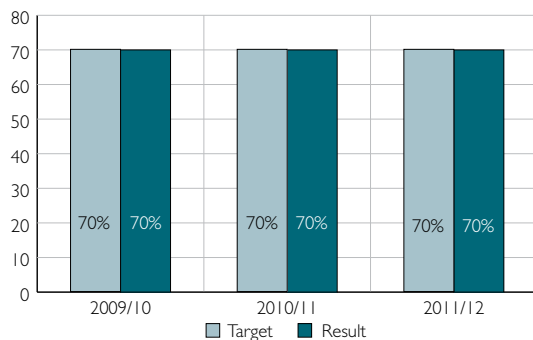
| KPI: Percentage of people are satisfied with cleanliness of public toilets | LTP Target | Result 2012/13 |
|--|------------|----------------|
| NOT ACHIEVED: The main reason for dissatisfaction stems from dirty, smelly facility that need cleaning. A third of those dissatisfied indicated that the facilities need an upgrade, being in a poor condition, while a further 14% feel there are not enough facilities available in their area. | 62% | 50% |

*Graph shown below details a three year view of performance:
(The difference being "Percentage satisfied with public toilets in Communitrak Survey" was used to monitor this KPI in previous years)*



| KPI: Less than 2 non-compliance notifications per month | LTP Target | Result 2012/13 |
|--|------------|----------------|
| ACHIEVED: No non-compliance notifications issued - all work within specifications. This has been achieved by regular monitoring and auditing of all public toilets by both contractor and Council officers. | 2 | 0 |

*Graph shown below details a three year view of performance:
(The difference being percentage of toilets that comply with public toilet standards was used to monitor this KPI in previous years)*



District Facilities Group



157

Activity: Customer Services

Customer Services delivers essential functions for Council.

- To act as first point of contact face to face, contact centre and via the Far North District Council website.
- To handle customer requests for information and service.
- To receive and process payments.
- To liaise with all departments throughout the organisation for our customers.
- To value our diverse lifestyles and unique environment.

The role that Council plays in the delivery of Customer Services is to act as first point of contact for residents, ratepayers, and visitors to our district. It is an essential role that enables people to do business with Council.

Key facts

Council maintain service centres in the following locations:

- Opononi.
- Kaeo.
- Kaikohe.
- Kaitaia.
- Kawakawa.
- Kerikeri.
- Rawene.
- The service centres complete an average of 100,000 transactions (financial and non-financial) per year.
- The Call Centre deals with an average 140,000 calls per year.

Our major achievements in 2012/13

- 34% of residents contacted Council in the last 12 months by telephone and of those, 81% were very satisfied or satisfied.
- Of those residents who have visited a Council office or service centre in the past 12 months, 83% were satisfied with the service received.
- Of the residents contacting Council in writing in the last 12 months, 63% of these residents were very satisfied or satisfied with Council service.
- The Te Ahu visitor survey took place in January 2012. Visitors surveyed were overwhelmingly satisfied with their visit, 92% rating it between 7 and 9 on a point scale being (9=extremely satisfied). Also continuing to receive positive feedback in user surveys from people hiring Te Ahu venues.
- Staff across service centres participated in the earthquake "Drop Cover Hold" Civil Defence exercise along with some customers.
- Completed updates to a number of customer service procedures as part of the continuous improvement process. An example of this was the receipting and bookings module. Testing processes and ensuring alignment right across the organisation.
- Enhanced Contact Centre reporting to better monitor traffic flows to improve performance.
- Researched best practice methods for surveying customers. Aim to survey why customers contact us and their preferred contact channels.
- The number of overdue Requests for Service (RFS) has steadily declined over the year. Customer feedback received through the draft Annual Plan 2013/14 was positive as their RFS was addressed more appropriately and in a timely manner.
- Events held at Te Ahu are on the increase. Staff are volunteering at events and actively encouraging other locals to become part of a volunteer group at Te Ahu.
- Completed first work experience trial for young people looking to enter the workforce (via People Potential). Viewed as a success and Council are keen to adopt the work experience programme.

Challenges we experienced

- Experienced technical issues with the Contact Centre phone system during some months.
- Customers referring to older phone books using an old Council phone number causing problems contacting us.
- From the draft Annual Plan 2013/14 complex rate information required "frequently asked questions" to be developed. This ensured staff could support the department with the high volume of customer enquiries.
- Increased demand for Te Ahu venue bookings. Council staff ensured hirer's needs were met, venues were ready and inspected after each hire.

Plans for the next 12 months

Facility Bookings

- Increase revenue opportunities by maximising the use of venues and equipment for hire.
- Deliver a quality hirer and visitor experience by providing a welcoming, knowledgeable and professional service.
- Establish and continue to review Council's booking procedures.

Te Ahu Cinema

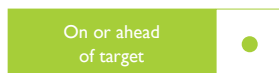
- Increase revenue opportunities by facilitating special cinema screenings.
- Deliver a quality experience by providing a welcoming, friendly and professional operation and service.

Te Ahu Museum and Heritage

- Develop a Revenue Management Strategy that looks at increasing the revenue opportunities.
- Continue to build key relationships with the Far North Regional Museum Trust, local community representatives including Iwi, Hapu, Dalmatian and Pakeha, as well as other Museum and archival providers.
- Increase the pool of experienced and skilled volunteers and other such personnel that enables the Museum to operate seven days a week.
- Deliver a quality visitor experience by providing a welcoming, knowledgeable and professional service.

How we performed against the first year of the Long-Term Plan (LTP) 2012/22

The tables below reflect the progress of our key work during 2012/13. Each action/project is linked to the strategic objectives and priorities set in the LTP. The progress at the end of the financial year against each action/project has been represented by:



Strategic Objective:
A leaner, more customer focused organisation.

| 2012/13 Action/project | Background | Progress |
|--|------------|----------|
| PRIORITY 1: Continue to improve customer service by developing and implementing a Customer Services Charter that clearly outlines the requirements of the organisation and the commitment to our customers. | | |

| | | |
|--|--|---|
| Continue to develop appropriate customer service standards and quality controls | In 2011/12 Council developed a Customer Service Charter to help drive cultural alignment and actively foster a service culture that puts the customer at the heart of the organisation. The development of appropriate customer service standards and quality controls leads on from the Charter | ● |
| Progress comments: On-going review of, and improvement to a number of customer service processes and procedures. Identified a need to develop appropriate Service Level Agreements with other Departments to ensure a high level of and consistent customer service is being delivered by the Organisation. | | |

| 2012/13 Action/project | Background | Progress |
|--|------------|----------|
| PRIORITY 2: Investigate the use of service hubs for delivering customer service | | |

| | | |
|--|---|---|
| Investigate shared spaces to offer customer services from, in conjunction with other agencies. Investigate the provision of service offered through the contact centre, online/social media and mobile services. | While Council has gone some way to developing service hubs by combining existing services and putting them in the one place, we also need to develop the key technological infrastructure to enable us to deliver services through other channels e.g. e-services, mobile, etc. | ● |
| Progress comments: Te Ahu: The Te Hiku Social Accord project is rolling out and includes the use of Te Ahu and Council staff. Offers the opportunity to work alongside key Government, Iwi, non-Government Organisation, community organisations and local businesses to deliver better services to the Far North. On-going development using electronic display boards in Te Ahu and Procter Library as alternative means to the delivery of FNDC / Community information. Continue to develop meaningful professional relationships with other key agencies / community organisations where there are possibilities of sharing space and service delivery options including Police, Community Link, Streetmartz, Department of Internal Affairs (DIA). | | |

Community Outcome: Services that support a sustainable and liveable environment and a vibrant, thriving economy

About this Outcome: Provide information on Council services and assist members of the community in doing business with Council.

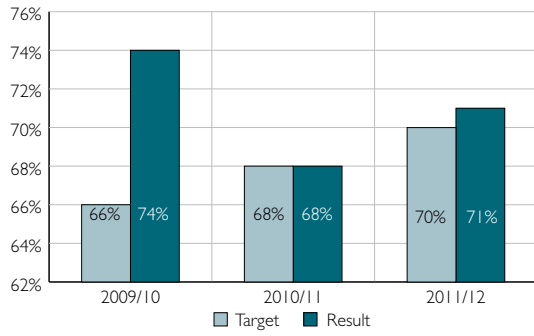
Actual achievements against the Key Performance Indicators (KPI) and targets that the Council uses to monitor levels of service are detailed below:

| KPI: Overall satisfaction when contacting Council | LTP Target | Result 2012/13 | | | | | | | | | | | | |
|--|------------|----------------|------------|---------|-----|-----|---------|-----|-----|---------|-----|-----|-----|-----|
| <p>NOT ACHIEVED: The overall satisfaction when contacting Council has declined since last year from 77% to 72% according to the annual resident survey however the incidence of contact with Council has also decreased, from 47% last year to 34% this year. Some of the main reasons for satisfaction when contacting the Council included that customers got what they needed, satisfactory outcome; follow up good, helpful.</p> <p>Graph shown below details a three year view of performance:</p> <table border="1"> <caption>Overall satisfaction when contacting Council (2009/10 to 2011/12)</caption> <thead> <tr> <th>Year</th> <th>Target (%)</th> <th>Result (%)</th> </tr> </thead> <tbody> <tr> <td>2009/10</td> <td>63%</td> <td>78%</td> </tr> <tr> <td>2010/11</td> <td>68%</td> <td>70%</td> </tr> <tr> <td>2011/12</td> <td>73%</td> <td>71%</td> </tr> </tbody> </table> | Year | Target (%) | Result (%) | 2009/10 | 63% | 78% | 2010/11 | 68% | 70% | 2011/12 | 73% | 71% | 75% | 72% |
| Year | Target (%) | Result (%) | | | | | | | | | | | | |
| 2009/10 | 63% | 78% | | | | | | | | | | | | |
| 2010/11 | 68% | 70% | | | | | | | | | | | | |
| 2011/12 | 73% | 71% | | | | | | | | | | | | |

| KPI: Percentage of calls answered in 20 seconds | LTP Target | Result 2012/13 | | | | | | | | | | | | |
|---|------------|----------------|------------|---------|-----|-----|---------|-----|-----|---------|-----|-----|-----|-----|
| <p>ACHIEVED: Contact Centre is adequately resourced with staff that are able to meet customer expectations.</p> <p>Graph shown below details a three year view of performance:</p> <table border="1"> <caption>Percentage of calls answered in 20 seconds (2009/10 to 2011/12)</caption> <thead> <tr> <th>Year</th> <th>Target (%)</th> <th>Result (%)</th> </tr> </thead> <tbody> <tr> <td>2009/10</td> <td>80%</td> <td>87%</td> </tr> <tr> <td>2010/11</td> <td>82%</td> <td>79%</td> </tr> <tr> <td>2011/12</td> <td>84%</td> <td>69%</td> </tr> </tbody> </table> | Year | Target (%) | Result (%) | 2009/10 | 80% | 87% | 2010/11 | 82% | 79% | 2011/12 | 84% | 69% | 79% | 84% |
| Year | Target (%) | Result (%) | | | | | | | | | | | | |
| 2009/10 | 80% | 87% | | | | | | | | | | | | |
| 2010/11 | 82% | 79% | | | | | | | | | | | | |
| 2011/12 | 84% | 69% | | | | | | | | | | | | |

| KPI: Percentage of calls resolved at first point of contact | LTP Target | Result 2012/13 |
|---|------------|----------------|
| ACHIEVED: Contact Centre resourcing has improved with multi-skilled staff that have the ability to resolve customer enquiries at first point of contact. | 70% | 73% |

Graph shown below details a three year view of performance:



District Facilities Group



162

Activity: i-SITE

The vision of Far North District Council i-SITEs is to encourage visitors to stay longer, enjoy more activities, and spend more money in the Far North by providing them with a positive image of our district. We do this through the provision of information services and facilities that are affordable, accessible, and contribute to the district's development needs.

Tourism New Zealand, i-SITE New Zealand, and Council have an agreement that recognises the importance of having an effective and high quality network of visitor information centres dedicated to delivering free, comprehensive, and objective information.

We provide information on destinations anywhere in New Zealand, offering the best advice on; where to go and what to see and do, in terms of accommodation, travel, activities, attractions, local information, and events. We also offer residents and ratepayers a place to do Council business.

Key facts

Council operates and maintains 3 visitor information centres (i-SITEs) including:

- Bay of Islands located in Paihia.
- Far North located in Kaitiaki.
- Hokianga located in Opononi.

Our major achievements in 2012/13

- Staff across i-SITEs participated in the earthquake "Drop Cover Hold" Civil Defence exercise along with some customers.
- Refurbishment of the Bay of Islands i-SITE at Paihia has made a positive impact increasing visitors into the facility.
- Reviewing i-SITE NZ strategy to ensure alignment with future FNDC i-SITE strategy.
- More European overseas visitors arrived in New Zealand and at the end of NZ summer season.
- Opononi Four Square premises burnt down and re-located in the Hokianga i-SITE building in Opononi for approximately four months.

Challenges we experienced

- Responding to the Paihia Waterfront Plan, Council needs to ensure visitors have visibility and ease of access to the i-SITE in Paihia.

Plans for the next 12 months

- Remain an accredited member of i-SITE New Zealand through meeting the annual Qualmark assessment.
- Deliver a quality visitor experience by providing a welcoming, friendly and professional service.

How we performed against the first year of the Long-Term Plan (LTP) 2012/22

The tables below reflect the progress of our key work during 2012/13. Each action/project is linked to the strategic objectives and priorities set in the LTP. The progress at the end of the financial year against each action/project has been represented by:



Strategic Objective:

A leaner, more customer focused organisation.

| 2012/13 Action/project | Background | Progress |
|--|--|----------|
| PRIORITY 1: Remain an accredited member of i-SITE New Zealand through meeting the annual Qualmark assessment. | | |
| Maintain the standards required for accreditation | To remain an accredited member of i-SITE New Zealand, each year we must successfully complete the Qualmark assessment by ensuring location, facilities and i-SITE NZ rules and policies are adhered to | ● |
| Progress comments: On target to remain an accredited member of i-SITE New Zealand. | | |

| 2012/13 Action/project | Background | Progress |
|--|--|----------|
| PRIORITY 2: Deliver a quality visitor experience by providing a welcoming, friendly and professional service. | | |
| Investigate upgrade of IBIS Tourism system | The IBIS system is a vouchers/receipting system used to make bookings and take payments. It also allows all i-SITES in New Zealand access to a National Database. FNDC has not upgraded the system since it was first installed several years ago. We have fallen behind in terms of the efficiencies the newer versions offer | ● |
| Progress comments: Research and IT for scope including schedule of work and costings is complete. IT has approved the upgrade of IBIS and is presently being implemented. | | |

Community Outcome: A vibrant and thriving economy

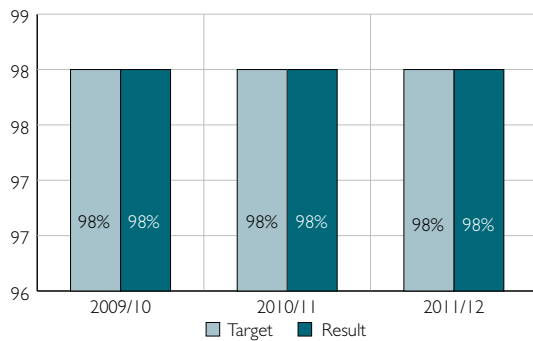
About this Outcome: The contribution of tourism to the district is acknowledged

Actual achievements against the Key Performance Indicators (KPI) and targets that the Council uses to monitor levels of service are detailed below:

| KPI: Increased door count | LTP Target | Result 2012/13 |
|---|------------|----------------|
| ACHIEVED: Improved layout of premises and selling retail has encouraged visitors to use Council i-SITEs. | 265,000 | 388,951 |
| *This KPI above is new in the LTP 2012/13. Unable to provide a three year view of performance. | | |

| KPI: Annual customer satisfaction rating | LTP Target | Result 2012/13 |
|---|------------|----------------|
| ACHIEVED: Continued effort to ensure staff are well trained and equipped to deliver visitor information. | 98% | 99% |

Graph shown below details a three year view of performance:

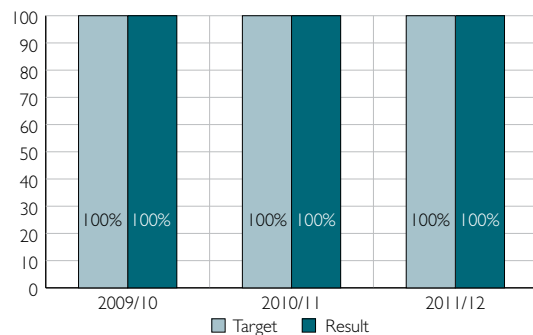


164

| KPI: Retain VIN Accreditation | LTP Target | Result 2012/13 |
|--|------------|----------------|
| ACHIEVED: Continued effort to retain accreditation. | 100% | 100% |

Graph shown below details a three year view of performance:

(The difference being "Achieve annual visitor info network (VIN) accreditation" was used to monitor this KPI in previous years)



| KPI: Increased door count | LTP Target | Result 2012/13 |
|---|------------|----------------|
| ACHIEVED: Sold \$101,381 worth of goods, compared to \$99,202 in 2011/12. Improved layout of premises and selling retail has encouraged visitors to use Council i-SITEs. | 2% | 2% |
| *This KPI above is new in the LTP 2012/13. Unable to provide a three year view of performance. | | |

District Facilities Group



165

Activity: Libraries

This activity provides library services at a number of locations throughout the district. This activity contributes significantly to present and future social and cultural well-being.

The Library's vision is to contribute to the social, cultural and economic well-being of people in the Far North District by:

- Providing leisure and learning opportunities with facilities and services that are accessible, and that meet the needs of the community.
- Providing best practice library and information services guided by Library and Information Association of New Zealand Aotearoa (LIANZA) standards for public libraries.
- Providing responsive, affordable, and sustainable library and information services for our communities.

Key facts

Council operates 6 public libraries, supports 4 community libraries, and 5 Area School community libraries. The 6 public libraries with full library services are located at Kaitiā, Kaikohe, Kawakawa, Kerikeri, Paihia and Kaeo. Community

libraries are based in Kohukohu, Mangonui, Rawene, and Russell. Area School community libraries are in Broadwood, Taipa, Mitimiti, Opononi, and Panguru.

