



# **KAIPARA DISTRICT COUNCIL**

## **Summary Annual Report**

**2016/2017**



Kaipara te Oraoia

**KAIPARA  
DISTRICT**

The Ocean The Harbour

## **A word from the Mayor**

The report that follows reflects the reality of the Kaipara district and builds on the progress made over the last four years. A big part of the year has involved Councillors learning how the business of Council works and getting up to speed on all the intricacies of local government. Our focus, as always, has been managing the balance between providing essential infrastructure, reducing debt and continuing the programme of replacing end of life assets while being aware of the affordability of rates for many of you.

As a new Council it was interesting to learn more about our biggest business, roading. There was a lot of information to understand as it is our single largest cost by far. Unfortunately it is also the area that causes the most dissatisfaction in our various communities. In response to this we held a number of public sessions across the district that were well attended, that showcased the issues we are facing and some of the proposed work that we are looking to do in the year to come.

It was pleasing to see the public response to the district roading meetings that were held. I look forward to the community feedback that will come from the advisory panels.

In this past year the completion of a seal extension on Black Swamp Road was a highpoint. The roading programme was adversely affected due to slips from two cyclones, remedial works costing approximately \$3.5 million. In total we have spent \$11.8 million on maintaining our infrastructure assets.

The growth in the east continues as our Building Control Team is permitting approximately 11 new houses a month in Mangawhai and the surrounding areas. In total we have 1,956 connections to the Mangawhai Community Wastewater Scheme and 486 are rated as capable of connecting.

As part of this growth, in-house staff numbers have increased to replace contractors and consultants. The demand for building and resource consents has meant that we have increased our staff involved in consent processing so that we can continue to provide a good and timely service. This service is funded from fees charged.

As mentioned earlier, debt reduction has been particularly significant this year with a total of \$2.8 million being paid off primarily towards the district-wide debt for the Mangawhai Community Wastewater Scheme (MCWWS).



Greg Gent ONZM

**Mayor**

## Your Councillors



**From left to right:** Victoria Del la Varis-Woodcock, Peter Wethey, Libby Jones, Greg Gent, Anna Curnow, Andrew Wade, Julie Geange, Jonathan Larsen, Karen Joyce-Paki

	Council	Audit, Risk and Finance Committee	Taharoa Domain Governance Committee	Harding Park Pou Tu Te Rangi Joint Committee	Raupo Drainage Committee	Mangawhai Endowment Lands Account	Mangawhai Community Park Governance Committee	Community Grants Committee
<b>Meetings held</b>	<b>8</b>	<b>2</b>	<b>3</b>	<b>2</b>	<b>3</b>	<b>1</b>	<b>2</b>	<b>1</b>
<b>Meetings attended:</b>								
Mayor Greg Gent	8		3		2			
Peter Wethey	8	1				1	2	
Anna Curnow	8						2	
Victoria De la Varis-Woodcock	8	1		2				
Julie Geange	8	1						1
Libby Jones	8					1		1
Karen Joyce-Paki	6			2				1
Jonathan Larsen	8	2				1		
Andrew Wade	8	2	3					

## **The year that was...**

The past year has been a notable one for Council, with a transition from the tenure of Commissioners back to a democratically elected Council. Elected Members and staff have worked hard to ensure a smooth transition as they complete a busy financial year.

Over \$217,000 was contested for by the community in grants and contracts for service with 31 of these being awarded across the district. It reflects Council's newly adopted vision of "Thriving Communities Working Together". Council acknowledges the high level of volunteers across the district.

### **Community placemaking**

A strong focus on community this year has seen the adoption of the Dargaville Placemaking Plan and development of the Mangawhai Community Plan (MCP). The community Advisory Panel convened for the MCP has gathered valuable input on how Mangawhai residents want to see growth managed. Further development of these initiatives will be considered as part of the Long Term Plan 2018/2028.

Other areas of the district that have had facility upgrades and improvements including Kelly's Bay, Tinopai and Kaiwaka. A range of smaller park improvements were seen at Kelly's Bay, Dargaville, and Mangawhai, with new park signage occurring across the district.

Kaiwaka also saw the adoption by Council and NZ Transport Agency of the Kaiwaka Improvement Plan, a collaborative project which will deliver a distinctive, safe, connected and vibrant community along the State Highway.

Libraries are a growth area for our communities. In the age of digital media, services such as e-books, e-media and digital magazines are a popular choice with residents and this financial year has seen free Wi-Fi extended to Mangawhai, Kaiwaka and Maungaturoto libraries.

### **Kaipara's premier parks**

Adoption of the Kai Iwi Lakes (Taharoa Domain) Reserve Management Plan (RMP) was a milestone event this year. This RMP will drive a large volume of work. Proactive improvements have been made to tracks at the Domain for accessibility and safety, along with a number of early portions of the future Walking and Cycling Strategy. Pest control and weed eradication were managed effectively and successfully through the year alongside the issues presented by Myrtle Rust.

Campground improvements have occurred to provide an even more enjoyable stay for those wanting to take advantage of the Taharoa Domain facility. The centre at Lake Waikare (previously the Kai Iwi Lakes Water Ski Club building) has been established as a public resource for the community to book and utilise.

