

12. PROPERTY, PLANT & EQUIPMENT – COUNCIL		2014										
	Cost / revaluation 30-June-13	Accumulated depreciation and impairment charges 30-June-13	Carrying amount 30-June-13	Current year additions	Current year vested assets	Current year disposals	Current year impairment charges	Current year depreciation	Current year surplus/ (deficit)	Cost/ revaluation 30-June-14	Accumulated depreciation and impairment charges 30-June-14	Carrying amount 30-June-14
Land	358,857	(1)	358,856	375	873	0	0	0	0	360,104	0	360,104
Vehicles & plant	5,112	(1,248)	3,864	744	0	(178)	(617)	(274)	17	4,402	(845)	3,556
Leasehold improvements	2,587	(1,443)	1,144	103	0	(357)	0	(141)	772	2,276	(755)	1,520
Wharves, ramps, moorings	5,073	0	5,073	8	0	(10)	0	(431)	0	4,584	0	4,584
F&F and office equipment	6,440	(751)	5,689	182	19	(102)	0	(748)	24	6,575	(1,511)	5,064
Information systems	2,946	(2,355)	591	482	0	(20)	0	(191)	0	2,476	(1,614)	862
*Work in progress	125	0	125	1,078	0	(1,166)	0	0	0	37	0	37
<b>Total operational assets</b>	<b>381,139</b>	<b>(5,797)</b>	<b>375,342</b>	<b>2,972</b>	<b>892</b>	<b>(1,833)</b>	<b>(617)</b>	<b>(1,785)</b>	<b>796</b>	<b>380,453</b>	<b>(4,725)</b>	<b>375,727</b>
Roading & footpaths	931,196	(668)	930,528	19,908	0	(1,793)	0	(15,720)	66	21,687	(970)	954,675
Water – treatment plants & facilities	22,211	(1,061)	21,150	858	0	(82)	0	(1,134)	0	20,138	(18)	20,120
Water - other	39,233	(1,172)	38,061	387	20	(24)	0	(1,187)	0	42,018	0	42,018
Sewerage – treatment plants & facilities	31,242	(1,977)	29,265	6,443	0	(70)	0	(2,179)	5	33,907	0	33,907
Sewerage - other	66,939	(1,419)	65,524	2,870	5	(85)	0	(1,428)	(41)	67,428	0	67,428
Refuse	4,130	0	4,130	104	0	(16)	0	(454)	16	4,154	(374)	3,780
Stormwater	48,495	0	48,495	183	0	0	0	(647)	0	48,678	(647)	48,031
Community facilities	43,801	(498)	43,303	1,349	186	(163)	0	(3,078)	(802)	45,100	(4,305)	40,795
Work in progress	18,306	0	18,306	21,022	0	(32,997)	0	0	(259)	6,072	0	6,072
<b>Total infrastructural assets</b>	<b>1,205,553</b>	<b>(6,794)</b>	<b>1,198,761</b>	<b>53,124</b>	<b>211</b>	<b>(35,230)</b>	<b>0</b>	<b>(25,826)</b>	<b>(1,031)</b>	<b>1,223,141</b>	<b>(6,315)</b>	<b>1,216,826</b>
Council restricted assets												
Land	26,004	0	26,004	0	0	0	0	0	0	26,004	0	26,004
<b>Total restricted assets</b>	<b>26,004</b>	<b>0</b>	<b>26,004</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>26,004</b>	<b>0</b>	<b>26,004</b>
<b>Total property, plant &amp; equipment</b>	<b>1,612,699</b>	<b>(12,590)</b>	<b>1,600,106</b>	<b>56,096</b>	<b>1,103</b>	<b>(37,063)</b>	<b>(617)</b>	<b>(27,611)</b>	<b>(235)</b>	<b>1,603,594</b>	<b>(11,040)</b>	<b>1,618,555</b>