Our major achievements in 2012/13

- Libraries participated in the earthquake "Drop Cover Hold" Civil Defence exercise along with some customers.
- A strategic framework 2012/17 produced by Public Libraries of New Zealand, and released in September 2012, is being used by Council as a tool for planning and setting priorities towards Council's ten year plan.
- Investigation into social media uses and benefits for libraries by providing an easy and accessible communication medium.
- Promoting New Zealand books and authors has increased borrowers issuing levels.
- In line with the Archives facility at Procter Library, Council are focused on building further the Library's relationship with the local retirement village, who have contributed and made connections to the library archives on local history material, and personal accounts of earlier times of the area in Kerikeri.
- Increased e-Book content and downloadable audio books collection.
- Increased the number of events overall, encouraging more and a wider variety of participation.

Challenges we experienced

- The Local Government (Public Libraries) Amendment Bill did not pass the first reading in Parliament. The Bill would have prevented libraries from charging for borrowing books, DVD's, music and internet use.

Plans for the next 12 months

Make libraries more accessible and able to meet the community's needs by:

- Providing a common library card to public and community libraries.
- Developing library services that reach beyond buildings using available and future technologies to offer an expanded and enhanced service to more communities.

Develop libraries that support our communities by:

- Celebrating culture, heritage and the arts.
- Establishing specialised library support services.
- Reviewing opening days / hours.

Provide Libraries that are current and relevant by:

- Maintaining relationships with stakeholders and the community.
- Reducing costs and maximising use of volunteers.

How we performed against the first year of the Long-Term Plan (LTP) 2012/22

The tables below reflect the progress of our key work during 2012/13. Each action/project is linked to the strategic objectives and priorities set in the LTP. The progress at the end of the financial year against each action/project has been represented by:



Strategic Objective:
A leaner, more customer focused organisation.

| 2012/13 Action/project | Background | Progress |
|---|---|----------|
| PRIORITY 1: Make libraries more accessible and able to meet the community's needs. | | |
| Provide same Far North Libraries card to public and community libraries | Providing a common library card to public and community libraries | ● |
| <p>Progress comments: Branch Managers have formed a working party to 1) clarify the community libraries that wish to participate, 2) contact those libraries, and 3) formulate an action plan. Most community libraries have been contacted and not all are interested in this. Community library surveys being done to see if community patrons are happy about our offer. A letter has been drafted to be sent out to all community libraries.</p> | | |

| 2012/13 Action/project | Background | Progress |
|--|--|----------|
| PRIORITY 2: Develop libraries that support our communities. | | |
| Establish learning programmes, exhibitions and events that foster the joy of reading and support the development of literacy, appreciation of our culture, heritage and the arts | Our public libraries are community-based organisations essential to allowing individuals to engage with library services and with other people in their community, participate in community life and decision-making, strengthen their local communities, and foster in them a sense of connection and belonging | ● |
| <p>Progress comments: Established book clubs across the Libraries and a marketing plan for the Archives Room at Procter Library is being developed.</p> <p>Procter Library Archives Room focused on building further the Library's relationship with the local retirement village and fostering with them a larger sense of connection to the Library and their local community.</p> <p>A number of events and information sessions were hosted by Far North Libraries including Department of Internal Affairs, education providers, Musicians, Poets, and Authors.</p> <p>Library Staff made presentations throughout the year to external groups about our library services.</p> | | |

Completed ●

On or ahead of target ●

Within 10% of target or some moderate slippage ●

Significantly off target ●

| 2012/13 Action/project | Background | Progress |
|---|------------|----------|
| PRIORITY 3: Provide Libraries that are current and relevant. | | |

| | | |
|---|--|---|
| Maintain relationships with stakeholders and the community; establish an effective volunteer programme to reduce costs and maximise use of volunteers | Our libraries have formed strategic alliances and partnering across regional and national boundaries such as Aotearoa People's Network Kaharoa (APNK), LIANZA and Association of Public Library Managers (APLM) along with our local communities. The use of well trained volunteer time is complementary to that of our paid professional staff. | ● |
|---|--|---|

Progress comments: Partnering with Northtec, Whangarei and Kaipara District Libraries to take advantage of library workshops, and lower cost of attendance for library staff. Attendance at the meeting for North Island Library Managers. Signs are up in Kaikohe and Kaeo Libraries advertising the desire to have volunteers working in the libraries with positive response and some training in Kaeo happening. Three day visit from Auckland Libraries, and Parkes Shires Library, Australia, for a share and familiarise session how Council operates Far North District Council libraries.
Some staff attending school library meetings to form reading groups. Kaitia staff working on the StoryLine festival.

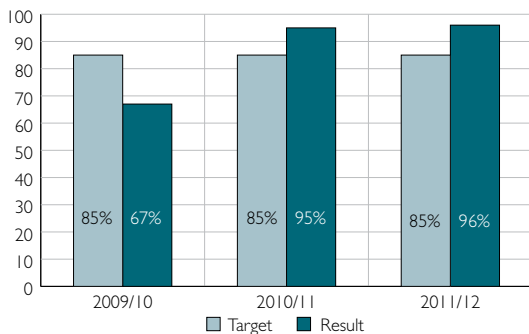
Community Outcome: Services that support a sustainable and liveable environment and a vibrant, thriving economy

About this Outcome: To engage, inspire and inform communities by providing recreational, educational and life-long learning, as well as cultural enrichment through the provision of library services and facilities that are affordable, accessible and meet community needs.

Actual achievements against the Key Performance Indicators (KPI) and targets that the Council uses to monitor levels of service are detailed below:

| KPI: Percentage satisfaction of users | LTP Target | Result 2012/13 |
|--|------------|----------------|
| ACHIEVED: Residents who use the libraries who are very satisfied, are positive towards the public library in general, and are happy with the selection of books and resources, as well as friendly, helpful service from staff. From a facility perspective, residents feel the libraries are well maintained and tidy. This result is a decline from last year due to a greater proportion of users who were unsure how to rate the public libraries. | 85% | 90% |

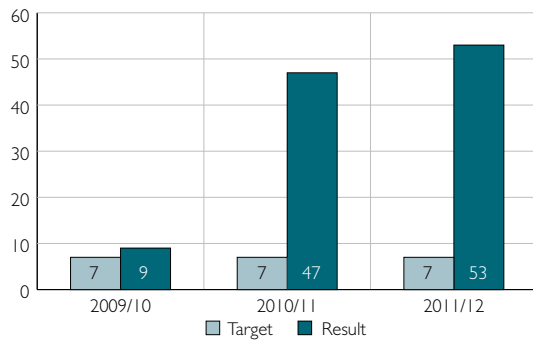
Graph shown below details a three year view of performance:



| KPI: Net increase of new borrowers | LTP Target | Result 2012/13 |
|---|------------|----------------|
| NOT ACHIEVED: Public libraries have experienced a downturn in new borrowers due to the continuing recession. There has been a marked decline in visitors to libraries also due to the popularity of e-Books. | 18% | -7% |
| *This KPI above is new in the LTP 2012/13. Unable to provide a three year view of performance. | | |

| KPI: Issue rate per library borrower per annum | LTP Target | Result 2012/13 |
|---|------------|----------------|
| NOT ACHIEVED: The issue rate includes the issue of physical items for which issues have decreased but does not include e-Books for which have increased. The continuing recession has impacted largely on patrons of the library who are not able to visit as much as they have in the past and therefore borrow less. | 47 | 34 |

Graph shown below details a three year view of performance:



| KPI: Number of online borrower logins | LTP Target | Result 2012/13 |
|--|------------|----------------|
| ACHIEVED: With the introduction of e-Books and the continuing recession, patrons are accessing online services more from their homes and not physically visiting a library. | 5,000 | 89,775 |
| *This KPI above is new in the LTP 2012/13. Unable to provide a three year view of performance. | | |

Financial Information District Facilities

FINANCIAL SUMMARY FOR THE YEAR ENDED 30 JUNE 2013

| | NOTE | ACTUAL 2013 \$000s | COUNCIL BUDGET 2013 \$000s | VARIANCE \$000s |
|--|------|--------------------------|-------------------------------------|--------------------|
| Income | | | | |
| Rates income (excluding targeted water supply rates) | 1 | 19,141 | 17,986 | 1,155 |
| Fees, charges & targeted water supply rates | 2 | 1,914 | 2,147 | (233) |
| Development & financial contributions | | 166 | 113 | 53 |
| Subsidies & grants | | 28 | 0 | 28 |
| Other income | 3 | 728 | 241 | 487 |
| Total Operating Income | | 21,976 | 20,487 | 1,490 |
| Expenditure | | | | |
| Direct Costs | 4 | 24,249 | 13,215 | (11,034) |
| Indirect Costs | 5 | 1,497 | 2,556 | 1,059 |
| Activity Expenditure | | 25,746 | 15,771 | (9,975) |
| Depreciation | | 4,030 | 4,125 | 95 |
| Interest Payable | | 675 | 1,200 | 525 |
| Total Operating Expenditure | | 30,450 | 21,095 | (9,356) |
| Net Operating Surplus/(Deficit) | | (8,475) | (607) | (7,867) |
| Capital Statement | | | | |
| Net Operating Surplus | | (8,475) | (607) | (7,867) |
| Loans | | 635 | 1,051 | (416) |
| Other Funding | | 2,193 | 6,843 | (4,650) |
| Total Funding | | (5,646) | 7,287 | (12,932) |
| New Work | 6 | 819 | 1,233 | 414 |
| Renewal Works | 6 | 1,375 | 5,717 | 4,342 |
| Loan Repayments | | 642 | 337 | (305) |
| Total Capital Expenditure | | 2,835 | 7,287 | 4,114 |
| NET SURPLUS/(DEFICIT) | | (8,481) | 0 | (8,481) |

169

NOTE:

A favourable variance is shown as a positive number and an unfavourable variance is shown as a negative number. The direct and indirect budgets shown in the table do not individually agree to those published in the LTP due to a difference in allocation. The total activity expenditure, however, does agree to the total published in the LTP.

VARIANCE TO THE LONG TERM PLAN 2012/13

1. Rates Income is showing a favourable variance of \$1,155k predominantly due to:
 - a. An increase in penalty rate income of \$1,210k; and
 - b. General and targeted rates are showing an unfavourable variance of \$56k.
2. Fees and charges are showing an unfavourable variance of \$233k predominantly due to:
 - a. Admission fees for the Te Ahu cinema are showing an unfavourable variance of \$71k;
 - b. Admission fees for the Museum are showing an unfavourable variance of \$68k;
 - c. Information centre sales are showing an unfavourable variance of \$40k;
 - d. Hire charges for community spaces are showing an unfavourable variance of \$54k.

3. Other income is showing a favourable variance of \$487k predominantly due to:
 - a. Vested asset additions have been identified totaling \$84k which was not budgeted in the LTP;
 - b. Recoveries in relation to rural fires were \$177k and were not budgeted in the LTP;
 - c. Recoveries for the Te Ahu i-SITE were \$32k and were not budgeted in the LTP;
 - d. Special fund interest was ahead of budget by \$31k;
 - e. A contribution of \$85k was invoiced for the Russell Wharf works which was not included in the LTP budget;
4. Direct costs are showing an unfavourable variance of \$11,034k due to:
 - a. Loss on valuation of land of \$10,477k and a loss on disposal of property, plant & equipment of \$280k;
 - b. Increased provision for doubtful debts of \$1,043k;
 - c. A favourable variance relating to property related expenses of \$288k;
 - d. A favourable variance relating to external services and professional fees of \$475k.
5. Indirect costs are showing a favourable variance of \$1,059 due to a decrease in corporate allocations.
6. Capital Expenditure is showing a favourable variance of \$4,756k predominantly due delays in the completion of projects

KEY CAPITAL PROJECTS FOR THE YEAR ENDED 30 JUNE 2013

| | ACTUAL 2013 \$000s | COUNCIL BUDGET 2013 \$000s | VARIANCE \$000s |
|----------------------------|--------------------------|-------------------------------------|--------------------|
| New Works | | | |
| Cemeteries | 25 | 40 | 16 |
| Halls | 3 | 0 | (3) |
| Maritime facilities | (89) | 0 | 89 |
| Motor camps | 1 | 0 | (1) |
| Public toilets | 63 | 373 | 312 |
| Town maintenance | 19 | 0 | (19) |
| Parks & reserves | 268 | 759 | 491 |
| Civil defence | 98 | 60 | (38) |
| Rural fires | 84 | 0 | (84) |
| Libraries | 1 | 0 | (1) |
| Community special projects | 300 | 0 | (300) |
| Kaitaia civic buildings | 46 | 0 | (46) |
| Total New Works | 819 | 1,233 | 414 |
| Renewals | | | |
| Airports | 18 | 67 | 49 |
| Amenity lighting | 34 | 41 | 7 |
| Carparks | 116 | 94 | (22) |
| Cemeteries | 32 | 50 | 18 |
| Community centres | 15 | 632 | 617 |
| Halls | 111 | 1,463 | 1,352 |
| Maritime facilities | 80 | 479 | 399 |
| Motor camps | 38 | 225 | 188 |
| Museums | 66 | 231 | 164 |
| Pensioner housing | 169 | 39 | (130) |
| Public toilets | 101 | 156 | 55 |
| Parks & reserves | 293 | 1,421 | 1,128 |
| Rural fires | 0 | 235 | 235 |
| Information centre | 30 | 73 | 43 |
| Libraries | 271 | 512 | 240 |
| Total Renewals | 1,375 | 5,717 | 4,342 |

SIGNIFICANT ACQUISITIONS OR REPLACEMENTS OF ASSETS FOR 2012/13

The LGA 2002 requires councils to provide information regarding any significant assets acquired or replaced during the year. Council's significance policy does not specify a value but does identify the following assets as significant:

| PARKS & RESERVES, HALLS AND MARITIME | COUNCIL BUDGET 2013 \$000s | VARIANCE 2013 \$000s |
|--|-------------------------------------|----------------------------|
| Maritime renewals | | |
| Work to be undertaken on various maritime assets | 479 | 80 |
| Halls renewals: | | |
| Te Hiku Ward | 891 | 22 |
| Kaikohe-Hokianga Ward | 427 | 80 |
| Parks & reserves renewals: | | |
| BOI-Whangaroa Ward | 410 | 55 |
| Te Hiku Ward | 483 | 194 |
| Kaikohe-Hokianga Ward | 383 | 47 |

VARIANCE TO THE ANNUAL PLAN 2012/13

- Maritime renewals.
This is for works to be carried out on a range of maritime assets. Some assets have been transferred back to FNDC by Far North Holdings Ltd and a management has been negotiated with FNHL to carry out this work.
- Halls renewals.
Halls renewals for the Te Hiku and Kaikohe-Hokianga Wards were delayed in 2012/13 while a strategy was put in place for the future maintenance and ownership of halls.
- Parks and reserve renewals.
Parks and reserve renewals were largely put on hold during 2012/13 awaiting a formal strategy on the works to be carried out.

Environmental Management Group



172

The Environmental Management activity is comprised of all the regulatory activities carried out by Council on behalf of the district and its ratepayers. It includes Environmental Protection, which encompasses the broad range of monitoring and enforcement functions; Resource Management which includes the review, update and administration of the District Plan and the processing of resource consents; and finally Building control, which includes the management of the Building Act and Building Codes as well as the issuance of building consents. These are a mixture of activities carried out for the public good as well as functions that are undertaken to benefit individual organisations, groups and developers.

Activity: Animal control

The Animal Control activity administers and enforces the Dog Control Act 1996, and its amendments of 2006, and aspects of the Impounding Act 1955 that are the responsibilities of Council.

Wandering stock on Council controlled roads are impounded if the owner cannot be traced. In addition, stock are impounded if brought to Council for trespassing onto private property.

Council's aim is to safeguard public health, welfare, and safety by ensuring compliance with relevant legislation, policies and bylaw.

This includes:

- Dealing with animal control, including dog registration and control, in accordance with the provisions of the Dog Control Act.

The activity includes:

- Identifying the owners of dogs through dog registration.
- Where required, micro chipping dogs.
- Apply the enforcement provisions of the Dog Control Act.
- Educating the community about dogs.
- Encouraging responsible dog ownership.
- Receiving, investigating, and resolving complaints about dogs.
- Creating by-laws that give effect to policies and enable enforcement of policy provisions.
- Acting as pound keepers and dealing with wandering / straying stock, in accordance with the provisions of the Impounding Act 1955.
- Provide for the protection of native, indigenous, or protected wildlife.
- Ensure Council's responsibilities under the Impounding Act 1955 are carried out as pound keepers, and ensure wandering stock on Council roads are not a danger to the public.
- Work with farmers to minimise cases of wandering stock and reduce the number of repeat incidents.
- Work with farmers on matters such as fencing problems on a case by case basis throughout the year.



Key facts

- Council registers approx. 10,000 dogs per annum.
- Responds to around 250 complaints or enquiries per month.
- Impounds up to 100 dogs per month.
- Council regularly responds to call-outs for wandering stock.

Our major achievements in 2012/13

Highlights of our progress during 2012/13 include:

- Review of Chapter 13, Keeping of Animals, Poultry and Bees Bylaw with Council.
- Amendments to the first schedule of the Dog Control Bylaw 2006 following consultation with the community boards.
- Stock pound at Pakaraka has relocated to the existing dog pound site located in Okaihau.
- The threat of seizure of unregistered dogs has encouraged dog owners to register their dogs. 97% of known dogs are registered compared to 90% in 2011/12.

Challenges we experienced

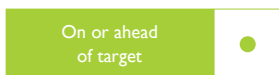
- Council experienced an increase in incidents of the keeping of animals in residential areas, which included pigs, sheep, horse and poultry.
- Readiness to follow up on non-registered dog owners within the 2 month registration period.

Plans for the next 12 months

- To increase dog registration by following up on known dogs not registered and targeting unregistered dogs.
- Reducing incidents of wandering stock by working with stock owners at high risk or frequent incident locations.
- Investigate the options for disposal of unwanted dogs, including associated costs.
- Investigate the introduction of a neutering programme for dogs re-homed from the pound, including associated costs.
- Continue public education programmes to increase dog owners' awareness of their responsibilities.