Pou Tu Te Rangi Harding Park saw over 7,000 native species being planted during the year, alongside new road frontage signage and modernisation of the park entrance. Ongoing conversations around road direction were concluded with the community and Councillor input.

At Mangawhai Community Park, work progressed on the Pioneer Heritage Village with additional buildings being relocated on the site. Projects of note included; the sealing of the carpark between the Mangawhai Activity Zone and the Pioneer Heritage Village, walking track work and landscaping. Once this is completed the Village will be available for community groups to utilise and in the next 12 months Fire and Emergency New Zealand will look to move next to the ambulance station to create an emergency services hub.

## **Regional collaboration**

Regionally, at the start of the financial year, Kaipara District Council became part of the Northern Transportation Alliance (NTA). This alliance has combined staff, services and resources for roading and transportation in Northland to improve consistency and services for all Northland road users. The day to day workings of our roading team have continued, with the service bringing benefits of shared knowledge, staff retention, and a closer working relationship with all related bodies. A big focus for the NTA will be the procurement of new maintenance contracts as well as the large-scale NZ Transport Agency (NZTA) projects set to begin soon, bringing potential for new residents and visitors to the Kaipara district.

Other areas of collaboration that are being explored regionally are Information and Communication Technology options from region-wide procurement to commonality of systems. The focus is to see if savings and efficiencies can be gained by working together. Thus far work has begun with Far North District Council looking at customer services and common software procurement to obtain cheaper pricing through economies of scale.

## **Economic growth**

Resource consent applications increased 33% on the previous financial year with building consent applications also increasing from last year. The complexity of applications in both disciplines has increased which has meant more technical input from staff and customers. The overall growth in development continues to be predominantly in the eastern area of the district and the Mangawhai Community Plan will ensure future growth is managed and prepared for.

We continue to monitor market trends in the economy due to Kaipara's proximity to Auckland, along with NZTA infrastructure projects and the increasing numbers of international visitors to New Zealand.

## **Infrastructure**

A series of public meetings were held in the latter half of the year focusing on roading performance. These were well attended, and considered to be informative and productive. From those meetings Council has set up panels for wider community input into roading issues moving forward.

Weather events have impacted the roading network this year, namely cyclones Debbie and Cook. These events created over 200 slips having a dramatic effect on the quality of the roading network and our ability to make repairs in a timely manner. Options are being considered now on how best to repair these for longevity.

This year an upgrade to the Mangawhai Water Treatment Plant saw a Council-led team recognised by the Institute of Public Works Engineering Australasia for the Best Public Works Project under \$5.0 million.

## **Financial position improved**

Council continues to enjoy sharper interest rates with being a member of the LGFA. The Mayor and Councillors have stated many times since the election that a focus for them is to bring debt to a more manageable level and to ensure there is focus on affordability for ratepayers.

We planned a debt reduction of \$0.2 million for the 2016/2017 financial year, but were able to pay off \$2.8 million in overall debt for the year.

## Summary Statements of Service Performance

Council has a number of performance measures by which it monitors its progress during the year. These performance measures are derived from the Long Term Plan 2015/2025. A summary of some of the key measures are listed below. For the full list of measures refer to the full Annual Report.

### Status Key

	Achieved		Not achieved		Not measured
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## Community Activities

Council has applied its Community Assistance Policy this year. Organisations throughout the district received a total of \$217,000 funding support.



*New toilets at Mangawhai*



*Summit track at Maungaraho Rock was reopened*

Levels of service statement	Performance measures	Status	Comments
<b>Community Halls</b>			
Publicly available hall in every urban settlement with a resident population exceeding 1,000	Annual count.		Achieved
<b>Community Housing</b>			
To provide housing suitable for members of the community who have difficulty providing it themselves.	Annual Tenant Survey - percentage of tenants who rate Council response to request for service as excellent/good.		Not achieved Analysis required to determine reasons behind the low level of satisfaction.
	Annual occupancy rate		Achieved

Levels of service statement	Performance measures	Status	Comments
<b>Reserves and Open Space</b>			
To provide and enhance open spaces, linkages and facilities to promote community well-being and enjoyment.	Percentage of residents who are very/fairly satisfied with their local parks and sports fields.		Achieved
	Percentage of residents who are very/fairly satisfied with their public conveniences.		Achieved
	User satisfaction with cleanliness and lack of litter and graffiti.		Not achieved Achieving this target can be challenging as the level of graffiti, although low compared with other councils, is still unacceptable to the public.
<b>Community Assistance</b>			
Implementing the Community Assistance Policy including Grants, Contract for Service, Licence to Occupy and the Mangawhai Endowment Lands Account.	Contract for Service, Operational and Capital Grants, Mangawhai Endowment Lands Account applications called for and processed within timeframes.		Achieved
<b>Libraries</b>			
<b>Accessibility</b> To provide accessible library services to the residents of Kaipara.	Percentage of householders that have used the district's libraries in the past 12 months.		Not achieved The question asked in the survey differs from the measure. The survey asked if they used Dargaville Library rather than the district's libraries.
<b>Quality</b> To provide a range of quality resources and material relevant to the residents of Kaipara.	Percentage of library users who are very/fairly satisfied with the Kaipara district's library services.		Achieved

## Regulatory Management

The RMA Consents Team has now brought all services, including development engineering, in-house but is continuing to use consultants and contractors to help with processing consents, which have increased by 33% on the previous financial year. Building consent numbers are also significantly up on last year's volumes.