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 vested assets	Current year disposals	Current year impairment charges	Current year depreciation	Current year adjustments	Revaluation surplus/ (deficit)	Cost/ revaluation 30 June-13	Accumulated depreciation and impairment charges 30 June-13	Carrying amount 30 June-13
Land	393,636	0	393,636	127	722	(20)	0	0	(1,526)	(34,082)	358,857	(1)	358,857
Vehicles & plant	5,180	(1,272)	3,908	385	84	(192)	0	(322)	0	0	5,112	(1,248)	3,864
Leasehold improvements	3,595	(1,376)	2,219	94	0	0	0	(387)	(1,123)	339	2,587	(1,443)	1,144
Wharves, ramps, moorings	4,805	0	4,805	341	0	(9)	0	(442)	0	377	5,073	0	5,073
F&F and office equipment	5,230	(1,453)	3,776	270	0	(20)	0	(457)	76	2,044	6,440	(751)	5,689
Information systems	3,019	(2,390)	629	190	0	0	0	(228)	0	0	2,946	(2,355)	591
*Work in progress	437	0	437	668	0	(979)	0	0	0	0	125	0	125
<b>Total operational assets</b>	<b>415,902</b>	<b>(6,491)</b>	<b>409,409</b>	<b>2,075</b>	<b>806</b>	<b>(1,220)</b>	<b>0</b>	<b>(1,836)</b>	<b>(2,573)</b>	<b>(31,322)</b>	<b>381,139</b>	<b>(5,797)</b>	<b>375,342</b>
Roading & footpaths	916,740	(999)	915,741	13,485	964	(164)	0	(15,639)	(38)	16,180	931,196	(669)	930,528
Water – treatment plants & facilities	21,271	(11)	21,259	976	0	(69)	0	(1,058)	41	0	22,211	(1,060)	21,150
Water - other	38,319	0	38,319	928	94	(100)	0	(1,180)	0	0	39,233	(1,171)	38,061
Sewerage – treatment plants & facilities	29,198	0	29,198	2,189	87	216)	0	(1,994)	0	0	31,242	(1,977)	29,263
Sewerage - other	66,467	0	66,467	188	344	(97)	0	(1,419)	39	0	66,939	(1,419)	65,523
Refuse	4,676	(479)	4,198	224	0	(14)	0	(549)	0	272	4,130	0	4,130
Stormwater	49,095	(1,248)	47,847	531	357	(54)	0	(659)	(42)	515	38,495	0	48,495
Community facilities	41,320	(3,171)	38,149	1,229	0	(324)	0	(2,783)	2,572	4,461	43,801	(499)	43,303
Work in progress	12,963	0	12,963	29,386	0	(23,479)	0	0	(566)	0	18,306	0	18,306
<b>Total infrastructural assets</b>	<b>1,180,049</b>	<b>(5,908)</b>	<b>1,174,142</b>	<b>49,136</b>	<b>1,846</b>	<b>(24,517)</b>	<b>0</b>	<b>(25,282)</b>	<b>2,007</b>	<b>21,427</b>	<b>1,205,553</b>	<b>(6,794)</b>	<b>1,198,761</b>
Council restricted assets													
Land	44,775	0	44,775	0	0	0	0	0	0	(18,771)	26,004	0	26,004
<b>Total restricted assets</b>	<b>44,775</b>	<b>0</b>	<b>44,775</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(18,771)</b>	<b>26,004</b>	<b>0</b>	<b>26,004</b>
<b>Total property, plant &amp; equipment</b>	<b>1,640,726</b>	<b>(12,399)</b>	<b>1,628,325</b>	<b>51,211</b>	<b>2,652</b>	<b>(25,736)</b>	<b>0</b>	<b>(27,118)</b>	<b>(566)</b>	<b>(28,666)</b>	<b>1,612,699</b>	<b>(12,590)</b>	<b>1,600,106</b>