How we performed against the first year of the Long-Term Plan (LTP) 2012/22

The tables below reflect the progress of our key work during 2012/13. Each action/project is linked to the strategic objectives and priorities set in the LTP. The progress at the end of the financial year against each action/project has been represented by:



Strategic Objective:
Improving the quality of life in the Far North.

| 2012/13 Action/project | Background | Progress |
|---|------------|----------|
| PRIORITY 1: Increase animal control public awareness of their responsibilities, through an on-going process, taking advantage of talks, newspaper articles, etc. | | |

| | | |
|--|---|---|
| Increase dog owners awareness of registration requirements and their responsibilities | It is anticipated that growth of the population will bring an increase in the number of dogs to the district. Therefore, unless dog owners are made more aware of their responsibilities, there is the potential for an increase in dog related incidents, resulting in more dogs being impounded. There is a need to increase public awareness of their responsibilities, through an on-going process, taking advantage of talks, newspaper articles, etc. | ● |
| <p>Progress comments: Animal Control team have seized dogs as a result of non-registration. Owners of these dogs have since paid all fees relating to their dogs seizure and dogs have been released from the pound. In some cases, a dog owner will arrange registration payment of their dog to avoid their dog being seized. The 2013/14 dog registration reminders have been sent out, and it has been noticed that the recent newspaper articles relating to Animal Control forthcoming programme to investigate unregistered dogs has brought about an increase in dogs being handed over, resulting in both pounds being full to capacity virtually all the time. Educational programme has been developed and hosted upon request (on-going). Workshops held with Department of Conservation staff at their Kerikeri and Kaitaia branches. Further enquiries have been received from other groups, and further workshops are to be set up in the near future.</p> | | |

| 2012/13 Action/project | Background | Progress |
|--|------------|----------|
| PRIORITY 2: Wandering stock require animal control team to work with farmers on matters such as fencing problems on a case by case basis. | | |

| | | |
|---|--|---|
| Continue working with stock owners to minimise risk | Wandering stock problems are seasonal. Climate change, increasing wet weather, and the availability of feed, may increase demand for officers to deal with more wandering stock incidents. This will require the group to work with farmers on matters such as fencing problems on a case by case basis. | ● |
| <p>Progress comments: Current stock problems have related to horses in the Kaitaia and Tokerau Beach areas. Regular reports of horses being grazed on private land has resulted in a number being impounded in Kaitaia, along with a number of cows.</p> | | |

Community Outcome: A Safe and Healthy District

About this Outcome: Unrestrained dogs and wandering stock are controlled.

Actual achievements against the Key Performance Indicators (KPI) and targets that the Council uses to monitor levels of service are detailed below:

| KPI: Percentage of incidences responded to within set timeframes dependent on seriousness of incident | LTP Target | Result 2012/13 |
|--|------------|----------------|
| ACHIEVED: The staff have focused on implementing new processes to achieve the target. | 90% | 96% |
| <i>*This KPI above is new in the LTP 2012/13. Unable to provide a three year view of performance.</i> | | |

| KPI: Number of awareness programmes | LTP Target | Result 2012/13 |
|--|------------|----------------|
| ACHIEVED: All sessions were as a result of requests from external groups and agencies, requesting specific training on dog behaviour awareness etc. | 6 | 7 |
| <i>*This KPI above is new in the LTP 2012/13. Unable to provide a three year view of performance.</i> | | |

Environmental Management Group



176

Activity: Environmental Health

The Environmental Health Activity manages Council's responsibilities under the Health Act 1956, and other related regulations.

The role of the Environmental Health officers is to carry out the responsibilities of a Territorial Authority under the Health Act 1956 and related Regulations.

Key facts

Council inspects around 450 food premises, Camping Grounds, Offensive Trades and Clubs throughout the year and responds to complaints of health nuisance. The activity supports Council's Resource Management and Building divisions, in relation to consent applications relevant to their role (e.g. food premises). In addition, they support the Liquor Licensing Agency and inspect licensed premises, as required by the Sale and Supply of Alcohol Act 2012.

In carrying out this activity, Council undertakes:

- Inspection of food premises (Food Hygiene Regulations 1974).
- Inspection of Liquor Licensed premises (Sale and Supply of Alcohol Act 2012).
- Health Nuisance (Health Act 1989).
- Investigation of notifiable infectious diseases.
- Assessing and audits of Food Control Plans.

Council also:

- Advises and reviews related Resource and Building Consents.
- Inspection of other bylaw related matters (e.g. On-Site Wastewater systems).

Our major achievements in 2012/13

Highlights of our progress during 2012/13 include:

- Health licences fee and service charges review for 2013/14 adopted by Council.
- Hosting Food Control Plan workshops for Food Operators in the district.

Challenges we experienced

- Worked through the legislative changes and implications for Council in respect to the Sale and Supply of Alcohol Act 2012.
- Explaining the new requirements for Food Control Plans to food operators.

Plans for the next 12 months

- Gradual transition from registration of food premises to Food Control Plans, in line with the expected Food Act coming into force.
- Operate dual administration systems that allows for the transition from registration of premises to Food Control Plans.
- Development and implementation of new fees and charges structure for new legislation requirements.
- Ensure that all Environmental Health Officers are suitably qualified to cater for the transition.
- Investigating the possibility of introducing a grading system for food premises, aligned to new legislation.

How we performed against the first year of the Long-Term Plan (LTP) 2012/22

The tables below reflect the progress of our key work during 2012/13. Each action/project is linked to the strategic objectives and priorities set in the LTP. The progress at the end of the financial year against each action/project has been represented by:



Strategic Objective:
Improving the quality of life in the Far North.

| 2012/13 Action/project | Background | Progress |
|---|------------|----------|
| PRIORITY 1: Council will implement the changes to working practises in accordance with new legislation when it comes into force. | | |

| | | |
|---|---|---|
| Environmental Health Officer (EHO) role under Alcohol Reform Bill | There may be changes or new responsibilities for the officers and administration in relation to anticipated legislation relating to the sale of alcohol, under the Alcohol Reform Bill. At this stage, the legislation has not been passed and the role of the Health officers under any new legislation has not been fully identified. | ● |
| <p>Progress comments: The Sale & Supply of Alcohol Act 2012 came into force 19 December 2012. However, there is a gradual transition staged through 2013, with all stages requiring being in place by 18 December 2013. During the transition period the role of EHO's will be more clearly defined.</p> | | |

Community Outcome: A Safe and Healthy District

About this Outcome: To Safeguard Public Health.

Actual achievements against the Key Performance Indicators (KPI) and targets that the Council uses to monitor levels of service are detailed below:

| KPI: Percentage of all food control plans accessed and audited annually | LTP Target | Result 2012/13 |
|--|------------|----------------|
| ACHIEVED: Food Control Plans are currently a voluntary programme of which Council has 24 registered; 100% of these are assessed and audited annually. | 96% | 100% |
| *This KPI above is new in the LTP 2012/13. Unable to provide a three year view of performance. | | |

Environmental Management Group



178

Activity: Monitoring and Enforcement

The Monitoring Activity undertakes the role of regulatory enforcement for which Council has responsibility; such as resource consent monitoring, District Plan and Resource Management Act breaches, bylaw enforcement and Litter Act.

Council is responsible for complying with legislation designed to safeguard public health and welfare, minimise environmental risk and protection of cultural interests; such as the Resource Management Act 1991, Litter Act 1979, Local Government Act 1974 and 2002.

Key facts

The Monitoring activity carries out the functions of, amongst others:

- Monitoring of resource consent conditions.
- Investigating breaches of the District Plan and Resource Management Act.
- Investigating reports of illegal dumping of rubbish (Litter Act).
- Licensing and enforcement under Council's general bylaws.
- Inspection of on-site wastewater systems.
- Māori Freehold Land and rating inspections.
- Smoke and fire nuisance.
- Emergency events and Civil Defence responses.

Our major achievements in 2012/13

Highlights of our progress during 2012/13 include:

- Reviewed the skating bylaw to restrict the use of bicycles on footpaths through community consultation and a decision-making process with Council.
- On-going training to up-skill staff to fill specialised Civil Defence roles.
- Council are utilising 10 surveillance cameras around the Far North district and are working with contractors to provide evidence from illegally dumped rubbish on state highways. Council are targeting areas of high levels of illegal dumping and infringing or prosecuting identified offenders.
- Standardised conditions automated electronically within Council's system (Pathways) for assessing and processing purposes.

Challenges we experienced

- An increase in mobile shop operators trading without licenses, throughout the district.
- Illegal campers on the road reserve, parks and reserves throughout the district.
- A large volume of tyre and rubbish dumping is occurring throughout the district.

Plans for the next 12 months

- Continue to exceed target response times for “Requests for Service”.
- Expand the resource consent monitoring to include subdivision consent notices.
- Continue to target areas of illegal dumping of rubbish.
- Continue to keep pace with reviews of policies and bylaws in accordance with the Local Government Act 2002 requirements.

How we performed against the first year of the Long-Term Plan (LTP) 2012/22

The tables below reflect the progress of our key work during 2012/13. Each action/project is linked to the strategic objectives and priorities set in the LTP. The progress at the end of the financial year against each action/project has been represented by:

Completed ●
On or ahead of target ●
Within 10% of target or some moderate slippage ●
Significantly off target ●

Strategic Objective:
Improving the quality of life in the Far North.

| 2012/13 Action/project | Background | Progress |
|--|--|--|
| PRIORITY 1: Targeting areas of high levels of illegal dumping, and infringing or prosecuting identified offenders. | | |
| Monitoring of illegal dumping of rubbish | To reduce incidents of high volume rubbish and tyre dumping, and household and business rubbish dumped in and around public street litter bins, and penalise offenders appropriately | ● |
| Progress comments: Council have purchased 10 surveillance cameras and these will be distributed for use at transfer stations, roadside locations and monitoring graffiti and damage to toilet blocks throughout the Far North district. | | |

| 2012/13 Action/project | Background | Progress |
|---|---|--|
| PRIORITY 2: Improve current systems for the monitoring and reporting on resource consent conditions and breaches of the District Plan and Resource Management Act. | | |
| Monitoring of consent notices | To develop a monitoring process for consent notices within subdivision consents approved. | ● |
| Progress comments: A system of monitoring consent notices has been implemented under the Monitoring System within Pathway. | | |

Community Outcome: A Safe and Healthy District

About this Outcome: To safeguard public health and safety

Actual achievements against the Key Performance Indicators (KPI) and targets that the Council uses to monitor levels of service are detailed below:

| KPI: Percentage of RFS responded on time | LTP Target | Result 2012/13 |
|--|------------|----------------|
| ACHIEVED: Throughout the year the team have been focused on achieving this target. New processes implemented have allowed for this target to be sufficiently met. | 90% | 97% |
| <i>*This KPI above is new in the LTP 2012/13. Unable to provide a three year view of performance.</i> | | |

| KPI: Resource consent conditions monitored per "terms of consent conditions" within specific timeframes | LTP Target | Result 2012/13 |
|--|------------|----------------|
| ACHIEVED: The current system setup restricts the ability to accurately report on specific "terms of consent conditions within specific timeframes". Reporting on specific condition timeframes does not provide an accurate representation of the team's performance, as these are dependant on whether the condition has a realistic timeframe or whether a consent holder complies within the required time. 88% of condition inspections conducted have been reported as complete in some form; however this is only indicative of inspections which have been carried out and the degree of compliancy as completed by the consent holder. However, consents rather than specific conditions can be reported on: 94% of consents have been monitored and are compliant within their 5 year timeframe for the period of 1st July 2012 to 30th June 2013. | 90% | 94% |
| <i>*This KPI above is new in the LTP 2012/13. Unable to provide a three year view of performance.</i> | | |

Environmental Management Group



181

Activity: Liquor Licensing Agency

The responsibilities of the District Licensing Committee is to process and issue all unopposed liquor licensing and hold hearings on opposed licenses, and report to the Alcohol Regulatory and Licensing Authority (ARLA) based in Wellington. All work is carried out as a requirement of the Sale and Supply of Alcohol Act 2012, and incorporates such licensing as On-Licenses, Off-Licenses, Temporary Authorities, Special Licenses, amongst others.

The activities of the Committee are the delegated authorities under the Sale and Supply of Alcohol Act 2012.

Key facts

The Agency processes over 900 applications per annum, including On and Off-Licenses, Temporary Authorities, Special Licensing and Managers Certificates.

The Agency:

- Processes and issues all unopposed Liquor Licenses (e.g. On-Licenses, Off-Licenses, Tavern Licenses, Special Licenses, and Temporary Authorities, Club Licenses, etc).
- Process and issues all unopposed Manager's Certificates (including Club Managers).
- Carries out Host Responsibilities inspection of licensed premises.
- Reports to the Alcohol Regulatory and Licensing Authority.
- Is a Member of the Far North Alcohol Team (FNAT).

Our major achievements in 2012/13

Highlights of our progress during 2012/13 include:

- Stages 1 and 2 of the Sale and Supply of Alcohol Act 2012 were successfully implemented in the required timeframes.

Challenges we experienced

- Working through the legislative changes and implications for Council in respect to the Sale and Supply of Alcohol Act 2012. The final change is, by December 2013, Councils are required to have operational District Licensing Committees in place to determine all applications.
- Implementation of the District Licensing Committee, and processes.

Plans for the next 12 months

- Manage the gradual transition brought about by the Sale and Supply of Alcohol Act 2012 introduction.
- Operate dual administration systems during the transition period.
- Increase Host Responsibility inspections.
- Continue to represent Council as an active member of the Far North Alcohol team (FNAT).

How we performed against the first year of the Long-Term Plan (LTP) 2012/22

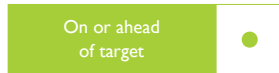
The tables below reflect the progress of our key work during 2012/13. Each action/project is linked to the strategic objectives and priorities set in the LTP. The progress at the end of the financial year against each action/project has been represented by:



Strategic Objective:

Improving the quality of life in the Far North.

| 2012/13 Action/project | Background | Progress |
|--|---|----------|
| PRIORITY I: Council will continue to operate the Agency until legislation changes bring about a review. | | |
| Introduce new process to meet Legislation changes | The Sale and Supply of Alcohol Act 2012 came into force in December 2012. The new provisions come fully into force in December 2013 with a 12 month transitional period. This will provide territorial authorities time to put into place processes required by the new legislation. In particular a decision whether to produce 'Local Alcohol Policies' will need to be made along with the establishment of the new District Licensing Committees. | ● |
| <p>Progress comments: Keeping management, Council & Elected Members up to date with changes. The Society of Local Government Managers introduced a number of Webinar sessions staged between March 2013 and 17 April 2013, to detail the changes of legislation, in which staff and Elected Members have participated. Staff attended a further training workshop on 28 May 2013 in Whangarei. Council has requested more information before making a decision on the preparation of Local Alcohol Policies. Further webinar workshops during July are targeting the process and format for fees and charges to be set when the legislation is fully implemented. Council is currently advertising for expressions of interest from members of the public who wish to be considered to be members of the District Licensing Committee.</p> <p>A number of people interested in the Committee positions have contacted Council, however, at this stage the number of actual applicants is unknown.</p> | | |



| 2012/13 Action/project | Background | Progress |
|--|--|----------|
| PRIORITY 2: Actively participate as a member of the Far North Alcohol Team (FNAT). | | |
| Council's role within the Far North Alcohol Team (FNAT) | FNAT is a combined joint group comprising of the Police, Northland District Health Board & Far North District Council, with a Steering Group and operation team. | ● |
| Progress comments: The FNAT Steering Committee and group continue to meeting regularly, The District Licensing Inspector continues to attend FNAT meeting on behalf of Council. | | |

Community Outcome: A Safe and Healthy District

About this Outcome: To safeguard public health and safety

Actual achievements against the Key Performance Indicators (KPI) and targets that the Council uses to monitor levels of service are detailed below:

| KPI: Percentage of licensed premises monitored for compliance on an annual basis | LTP Target | Result 2012/13 |
|---|------------|----------------|
| NOT ACHIEVED: 20% of licensed premises have been monitored for compliance and meet regulations. Changes to legislation have restricted the Inspector's ability to carry out as many inspections as planned, with the need for the Inspector to be more office based this year. | 25% | 20% |
| *This KPI above is new in the LTP 2012/13. Unable to provide a three year view of performance. | | |

| KPI: Percentage of licensed premises monitored for compliance with regulations | LTP Target | Result 2012/13 |
|--|------------|----------------|
| NOT ACHIEVED: With the introduction of the Voluntary Implementation Programme, in readiness for the introduction of Food Control Plans under the forthcoming Food Bill, Environmental Health Officers have spent their time with food premises operators, explaining and assisting them through what is required. This has had an effect on resources and the ability of officers to meet the target. | 90% | 87% |
| *This KPI above is new in the LTP 2012/13. Unable to provide a three year view of performance. | | |

Environmental Management Group



184

Activity: Parking Enforcement

The Parking Enforcement Activity is undertaken to manage and control parking on Council owned car parks and on road parking spaces.

To ensure that the parking facilities provided for the use of the general public are fairly and equally available to all, and are not taken up by drivers who restrict this access by overstaying beyond the permitted time; or, if they do so, are penalised appropriately.

Key facts

Council undertakes parking control and enforcement throughout the district by:

- Carrying out the duties of parking wardens, and issuing infringement notices where appropriate, under Council's Chapter 20, Parking & Traffic Bylaw and Schedules.
- Ensuring public safety by monitoring disabled parking and pedestrian crossings.

Our major achievements in 2012/13

Highlights of our progress during 2012/13 include:

- Developed a survey questionnaire targeted to local businesses for their feedback on car parking needs in the Central Business District (CBD) areas within the Far North district.

Challenges we experienced

- Car parking monitoring responsibilities transferred to Council within the monitoring and enforcement team on a part-time basis. Previously this parking service was managed by a local contractor full-time.

Plans for the next 12 months

- Maintain the level of service throughout the district, agreed by Council and as specified in the Long-Term Plan.
- Target the misuse of disability parking facilities.

How we performed against the first year of the Long-Term Plan (LTP) 2012/22

The tables below reflect the progress of our key work during 2012/13. Each action/project is linked to the strategic objectives and priorities set in the LTP. The progress at the end of the financial year against each action/project has been represented by:



Strategic Objective:
Improving the quality of life in the Far North.

| 2012/13 Action/project | Background | Progress |
|---|---|----------|
| PRIORITY 1: Enforcement of 'instant infringement offences' (e.g. incorrect parking in disability parking, etc.) will be enforced throughout the district by the Monitoring team. | | |
| Infringement notices for 'Instant offences' | Parking offences for which instant infringement notices can be issued | ● |
| <p>Progress comments: With many of the disability parking spaces now being painted in the new 'blue' definition, drivers can clearly see those spaces that are set aside for disability parking. Therefore, in turn, this helps staff to make decisions on waiver requests when ineligible drivers receive parking infringements for the use of such spaces, and claim that they were not aware. Monitoring staff provide ongoing support and have actively issued infringements for instant offences. Seven instant infringements have been issued to date. Te Ahu disability parking is one area that is commonly reported to be abused; Council has arranged surveillance cameras to monitor this area.</p> | | |

Community Outcome: A Safe and Healthy District

About this Outcome: To safe guard public health and safety.