Levels of service statement	Performance measures	Status	Comments
<b>Building Control Inspections, Compliance and Enforcement</b>			
<b>Customer Benefits</b> Ensure effective response to customer enquiries about building standards	Percentage of customers who rate request for service responses as excellent/good.		Not achieved Building control volumes have been high this year with economic growth in the east, and key vacancies have been difficult to fill. This result is 5% under the target (of 85% satisfied).
<b>Responsiveness</b> To process applications in accordance with statutory timeframes.	Percentage of building consents processed within 19 working days.		Achieved
	Percentage of project information memoranda processed within 19 working days.		Achieved
	Percentage of code compliance certificates (CCC) issued within 20 working days.		Achieved
<b>Quality</b> Monitoring building consent applications and inspections to ensure projects comply with New Zealand Building Code.	All new buildings in the Kaipara district for which Building Consent has been issued comply with the NZ Building Code (includes approval of building plan, as well as confirmation that the resulting building matches the approved plans).		Achieved

Levels of service statement	Performance measures	Status	Comments
<b>Resource consents</b>			
<b>Customer Benefits</b> Ensure effective response to customer enquiries about District Plan/Resource Consent requirements.	Percentage of customers who rate Request for Service responses as excellent/good.		Not achieved This result is 1% under the target (of 85%), however is a good improvement from 77% in 2016. The department continues to work on process improvements to assist the customer experience.
<b>Responsiveness</b> To process applications in accordance with statutory timeframes.	Percentage of non-notified Resource Consents processed within 18 working days.		Achieved
<b>Quality</b> Resolving of complaints concerning breaches of conditions of resource consent and other non-compliance with the District Plan.	Percentage of complaints regarding unconsented works and non-compliance with the District Plan and Resource Consent investigated within 5 working days.		Achieved
<b>Environmental Health</b>			
<b>Health and Safety Customer Service</b> Regulate commercial operations to protect public health.	Percentage of food premises inspected at least once per year.		Achieved
	Percentage of alcohol premises inspected at least once per year.		Not achieved This result is under the target, however since bringing the function in-house the department continues to work on process improvements.
<b>Animal Management</b>			
<b>Reliability</b> Respond to animal management issues.	Percentage of priority response times being met.		Achieved

## Emergency Management

A (national) civil defence emergency exercise was carried out during August/September 2016. The exercise was used to test the ability and capacity of Kaipara District Council's Emergency Operations Centre's (EOC) response to the notification of a near source tsunami that would impact on the entire coastline of upper Northland.

During the year Council also worked with the Fire and Emergency New Zealand (FENZ) transition team to ensure that a smooth transition of Council's rural fire responsibilities and obligations occurred at the formal establishment of FENZ at midnight on 30 June 2017.



Levels of service statement	Performance measures	Status	Comments
<b>Civil defence</b>			
<b>Reliability</b> To build a resilient and safer Kaipara District with communities understanding and managing their hazards and risks.	Number of civil defence training exercises conducted per annum.	Green	Achieved
	Time taken to activate the Emergency Operations Centre after notification of a local civil defence emergency.	Yellow	Not measured as no emergencies occurred.
	Three yearly updating and reviewing of Kaipara Community Response Plans. Plans will be displayed on Regional Council's website and a link from Kaipara.	Green	Achieved
<b>Rural fire</b>			
<b>Health and Safety</b> To protect life and property from rural fires with trained personnel within the Kaipara District Rural Fire Authority Area.	Percentage of fire fighters who meet the National Rural Fire Authority Training Standards.	Green	Achieved
Fire safe behavior and practices through public education and rural fire co-ordination.	The number of public awareness campaigns run each year.	Green	Achieved

## Flood Protection and Control Works

Council continued with its asset condition survey programme and renewal of flood gates that were in poor condition.



*Works carried out to undertake replacement of Floodgate N°38 on Te Kowhai Floodgate Road*

Levels of service statement	Performance measures	Status	Comments
<b>Reliability</b> Monitor drainage of rivers and streams. Ensure minimal flood risk and coastal erosion to the community.	The number of schemes maintained to their full service potential.		Achieved
	Council inspection of drainage network to ensure that a 1 in 5 year flood is contained by the network.		Not achieved Lack of resourcing meant that in some schemes inspection only occurred once this financial year
	Targeted maintenance of the stopbank system in the Raupo Drainage District to prevent tidal flows from inundating private property during high tide and/or when the river is in flood.		Achieved

## District Leadership

The past year has been a notable one for Council, with a transition from the tenure of Commissioners back to a democratically elected Council. Elected Members and staff have worked hard to ensure a smooth transition as they complete a busy financial year.