12. PROPERTY, PLANT & EQUIPMENT – CONSOLIDATED											2014		
	Cost / revaluation 30-June-13	Accumulated depreciation and impairment charges 30-June-13	Carrying amount 30-June-13	Current year additions	Current year vested assets	Current year disposals	Current year impairment charges	Current year depreciation	Current year adjustments	Revaluation surplus/ (deficit)	Cost/ revaluation 30 June-14	Accumulated depreciation and impairment charges 30 June-14	Carrying amount 30 June-14
Land	365,499	(1)	365,498	375	873	0	0	0	0	(12)	366,735	0	366,735
Buildings	12,568	0	12,568	43	0	0	0	(347)	0	189	13,039	(585)	12,454
Vehicles & plant	6,017	(1,972)	4,045	810	0	(178)	(618)	(337)	0	17	5,356	(1,617)	3,739
Leasehold improvements	2,659	(1,470)	1,189	103	0	(357)	0	(143)	772	0	2,346	(782)	1,564
Wharves, ramps, moorings	6,460	(22)	6,438	315	0	(27)	0	(482)	(35)	(27)	6,209	(27)	6,182
F & F and office equipment	9,950	(1,311)	8,639	205	19	(103)	1	(1,045)	23	0	10,416	(2,676)	7,740
Information systems	2,946	(2,355)	591	482	0	(20)	0	(191)	0	0	2,476	(1,614)	862
Runways	2,364	0	2,364	26	0	0	0	(99)	0	43	2,334	0	2,334
Boat transporters	461	(106)	355	0	0	0	0	(24)	0	0	449	(118)	331
Site works	21	0	21	0	0	0	0	(2)	0	0	32	(13)	19
Heritage assets	778	0	778	21	0	0	0	0	0	0	799	0	799
Work in progress	126	0	126	1,078	0	(1,166)	0	0	0	0	38	0	38
<b>Total operational assets</b>	<b>409,849</b>	<b>(7,237)</b>	<b>402,612</b>	<b>3,458</b>	<b>892</b>	<b>(1,851)</b>	<b>(617)</b>	<b>(2,670)</b>	<b>761</b>	<b>210</b>	<b>410,229</b>	<b>(7,432)</b>	<b>402,797</b>
Roading & footpaths	931,196	(668)	930,528	19,908	0	(1,793)	0	(15,720)	56	21,687	955,635	(970)	945,665
Water – treatment plants & facilities	22,211	(1,061)	21,150	858	0	(82)	0	(1,134)	0	(671)	20,138	(16)	20,120
Water - other	39,233	(1,172)	38,061	387	20	(24)	0	(1,187)	0	4,761	42,018	0	42,018
Sewerage – treatment plants & facilities	31,242	(1,977)	29,263	6,443	0	(70)	0	(2,179)	5	445	33,907	0	33,907
Sewerage - other	66,939	(1,419)	65,524	2,870	5	(85)	0	(1,428)	(41)	583	67,428	0	67,428
Refuse	4,130	0	4,130	104	0	(16)	0	(454)	0	16	4,154	(374)	3,780
Stormwater	48,495	0	48,495	183	0	0	0	(647)	0	0	48,078	(647)	48,031
Community facilities	43,801	(498)	43,303	1,349	186	(163)	0	(3,078)	(905)	0	44,997	(4,305)	40,692
Work in progress	18,304	0	18,304	21,022	0	(32,977)	0	0	(259)	0	6,072	0	6,072
<b>Total infrastructural assets</b>	<b>1,205,553</b>	<b>(6,793)</b>	<b>1,198,762</b>	<b>53,124</b>	<b>211</b>	<b>(35,230)</b>	<b>0</b>	<b>(25,826)</b>	<b>(1,144)</b>	<b>26,821</b>	<b>1,223,028</b>	<b>(6,314)</b>	<b>1,216,713</b>
Council restricted assets													
Land	26,004	0	26,004	0	0	0	0	0	0	0	26,004	0	26,004
<b>Total restricted assets</b>	<b>26,004</b>	<b>0</b>	<b>26,004</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>26,004</b>	<b>0</b>	<b>26,004</b>
<b>Total property, plant &amp; equipment</b>	<b>1,641,406</b>	<b>(14,030)</b>	<b>1,627,376</b>	<b>56,582</b>	<b>1,103</b>	<b>(37,081)</b>	<b>(617)</b>	<b>(28,496)</b>	<b>(383)</b>	<b>27,031</b>	<b>1,659,261</b>	<b>(13,746)</b>	<b>1,645,513</b>