Actual achievements against the Key Performance Indicators (KPI) and targets that the Council uses to monitor levels of service are detailed below:

| KPI: Instant parking infringements issued | Result 2012/13 |
|---|----------------|
| COMMENT: This represents 10% of all parking infringement types issued by the Monitoring team. | 118 |
| * This KPI above is additional and not in the LTP 2012/13. Unable to provide a three year view of performance. | |

Environmental Management Group



186

Activity: Environmental Policy

The Environmental Policy activity primarily involves identifying resource management issues facing the Far North District, taking into account national and regional policy and regulations, and finding ways of addressing these matters at a local level. The main component is the review, administration, and monitoring of the Far North District Plan.

Council is required to have a District Plan for the Far North under the provisions of the Resource Management Act 1991. However, the overall vision and purpose of the activity is to provide for growth and development in the Far North District, and ensuring our natural and physical resources are managed in a sustainable manner which provides opportunities for our communities and future generations to prosper socially, economically and culturally. A key tool for achieving this is the District Plan.

Key facts

- The District Plan became fully operative in September 2009.
- 15 Plan changes have been publicly notified for submissions.
- 9 Plan changes to the District Plan have been made operative.
- The District Plan review (Rolling Review) has commenced.

Our major achievements in 2012/13

Highlights of our progress during 2012/13 include:

- Council has been working with individuals, community groups and Iwi-Hapu to promote learning more about the District Plan. Community engagement tools (e.g. wallet sized "quick guide", a "flyer" and using Council's facebook page) are in place to reach a wider audience about the Plan. The on-going public awareness programme will continue to be implemented.
- Council passed a resolution to proceed (in principle) with a genetically modified organism (GMO) Plan change. This is dependant on other councils also committing to a plan change as well.
- The following Plan changes (PC) have been notified:
 - PC 12 for Paihia Heritage.
 - PC 13 for Technical Amendments.
 - PC 14 for Air Chapter.
 - PC 15 for Rural Provisions.
 - PC 16 for Impermeable Surfaces.
- Council completed the submission to Northland Regional Council on the proposed Regional Policy Statement for Northland. The Statement identifies a wide range of issues which are of significance to the region, and identifies methods by which to address and resolve these issues, including directing district councils in their roles and responsibilities.

Challenges we experienced

- Water quality continues to be a concern, and a high proportion of fresh water resources have poor water quality.
- The proposed National Environmental Reporting Bill will require Council to review Far North District Council Monitoring Strategy 2008, to refine and define the measures that are relevant for the Far North.
- On-going discussions with the Māori Land Court regarding improved integration of processes.
- Community views on the GMO issue and how the issue could be managed at a local, regional and national level.

Plans for the next 12 months

- Continue with the programme of undertaking prioritised Plan changes to improve the quality of the document and subsequent environmental results.
- Continue a “rolling review” of the District Plan to meet Council’s statutory obligation.
- Continue involvement in the Inter-Council Working Party on GMOs.
- Continue to monitor the effectiveness of the District Plan.
- As and when opportunities present themselves, increase public awareness and understanding of the District Plan.

How we performed against the first year of the Long-Term Plan (LTP) 2012/22

The tables below reflect the progress of our key work during 2012/13. Each action/project is linked to the strategic objectives and priorities set in the LTP. The progress at the end of the financial year against each action/project has been represented by:



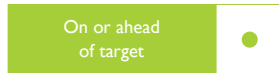
Strategic Objective:
Responding effectively to the growth of the district.

| 2012/13 Action/project | Background | Progress |
|--|------------|----------|
| PRIORITY 1: Continue with our programme of under taking prioritised plan changes to improve the quality of the document and subsequent environmental results. | | |

| | | |
|--|---|---|
| District Plan changes | Plan changes will be undertaken that better achieve the resource management objectives of the District Plan while improving the workability of the Plan. This will be achieved through the development and preparation of four Plan changes for Council approval. | ● |
| Progress comments: The District Plan Team’s target for plan changes requires four changes to the District Plan be presented to Council for approval to commence public notification. Five Plan changes have been notified this financial year and are at various stages in the process. | | |

| 2012/13 Action/project | Background | Progress |
|--|------------|----------|
| PRIORITY 2: Commence a “rolling review” of the District Plan to meet our statutory obligations. | | |

| | | |
|--|--|---|
| District Plan rolling review programme | Preparation and implementation of a rolling review programme to ensure that Council meets its statutory obligations under the Resource Management Act 1991 to have the District Plan reviewed within 10 years of becoming operative. | ● |
| Progress comments: The District Plan rolling review programme was approved by Council at their June meeting. The review is expected to be completed by December 2017. | | |



| 2012/13 Action/project | Background | Progress |
|---|---|----------|
| PRIORITY 3: Continue our involvement in the Inter-Council Working Party on GMOs. | | |
| Inter-Council Working Party (ICWP) on Genetic Engineering (GE) | Council has been a member of the Inter-Council Working Party on GE since 2003; other members include a number of Northland/ Auckland councils. The main tasks of the ICWP are to investigate the risks associated with GE/ GMOs, identify associated liability issues, and consider approaches to managing GE/GMOs. | ● |
| Progress comments: Council continues to participate in the ICWP. Council considered the ICWP recommendations on a GMO plan change and have agreed in principle to proceed with a Plan change to manage GMOs through provisions in the District Plan. | | |

| 2012/13 Action/project | Background | Progress |
|---|--|----------|
| PRIORITY 4: Continue to monitor the effectiveness of the District Plan. | | |
| Far North District Plan Monitoring Strategy | The Resource Management Act 1991 requires councils to monitor the efficiency and effectiveness of Plans. Council developed a monitoring strategy in 2009 and since then over 50% of indicators identified in the Strategy have been monitored. Implementation of the Strategy has highlighted a number of areas in the document that could be improved; this will form the basis of a review. Council is also required to report every 5 years on the State of the Environment which has been included in the Monitoring Strategy. | ● |
| Progress comments: Past indicators have been monitored and the report cards and summary report have been approved by the General Management team. The monitoring strategy review has been completed and will remain as a draft document until Central Government direction regarding national monitoring requirements are finalised. | | |

| 2012/13 Action/project | Background | Progress |
|--|---|----------|
| PRIORITY 5: Undertaken a programme to increase public awareness and understanding of the District Plan. | | |
| Develop and implement a public awareness | Increasing public awareness and understanding of the District Plan will also lead to an increase in community participation in District Plan related processes such as Plan changes. This will improve the outcomes of the Plan and improve community understanding of what the Plan is trying to achieve, how it will do this, and the implications. | ● |
| Progress comments: A number of strategic projects been implemented that will each contribute to achieving a higher community profile and awareness of the District Plan and Plan functions. Staff have also undertaken training sessions with front counter staff to improve understanding of the District Plan, and customer promotion of the document. The June Planning News edition has been distributed. | | |

Community Outcome: A Sustainable and Liveable Environment

About this Outcome: Growth is not taking place to the detriment of the natural environment. Historic and archaeological sites/buildings of significance and Wahi Tapu sites valued by Māori are protected and supported to be preserved. Council supports environmental initiatives that enhance the district.

Actual achievements against the Key Performance Indicators (KPI) and targets that the Council uses to monitor levels of service are detailed below:

| KPI: Number of plan changes (PC) where decisions are publicly notified | LTP Target | Result 2012/13 |
|--|------------|----------------|
| ACHIEVED: The following plan changes (PC) have been publicly notified: <ul style="list-style-type: none"> • PC 12 for Paihia Heritage. • PC 13 for Technical Amendments. • PC 14 for Air Chapter. • PC 15 or Rural Provisions. • PC 16 for Impermeable Surfaces. | 4 | 5 |
| *This KPI above is new in the LTP 2012/13. Unable to provide a three year view of performance. | | |

| KPI: Percentage of Residents who feel either very well informed or well informed about the District Plan | LTP Target | Result 2012/13 | | | | | | | | | | | | |
|---|------------|----------------|------|--------|--------|---------|-----|-----|---------|-----|-----|---------|-----|-----|
| ACHIEVED: Community are feeling well informed of the District Plan and its implications due to Council providing public awareness and an understanding of the Plan. | 40% | 40% | | | | | | | | | | | | |
| <i>Graph shown below details a three year view of performance:</i> | | | | | | | | | | | | | | |
| <table border="1"> <caption>Percentage of Residents who feel either very well informed or well informed about the District Plan</caption> <thead> <tr> <th>Year</th> <th>Target</th> <th>Result</th> </tr> </thead> <tbody> <tr> <td>2009/10</td> <td>50%</td> <td>46%</td> </tr> <tr> <td>2010/11</td> <td>52%</td> <td>32%</td> </tr> <tr> <td>2011/12</td> <td>52%</td> <td>38%</td> </tr> </tbody> </table> | | | Year | Target | Result | 2009/10 | 50% | 46% | 2010/11 | 52% | 32% | 2011/12 | 52% | 38% |
| Year | Target | Result | | | | | | | | | | | | |
| 2009/10 | 50% | 46% | | | | | | | | | | | | |
| 2010/11 | 52% | 32% | | | | | | | | | | | | |
| 2011/12 | 52% | 38% | | | | | | | | | | | | |

| KPI: Percentage of solutions identified within the year for issues identified via the monitoring strategy | LTP Target | Result 2012/13 | | | | | | | | | | | | |
|--|------------|----------------|------|--------|--------|---------|-----|-----|---------|-----|----|---------|-----|----|
| ACHIEVED: No issues identified via the Monitoring Strategy which required resolution. | 20% | 0% | | | | | | | | | | | | |
| <i>Graph shown below details a three year view of performance:</i> | | | | | | | | | | | | | | |
| <table border="1"> <caption>Percentage of solutions identified within the year for issues identified via the monitoring strategy</caption> <thead> <tr> <th>Year</th> <th>Target</th> <th>Result</th> </tr> </thead> <tbody> <tr> <td>2009/10</td> <td>50%</td> <td>20%</td> </tr> <tr> <td>2010/11</td> <td>55%</td> <td>0%</td> </tr> <tr> <td>2011/12</td> <td>60%</td> <td>0%</td> </tr> </tbody> </table> | | | Year | Target | Result | 2009/10 | 50% | 20% | 2010/11 | 55% | 0% | 2011/12 | 60% | 0% |
| Year | Target | Result | | | | | | | | | | | | |
| 2009/10 | 50% | 20% | | | | | | | | | | | | |
| 2010/11 | 55% | 0% | | | | | | | | | | | | |
| 2011/12 | 60% | 0% | | | | | | | | | | | | |

Environmental Management Group

190

Activity: Resource Consent Management

The Resource Consent Management Activity primarily involves the processing of resource consent applications in accordance with the District Plan and the Resource Management Act 1991 (RMA). As well as resource consent applications, the activity processes other related approvals such as earthworks permits, right of way applications and Sale of Liquor compliance certificates. A significant portion of the activity includes the provision of information to members of the public and the answering of queries.

Council is required to undertake the activity of resource consents under Section 31 of the Resource Management Act 1991.

In addition to the legislative requirements, the activity has the ability to contribute to the well-being of the community and the sustainable development of the district by:

- The promotion of community confidence and trust in the resource consent procedures and decisions.
- The provision of expertise to ensure that all relevant issues are considered.
- The application of equity and fairness when considering resource consent applications.
- The enabling of the community to undertake activities.

Key facts

During 2012/13 Council processed:

- 423 resource consent and other approvals. This figure includes:
 - 32 changes to consent conditions (section 127).
 - 12 requests for extensions of resource consents (section 125).
 - 3 objections to conditions.
 - 2 designations.
- 33 earthworks permits (issued under the Local Government Act, and Council's Bylaw).
- 22 right of way applications (issued under the Local Government Act).
- 27 liquor license certificates of compliance (issued under the Sale of Liquor Act).
- 417 subdivisional certificates (section 223, 224 etc).



Our major achievements in 2012/13

Some highlights of our progress during 2012/13 include:

- Maintaining a steady success rate in meeting statutory timeframes for processing resource consents, with 97% achieved within timeframes over the past 12 months.
- Processed a notice of requirement for a kura kaupapa at Koutu Point, Hokianga.
- Granting consent for a service station at Orongo Bay, Russell, via a notification process that created a lot of public/community interest. The decision was not appealed meaning work could commence quickly.
- The Marsden Trust Board application to construct and operate the Marsden Cross Heritage Centre on the Purerua Peninsula was granted. The Trust hopes to have the Centre established in time for the bi-centenary of Samuel Marsden's first christian service in New Zealand by December 2014.
- Proposed changes recommended for Far North District Council fee and service charges were adopted by Council in June 2013.
- Council has been involved in a long running dispute involving Carrington Estate & Ngati Kahu over Council's decision to allow a 12 unit residential development at Kaikari. The Court of Appeal decision has overturned the High Court judgement and found in Council's favour in all counts. This decision accepts that Council's process and decision not to notify the application was correct. Unfortunately Ngati Kahu are seeking leave to take the matter to the Supreme Court.

Challenges we experienced

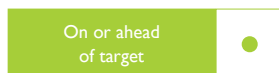
- The resource consent processing team continues to face the challenge of efficiently and effectively processing resource consents, whilst taking into account Council's responsibilities to ensure the principles of the Resource Management Act are upheld, including the rights of the community to be involved in the process.

Plans for the next 12 months

- Continue to substantially achieve compliance with statutory timeframes by continuing to improve systems and processes.
- Unless economically advantageous to the community, continue to process the vast majority of resource consents by internal staff and minimise the use of external consultants.
- Continue to assist staff with ongoing professional development to ensure quality decisions and assistance to the community.

How we performed against the first year of the Long-Term Plan (LTP) 2012/22

The tables below reflect the progress of our key work during 2012/13. Each action/project is linked to the strategic objectives and priorities set in the LTP. The progress at the end of the financial year against each action/project has been represented by:



Strategic Objective:

A leaner, more customer focused organisation.

| 2012/13 Action/project | Background | Progress |
|---|------------|----------|
| PRIORITY 1: Continue to substantially achieve compliance with statutory timeframes by continuing to improve systems and processes. | | |

| | | |
|--|------------------------------|---|
| Review Pathways workflows | Some workflows need updating | ● |
| <p>Progress comments: Since 1 July 2012 several workflows have been reviewed and improved, along with a number of template documents. This has been very good progress and has benefited processes. However, we did not manage to update all the workflows as programmed for the 2012/13 year. We are carrying on updating and improving workflows on a continuous improvement basis through the next year. Overall progress, over the two year timeframe for this project, is 50%.</p> | | |

| | | |
|---|---------------------|---|
| Standardise engineering conditions and upload in electronic form to Pathways | Improve consistency | ● |
| <p>Progress comments: Achieved in regard to engineering conditions. Now looking to do a similar process with non-engineering conditions and these will be ready for uploading in the first quarter of 2013/14.</p> | | |

| | | |
|--|--|---|
| Reduce resource consents legal costs | Resource consent staff to minimise potential costs of litigation and court-directed settlements which are a feature of current resource consent management processes | ● |
| <p>Progress comments: Legal costs for both resource consents administration and appeals have decreased in actual expenditure for legal costs from 2011/12 to 2012/13. Resource consents allocated on the basis of most appropriate level of staff experience to match the nature of the application. Legal advice is only sought when absolutely necessary. Continue to emphasise the importance of correct process to staff.</p> | | |

| 2012/13 Action/project | Background | Progress |
|--|------------|----------|
| PRIORITY 2: Unless economically advantageous to the community, continue to process the vast majority of resource consents by internal staff and minimise the use of external consultants. | | |

| | | |
|---|---|---|
| Minimise the use of external consultants for recourse consent processing | Continue to process the vast majority of resource consents by internal staff and minimise the use of external consultants | ● |
| <p>Progress comments: Achieving 100% of target. Continuing to process the vast majority of consents by internal staff.</p> | | |

| 2012/13 Action/project | Background | Progress |
|--|------------|----------|
| PRIORITY 3: Continue to assist staff with ongoing professional development to ensure quality decisions and assistance to the community. | | |

| | | |
|---|--|---|
| Staff development | Continue to assist staff with ongoing professional development to ensure quality decisions and assistance to the community | ● |
| <p>Progress comments: One staff member undertaking post-graduate study to increase qualifications. Have also arranged a Landscape Assessment workshop for the team, utilising a professional landscape architect. This will enable the team to work through some scenarios and refresh their knowledge of landscape assessments. Through the year, we have also been doing some internal 'mentoring' with some of the more inexperienced planners, in which they are more closely supervised by the Team Leader. A new initiative at the end of the year has been a 'secondment' (swap) between consents and policy teams for 6 months. This will enable new planners to experience both consents processing and policy work and assist in their professional development.</p> | | |

Community Outcome: A Sustainable and Liveable Environment

About this Outcome: Growth is not taking place to the detriment of the natural environment. Historic and archaeological sites/buildings of significance and Wahi Tapu sites valued by Māori are protected and supported to be preserved. Council supports environmental initiatives that enhance the district.