Levels of service statement	Performance measures	Status	Comments
<b>Governance</b>			
Compliance with legal requirements (as stipulated in the Local Government Act 2002 and Local Government Official Information and Meetings Act 1978) around formal meetings of Council and its Committees.	Meetings of Council and Committees are correctly convened and legislatively compliant.		Achieved
Elected Members/Commissioners are provided with detailed, accurate and relevant information.	Comprehensive reporting to Council and Committee meetings uses approved systems and processes.		Achieved
	Percentage of residents that are very/fairly satisfied with how rates are spent on services and facilities provided by Council.		Not achieved Slight improvement but a lot more to be done. It is envisaged that an elected Council with close community links will assist this.
Processes established and maintained that provide opportunities for Maori to participated in decision-making (Section 81 LGA 2002)	Mana Whenua forum meets 4 times a year		Not achieved Given the election of a new Council in October 2016, the Mana Whenua Forum did not meet until the Annual Plan meeting in late March 2017.
	Participation in Iwi Chief Executive's Forum.		Achieved
<b>Community Planning</b>			
Community Action Plans produced to build community trust in Council.	Number of Community Planning meetings held and Community Action Plans developed.		Achieved

Levels of service statement	Performance measures	Status	Comments
<b>Community Planning</b>			
All statutory required plans and documents are produced in accordance with legislative processes and requirements e.g. District Plan, Reserve Management Plans, Gambling Policy.	District Plan: Percentage of Building Consents that do not require a Resource Consent.		Not achieved Once the Fire Rule Plan Change (#4) is completed, it is expected that fewer Building Consents will require a land use Resource Consent.
	Reserve Management Plans for all reserves in the District.		Not achieved Progress is being made on developing an omnibus Reserve Management Plan which groups reserves based on their use or character. Due to resourcing further progress will be limited until the end of the 2017 calendar year. Progress to date is approximately 20%.
Community Development Fund distributed through Community Planning, recorded, reported and within budget.	Percentage of Community Development Fund distributed.		Achieved
<b>Corporate Planning</b>			
Legal compliance of all statutory plans in accordance with the Local Government, with unqualified audit opinions.	Council has adopted Long Term Plan/Annual Plan at 30 June of each year.		Achieved
	Organisation has a Business Plan to implement Annual Plan/Long Term Plan by October each year		Achieved
	Council is a 'going concern'.		Achieved

## Solid Waste

An investigation of options for the cost-effective management and disposal of the Haku Closed Landfill leachate has been completed and resource consents from the regional council will be required to authorise the preferred option.

Recycling at the Dargaville Transfer Station has increased notably predominantly due to the closure of a private operator in Dargaville. This led to a review of the charges at the transfer station.

The Waste Management and Minimisation Plan (WMMP) was reviewed and approved for public submissions. The hearing is expected to take place in early September with the WMMP expected to be adopted at the October 2017 Council meeting.



*Dargaville Transfer Station – upgraded glass recycling facility*

Levels of service statement	Performance measures	Status	Comments
<b>Reliability</b> To provide regular community kerbside collections.	Percentage of residents who are satisfied with rubbish collection measured by the number of complaints received per calendar year regarding collection as a percentage of the total service requests.		Achieved
To ensure that closed landfill activities meet legislative compliance.	Percentage of compliance with our Resource Consents.		Not achieved NRC has notified Council that one of the consented closed landfills has exceeded consent limits for some heavy metals.
To encourage recycling and reduction of waste to landfill.	Percentage of residents who are very/fairly satisfied with recycling collection in the annual Communitrak Survey.		Achieved

## The provision of Roads and Footpaths

The roading and footpath capex programme was largely completed with the seal extension of Black Swamp Road in Mangawhai being a highpoint. However, the roading programme was adversely affected due to slips from two cyclones. Emergency work subsidy funding from the NZ Transport Agency for the slip remedial works estimated at approximately \$3.5 million has been applied for.



*New retaining structure on Arcadia Road*



*New guardrail on Opanake Road*

Levels of service statement	Performance measures	Status	Comments
<b>Roads</b>			
<b>Safety</b> The transportation network is designed and managed for safe use with low crash and injury rates.	Number of road fatalities and serious injuries caused by road factors.		Achieved
<b>Road Condition (Smoothness)</b> The average quality of ride on a sealed local road network, measured by smooth travel exposure	Smoothness within average range as below: <90 smooth 90-110 average <110 rough.		Achieved
<b>Road Condition (Pavement Integrity Index)</b> The Pavement Integrity Index (PII) is a combined index of the pavement faults in sealed road surfaces. It is a 'weighted sum' of the pavement defects divided by total lane length.	PII within average range as below: <90 poor >90 good >95 very good.		Achieved

<b>Footpaths</b>			
The percentage of footpaths within the district that fall within the level of service as determined by the condition rating (facilities are up-to-date, in good condition and 'fit for purpose').	Percentage of residents who are satisfied with footpaths.		Not achieved We are taking a targeted approach to our footpath repairs and improvements focusing on communities rather than sporadic replacements.
Response to service requests.	Percentage of customer service requests, approved for action, closed (customer informed of intended work schedule) within the target day timeframes set.		Achieved
<b>Road Maintenance</b>			
The length of the unsealed* local road network that is graded.	The length of the unsealed local road network that is graded per annum for Secondary Collector.		Achieved.
	The length of the unsealed local road network that is graded per annum for Access.		Achieved

\*One Network Road Classification (ONRC)



*Ounuwhao Road – Before and after heavy metal overlay*

## Sewerage and the Treatment and Disposal of Sewage

The capex programme was largely delivered.



*Settling ponds*



*Mangawhai Wastewater Treatment Plant*

### Mangawhai Wastewater Scheme

The land based irrigation system was extended. Options to augment the scheme to service the predicted growth in Mangawhai have been identified and associated funding will be considered as part of the development of the Long Term Plan 2018/2028.