12. 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 vested assets	Current year disposals	Current year impairment charges	Current year depreciation	Current year adjustments	Revaluation surpluses/ (deficit)	Cost/ revaluation 30 June-13	Accumulated depreciation and impairment charges 30 June-13	Carrying amount 30 June-13
Land	400,149	0	400,419	849	0	(20)	0	0	(1,526)	(33,956)	365,497	(1)	365,496
Buildings	13,049	(113)	12,936	672	0	0	0	(342)	(830)	132	12,568	0	12,568
Vehicles & plant	6,031	(1,954)	4,077	550	0	(192)	0	(390)	0	0	6,017	(1,972)	4,045
Leasehold improvements	3,649	(1,400)	2,249	112	0	0	0	(388)	(1,123)	339	2,659	(1,470)	1,189
Wharves, ramps, moorings	6,228	(17)	6,211	358	0	(9)	0	(485)	0	363	6,460	(22)	6,438
F&F and office equipment	7,536	(2,025)	5,511	465	0	(20)	0	(755)	1,394	2,044	9,950	(1,311)	8,639
Information systems	3,019	(2,390)	629	190	0	0	0	(228)	0	0	2,946	(2,355)	591
Runways	2,463	0	2,463	0	0	0	0	(99)	0	0	2,364	0	2,364
Boat transporters	461	(82)	379	0	0	0	0	(24)	0	0	461	(106)	355
Site works	521	(10)	511	0	0	0	0	(1)	(489)	0	21	0	21
Heritage assets	717	0	717	61	0	0	0	0	0	0	778	0	778
Work in progress	437	0	437	668	0	(979)	0	0	0	0	126	0	126
<b>Total operational assets</b>	<b>444,260</b>	<b>(7,991)</b>	<b>436,269</b>	<b>3,925</b>	<b>0</b>	<b>(1,220)</b>	<b>0</b>	<b>(2,712)</b>	<b>(2,574)</b>	<b>(31,078)</b>	<b>409,847</b>	<b>(7,237)</b>	<b>402,610</b>
Roading & footpaths	916,740	(999)	915,741	13485	964	(164)	0	(15,639)	(38)	16,180	931,199	(669)	930,530
Water – treatment plants & facilities	21,271	(11)	21,260	976	0	(69)	0	(1,058)	41	0	22,210	(1,060)	21,150
Water - other	38,319	0	38,319	928	94	(100)	0	(1,180)	0	0	39,232	0	39,232
Sewerage – treatment plants & facilities	29,198	0	29,198	2,189	87	216)	0	(1,994)	0	0	31,242	(1,977)	29,263
Sewerage - other	66,467	0	66,467	188	344	(97)	0	(1,419)	39	0	66,939	(1,419)	65,523
Refuse	4,676	(478)	4,198	224	0	(14)	0	(549)	0	272	4,130	0	4,130
Stormwater	49,095	(1,248)	47,847	888	0	(54)	0	(659)	(42)	515	48,495	0	48,495
Community facilities	41,320	(3,171)	38,149	1,229	0	(324)	0	(2,783)	2,572	4,461	43,803	(499)	43,304
Work in progress	12,963	0	12,963	29,386	0	(23,479)	0	0	(566)	0	18,304	0	18,304
<b>Total infrastructural assets</b>	<b>1,180,049</b>	<b>(5,907)</b>	<b>1,174,142</b>	<b>50,983</b>	<b>1,846</b>	<b>(24,517)</b>	<b>0</b>	<b>(25,282)</b>	<b>2,007</b>	<b>21,427</b>	<b>1,205,555</b>	<b>(6,794)</b>	<b>1,198,762</b>
Council restricted assets													
Land	44,775	0	44,775	0	0	0	0	0	0	(18,771)	26,004	0	26,004
<b>Total restricted assets</b>	<b>44,775</b>	<b>0</b>	<b>44,775</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(18,771)</b>	<b>26,004</b>	<b>0</b>	<b>26,004</b>
<b>Total property, plant &amp; equipment</b>	<b>1,669,084</b>	<b>(13,897)</b>	<b>1,656,187</b>	<b>54,908</b>	<b>1,846</b>	<b>(25,737)</b>	<b>0</b>	<b>(27,993)</b>	<b>(568)</b>	<b>(28,421)</b>	<b>1,641,406</b>	<b>(14,030)</b>	<b>1,627,376</b>