Actual achievements against the Key Performance Indicators (KPI) and targets that the Council uses to monitor levels of service are detailed below:

| KPI: Percentage of non-notified Resource Consents completed within statutory timeframes (20 working days) | LTP Target | Result 2012/13 | | | | | | | | | | | | |
|--|------------|----------------|------|------------|------------|---------|-----|-----|---------|-----|-----|---------|-----|-----|
| ACHIEVED: Of the non-notified consents subject to the Resource Management Act discount regulations, 97% were issued within the 20 day period. Averaging 17 days processing the resource consents. | 95% | 97% | | | | | | | | | | | | |
| <p>Graph shown below details a three year view of performance: (The difference being "Percentage of resource consents completed within statutory timeframes" was used to monitor this KPI in previous years.)</p> <table border="1"> <caption>Three Year View of Performance</caption> <thead> <tr> <th>Year</th> <th>Target (%)</th> <th>Result (%)</th> </tr> </thead> <tbody> <tr> <td>2009/10</td> <td>70%</td> <td>95%</td> </tr> <tr> <td>2010/11</td> <td>80%</td> <td>97%</td> </tr> <tr> <td>2011/12</td> <td>90%</td> <td>98%</td> </tr> </tbody> </table> | | | Year | Target (%) | Result (%) | 2009/10 | 70% | 95% | 2010/11 | 80% | 97% | 2011/12 | 90% | 98% |
| Year | Target (%) | Result (%) | | | | | | | | | | | | |
| 2009/10 | 70% | 95% | | | | | | | | | | | | |
| 2010/11 | 80% | 97% | | | | | | | | | | | | |
| 2011/12 | 90% | 98% | | | | | | | | | | | | |

Environmental Management Group



194

Activity: Building Consent Management

Building Consent activity generally comprises three functions; consenting, inspecting and certifying building work to ensure better, safer, drier buildings that meet legal requirements. These are administered in accordance with the Building Act and Building Codes. A significant portion of this activity includes advice and support to the public which is not recoverable from fees and charges.

The vision of the Building Consents Team is to ensure that the people of the Far North can use buildings safely without endangering their health.

Council will achieve this by:

- Retaining Building Consent Authority status and accreditation.
- Continuing to implement legislative and technological changes in a consultative manner with industry.
- Processing, issuing, inspecting, and certifying building consent applications under the national performance requirements.
- Dealing with weather tight claims under the Weather Tight Resolution Service Act.
- Issuing statutory notices, infringements, and enforcement under The Building Act requirements.
- Processing consents with the regional mapping guidance documents.
- Accessing applications for effluent disposal requirements under delegation from the Regional Council.
- Adhering to the Earthquake Prone Policy.
- Maintaining and updating the swimming pool register and ensuring fencing of swimming pools meets legislative requirements.

Key facts

During the 2012/13 year Council issued:

- 1215 project information memoranda and building consents.
- 6674 field inspections conducted.
- 821 building warrant of fitness renewals administered.

Council also:

- Sought determination guidance and determinations for binding technical decisions.
- Responded to and acted upon historical building issues.
- Processed improvement through legislative change and auditing outcomes.
- Responded to community needs during Civil Defence events through the Northland Regional Group.



Our major achievements in 2012/13

Highlights of our progress during 2012/13 include:

- Natural Hazard including flood indicative areas guidance documentation, was completed for the Far North District Council website and communicated to practitioners to reference when applying for building consent in areas affected by one or more natural hazards. Additionally, training has been given to building staff and internal processes developed for recording decisions, reasons and outcomes. (FYI: the guidance documentation aligns with sections 71-75 of the Building Act 2004 and the release of the Regional Policy Statement from Northland Regional Council).
- Council continues to offer the simple building consent express timeframe. This provides for building consent applications for simple structures to be processed within a reduced five day timeframe.
- Clearance of older Code Compliance Certificate (CCC) decisions in line with audit requirements has been progressing well. Over a thousand decisions have been issued to date.
- Proposed changes recommended for Far North District Council fee and service charges were adopted by Council in March 2013. The user pays mandate is being adhered to.

Challenges we experienced

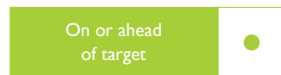
- Amendment Bill 4 is aimed to introduce enhanced and more comprehensive consumer protection measures, including mandatory written contracts for work valued over a prescribed amount, mandatory disclosure of certain information by building contractors, and new offenses for breaches of these requirements. This has presented a challenge to Council as the implantation of the amendment bill has been incremental and the licensed building practitioner scheme is still within its infancy.
- The implementation of Restricted Building Work and the Licensed Building Practitioners' Scheme underpins the Amendment Bill 4 and this has been a challenge for the building industry. Council has provided advice and ensured consents are issued with the Licensed building practitioners (LBP) certification.
- Internally the Management Operational System has been implemented. This has resulted in a daily, weekly and monthly report being used to prepare a resource requirement tool.

Plans for the next 12 months

- Work towards a recognised qualification for all building officials performing a technical role as per the 2006 regulations (reg 18).
- Investigate the use of electronic based consenting and field tablet operation and align with the national initiative (National Online Consenting).
- Successful implementation of the amendments to the Building Act 2004 and continue to comply with building accreditation requirements.
- Continue to undertake process improvements to the building consent process.
- Increase public and practitioner knowledge of Building Act 2004 requirements through practitioner meetings, public information newsletters and website updates.
- Continue to audit the building warrant of fitness regime and meet Council's obligations under the Fencing of Swimming Pools Act 1987.

How we performed against the first year of the Long-Term Plan (LTP) 2012/22

The tables below reflect the progress of our key work during 2012/13. Each action/project is linked to the strategic objectives and priorities set in the LTP. The progress at the end of the financial year against each action/project has been represented by:




Strategic Objective:

A leaner, more customer focused organisation.



| 2012/13 Action/project | Background | Progress |
|---|---|----------|
| PRIORITY 1: Continue to improve building consent management processes and services. | | |
| Half yearly Construction Section News | Collaborative Council construction sector newsletter to assist industry with changes to the building sector | ● |
| Progress comments: Collaborative Council effort between Whangarei District Council, Far North District Council and Kaipara District Council. Newsletter released in March 2013. This has been continuing as a collective from the Building consent authority (BCA). The winter newsletter has been published and circulated. | | |
| Fee and Service Charges review | Comply with long-term plan requirement to adjust on yearly basis | ● |
| Progress comments: Proposed changes to the Building Fees and Charges Schedule were approved by Council, 28 March 2013. Staff have worked to update the schedules and systems for implementation 1 July 2013. This has now been completed with the fees schedule and calculator available online. | | |
| Website updates | Annual review on website content for currency | ● |
| Progress comments: Ongoing, future updates to include additional information for building warrant of fitness requirements for property owners. | | |


Completed 


On or ahead of target 



Within 10% of target or some moderate slippage 

Significantly off target 

| | | |
|--|---|---|
| Annual verification and inspection process for buildings with warrants of fitness | This is a requirement under legislation to ensure specified or life safety systems are tested and maintained to the appropriate level |  |
| Tri-annual verification of all pools on the swimming pool register | Council takes all reasonable steps to ensure compliance with the Fencing of Swimming Pools Act 1987 |  |
| Progress comments: Inspection and follow up on track with use of BCA resources for inspections. This BCA continues to shift resources in a reactionary process to provide customer service. It is noted that there is an increase in residential Building Consent applications and adequate resourcing will be required to continue to maintain a satisfactory level of service to the industry and statutory compliance is achieved. | | |

| | | |
|--|--------------------------------------|---|
| Staff to record hours on specific areas | Adhere to Council's user pays policy |  |
| Progress comments: Building staff now operating in a time recording environment. This has been adopted through the new fees and charges regime agreed by Council. | | |

| | | |
|---|---|---|
| Annual renewal of compliance schedules and building warrant of fitness | This is a requirement under legislation |  |
| Progress comments: Ongoing, Building Act Amendment to update on track. | | |

| 2012/13 Action/project | Background | Progress |
|--|--|---|
| Project fees over \$20,000 pay a levy | This levy is a cost effective solution to cover the ongoing accreditation cost |  |
| Progress comments: Levy is in place and being charged for projects with a value over \$20,000.00. | | |
| Building consent authority (BCA) accreditation standard practice and procedure | Bi-annual requirement under legislation (BCA regulations 2006) |  |
| Progress comments: Audit programmed for the week of 29 October to 1 November 2013, conducted by International Accreditation New Zealand (IANZ). | | |

Community Outcome: A Safe and Healthy District and a Sustainable and Liveable Environment

About this Outcome: Promote safe, healthy buildings and take account of environmental issues in consents processes.

Actual achievements against the Key Performance Indicators (KPI) and targets that the Council uses to monitor levels of service are detailed below:

| KPI: Percentage satisfaction with planning, building or inspection services | LTP Target | Result 2012/13 | | | | | | | | | | | | |
|---|------------|----------------|--------|---------|-----|-----|---------|-----|-----|---------|-----|-----|-----|-----|
| <p>ACHIEVED: Planning and building result is based on a small sample (27 responses). Target has been met due to process improvements and quicker processing times.</p> <p>For the inspection experience comparing to 2011/12 result of 74% still remains high with 75% of applicants very satisfied/satisfied with this process.</p> <p>Graph shown below details a three year view of performance:</p> <table border="1"> <caption>Three year view of performance</caption> <thead> <tr> <th>Year</th> <th>Target</th> <th>Result</th> </tr> </thead> <tbody> <tr> <td>2009/10</td> <td>35%</td> <td>35%</td> </tr> <tr> <td>2010/11</td> <td>40%</td> <td>61%</td> </tr> <tr> <td>2011/12</td> <td>45%</td> <td>66%</td> </tr> </tbody> </table> | Year | Target | Result | 2009/10 | 35% | 35% | 2010/11 | 40% | 61% | 2011/12 | 45% | 66% | 50% | 58% |
| Year | Target | Result | | | | | | | | | | | | |
| 2009/10 | 35% | 35% | | | | | | | | | | | | |
| 2010/11 | 40% | 61% | | | | | | | | | | | | |
| 2011/12 | 45% | 66% | | | | | | | | | | | | |

198

| KPI: Percentage of Building Consents completed within statutory timeframe (20 working days) | LTP Target | Result 2012/13 |
|---|------------|----------------|
| <p>ACHIEVED: A total of 1,101 building consents were issued. An average of 8.5 working days processing building consents.</p> <p><i>*This KPI above is new in the LTP 2012/13. Unable to provide a three year view of performance.</i></p> | 90% | 96% |

| KPI: Percentage of code compliance certificates (CCC's) issued within statutory timeframe (20 working days) | LTP Target | Result 2012/13 |
|--|------------|----------------|
| <p>ACHIEVED: Total of 1,082 CCC's were issued averaging 8 workings days.</p> <p><i>*This KPI above is new in the LTP 2012/13. Unable to provide a three year view of performance.</i></p> | 90% | 90% |

| KPI: Percentage of building inspections completed within 48 hours | LTP Target | Result 2012/13 |
|--|------------|----------------|
| <p>NOT ACHIEVED: It has proven extremely difficult to extract this information. We do not capture the initial call from the customer to determine a "Start Time". We can extract the day that the inspection was completed but without any start date there is no measurement of time, e.g. that we completed the inspection within 48 hours of the initial customer request. (For this to be measured then some Pathways re-engineering needs to be completed. This is not a Building Consent Authority audit requirement.)</p> <p><i>*This KPI above is new in the LTP 2012/13. Unable to provide a three year view of performance.</i></p> | 95% | Unknown |

Financial Information Environmental Management

FINANCIAL SUMMARY FOR THE YEAR ENDED 30 JUNE 2013

| | NOTE | ACTUAL 2013 \$000s | COUNCIL BUDGET 2013 \$000s | VARIANCE \$000s |
|--|------|--------------------------|-------------------------------------|--------------------|
| Income | | | | |
| Rates income (excluding targeted water supply rates) | 1 | 7,554 | 7,211 | 343 |
| Fees, charges & targeted water supply rates | 2 | 3,080 | 3,252 | (172) |
| Other income | | 25 | 4 | 21 |
| Total Operating Income | | 10,658 | 10,467 | 192 |
| Expenditure | | | | |
| Direct costs | 3 | 8,452 | 9,281 | 829 |
| Indirect costs | 4 | 510 | 845 | 335 |
| Activity Expenditure | | 8,962 | 10,126 | 1,164 |
| Depreciation | 5 | 48 | 154 | 106 |
| Interest payable | | 20 | 177 | 157 |
| Total Operating Expenditure | | 9,030 | 10,457 | 1,427 |
| Net Operating Surplus/(Deficit) | | 1,628 | 10 | 1,618 |
| Capital Statement | | | | |
| Net operating surplus | | 1,628 | 10 | 1,618 |
| Other funding | | 23 | 23 | 0 |
| Total Funding | | 1,651 | 33 | 1,618 |
| New works | | 8 | 10 | 2 |
| Loan repayments | | 23 | 23 | 0 |
| Total Capital Expenditure | | 31 | 33 | 2 |
| NET SURPLUS/(DEFICIT) | | 1,620 | 0 | 1,620 |

NOTE:

A favourable variance is shown as a positive number and an unfavourable variance is shown as a negative number.

The direct and indirect budgets shown in the table do not individually agree to those published in the LTP due to a difference in allocation. The total activity expenditure, however, does agree to the total published in the LTP.

VARIANCE TO THE LONG TERM PLAN 2012/13

1. Rates Income is showing a favourable variance due to:
 - a. An increase in penalty rate income of \$437k; and
 - b. An decrease in general rate income of \$95k.
2. Fees and charges are showing an unfavourable variance of \$172k predominantly due to:
 - a. Regulatory service fees & charges are below budget by \$117k as a result of the current economic downturn;
 - b. Health licenses are showing an unfavourable variance of \$19k;
 - c. Parking fines are showing an unfavourable variance of \$34k;
 - d. Other income of \$37k is due to a rejected prior year insurance claim which was unbudgeted for.
3. Direct Costs are showing a favourable variance of \$829k predominantly due to:
 - a. Personnel costs are below budget by \$268k due to staff vacancies not being filled as a result of the current economic downturn;
 - b. Training costs are showing a favourable variance of \$58k;
 - c. Expenditure on contractor and professional fees are below budget by \$420k as a result of the current economic downturn; and
 - d. Bad debt provisions exceeded budget by \$381k due to increased penalty charges.
4. Indirect costs are below budget \$335k due to a decrease in corporate allocations.
5. Depreciation is showing a favourable variance of \$106k due to delays in the replacement of the vehicle fleet.

Governance and Strategy Group



201

The Governance and Strategy Activity is the activity that has the overall responsibility for the operation of the democratic aspects of the district and helping guide its strategic direction. It also includes the Economic Development and Māori Engagement activities of Council.

The Elected Members of the community, combined with the technical expertise of staff, provide the direction and objectives of Council's activities in the district.

Governance is not only a legal requirement, but a commitment to delivering value for money and prudent management that contributes to all community outcomes.

Activity: Governance

The Governance activity includes the democratic arm of Council as the elected body, together with 3 community boards. It also includes their support functions.

It provides the primary legal and other support functions to the Mayor and Elected Members together with the General Management Team.

The Elected Members of the district are the community's representatives; making decisions on behalf of and in the interests of the community.

Democracy services oversee the election and induction processes, and then provide support to Elected Members throughout the triennium. Local Government impacts everyone, so it is important for Council to communicate with people about what it does, what is planned, and how it may impact the district.

Local Government administers over 150 legislative Acts, regulations and rules. Legal Services ensure Council administers these correctly.

Key facts

Council provides the following Governance Services to the District Council organisation and to the Elected Members of the Far North:

- Advisory Services. (i.e. preparation of formal meeting agendas and meeting management).
- Communications (media releases, ratepayer newsletters, etc).
- Legal Advisory Services.

Our major achievements in 2012/13

Highlights of our progress during 2012/13 include:

- Increased usage of online consultation tool "Objective Online" for community engagement across a number of projects including District Plan changes, LTP special consultation. The major improvement is building a community profile for targeted questions and responses which Council has not had before.
- A monthly newsletter about Council and community board projects, decisions and policy changes in local newspapers.
- Generally favourable news coverage of Council in local newspapers.
- A significant increase in the number of people following Council on Facebook. This has allowed us to reach a different audience in a cost-effective way. Some media releases Council has posted on Facebook have been seen by more than 1000 people in just a few days.
- A more customer-oriented Far North District Guide. Council refocused this year's guide, which is published by The Northern Advocate and paid for by advertisers, on key Council services instead of trying to provide an A-Z guide of everything Council does.
- A regular staff newsletter called Team Talk which highlights progress on strategic projects and celebrates innovative or enabling initiatives by staff.

Challenges we experienced

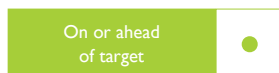
- A proposal to close Ninety Mile Beach (Te Oneroa-a-Tōhē) to allow the BBC programme "Top Gear" to film was not well communicated by Council, and some Iwi complained they were not consulted about the road closure. Council staff and Elected Members met with Iwi leaders and agreed to improve the way Council engages with Iwi.

Plans for the next 12 months

- Conducting the 2013 local body election and inaugurating the new Council and community boards.
- Progressing an application for Unitary Authority status.