Levels of service statement	Performance measures	Status	Comments
<b>System and adequacy</b>			
Legal compliance with all Resource Consents for discharges into the environment from Council systems. The exception, provided for in the consent, is severe weather events and power failure.	The number of dry weather sewage overflows from Council's sewerage systems, expressed per 1,000 sewerage connections to that sewerage system. The resource consent provides for severe weather events and power failure exceptions.		Not achieved Both failures were attributed to non-weather events. One was from stock entering a treatment site and the other a broken rising main.
<b>Discharge compliance</b>			
Compliance with the Council's Resource Consents for discharge from its sewerage system.	The number of abatement notices received by the Council in relation to its resource consents for discharge from its sewerage system.		Achieved
	The number of infringement notices received by the Council in relation to its Resource Consents for discharge from its sewerage system.		Not achieved Hay bales were in place to filter the wetland discharge, stock had entered the pond and disrupted the process, and hay ended up blocking an outlet causing overflows, which in turn resulted in an infringement notice.

Levels of service statement	Performance measures	Status	Comments
<b>Fault response times</b>			
Where the Council attends to sewerage overflows resulting from a blockage or other fault in the Council's sewerage system.	<i>Attendance time:</i> from the time that the Council receives notification to the time that service personnel reach the site.		Achieved
<b>Customer Satisfaction</b> The total number of sewerage system complaints received by the Council.	The total number of complaints received by the Council about sewerage system faults. Expressed per 1,000 sewerage connections to that sewerage system.		Achieved
	Council's response time to complaints regarding its sewerage system		Not achieved Due to a one odour complaint attendance time being two days - Maungaturoto.

## Stormwater Drainage

Council continued to deliver the stormwater capex programme.



*Gordon Street Dargaville*



*Pahi Road stormwater outlet*

Levels of service statement	Performance measures	Status	Comments
<b>System and adequacy</b>			
To provide stormwater drainage systems in urban areas with the capacity to drain water from normal rainfall events and cope with a 1 in 10 year rain event.	The number of flooding events that occur in Kaipara District.		Achieved
<b>Discharge Compliance</b>			
Compliance with the Council's resource consents for discharge from its stormwater system.	The number of infringement notices received by the Council in relation to those Resource Consents.		Achieved
<b>Response Times</b>			
The median response time to attend to a flooding event.	The time from when Council receives notification to the time that service personnel reach the site.		Not achieved One request saw Council's contractor's response time of 24 hours.
<b>Customer Satisfaction</b>			
The total number of stormwater system complaints received by the Council.	The number of complaints received by Council about the performance of its stormwater system, expressed per year.		Not achieved The above-average amount of rain received in the last quarter of this year has contributed to the number of blocked drain requests.

## Water Supply

The existing service levels were delivered for water supply. Water restrictions were implemented over the dry summer period on the Dargaville (includes Bayllys) and Maungaturoto water supply schemes. The capex programme was delivered including an upgrade of the Mangawhai Water Treatment Plant.



*Mangawhai Water Treatment Plant*

Levels of service statement	Performance measures	Status	Comments
<b>System and adequacy</b>			
Safety of drinking water in accordance with NZDW 2005 (2008)	The extent to which Council's drinking water supply complies with part 4 of the NZDWS (bacteria compliance criteria).		Achieved
	The extent to which Council's drinking water supplies complies part 5 of the NZDWS (protozoal compliance criteria).		Dargaville - Achieved
			Ruawai - Achieved
			Maungaturoto – Not achieved due to issue with continuous monitoring of UV.
<b>Fault response times</b>			
Where Council attends a call-out in response to a fault or unplanned interruption to its networked reticulation system.	The median response time for attendance for urgent call-outs: from the time that the local authority receives notification to the time that service personnel reach the site.		Achieved

Levels of service statement	Performance measures	Status	Comments	
	The median response time for resolution of urgent call-outs: from the time that the local authority receives notification to the time that service personnel confirm resolution of the fault or interruption.		Not achieved Due to investigation of a major leak that proved difficult to locate was promptly repaired once it was located.	
<b>Customer satisfaction</b>				
The total number of water supply complaints received by the Council.	The total number of complaints for the district received by Council about drinking water clarity.		Not achieved Assessment to be undertaken on whether this target is realistic due to the number of water schemes Council currently controls.	
	The total number of complaints for the district received by Council about drinking water taste.		Achieved	
	The total number of complaints for the district received by Council about drinking water odour		Achieved	
<b>Demand management</b>				
The average consumption of drinking water per day per resident within Kaipara District $= \frac{\text{Billed Metered Consumption (m}^3\text{)} \times 1,000}{\text{Number of connections} \times 365 \times 2.5 \text{ (occupancy rate)}}$	Dargaville	275		Achieved
	Maungaturoto	340		Achieved
	Ruawai	130		Achieved
	Glinks Gully	52		Achieved
	Mangawhai	230		Not achieved

## Summary Statement of Comprehensive Revenue and Expense for the year ended 30 June 2017

The Statement of Comprehensive Revenue and Expense shows the revenues received and expenditure paid by the Council for the financial year.