## VALUATION

\* Note to table 12, page 57 - Includes work in progress (WIP) for intangible assets \$0.255m (\$0.367m 2012/13)

### 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 (Housing for the elderly) has been valued on a depreciated replacement cost method. This is due to the fact that there was a paucity of relevant recent sales evidence to derive an appropriate market value.

### 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 (excluding land) have an effective date as at 30 June 2014. The stormwater valuations and some of the smaller roading asset classes have an effective date as at 30 June 2013. The larger roading asset classes such as pavement, drainage and bridges have an effective date as at 30 June 2014. 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 2014. 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 and an updated condition report in May 2014. 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 emtech, engineering and marine consultants, effective as at 30 June 2014.

Rural Fire Appliances were valued by Turners Auctions as at 30 June 2011. These assets have subsequently been fully impaired as at 30 June 2014 as they are due to be transferred to the Northern Rural Fire Authority as at 1 September 2014.

### Disposals

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

- The Hokianga i-Site as this has now been transferred to Far North Holdings Limited
- Awanui Sewerage Pump Stations and Treatment Plant as a result of the construction of a new low pressure sewer system
- Obsolete IT equipment as advised by the IT department following the desktop replacement program.

### Work In Progress

The total amount of property, plant and equipment in the course of construction is \$6,098,396 (2013 \$18,391,000)

**TOTAL VALUE OF PROPERTY, PLANT & EQUIPMENT  
- VALUED BY EACH VALUER**

	COUNCIL	
	2014 \$000s	2013 \$000s
Campbell Consulting Ltd	1,086,172	968,859
SPM Consulting (peer review)	0	2,675
Opus International Consultants Ltd	0	2,356
Telfer Young (Northland) Ltd	4,790	5,270
Emtech	2,500	0
Quotable Value	0	419,813

**TOTAL VALUE OF PROPERTY, PLANT & EQUIPMENT  
- VALUED BY EACH VALUER**

	COUNCIL	
	2014 \$000s	2013 \$000s
Campbell Consulting Ltd	1,086,172	968,859
SPM Consulting (peer review)	0	2,675
Opus International Consultants Ltd	0	2,356
Telfer Young (Northland) Ltd	57,165	56,372
Emtech	2,500	0
Quotable Value	0	419,813

Category	Asset Class	Most recent estimate of replacement cost	Date of estimate
Roading & footpaths	Footpaths	13,253	30 June 2013
	Roading pavement, walls, drainage, bridges, traffic services.	923,479	30 June 2014
	Roading streetlights, quarries	4,771	30 June 2013
	Roading road marking	1,379	30 June 2012
Water – treatment plants & facilities		19,817	30 June 2014
Water – other		41,706	30 June 2014
Sewerage – treatment plants & facilities		33,765	30 June 2014
Sewerage – other		67,405	30 June 2014
Stormwater		48,257	30 June 2013