How we performed against the first year of the Long-Term Plan (LTP) 2012/22

The tables below reflect the progress of our key work during 2012/13. Each action/project is linked to the strategic objectives and priorities set in the LTP. The progress at the end of the financial year against each action/project has been represented by:



Strategic Objective:
A leaner, more customer focused organisation.

| 2012/13 Action/project | Background | Progress |
|---|------------|----------|
| PRIORITY 1: Ensure continued quality in the democratic processes by: | | |

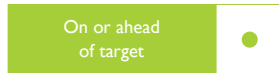
| | | |
|--|---|---|
| Providing sound and legally correct advice | The Council is under a duty to comply with a wide range of legislation while fulfilling its various functions | ● |
| <p>Progress comments: Achievements indicate that high-quality and timely advice from the Legal Team has enabled Council officers to proceed with confidence. The judicious use of external legal advisers has assisted where necessary. Examples: Prosecutions have been successfully undertaken with the High Court granting an injunction in regard to the Kaikohe Hotel. Legally sound advice was provided in respect of the development of the Walls Bay Reserve Management Plan and the acquisition of the Lucy Elizabeth Williams Scenic Reserve.</p> | | |

| | | |
|--|--|---|
| Providing support for all Elected Members | Ensuring adequate information is provided to all Elected Members | ● |
| <p>Progress comments: In addition to the Council's formal meetings of Council and community boards a variety of workshops have been held to discuss the Council's Sustainable Growth Strategy, Kaitaia Water Supply, Bay of Islands Wastewater Scheme, Butler Road Bypass, Pou Herenga Tai-Coast to Coast Cycle Trail, Economic Development. Discussions have also taken place at both workshops and formal meetings to build stronger relationships with both the forestry and farming Industries, New Zealand Police, Northland Regional Council and New Zealand Transport Agency (NZTA).</p> | | |

| 2012/13 Action/project | Background | Progress |
|--|------------|----------|
| PRIORITY 2: Encourage community involvement in local government by: | | |

| | | |
|---|--|---|
| Supporting the community boards in engaging with their local communities | To highlight the value community boards add to their communities | ● |
| <p>Progress comments: Council staff continued to publish regular media releases highlighting the value community boards add to their communities by way of grants allocated to community groups.</p> | | |

| | | |
|---|----------------------------------|---|
| Supporting the community boards in engaging with their local communities | community board monthly meetings | ● |
| <p>Progress comments: The community boards continue to travel to various communities across the district to conduct their monthly meetings. Each meeting is advertised and members of the public are invited to speak to raise matters or listen to discussions throughout the meeting. Community boards also actively seek feedback from their communities regarding particular projects such as the Aquatic Feasibility Study.</p> | | |



| 2012/13 Action/project | Background | Progress |
|---|---|----------|
| Keeping residents and ratepayers better informed about what the Council is doing and why | This information is captured through the annual community feedback survey | ● |
| <p>Progress comments: The level of community knowledge about Council remains on par with last year with 50% of respondents indicating they know a lot or a fair amount about Council and its activities. Residents aged 60 years and older are more likely to indicate that they know a lot about Council in general, while residents aged between 18 and 39 years are more likely to indicate that they do not know enough.</p> | | |

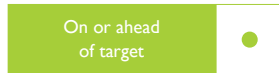
| | | |
|---|---|---|
| Reviewing the Council's website and the communication tools available to staff | Business case prepared for Far North District Council website and communication tools | ● |
| <p>Progress comments: Council staff began scoping a review of website content, as well as cost-effective options for communicating directly with ratepayers to reduce advertising costs. Further work will be done on this in 2013/14 and improvements will be rolled out as part of Council's Annual Plan consultation.</p> | | |

| | | |
|---|---|---|
| Providing publicity and encouraging participation in the 2013 triennial elections | Providing potential candidates knowledge on Local Government and Council strategic initiatives. | ● |
| <p>Progress comments: Three workshops held providing potential candidates with information relating to Council structure, election process, overview of the district, commitments etc. A total of 42 potential candidates attended the seminars. Council also published a Pre-Election Report about Council's finances and issues facing the organisation, to inform public debate during the pre-election period.</p> | | |

| 2012/13 Action/project | Background | Progress |
|---|------------|----------|
| PRIORITY 3: To retain an awareness of developments in Central Government matters by: | | |

| | | |
|---|---|---|
| Lobbying for or submitting in respect of changes to legislation affecting or supporting Council functions | Develop submissions from Council with appropriate stakeholders to highlight potential impacts on rural councils, support good initiatives or offer alternate solutions. | ● |
| <p>Progress comments: Continue to research The Parliament and agencies (e.g. Department of Conservation, Department of Internal Affairs, New Zealand Transport Agency) websites for changes to legislation, strategies, policies and national standards that will impact on Council.</p> | | |

| | | |
|---|--|---|
| Advocating for Government support for local initiatives and Council works and/or services | <p>A unitary authority is a single Local Government body that combines territorial and regional government functions within one geographical area.</p> <p>The Council and Te Taitokerau Iwi Leaders Forum formed a Better Local Government in the Far North Working Group in April 2012 to develop a unitary authority proposal for two unitary authorities in Northland that responds to law reforms aimed at:</p> <ul style="list-style-type: none"> • localising governance of the Far North • refocusing local government on core business • tightening fiscal controls at councils • streamlining council reorganisation procedures • advancing Māori representation | ● |
| <p>Progress comments: Our Council was the first Council in NZ to submit an application for a unitary authority under the new legislation. Compliance for an application saw a comprehensive document delivered to the Local Government Commission late last year: Council has continued to provide the Commission supplementary information to further support the application. One notable piece of additional information was the survey conducted across Northland that showed an 86% preference for two unitary authorities for Northland if the existing structure was to change.</p> | | |



| 2012/13 Action/project | Background | Progress |
|---|---|----------|
| PRIORITY 4: Ensure that Council secures best value from property holdings and office accommodation by: | | |
| Continuing to identify properties that can be offered to the Office of Treaty Settlements as part of the Crown's commitment to settling Treaty of Waitangi grievances, therefore promoting the development of Māori within the Far North. This process will be subject to appropriate consultation with the Office of Treaty Settlements and will involve the local communities concerned | The Office of Treaty Settlements has suggested a range of Council owned properties that may assist in providing cultural redress for Te Rarawa and Nga Takotou | ● |
| Progress comments: The Council has agreed to transfer six properties to the Crown, at market valuation, for inclusion in the Te Runanga O te Rarawa's Deed of Settlement. | | |
| Continuing to identify properties that are surplus to requirements and can be sold to generate funds for other strategic needs (subject to appropriate consultation where necessary with the local communities concerned) | Properties that can be sold to generate funds for other strategic needs (subject to appropriate consultation where necessary with the local communities concerned) | ● |
| Progress comments: A number of these remain on the market for sale. There is little activity in the market for land parcels at this time. | | |
| Continue to secure an economic return on properties available for lease or rental by commercial or other users. | Where a property is identified as available for lease or rental, the property will be offered to the widest range of potential users to obtain the best commercial return | ● |
| Progress comments: Interest for the use of the buildings has been sought and commercial leases are in place where this has proved possible. The former Council service centre has been developed and now houses the Kaitia Education Campus. Old i-SITEs building requires a change in reserve status before the lease can be completed. | | |

Community Outcome: A Sustainable and Liveable Environment and a Vibrant and Thriving Economy

About this Outcome: Support provision of compliant local governance, administer community funding programmes and communicate Council decisions.

Actual achievements against the Key Performance Indicators (KPI) and targets that the Council uses to monitor levels of service are detailed below:

| KPI: Percentage of residents aware of their community board | LTP Target | Result 2012/13 | | | | | | | | | | | | |
|--|------------|----------------|------|------------|------------|---------|-------|-----|---------|-----|-----|---------|-------|-----|
| NOT ACHIEVED: 49% of residents are aware of their local community board that operates in their area, an increase on last year; but below the KPI target for this aspect. Council will continue to publish regular media releases highlighting the value of community boards. | 73% | 49% | | | | | | | | | | | | |
| Also public are invited to community board meetings to speak, raise matters or listen to discussions throughout the meeting. | | | | | | | | | | | | | | |
| Graph shown below details a three year view of performance: | | | | | | | | | | | | | | |
| <table border="1"> <caption>Performance Data for KPI: Percentage of residents aware of their community board</caption> <thead> <tr> <th>Year</th> <th>Target (%)</th> <th>Result (%)</th> </tr> </thead> <tbody> <tr> <td>2009/10</td> <td>71.5%</td> <td>65%</td> </tr> <tr> <td>2010/11</td> <td>73%</td> <td>50%</td> </tr> <tr> <td>2011/12</td> <td>74.5%</td> <td>43%</td> </tr> </tbody> </table> | | | Year | Target (%) | Result (%) | 2009/10 | 71.5% | 65% | 2010/11 | 73% | 50% | 2011/12 | 74.5% | 43% |
| Year | Target (%) | Result (%) | | | | | | | | | | | | |
| 2009/10 | 71.5% | 65% | | | | | | | | | | | | |
| 2010/11 | 73% | 50% | | | | | | | | | | | | |
| 2011/12 | 74.5% | 43% | | | | | | | | | | | | |

206

| KPI: Percentage of residents who feel well informed about what Council is doing | LTP Target | Result 2012/13 | | | | | | | | | | | | |
|--|------------|----------------|------|------------|------------|---------|-----|-----|---------|-----|-----|---------|-----|-----|
| NOT ACHIEVED: Overall, the proportion of residents who feel well informed or informed about Council and its activities is below the KPI set. More residents indicate that they are unsure how to rate this aspect. | 60% | 50% | | | | | | | | | | | | |
| Graph shown below details a three year view of performance: | | | | | | | | | | | | | | |
| <table border="1"> <caption>Performance Data for KPI: Percentage of residents who feel well informed about what Council is doing</caption> <thead> <tr> <th>Year</th> <th>Target (%)</th> <th>Result (%)</th> </tr> </thead> <tbody> <tr> <td>2009/10</td> <td>45%</td> <td>40%</td> </tr> <tr> <td>2010/11</td> <td>46%</td> <td>53%</td> </tr> <tr> <td>2011/12</td> <td>47%</td> <td>54%</td> </tr> </tbody> </table> | | | Year | Target (%) | Result (%) | 2009/10 | 45% | 40% | 2010/11 | 46% | 53% | 2011/12 | 47% | 54% |
| Year | Target (%) | Result (%) | | | | | | | | | | | | |
| 2009/10 | 45% | 40% | | | | | | | | | | | | |
| 2010/11 | 46% | 53% | | | | | | | | | | | | |
| 2011/12 | 47% | 54% | | | | | | | | | | | | |

| KPI: Percentage of residents satisfied with ease of access to Council information | LTP Target | Result 2012/13 |
|---|------------|----------------|
|---|------------|----------------|

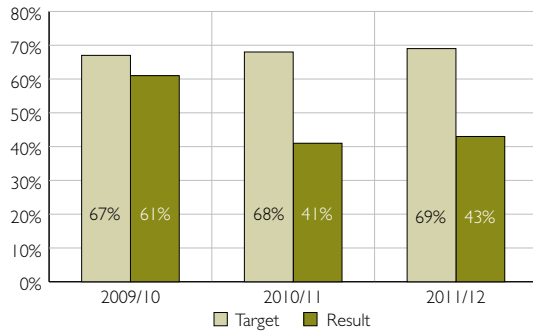
NOT ACHIEVED: Residents satisfied with the ease of access to Council information and services experienced no problems in accessing information, but those who are extremely satisfied also mention polite and helpful service, and describe ease of access as good or alright. Residents who are satisfied with the ease of access to information mention good promotion and information available in the community, with some indicating that no access to information is needed.

60%

44%

33% of residents who are dissatisfied with the ease of accessing Council information and services indicate this is due to a lack of information or communications.

Graph shown below details a three year view of performance:



| KPI: Number of website hits for agenda minutes and strategic planning documents | LTP Target | Result 2012/13 |
|---|------------|----------------|
|---|------------|----------------|

ACHIEVED: Council has developed many tools including the Council's Facebook page and reformed electronic agendas. Based on Google Analytics the Council meeting and strategic planning pages received 10,045 views. The Council continues to actively encourage the public to make submissions online or view the Council's planning documents online, which has resulted in an increase of hits to the Strategic Planning webpage.

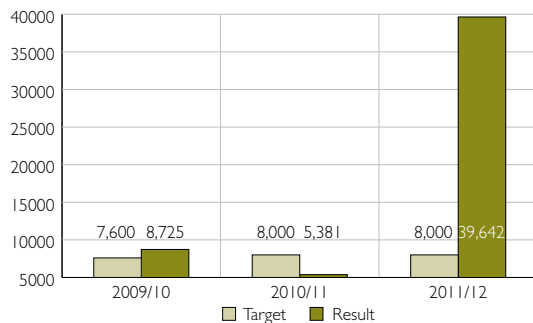
8,000

10,045

The graph below on 2011/12 result was a lot higher as this included website hits on all PDF governance documents not just for agenda and minutes. Council amended this KPI for the LTP to provide a better indication of progress.

Graph shown below details a three year view of performance:

(The difference being Website hits for agendas and minutes was used to monitor this KPI in previous years. The KPI was also amended from 2009 to provide a better indication of progress which included a calculation target change from percentage to a number.)



Governance and Strategy Group



208

Activity: Strategic Planning

The Strategic Planning Activity provides the overall, long-term direction for the district. It includes the development of this Long-Term Plan, and intervening Annual Plans. The Strategic Planning Team manages these documents and the public consultative processes.

As part of their function, the team is responsible for reviewing the community outcomes and a number of key policies.

As a new direction, Council is considering the development of a long-term Growth Strategy for the district. This plan will cover up to 30 to 50 years that will provide a comprehensive and co-ordinated blue print for the district.

If Council does decide to develop such a plan, it will involve considerable community involvement to ensure that the final document is meaningful and relevant.

Council's vision is to publish easy to understand and informative Plans and Policies which inform the community about how Council is planning to manage and grow the district into the future. Council aims to do this by working on long-term strategic planning processes.

Key facts

- The Long-Term Plan 2012/22 resulted in 1119 submissions.
- The Annual Plan 2013/14 was a shorter document but received 1352 submissions.

Our major achievements in 2012/13

Highlights of our progress during 2012/13 include:

- Increased usage of online consultation tool "Objective Online" for community engagement.
- A debrief of the LTP 2012/22 process was held with key participants and stakeholders. Key elements of this were incorporated into the 2013/14 Annual Plan process. Examples include software issues and the appointment of a project manager.
- The Annual Plan 2013/14 was adopted by Council on 27 June 2013. Out of the 1352 submissions received on the draft Plan, 104 submitters requested a hearing, and 1052 requested an indoor heated pool complex in Kaitaia. Other key concerns were regarding proposed rating changes, in particular a targeted roading rate, as well as opposition to removal of the Community Grants Scheme. Final responses to submitters were processed in July 2013 and completed on time.

Challenges we experienced

- Required additional resource to project manage the LTP to ensure the pre-draft, draft and final documents could be produced on time for audit, and the community public consultation process.
- Additional resources also required during the Annual Plan Special Consultative Procedure to ensure processing of submissions met the required time-frames for hearings, deliberations and response letters to submitters.

Plans for the next 12 months

- Completing the 2014/15 Annual Plan on time.

How we performed against the first year of the Long-Term Plan (LTP) 2012/22

The tables below reflect the progress of our key work during 2012/13. Each action/project is linked to the strategic objectives and priorities set in the LTP. The progress at the end of the financial year against each action/project has been represented by:



Strategic Objective:
A leaner, more customer focused organisation.

| 2012/13 Action/project | Background | Progress |
|---|--|----------|
| PRIORITY 1: Improve the quality of the key strategic planning documents to encourage a greater community participation in the process. | | |
| LTP and Annual Plan documents, including the Summary document | Utilise professional communications and graphic design personnel to create the format and design of documents. | ● |
| Progress comments: Considerable improvement in presentation of documents resulting in a more user-friendly format. | | |

| 2012/13 Action/project | Background | Progress |
|---|---|----------|
| PRIORITY 2: Consider a greater use of modern communication techniques to improve the way that Council consults on its Plans and Policies. | | |
| Objective Online | Increased usage of online consultation tool "Objective Online" for community engagement across a number of projects including District Plan changes, LTP and Annual Plan Special Consultative Procedure. Aligned the format of the online consultation portal, to better reflect the Summary document and submission form. Changes to submission form data. | ● |
| Progress comments: The major improvement is building a community profile for targeted questions and consultations which FNDC has not had before; new data allows for more cost effective and efficient communication of key correspondence to submitters by email. | | |
| Media Releases | LTP and Annual Plan media releases posted on Facebook. | ● |
| Progress comments: Enabled communication of LTP and Annual Plan information, with different sectors of the community, in a cost-effective way. | | |

Governance and Strategy Group



210

Activity: Economic Development

Council's Economic Development activity works to strengthen the district economy and attract new business to the Far North by promoting it as an investment destination. This includes working to ensure that Council delivers on its promise to be a business friendly organisation. It also works with businesses and education providers to ensure that appropriate and timely skills training is available to the community.

In relation to economic development, Council works to contribute to a strong, growing and sustainable district economy that makes a tangible and positive difference to the people of the Far North, with a particular focus on attracting investment to the district.

Key facts

Council supports or manages a number of economic development initiatives including:

- The Live Work Invest promotional campaign and website.
- The Buy Far North promotional campaign and website.
- The Business Navigation service.
- Promotional, informational, and multimedia displays for economic expos.

Our major achievements in 2012/13

Highlights of our progress during 2012/13 include:

- Northland Economic Advisory Group for Northland was established to lead the process of driving the regional Economic Development Action Plan that emerged from the two workshop summits. These workshops along with subsequent review workshops were supported by Council. Council has also met regularly with Northland Inc. to discuss and implement various economic development opportunities.
- A review was completed and presented to Council regarding a marketing strategy that combines the function of current economic development initiatives with those that are required to leverage the Pou Herenga Tai-Twin Coast Cycle Trail project.

Challenges we experienced

- Council has resolved that economic development and marketing and promotion of the district would be best carried out by a business unit utilising existing Council staff under the management of Far North Holdings Ltd.

The initial work by this business unit will be to establish a strategy by which this can be undertaken and to ensure that the appropriate staff are available.

Plans for the next 12 months

- Preparation of a strategic business plan and working with Far North Holdings Ltd to strengthen the district's economy and market the district's attractions, such as Pou Herenga Tai – Twin Coast Cycle Trail.
- In partnership with the private sector, a Bay of Islands brand will be developed and launched. The brand will target the Auckland market to entice more visitors into the district, especially during tourism's shoulder and low

seasons. A key component of this will be the promotion and growing of events in the district.

- Review of the Live Work Invest promotional campaign and website. The outcome of the review is to focus on attracting and actively targeting small and medium sized enterprises (SME) into the district.
- Support the economic and business development of the Pou Herenga Tai-Twin Coast Cycle Trail.

How we performed against the first year of the Long-Term Plan (LTP) 2012/22

The tables below reflect the progress of our key work during 2012/13. Each action/project is linked to the strategic objectives and priorities set in the LTP. The progress at the end of the financial year against each action/project has been represented by:



Strategic Objective:
Responding effectively to the growth of the district.

| 2012/13 Action/project | Background | Progress |
|---|--|----------|
| PRIORITY 1: Support the economic development of the Far North and attract inward investment | | |
| Prioritisation of economic development projects | When carrying out effective economic development with limited resources then prioritisation of projects is paramount. Such prioritisation enables delivery of quality economic development outcomes for the district. These outcomes includes creating the right environment for business growth, that enables the development of potential new business opportunities, create jobs and / or promote up-skilling and training. | ● |
| Progress comments: Council has worked successfully in partnership with Far North Holdings to prioritise economic development projects. | | |

| 2012/13 Action/project | Background | Progress |
|--|--|----------|
| PRIORITY 2: Continue the wider promotion of the district | | |
| Scope out and develop a Bay of Islands brand in conjunction with the private sector | The tourism sector has requested Council to support the re-invigorating of the under-utilised Bay of Islands brand | ● |
| Progress comments: Council has worked successfully in partnership with Far North Holdings to develop the Bay of Islands brand that will be launched in 2013/14. | | |

Completed

On or ahead
of targetWithin 10% of target or
some moderate slippage

Significantly off target



| 2012/13 Action/project | Background | Progress |
|------------------------|------------|----------|
|------------------------|------------|----------|

PRIORITY 3: Contribute positively to communities by:

| | | |
|---|--|--|
| Supporting communities in the district to carry out their community planning processes to develop town centres in order to attract business investment. | Council has started a 2 year project to produce a longer term sustainable plan for the district that will look out over the next 30-50 years at the communities' needs and how best to plan for them. It will combine elements of a spatial plan and a growth strategy in a cost effective manner that is appropriate to this district. The plan will build on aspects of the various community plans held by Council. | |
| Working with small towns to implement a Small Town Beautification programme. | | |
| Working with the Far North Disability Action Group | Support the Disability Action Group | |



Progress comments: Council continues to support this action group to remove barriers for disabled people in the Far North District. In addition to providing secretarial support for their bi-monthly meetings the Council allocated a grant of \$15,000 as a discretionary fund to aid them in their efforts.