For the year ended:		Actual	Annual Plan	Annual Report
30 June		2016-2017	2016-2017	2015-2016
		\$'000	\$'000	\$'000
<b>Revenue</b>				
	Rates	32,230	32,288	31,297
	Subsidies and grants	9,721	11,657	10,202
	Activity income	5,193	4,043	9,216
	Contributions	3,219	1,190	3,984
	Investments and other income	6,441	392	2,228
	<b>Total revenue</b>	<b>56,804</b>	<b>49,570</b>	<b>56,928</b>
<b>Expenses</b>				
	Activity costs	22,309	22,986	26,516
	Employee benefits	8,833	8,614	6,726
	Finance costs	3,067	3,440	3,613
	Depreciation	10,274	9,600	10,091
	<b>Total expenses</b>	<b>44,483</b>	<b>44,640</b>	<b>46,946</b>
	<b>Surplus/(deficit) for the period</b>	<b>12,321</b>	<b>4,930</b>	<b>9,981</b>
<b>Other comprehensive revenue and expense</b>				
<i>(Items that will not be reclassified subsequently to surplus or deficit)</i>				
	Gain/(loss) on revaluation	6,255	13,571	15,849
	<b>Total comprehensive revenue and expense for the period</b>	<b>18,577</b>	<b>18,501</b>	<b>25,830</b>

### Explanation of major revenue and expenditure variances against Annual Plan

#### Revenue

**Subsidies and grants:** Revenue is \$1.9 million below budget due to lower claims to NZ Transport Agency (NZTA). Roothing works have been carried forward to the next financial year.

**Activity income:** Activity income is \$1.1 million ahead of budget due to increased building control and resource consent income and Kai Iwi Lakes camping fees and charges.

**Contributions:** Contributions are \$2.0 million ahead of budget due to development and financial contributions received reflecting increased activity in the district.

**Investment and other income:** The favourable \$6.0 million variance against budget of \$0.4 million is due to unrealised gains on asset revaluation, the revaluation of interest rate swap derivatives to fair market value and gains on sale of assets.

#### Expenditure

**Activity costs:** Costs are \$0.7 million below budget due to lower roading maintenance costs partially offset by higher water services costs.

**Depreciation:** Depreciation is \$0.7 million above budget due to the cumulative effects of assets revaluations.

**Other comprehensive revenue and expense:** Gain on revaluation is below budget due to a small increase in the value of land under roads and an adjustment to the methodology for road formation.

**Statement of Changes in Net Assets/Equity for the Year Ended 30 June 2017**

For the year ended:	Actual	Annual Plan	Annual Report
30 June	2016-2017 \$'000	2016-2017 \$'000	2015-2016 \$'000
<i>Balance at 1 July</i>	559,070	554,861	533,238
<b>Comprehensive revenue and expense for the period</b>			
Surplus/(deficit) for the period	12,321	4,930	9,981
<b>Other comprehensive revenue and expense for the period</b>			
Surplus on Revaluation of Infrastructure	6,255	13,571	15,849
<b>Total comprehensive revenue and expense for the period</b>	18,577	18,501	25,831
<b>Balance at 30 June</b>	<u>577,647</u>	<u>573,362</u>	<u>559,070</u>

Note: Total Comprehensive Revenue and Expense is entirely attributable to the Kaipara District Council.

## Summary Statement of Financial Position as at 30 June 2017

The Statement of Financial Position outlines the resources of the Council and its liabilities. The difference between the assets and liabilities is the ratepayers' equity.

As at		Actual	Annual	Annual
30 June		2016-2017	Plan	Report
		\$'000	2016-2017	2015-2016
		\$'000	\$'000	\$'000
<b>Net assets/equity</b>	Note			
Accumulated comprehensive revenue and expense	4a	381,972	375,619	370,863
Asset revaluation reserves	4a	205,754	210,459	199,499
Restricted reserves	4b	5,325	5,692	5,673
Council created reserves	4b	-15,405	-18,408	-16,965
<b>Total net assets/equity</b>		<b>577,647</b>	<b>573,362</b>	<b>559,070</b>
<i>represented by</i>				
<b>Current assets</b>				
Cash and cash equivalents		11,874	682	7,285
Trade and other receivables	6	5,057	7,410	6,180
Accrued revenue		1,963	1,946	1,883
Other financial assets	5a	115	115	115
Non current assets held for sale		186	210	186
<b>Total current assets</b>		<b>19,195</b>	<b>10,363</b>	<b>15,649</b>
<i>less</i>				
<b>Current liabilities</b>				
Trade and other payables	7	9,751	9,386	8,254
Provisions	8a	145	188	139
Employee entitlements		614	413	512
Public debt	9a	17,127	1,064	6,983
<b>Total current liabilities</b>		<b>27,637</b>	<b>11,051</b>	<b>15,889</b>
<b>Working capital/(deficit)</b>		<b>-8,442</b>	<b>-688</b>	<b>-239</b>
<i>plus</i>				
<b>Non current assets</b>				
Property, plant, equipment	10a	635,584	643,649	624,003
LGFA Borrower notes		688	560	560
Biological assets	13	3,531	2,786	3,466
Other financial assets	5a	278	273	276
<b>Total non current assets</b>		<b>640,081</b>	<b>647,268</b>	<b>628,306</b>
<i>less</i>				
<b>Non current liabilities</b>				
Public debt	9a	45,000	63,684	57,978
Provisions	8a	4,796	4,291	4,570
Derivative financial liabilities	18a	4,196	5,243	6,448
<b>Total non current liabilities</b>		<b>53,992</b>	<b>73,218</b>	<b>68,997</b>
<b>Net assets</b>		<b>577,647</b>	<b>573,362</b>	<b>559,070</b>

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### Explanation of major variances against Annual Plan

**Equity:** The unfavourable variance relates to the lower revaluation of infrastructure assets only partially offset by a higher than budgeted net surplus.

**Cash and cash equivalents:** Cash and cash equivalents are \$11.2 million higher than planned. Cash is being retained to meet capital commitments planned for the next years.

**Trade and other receivables:** Trade and other receivables are \$2.4 million lower than budget due to continuing focus on collecting outstanding debt.

**Working capital:** The maturity dates for funding have resulted in a high level of current debt. Council anticipates that debt scheduled to expire within twelve months of the balance date will be refinanced using existing facilities or through obtaining additional funding through the LGFA.

**Property, plant and equipment:** Lower than budgeted revaluation of roading.

**Biological assets:** Higher than budget biological assets reflects the increase in fair value of Council's forestry assets following the annual independent forestry valuation.

**Derivative financial liabilities:** Council uses interest rate derivatives to assist in achieving a long term stable interest rate on debt. Lower than budget derivative liabilities of \$1.0 million is due to the nature of these financial instruments whereby their value is not able to be budgeted with certainty due to the unpredictability of interest rates. Derivatives are marked to market at each balance date, and as the floating interest rate is lower than at last balance date, this resulted in a decrease in the liability Council has on some derivatives.

**Public debt:** Approximately \$2.8 million of existing debt was retired during the year which was \$2.6 million higher than planned. Council is now, in keeping with its treasury policies, utilising surplus cash to reduce external borrowing. Council is ensuring that it maintains adequate working capital by having committed bank short term borrowing facilities in place. The variance to budget on both the Public Debt in Non-Current Liabilities and the Public Debt in Current Liabilities reflects the repayment and classification of the current loan maturity dates.

## Summary Statement of Cash Flows for the Year Ended 30 June 2017

The Cash Flow Statement summarises the cash movements in and out of the Council through the year. It takes no account of monies owed or owing but not paid, and therefore differs from the Statement of Comprehensive Revenue and Expense.

For the year ended:	Actual	Annual Plan	Annual Report
30 June	2016-2017 \$'000	2016-2017 \$'000	2015-2016 \$'000
<b>Cash Flow from Operating Activities</b>			
<i>Receipts:</i>			
Rates	32,282	32,288	31,605
Fees, charges and other	9,837	5,511	13,225
Grants and subsidies	9,721	11,657	11,570
Interest received	16	25	28
<i>sub total</i>	<b>51,856</b>	<b>49,481</b>	<b>56,428</b>
<i>Payments:</i>			
Suppliers and employees	28,732	31,552	31,912
Taxes (including the net effect of GST)	-315	0	20
Interest expense	3,067	3,440	3,613
<i>sub total</i>	<b>31,485</b>	<b>34,992</b>	<b>35,546</b>
<b>Net Cash Flow from/(to) Operating Activities</b>	<b>20,371</b>	<b>14,489</b>	<b>20,882</b>
<b>Cash Flow from Investing Activities</b>			
<i>Receipts:</i>			
Sale of property, plant and equipment	577	150	1,369
<i>sub total</i>	<b>577</b>	<b>150</b>	<b>1,369</b>
<i>Payments:</i>			
LGFA Borrower notes	128	0	560
Mortgage advances	0	0	0
Property, plant and equipment purchases	13,397	15,863	13,425
<i>sub total</i>	<b>13,525</b>	<b>15,863</b>	<b>13,985</b>
<b>Net Cash Flow from/(to) Investing Activities</b>	<b>-12,948</b>	<b>-15,713</b>	<b>-12,616</b>
<b>Cash Flow from Financing Activities</b>			
<i>Receipts:</i>			
Loans raised (Net)	0	0	0
<i>Payments:</i>			
Loan repayment (Net)	-2,834	-213	-10,906
<b>Net Cash Flow from/(to) Financing Activities</b>	<b>-2,834</b>	<b>-213</b>	<b>-10,906</b>
<b>Net Increase/(Decrease) in cash and cash equivalents</b>	<b>4,588</b>	<b>-1,437</b>	<b>-2,640</b>
Cash and cash equivalents at beginning of period	7,285	2,119	9,926
Cash and cash equivalents at end of period	11,874	682	7,285

## **Disclosures to the Summary Financial Statements**

This Summary Annual Report for the Kaipara District Council was authorised for issue by the Chief Executive on 16 October 2017. The specific disclosures included in this Report have been extracted from the full Annual Report which was adopted by the Council on 26 September 2017. The Summary Annual Report does not include all the disclosures provided in the full financial statements and cannot be expected to provide as complete an understanding as provided by the full Annual Report of the financial and service performance, financial position, movements in equity and cash flows of the Council. This Summary Annual Report has been audited for consistency with the full annual report and the audit opinion issued by Deloitte, on behalf of the Auditor-General, is included as part of this document.

## **Subsequent Events**

There has been no significant events following balance date that would affect the result for the year.