212

Community Outcome: A Vibrant and Thriving Economy

About this Outcome: Council's processes aid the establishment of new businesses and industry. Council supports major events that contribute to the economy of the district. All towns are encouraged and supported to develop their town centres and communities to attract new business investments, tourism and community resilience which locals will be proud of.

Actual achievements against the Key Performance Indicators (KPI) and targets that the Council uses to monitor levels of service are detailed below:

| KPI: Council supports 3 industry projects | LTP Target | Result 2012/13 |
|---|------------|----------------|
|---|------------|----------------|

ACHIEVED: Through partnership working with Far North Holdings Limited (FNHL) Council has successfully supported 3 industry projects. Major initiatives are:

Bay Of Islands branding project including events;

Bee Venom added value industry project and;

Support for the economic development of the Pou Herenga Tai-Twin Coast Cycle Trail

*This KPI above is **new** in the LTP 2012/13. Unable to provide a three year view of performance.

| KPI: Council supports 2 destination marketing projects | LTP Target | Result 2012/13 |
|--|------------|----------------|
|--|------------|----------------|

ACHIEVED: Council has through its partnership with Far North Holdings Limited supported domestic marketing that prioritises the Auckland market and international marketing into Northland's target overseas markets of Australia, UK, USA and Europe. This marketing is facilitated by Northland Inc Tourism (formerly Destination Northland).

*This KPI above is **new** in the LTP 2012/13. Unable to provide a three year view of performance.

Governance and Strategy Group



213

Activity: Māori Engagement

Council has a number and range of statutory functions that require recognition and respect of the Crown's responsibility to take account of the principles of the Treaty of Waitangi as well as improving opportunities for Māori to participate in Council's decision-making processes. The opportunity and ability for Māori to participate enables them to provide for their wellbeing while recognising and providing for the relationship of Māori, their culture and traditions, with their ancestral lands, water, sites wahi tapu and other taonga.

As part of their function, the Māori Development activity is tasked with facilitating and liaising with Iwi/Hapu to give effect to Council's responsibilities.

Both the Resource Management Act 1991 and Local Government Act 2002 require Council to establish more formal, meaningful, and sustainable relationships with Māori. These relationships guided by the Treaty of Waitangi are intended to foster :

- Opportunities for Māori to contribute to decision making processes of Council.
- The development of Māori capacity to contribute to the decision-making processes of Council.
- The provision of information to Māori so they are enabled to contribute to the decision making processes of Council.
- Improved consultation with Māori by establishing key working parties and focus groups.

Key facts

- Nearly half the population (43%) of the Far North District population identify themselves as Māori.
- Approximately 18% of land in the Far North District is in Māori title.
- Approximately 43% of Māori in Tai Tokerau (Northland) are able to understand or converse in Te Reo Māori.
- There are approximately 144 marae, 10 Iwi Runanga and over 200 Hapu within the Far North District.
- Over the next 10 years the most significant Treaty Settlements will occur within the Far North.
- Council has received 8 Iwi/Hapu Management Plans that require facilitation and implementation.

Our major achievements in 2012/13

Highlights of our progress during 2012/13 include:

- Developed a unified model for direct Māori representation within a Far North Unitary Authority,
- Establishment of key working parties and focus groups with unitary Authority, economic development, rating and Māori reference groups to develop better working relationships, and build the capacity of these communities of interest.

Challenges we experienced

- Managing expectations and relationships.

Plans for the next 12 months

- Determining options for direct representation of Māori in Council decision making and finalising a strategy.
- Continuing with investigating options for the development of Māori land.

How we performed against the first year of the Long-Term Plan (LTP) 2012/22

The tables below reflect the progress of our key work during 2012/13. Each action/project is linked to the strategic objectives and priorities set in the LTP. The progress at the end of the financial year against each action/project has been represented by:



Strategic Objective:
Community Development.

| 2012/13 Action/project | Background | Progress |
|--|------------|----------|
| PRIORITY 1: Promote Māori representation. | | |

| | | |
|---|--|---|
| Māori Representation | Council in partnership with Māori have developing a unified model for direct Māori representation within a Far North unitary authority | ● |
| <p>Progress comments: In developing a unified model for direct Māori representation within a Far North unitary authority, both parties have undertaken a campaign to inform the community of the benefits of Māori representation. A recent telephone poll initiated by Council to gauge demonstrable support for a unitary authority and Māori representation generated the following results :</p> <ul style="list-style-type: none"> • 98% want more efficient Local Government. • 86% support a single Far North unitary authority, rather than a Northland wide authority. • 69% accept Māori representation (and in the Kaikohe-Hokianga Ward this is as high as 91%). • 62% strongly agree/agree that better representation and participation for Iwi-Māori in the Far North will be achieved through Māori wards. • In an effort to consolidate this relationship, a partnership agreement has been drafted for consideration which will be presented to Council in the very near future. | | |

| 2012/13 Action/project | Background | Progress |
|--|------------|----------|
| PRIORITY 2: Develop effective Māori Engagement. | | |

| | | |
|---|---|---|
| Māori engagement | Effective Māori engagement has occurred through Council / community boards and Iwi Leadership, the General Management Team and staff forums on matters of importance at a local, district and regional level. | ● |
| <p>Progress comments: Over the last 12 months these engagements have resulted in the establishment of a number of working parties i.e. unitary authority, economic development, rating and Māori reference groups, and key focus groups to develop better working relationships and build the capacity of these communities of interest.</p> | | |
| <p>Unitary Authority Working Party The application has been lodged with Local Government Commission. Te Waka Taiao (Iwi Leaders) and Council are working on a partnership agreement to firm up this relationship and ensure that this relationship is not put at risk should there be a change in leadership through the Local Elections 2013.</p> | | |

Economic Development Working Party

This forum has proved to be an extremely valuable tool for Māori to discuss economic development issues. It was agreed to facilitate economic development via Far North Holdings Limited (FNHL). FNHL has provided Council with an economic development progress update to Council.

The Rating Working Party

Council and Iwi Leaders have yet to confirm Terms of Reference for engagement and this is work in progress. Matters pertaining to rating have been put into abeyance in the interim due to concentrated efforts being placed on the unitary authority application and the associated relationships with Council, Iwi and community.

The Māori Reference Groups

Have been placed on hold until such time a determination is made in relation to Māori representation in Local Government.

| 2012/13 Action/project | Background | Progress |
|--|---|----------|
| PRIORITY 3: Promote Māori Development | | |
| Māori Development | Council is contributing to the sustainable development and management of the Far North resources through partnership, participation and protection. | ● |
| Progress comments: Council has contributed to the following projects over the last 12 months. | | |
| Organic bee venom business: - Mills Farm, Peria Mills Farm (Māori owner / operator) is in the business of utilising organic bee venom for the manufacture of anti-aging skincare products. This business has a unique point of difference in that it is the only organic bee venom producer in the world. Assistance by FNHL has been by way of focusing on current practices and assisting in the development of a business and marketing strategy. FNHL is currently working with Mills Farm to cement a joint venture start up partnership. | | |
| Parahirahi CI Trust – Development of the Ngawha Springs mineral pools Traction with Parahirahi CI Trust has been minimal as Trustees are trying to work through issues in relation to land ownership. Once this matter is addressed and an amicable outcome is reached development progress will be relatively slow. Also connected to a claim over adjacent 4 acres. | | |
| Te Hiku Social Accord Te Hiku Social Accord have met with Central Government and reached an agreement on commitment to achieving a number of key shared social development and well-being outcomes. These outcomes are based on establishing, maintaining and strengthening positive, co-operative and enduring relationships with the communities of Te Hiku. Although this project is not directly associated with Council, it does have implications on the social fabric of the Te Hiku Ward and as a result should be given due consideration when drafting Council's Sustainable Growth Strategy. | | |
| Omanaia Water Treatment Plant Discussions are ongoing in relation to the Omanaia Water Treatment Plant and Council is reviewing its options on this matter | | |
| Te Runanga A Iwi o Ngapuhi housing Council's Māori Development Team and Environmental Management staff are working closely with Te Runanga A Iwi o Ngapuhi (TRAION) and multiple shareholders in an effort to achieve better sustainable housing outcomes. TRAION has been granted Social Housing Development funding from Central Government. This will enable 10 new homes to be built in Kaikohe. TRAION are currently engaging with technical experts to enable the correct planning to support the consent process. | | |
| Lake Omapere Hydro Power Plant In 2007 Clearwater Hydro Ltd completed research on the possibility of setting up a power generation plant along the Utakura River (Lake Omapere Falls). Discussions with landowners came to a halt due to the inability to reach an agreement. Landowners have now reached agreement and requested assistance from Council with re-opening these discussions with Clearwater Hydro Ltd. An introductory meeting has been held with FNHL to discuss the opportunity. A teleconference between Clearwater Hydro Ltd and landowners has taken place and a process outline was agreed. The scheduled meeting of shareholders was held and a satisfactory agreement reached. Stakeholders are waiting for confirmation of land transfer from the Māori Land Court. | | |

Community Outcome: Services that Support a Sustainable and Liveable Environment and a Vibrant and Thriving Economy

About this Outcome: To align Māori social and development outcomes so that there are clearer opportunities and efficiencies when providing for the social, cultural, environmental and economic development and well-being of Māori within the Far North.

Actual achievements against the Key Performance Indicators (KPI) and targets that the Council uses to monitor levels of service are detailed below:

| KPI: Increase in the number of capacity building workshops to enable Māori participation to occur | LTP Target | Result 2012/13 | | | | | | | | | | | | |
|--|------------|----------------|------|--------|--------|---------|---|---|---------|---|---|---------|---|---|
| ACHIEVED: The target has been exceeded and continues to be a work in progress with the Unitary Authority Working Party, Rating Working Party (work in progress), Economic Working Party at a Governance level and workshops with individual land owners and Trusts. | 3 | 5 | | | | | | | | | | | | |
| Graph shown below details a three year view of performance: | | | | | | | | | | | | | | |
| <table border="1"> <caption>Three year view of performance for KPI: Increase in the number of capacity building workshops to enable Māori participation to occur</caption> <thead> <tr> <th>Year</th> <th>Target</th> <th>Result</th> </tr> </thead> <tbody> <tr> <td>2009/10</td> <td>2</td> <td>2</td> </tr> <tr> <td>2010/11</td> <td>2</td> <td>2</td> </tr> <tr> <td>2011/12</td> <td>3</td> <td>5</td> </tr> </tbody> </table> | | | Year | Target | Result | 2009/10 | 2 | 2 | 2010/11 | 2 | 2 | 2011/12 | 3 | 5 |
| Year | Target | Result | | | | | | | | | | | | |
| 2009/10 | 2 | 2 | | | | | | | | | | | | |
| 2010/11 | 2 | 2 | | | | | | | | | | | | |
| 2011/12 | 3 | 5 | | | | | | | | | | | | |

216

| KPI: Satisfaction rating of participants at capacity building workshops | LTP Target | Result 2012/13 |
|--|------------|----------------|
| ACHIEVED: Customer feedback forms from participants receiving positive feedback on completion of workshops. | 75% | 75% |
| *This KPI above is new in the LTP 2012/13. Unable to provide a three year view of performance. | | |

| KPI: Number of economic development projects completed with Iwi/Hapu | LTP Target | Result 2012/13 | | | | | | | | | | | | |
|--|------------|----------------|------|--------|--------|---------|---|---|---------|---|---|---------|---|---|
| ACHIEVED: Council's role is supporting Māori development projects for the community. Due to external influences Council cannot determine the timeframes affixed or confirm closure date. Mills Farm has been handed over to FNHL to project manage, Lake Omapere Mini Hydro Power Scheme is now sitting with the Māori Land Court awaiting transfer of shares and Parahirahi Trust is currently determining course of action. | 3 | 3 | | | | | | | | | | | | |
| Graph shown below details a three year view of performance: | | | | | | | | | | | | | | |
| <table border="1"> <caption>Three year view of performance for KPI: Number of economic development projects completed with Iwi/Hapu</caption> <thead> <tr> <th>Year</th> <th>Target</th> <th>Result</th> </tr> </thead> <tbody> <tr> <td>2009/10</td> <td>3</td> <td>1</td> </tr> <tr> <td>2010/11</td> <td>3</td> <td>3</td> </tr> <tr> <td>2011/12</td> <td>4</td> <td>4</td> </tr> </tbody> </table> | | | Year | Target | Result | 2009/10 | 3 | 1 | 2010/11 | 3 | 3 | 2011/12 | 4 | 4 |
| Year | Target | Result | | | | | | | | | | | | |
| 2009/10 | 3 | 1 | | | | | | | | | | | | |
| 2010/11 | 3 | 3 | | | | | | | | | | | | |
| 2011/12 | 4 | 4 | | | | | | | | | | | | |

Governance and Strategy Group

Statement of Intent

A Reflection of our Bi-Cultural Community

Information below demonstrates the activities that Council has undertaken in the 2012/13 year to establish and maintain processes to provide opportunities for Māori to contribute to the decision-making processes.

Māori Development

Māori development, in collaboration with other departments, will play a key role in addressing the following areas:

- Māori representation;
- Māori economic & social development;
- Internal capacity building; and
- External engagement.

The above emphasis is twofold:

- Council has obligations under the Local Government Act 2002, to establish processes to give Māori the opportunity to contribute to decision making and to consider ways to foster Māori development and capacity through better engagement; and
- Develop a more strategic alignment with Iwi Māori through greater engagement, programmes & / or initiatives. This was a major input into the LTP through the submission process.

In view of Council's intention to become a Unitary Authority, it has signalled its support in principle for having dedicated Māori seats if unitary authority status is achieved. Council has also shown its commitment by resolving to investigate non electoral options for engagement and involvement of Māori in its decision making.

Council is mindful of the challenges faced by Māori landowners and supports opportunities that enable development on Māori freehold land to occur. Whilst Council only administers a small component of Māori freehold land development, Council acknowledges that development will require greater collaboration with key stakeholders including the Māori Land Court, Te Puni Kōkiri, Social Housing Unit, Iwi authorities and other central government agencies. These development opportunities will be project driven with a number of capacity building workshops provided on a case by case basis e.g. Council may facilitate papakainga development workshops to empower participants gain a better understanding of the provisions applicable to papakainga within the District Plan.

With regards to the internal capacity building, the waiata roopu continually provides consistent support and has participated at a range of council functions, including pōwhiri / welcoming ceremonies, poroporoakī / farewells and civic functions like citizenship ceremonies.

External Engagement

With regards to external engagement forums, Council is in the process of canvassing strategic and collaborative relationships with central government agencies and Iwi authorities within the district. This relationship building process seeks to align Māori social and development outcomes so that there are clearer opportunities and efficiencies when providing for the social, cultural, environmental and economic development and wellbeing of Māori within the Far North.

Financial Information Governance and Strategy

FINANCIAL SUMMARY FOR THE YEAR ENDED 30 JUNE 2013

| | NOTE | ACTUAL 2013 \$000s | COUNCIL BUDGET 2013 \$000s | VARIANCE \$000s |
|---|------|--------------------------|-------------------------------------|--------------------|
| Income | | | | |
| Rates Income | 1 | 11,254 | 10,087 | 1,166 |
| Fees, charges & targeted water supply rates | | 102 | 83 | 19 |
| Development & financial contributions | 2 | 234 | 371 | (137) |
| Other Income | 3 | 377 | 227 | 150 |
| Total Operating Income | | 11,967 | 10,768 | 1,198 |
| Expenditure | | | | |
| Direct Costs | 4 | 8,019 | 6,306 | (1,713) |
| Indirect Costs | 5 | 539 | 830 | 291 |
| Activity Expenditure | | 8,558 | 7,136 | (1,422) |
| Depreciation | 8 | 36 | 28 | |
| Interest Payable | | 565 | 1,010 | 445 |
| Total Operating Expenditure | | 9,130 | 8,182 | (948) |
| Net Operating Surplus/(Deficit) | | 2,836 | 2,586 | 250 |
| Capital Statement | | | | |
| Net Operating Surplus | | 2,836 | 2,586 | 250 |
| Loans | 1 | 78 | 503 | (325) |
| Other Funding | | (679) | (769) | 90 |
| Total Funding | | 2,336 | 2,319 | (17) |
| New Work | 6 | 190 | 503 | 313 |
| Renewal Works | 6 | 481 | 1,368 | 887 |
| Loan Repayments | | 2,850 | 448 | (2,402) |
| Total Capital Expenditure | | 3,521 | 2,319 | (1,202) |
| NET SURPLUS/(DEFICIT) | | (1,185) | 0 | (1,185) |

NOTE:

A favourable variance is shown as a positive number and an unfavourable variance is shown as a negative number.

The direct and indirect budgets shown in the table do not individually agree to those published in the LTP due to a difference in allocation. The total activity expenditure, however, does agree to the total published in the LTP.

VARIANCE TO THE LONG TERM PLAN 2012/13

1. Rates Income is showing a favourable variance of \$1,166k predominantly due to:
 - a. An increase in penalty rate income of \$628k and an increase in general rate income of \$538k. The increase in general rate income was a result of a subsidy budget error that was corrected during the year and increased rates income.
2. Financial contributions are showing a favourable variance due to \$234k relating to funds allocated for use by the community boards on footpath works in the future.
3. Other income is showing a favourable variance of \$150k predominantly due to:
 - a. Dividend received from FNHL \$132k above budget in the LTP; and
 - b. Recoveries of \$18k were received which were unbudgeted.