## **Full Annual Report**

A copy of the full Annual Report and Audit Report from which this Summary is prepared, is available on Council's website [www.kaipara.govt.nz](http://www.kaipara.govt.nz) and at Council's offices in Dargaville and Mangawhai.

The full Annual Report received an unmodified Audit Report and was adopted by Council on 26 September 2017.

The full financial statements have been prepared on a historical cost basis, modified by the revaluation of certain infrastructural assets, biological assets and derivative financial instruments. They have also been prepared in accordance with the requirements of the Local Government Act 2002: Part 6, Section 98 and Part 3 of Schedule 10, and in accordance with generally accepted accounting practice (GAAP). For the purposes of complying with GAAP Council is a Tier 1 Public Benefit Equity.

The accounting policies set out in the full Annual Report have been applied consistently to all periods presented in these financial statements.

## **Mangawhai Ratepayers and Residents Association (MRRA) and RB and HE Rogan (CIV-2015-488-95)**

The Court's final decision in these proceedings has been received. None of the grounds of challenge against KDC were upheld. The Court also recently ruled against the Northland Regional Council (NRC) on relief. We are advised NRC filed an appeal against the interim and final decision. In addition MRRA has indicated they are going to cross appeal on the interim decision, specifically the interim decision with regards to KDC's rates. Council does not consider this to be a material issue for Kaipara District Council.

Judgment has not yet been received in the proceeding, RB and HE Rogan v KDC and NRC (CIV-2015-288-182), being an appeal by the ratepayers of a decision from the District Court awarding judgment to the KDC and NRC for unpaid rates. This proceeding was heard in May 2016 and reheard in May 2017. The Court indicated at that time that it would deliver its judgment at the same time as delivering the final judgment in the judicial review proceedings. The decision has not been released at this date. It is not possible to quantify liability at this time but in respect of Mr and Mrs Rogan as the only ratepayers in the proceeding, Council has assessed the risk and does not consider this to be a material issue.

## Audit Report

**INDEPENDENT AUDITOR'S REPORT****TO THE READERS OF  
KAIPARA DISTRICT COUNCIL'S SUMMARY ANNUAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2017**

The summary annual report was derived from the annual report of the Kaipara District Council (the District Council) for the year ended 30 June 2017. We have considered whether the summary annual report represents, fairly and consistently, the information regarding the major matters dealt with in the annual report.

The annual report included full audited statements, and the summary annual report includes summary statements. We have audited the following summary statements reported in the summary annual report on pages 5 to 26:

- the summary Statement of Financial Position as at 30 June 2017;
- the summaries of the Statement of Comprehensive Revenue and Expense, Statement of Changes in Net Assets/Equity and Statement of Cash Flows for the year ended 30 June 2017;
- the Disclosures to the Summary Financial Statements; and
- the summary Statements of Service Performance of the District Council.

We expressed an unmodified audit opinion on the District Council's full audited statements in our report dated 26 September 2017.

**Opinion**

In our opinion:

- the summary annual report represents, fairly and consistently, the information regarding the major matters dealt with in the annual report; and
- the summary statements comply with PBE FRS-43: *Summary Financial Statements*.

**Basis of opinion**

Our audit was carried out in accordance with the Auditor-General's Auditing Standards, which incorporate the International Standards on Auditing (New Zealand), and in particular with the International Standard on Auditing (New Zealand) 810: *Engagements to Report on Summary Financial Statements*. These standards require us to carry out procedures to confirm whether the summary annual report contains the information necessary, and at an appropriate level of aggregation, so as not to be misleading.

The summary statements do not contain all the disclosures required for full audited statements under generally accepted accounting practice in New Zealand. Reading the summary statements, therefore, is not a substitute for reading the full audited statements in the annual report of the District Council.

**Responsibilities of the Council and the Auditor**

The Council is responsible for preparing the summary annual report so that it represents, fairly and consistently, the information regarding the major matters dealt with in the annual report. This includes preparing summary statements, in accordance with PBE FRS-43: *Summary Financial Statements*. The Council is also responsible for the publication of the summary annual report, whether in printed or electronic form.

We are responsible for expressing an opinion on whether the summary annual report represents, fairly and consistently, the information regarding the major matters dealt with in the annual report and whether the summary statements comply with PBE FRS 43: *Summary Financial Statements*.

## Independence

We are independent of the District Council in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1 (Revised): *Code of Ethics for Assurance Practitioners* issued by the New Zealand Auditing and Assurance Standards Board.

Other than in our capacity as auditor we have no relationship with, or interest in, the District Council.



**Peter Gulliver**  
**for Deloitte Limited**  
**On behalf of the Auditor-General**  
Auckland, New Zealand  
16 October 2017

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## Council Directory

**Address:** Main Office  
42 Hokianga Road  
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Mangawhai Service Centre  
Unit 6 The Hub  
6 Molesworth Drive  
Mangawhai 0505

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**Email:** [council@kaipara.govt.nz](mailto:council@kaipara.govt.nz)

**Website:** [www.kaipara.govt.nz](http://www.kaipara.govt.nz)

**Bankers:** Bank of New Zealand  
69 - 71 Victoria Street  
Dargaville 0310

ANZ National Bank  
Corporate Banking  
23-29 Albert Street  
Auckland 1010

**Auditors:** Deloitte on behalf of the Auditor-General  
Private Bag 15033  
**Auckland 1140**