4. Direct costs are showing an unfavourable variance of \$1,712k predominantly due to:
 - a. Salaries are over budget by \$218k;
 - b. Grants and donations of \$175k are below budget;
 - c. Bad debt provisions, remission of rates and penalties are \$1,781k more than budget.
5. Indirect costs are under budget \$291k due to a decrease in corporate allocations.
6. Capital expenditure is showing an unfavourable variance of \$1,202k due to a combination of delays in the commencement of capital projects and repayment of outstanding loan balances.

KEY CAPITAL PROJECTS FOR THE YEAR ENDED 30 JUNE 2013

| | ACTUAL 2013 \$000s | COUNCIL BUDGET 2013 \$000s | VARIANCE \$000s |
|--------------------------|--------------------------|-------------------------------------|--------------------|
| New Works | | | |
| Information management | 184 | 503 | 318 |
| Building services | 3 | 0 | (3) |
| Investments | 3 | 0 | (3) |
| Total New Works | 190 | 503 | 313 |
| Renewals | | | |
| Accounting services | 1 | 0 | (1) |
| Administration services | 258 | 250 | (8) |
| Information management | 223 | 713 | 490 |
| Telephony infrastructure | 0 | 303 | 303 |
| Building services | 0 | 102 | 102 |
| Total Renewals | 481 | 1,368 | 887 |

SIGNIFICANT ACQUISITIONS OR REPLACEMENTS OF ASSETS FOR 2012/13

The LGA 2002 requires councils to provide information regarding any significant assets acquired or replaced during the year. Council's significance policy does not specify a value but does identify the following assets as significant:

| CORPORATE AND GOVERNANCE PROJECTS | COUNCIL BUDGET 2013 \$000s | VARIANCE 2013 \$000s |
|---|-------------------------------------|----------------------------|
| Desktop replacement. This project was delayed so that a full review of future needs and compatibility with new software could be carried out. | 400 | 103 |
| Integrated asset management. Work on this project has been delayed whilst officers assess suitable options and compatibility with existing systems | 350 | 30 |

VARIANCE TO THE ANNUAL PLAN 2012/13

- See comments above

Council Controlled Trading Organisation (CCTO)



220

Far North Holdings Ltd (FNHL)

As the Far North District Council's commercial vehicle, Far North Holdings Ltd (FNHL) will facilitate and develop commercial and infrastructural assets in the Far North District with the aim of maximising profits for its shareholders and creating shareholder value.

Key facts

FNHL forms the focus of Council's interface with its commercial investments and ensures uniformity in approach and reporting. FNHL activities include:

- The provision of maritime, airport, property and car parking facilities.
- The management of maritime and aviation assets under contract to Council.
- Investment in any commercial opportunity that arises including any proposed by its shareholder.
- Sale of any assets held by FNHL.

Structure

Chief Executive

Andrew Nock.

Board of Directors

Council appoints an independent professional Board of Directors. The Directors as at 30 June 2013:

- Ross Blackman (Chairperson);
- Bill Birnie;
- Councillor Ian Walker and;
- Mr Kevin Baxter.



Our major achievements in 2012/13

- Increased profit over the previous year by 59%.
- Increased cash return to Council by increased dividend payment.
- Increased asset value to Council of \$4.58 million.

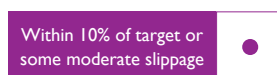
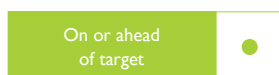
Challenges we experienced

- Continuing uncertainty in the business community

Plans for the next 12 months

- Further progress the Opuā Marina Stage 2 development.
- After tax profit prior to change in fair value of investment properties, \$825,000 for year end June 2014.
- FNHL to pay a dividend of 50% of its after tax operating profit; should the shareholder require
- Nil equity requirement from shareholder.
- Equity ratio to be greater than 50%.
- Interest cover ratio to be greater than 1.5 times earnings before tax and revaluations.
- Maintain Airport Authority status for the airports under its control.
- No abatement notices.
- No staff workplace accident investigations.
- Support appropriate community activities.
- Assist Council with economic and development initiatives.

The tables below reflect the progress of our key work during 2012/13. Each action/project is linked to the targets set in the LTP. The progress at the end of the financial year against each action/project has been represented by:



| 2012/13 Action/project | Background | Progress |
|--|---|----------|
| Further progress the Opua Marina Stage 2 development | The Board has reviewed the various models for the marina extension and agreed that it should make application for the consents to enable the Stage 2 extension | ● |
| Progress comments: FNHL have progressed the engineering and financial modelling and preparations towards a consent application. | | |
| After tax profit prior to change in fair value of investment properties, \$752,000 for year end June 2013 | The company has exceeded its budget profit, as a result of improved rental returns, and new business acquisitions, and continued expense reviews | ● |
| Progress comments: The company achieved an after tax profit prior to fair value of investment properties of \$818,516. | | |
| FNHL to pay a dividend of 50% of its after tax operating profit, should the shareholder require | The company has been able to increase the amount of the dividend to its shareholder (Council) due to increased profit | ● |
| Progress comments: Final dividend of \$409,258 has been declared. | | |
| Nil equity requirement from shareholder | The company has managed its cash resources and development expenditure within its present funding arrangements | ● |
| Progress comments: The company has not required any further equity from the shareholder. | | |
| Equity ratio to be greater than 50% | The shareholders' equity in the company has increased from retained earnings, being profits after dividends, and increased asset values, whilst debt levels have remained at similar levels to previous years | ● |
| Progress comments: The equity ratio at the 30 June 2013 was 68%. | | |
| Interest cover ratio to be greater than 1.5 times earnings before tax and revaluations | The company's improved profit performance and debt and interest rate management has resulted in an improved cover well in excess of bank requirements and improved over the previous year's 1.92 | ● |
| Progress comments: Interest cover for the year was 2.4. | | |
| Maintain Airport Authority status for the airports under its control | Management has in place personnel, policies and procedures as required for the continuing operation of the airport within the Civil Aviation Authority requirements | ● |
| Progress comments: Continued as maintaining Airport Authority status for the year for all airports under FNHL control. | | |
| No abatement notices | The company continues to work closely with the authorities over all environmental issues to ensure it maintains the levels of control that are required within its consents | ● |
| Progress comments: No abatement notices were issued. | | |

Completed ●

On or ahead of target ●

Within 10% of target or some moderate slippage ●

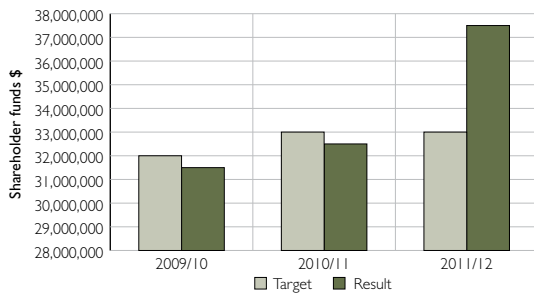
Significantly off target ●

| | | |
|---|--|---|
| No staff workplace accident investigations | The company ensures all staff are well trained and informed on all safety issues | ● |
| Progress comments: There were no notifiable work place accidents. | | |
| Unqualified audit opinion | The Board and management have in place procedures, and policies supported by quarterly internal audits | ● |
| Progress comments: An unqualified audit report has been received. | | |
| Support appropriate community activities | A full schedule of the donations is available in our Annual Report | ● |
| Progress comments: The company makes donations to various organisations that have a direct benefit or effect on the company's operations or standing in the community. | | |

Actual achievements against the Key Performance Indicators (KPI) and targets that Far North Holdings Ltd uses to monitor levels of service are detailed below:

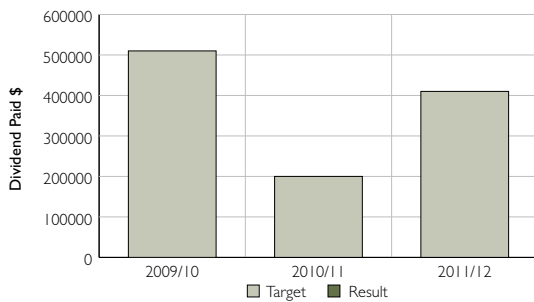
KPI: Provide the shareholder with an adequate return on the existing shareholder funds

Graph shown below represents a three year view of Funds \$



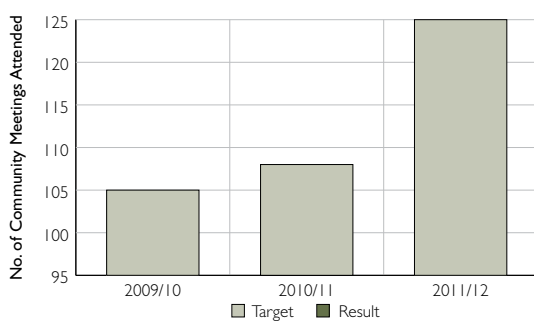
KPI: Deliver value to the shareholder by means of dividends

Graph shown below represents a three year view of Dividend Paid \$



KPI: Communicate with the community to determine views on company activities

Graph shown below represents a three year view of the number of community meetings attended



Council Controlled Organisation (CCO)



225

Te Ahu Charitable Trust (TACT)

Key facts

The main purpose of the TACT is to oversee the strategic direction and operation of the Te Ahu Centre by:

- Producing a landmark building that extends a 'welcome' and reflects our sense of place and belongings.
- Placing emphasis on reflecting our culture and the seven peoples of the Far North.
- Providing facilities that will deliver appropriate and co-ordinated accommodation for stakeholders.

Structure

All but one of the Trustees are appointed by Council. Council has the power to appoint one Te Rarawa Trustee who must be of Te Rarawa Iwi.

The Far North Regional Museum Trust has the power to appoint one Museum Trustee.

Trustees as at 30 June 2013 are:

- Haami Piripi – Te Runanga o Te Rarawa.
- Phil Cross – Far North Regional Museum.

Council Trustees

- Mary-Jane Ardley
- Mike Metcalfe (Chairperson)
- Monty Knight
- Yvonne Smith

Our major achievements in 2012/13

- This year has seen the appointment of Noel Brown, working with Far North Holdings in a district wide initiative to develop synergies between various Far North tourist venues including Te Ahu and The Turner Centre, in Kerikeri. He is continuing to develop the plan initiated by Mark Osborne and the Te Ahu Trust on key marketing and promotional strategies. Funding to the value of \$91K has recently been approved by Far North District Council to progress this. Signage and website development is progressing with the obtaining of this funding.
- The past year has seen a number of significant events take place at Te Ahu. There have been a variety of art exhibitions, concerts, poetry recitals, craft demonstrations and large scale fund raising events along with various community and Māori special events. Matariki celebrations provided quality experiences for people as did the Pukemiro fund raising event and the beauty pageant earlier in the year. The Te Ahu Charitable Trust is continuing to explore and commit to further events. At present that includes the 'Fly My Pretties' national tour start and putting on a performance by the Royal New Zealand Ballet in November. These are important events. Others are proposed and being negotiated with the view of making Te Ahu Kaitaia a 'must include' venue for national and international events.
- Tourists are learning about Te Ahu and coming, with free Wi-Fi being a big draw card particularly with the younger visitors. The camper van facilities and i-SITE are also well used.
- The library continues to be the main attraction for visitor numbers along with the museum, cinema, cafe and various function rooms that at times now are fully booked. The challenge is how to turn all this into best economic benefit for Te Ahu Charitable Trust and the Far North community without costs that are prohibitive.

226

Challenges we experienced

- This has been a challenging first year of operation as the various stakeholders and 'components' of Te Ahu find their place. A lot remains to be resolved and clarified but step by step positive developments are taking place bringing the benefits of convergence.
- Te Ahu lost Trustee and respected Ngati Kahu Kaumatua Charlie Larkins after a long battle with his health. The Trust is seeking out a worthy replacement to recommend to Council and believe that the Trust could do with refreshing with new Trustees and perhaps the secondment of some key interested people with the right skills to help. If Te Ahu is to rise to the aspirational levels envisioned in its development plan and Trust Deed, then it needs 'all hands to the deck' as currently the Trust has no staff of its own to do its work.

Plans for the next 12 months

- The provision of a strategic vision for the Te Ahu Centre.
- Liaise with and seek funding assistance from Central and Regional Government and any other appropriate organisations.
- Develop an open, cooperative and harmonious relationship with Council and other stakeholders.

Performance Measures and Targets 2012/13

Te Ahu Charitable Trust is subject to exemption as a small organisation under Section 7 of the Local Government Act 2002. Performance measures and targets are not required.

Roland's Wood Trust

The Roland's Wood Trust relates to 4 hectares of woodland in Kerikeri and was set up to ensure the provision and maintenance of a wooded park for the recreational use, enjoyment and benefit of the public. As the Trust Administration Committee consists of Council staff, the Trust is classified as a CCO. However, its activities are peripheral to the core activities of Council and has no material effect on Council's finances. Council has, therefore, concluded that there is no requirement to provide any further detail of the Trust in the LTP. Under section 7 of the Local Government Act 2002 this is an exempt organisation.

Glossary

Activity

A good or service provided by or on behalf of a local authority.

Annual Plan

A plan produced by 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 Council plans to fund it. Every third year it is part of the LTP.

Annual Report

A document that Council prepares each year to provide the public with information on the performance of the local authority during the past year (both in financial and non-financial terms).

ASRB

Accounting Standards Review Board.

Authority

Power, responsibility.

Capacity

Council's ability to deliver a service. For some services, Council may not have legal or budgetary control and may only be able to act as an advocate or facilitator.

Capital Value

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.

Chief Executive

The person in charge of managing the Council organisation and the principal adviser to Council and employer of staff.

Community

A network of people and organisations linked together by common factors. This might refer to a network of people linked by place (that is, a geographic community), common interest or identity (for example, a Hapu, voluntary organisations or society), or an administrative community (such as a district).

Community Board

A local elected body 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 Outcomes

The future a community wants to achieve. These outcomes set the direction for Council plans and help in the coordination of activities.

Council Controlled Organisation (CCO)

An organisation which Council controls.

Consultation

Listening to what people think about an issue.

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, 'Council' refers to the Far North District Council, while 'council' refers to all territorial authorities generally.

Councillor

A person elected to be on the Council.

Decision

A resolution or agreement to follow a particular course of action, including an agreement not to take an action in respect of a particular matter.

Democracy

Community participation in decision making.

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 to ensure the cost of providing services to and within subdivisions and developments, or upgrading of services as a result of subdivision, are 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 spread as an expense in each year and matched against the income of the Council (including rates) in the Statement of Comprehensive Income.

Fees and Charges

Fees and charges are charges for a Council service that must be met by the user of the service (e.g. entrance fee to swimming pools, fees for dumping waste at tips etc).

IFRS

International Financial Reporting Standards.

FRS

Financial Reporting Standards.

FRSB

Financial Reporting Standards Board.

Grant

Money given to a group for a particular purpose.

Hearing

Meeting to enable members of the public to speak about a particular issue.

Infrastructure

The systems that help a district function such as roads, public water supply, refuse and effluent disposal.

NZTA

Government land transport funding body. Formerly Land Transport New Zealand.

Long-Term Plan (LTP)

A plan covering at least ten years adopted under section 93 of the Local Government Act 2002 that describes the activities the Council will engage in over the life of the plan, why the Council plans to engage in those activities and how those activities will be funded.

LTP

Abbreviation for Long-Term Plan

Mayor

The leader of Council, elected from across the district.

NZ GAPP

New Zealand Generally Accepted Accounting Practices.

NZIAS

New Zealand International Accounting Standards.

NZ IFRS

New Zealand International Financial Reporting Standards.

Outcomes

Outcomes are the future that a community wants to achieve. There is often a relationship between a community outcome and a specific service or facility that Council provides.

Rates

Money that property owners pay to District and Regional Council for the provision of assets and services.

Refuse

Rubbish, garbage and waste management.

Regional Council

A Council that represents a regional community and manages natural resources and deals with issues that affect the environment. Our regional council is the Northland Regional Council.

Regulatory

A function of local government concerning legal (usually bylaw) enforcement.

Reserve Contribution

A contribution made either in money or land (at 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 Council for an activity related to land.

Service Levels

The defined service parameters or requirements for a particular activity or service against which service performance may be measured. Service levels usually relate to quality, quantity, reliability, responsiveness, environmental acceptability and cost.

Subsidies

Money to help pay for a particular service, activity or infrastructure; usually paid by Central Government.

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 wellbeing 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.

Trust

Money or property looked after by an organisation.

Utilities (Utility Assets) Utilities are network infrastructures that provide mechanisms for the delivery of services. In a Local Government context, utilities are commonly public water supply, wastewater, sewerage and solid waste.

Ward

An area within the district administered by Council.

Contact Details



Service Centres

Council service centres can be found in the following locations:

Headquarters – Kaikohe

Memorial Avenue
Kaikohe
Tel: 0800 920 029
Tel: 09 401 5200
Fax: 09 401 2137
Monday - Friday
8:00am - 5:00pm

Kaitaia

Te Ahu
Kaitaia
Tel: 0800 920 029
Tel:
Fax:
Monday - Friday
8:00am - 5:00pm

Kaeo

Leigh Street
Kaeo
Tel: 0800 920 029
Fax: 09 405 0379
Monday - Friday
8:00am - 4:30pm
(closed 12:30pm - 1:00pm)

Procter Library, Kerikeri

Procter Library
Cobham Road
Kerikeri
Fax: 09 404 305
Monday - Friday
8:00am - 4:30pm

Kawakawa

Gillies Street
Kawakawa
Tel: 0800 920 029
Fax: 09 407 7127
Monday - Friday
8:00am - 5:00pm

Rawene

Parnell Street
Rawene
Tel: 0800 920 029
Fax: 09 405 7828
Tuesdays and Thursdays
8:00am - 4:30pm
(closed 12:30pm - 1:00pm)

Hokianga

i-SITE Visitor Information Centre
29 - 31 State Highway 12
Opononi
Tel: 09 405 8869
Fax: 09 405 8317
Open 7 days (except Christmas Day)
8:30am - 5:00pm

All correspondence should be directed to: Private Bag 752, Kaikohe 0440 or via Council's website at <http://www.fndc.govt.nz/contact/email-us>

Customer Enquiries

Customers can access a full range of services at any of our Service Centres or by contacting our Call Centre on 0800 920 029 (Far North landline callers only) or 09 401 5200. You can contact a representative by telephone 24 hours a day, 7 days a week on our service number 0800 920 029 or on 09 401 5200. Outside of normal working hours, an after hours answering service will log and escalate any urgent requests.

Facsimile 09 401 2137, or visit our website: www.fndc.govt.nz/contact/email-us

