



# PŪRONGO Ā-TAU ANNUAL REPORT 2022/2023



## ***He mihi whakapuare***

Tuia te rangi e tū iho nei,  
Tuia te papa e takoto ake nei.  
Tuia rātou kua riro ki Te Ara Wairua,  
Ki te pō uriuri, ki te pō e okioki ai te moe.  
He maimai aroha ki a rātou kua ngaro,  
He maioha ki a tātou kua mahue iho nei.  
Tuia ngā mātāwaka i ū mai ki Te Kaipara,  
Tuia te muka tāngata  
Kia rongō te pō, kia rongō te ao,  
Haumi e, hui e  
Tāiki e!

Ko te pā o Te Aitanga-a-Tiki, ko te pā o Te Taetaea  
Ko te pā o te tūnga o te tōtara, ko te ringa heke tonu nui a Tangaroa  
Ko te whare o te mānuka, ko te pokopoko o Rotu  
Te aute, tē awhea.

Ngāti Whātua heru hāpai,  
Pokopoko here taniwha  
Pokopoko-whiti-te-rā;

Ngā uri o Haumoewaarangi  
O Hakiputatōmuri  
Mangawhai ki te marangai  
Poutō ki te uru

Ngā hekenga a Manumanu, a Rangitauwawaro  
Te Roroa e rite nei ki te kahikatea,  
E pakari nei me te kauri  
E kore e tū mokemoke!

Ngā huānga o Te Parawhau,  
Ko Tangihua ki te rangi  
Ko Te Wairoa ki te whenua,  
Ko Wairoa tangata e haere,  
ko Wairoa ia e kore e haere;

Ngā iwi puta noa i Te Kaipara  
Tāporapora whakatahuri waka  
Whakarere wahine,  
Tēnā koutou katoa.

E te mātinitini, e te māioio,  
Ngā tāngata o Te Kaipara  
Koia nei ngā mihi maioha ki a koutou  
I a mātou o Te Kaunihera ā-Rohe o Te Kaipara.

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# TE WĀHANGA TUATAHI He Huatakinga

## PART ONE Introduction

**Ko te kai atihau, koia ko te kai totonui**  
**The food of life is the food of chiefs.**  
*- Old proverbial saying from Te Uri o Hau.*

# Ngā Kaikaunihera o te Kaunihera ā-Rohe o Te Kaipara Kaipara District Council Elected Members



**Mayor**  
Craig Jepson



**Deputy Mayor**  
**Kaiwaka-Mangawhai Ward**  
Jonathan Larsen



**Kaiwaka-Mangawhai Ward**  
Rachael Williams



**Kaiwaka-Mangawhai Ward**  
Mike Howard



**Otamatea Ward**  
Ron Manderson



**Otamatea Ward**  
Mark Vincent



**Te Moananui o Kaipara Māori Ward**  
Pera Paniora



**Wairoa Ward**  
Gordon Lambeth



**Wairoa Ward**  
Eryn Wilson-Collins



**Wairoa Ward**  
Ash Nayyar

## He kupu nā te Koromatua me te Tumu Whakarae A word from the Mayor and Chief Executive



**Craig Jepson**  
Kaipara Mayor



**Jason Marris**  
Chief Executive

Greetings to you all,

2022/2023 has been a significant year for us here at Kaipara District Council. In October 2022 a new Council was elected for Kaipara District, with seven new councillors and three returning. In February, Jason Marris was permanently appointed into the Chief Executive role.

Responding to February's extreme weather events through Council's role in Civil Defence and our day-to-day operations, and then recovering from the impacts, has subsumed a significant part of this year. On behalf of Kaipara District Council, we want to take this moment to acknowledge the significant part other agencies, services, organisations, and community members also played in our response and how together, our combined efforts kept people safe.

As you will see in this Annual Report, the impacts of the weather events have been felt, both in our work programme and our budgets.

Roading is a key focus. Our network took a major hit with the weather events, and the second part of this financial year has been focused on the short-term repairs needed to get the roads back on track and keep the district moving. As we make room to complete emergency repairs, not just in roading but across many of our services, some of our work programme planned for this financial year has had to shift into the next year, having a knock-on effect on our schedules.

It's clear we will feel the impact of these events for many years to come, but we are getting on with it, as Kaipara has always done. And while we have faced significant challenges with these weather events, we have also made good headway on a number of key projects and initiatives.

As a small district with a limited ratepayer database, external funding allows us to invest in infrastructure and projects we could not do on our own. In the past year, with external funding support, we have continued to build the shared path network in Mangawhai and kickstarted the design for one in Dargaville – increasing connectivity and transport choices, opened stage one of the Kaihu Valley Trail to the public, renewed and upgraded parts of our wastewater and drinking water networks to improve water security and resilience, constructed new public toilets around the district, and more.

We've continued to make great progress on the District Plan Review, distributed funding back to our communities through the likes of the Kaipara District Mayoral Relief Fund and Community Grants, processed multiple private plan changes, and agreed a fresh vision and community outcomes – *Kaipara – the place to be!* As we move towards a new Long Term Plan in 2024.

This Annual Report for the 2022/2023 year encapsulates all that we have achieved for this period. Read on and find out more.



Mangawhai Estuary Photo: Heather Thomas

## Te Tauākī Tūtohu | Statement of Compliance

The Kaipara District Council hereby confirms that all statutory requirements in relation to the preparation and publication of information required to be included in this Report, as outlined in the Local Government Act 2002, have been complied with.

**Craig Jepson**  
*Kaipara Mayor*  
25 October 2023

**Jason Marris**  
*Chief Executive*  
25 October 2023



## INDEPENDENT AUDITOR'S REPORT

### TO THE READERS OF KAIPARA DISTRICT COUNCIL'S ANNUAL REPORT FOR THE YEAR ENDED 30 JUNE 2023

The Auditor-General is the auditor of Kaipara District Council (the District Council). The Auditor-General has appointed me, Bryce Henderson, using the staff and resources of Deloitte Limited, to report on the information in the District Council's annual report that we are required to audit under the Local Government Act 2002 (the Act). We refer to this information as "the audited information" in our report.

We are also required to report on:

- whether the District Council has complied with the requirements of Schedule 10 of the Act that apply to the annual report; and
- the completeness and accuracy of the District Council's disclosures about its performance against benchmarks that are required by the Local Government (Financial Reporting and Prudence) Regulations 2014.

We refer to this information as "the disclosure requirements" in our report.

We completed our work on 25 October 2023. This is the date on which we give our report.

#### Opinion on the audited information

In our opinion:

- the financial statements on pages 27 to 31 and pages 37 to 82:
  - present fairly, in all material respects:
    - the District Council's financial position as at 30 June 2023;
    - the results of its operations and cash flows for the year ended on that date; and
  - comply with generally accepted accounting practice in New Zealand and have been prepared in accordance with Public Benefit Entity Reporting Standards;
- the funding impact statement on page 83 to 85 presents fairly, in all material respects, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council's annual plan;
- the groups of activity statements on pages 87 to 145:
  - present fairly, in all material respects, the District Council's levels of service for each group of activities for the year ended 30 June 2023, including:
    - the levels of service achieved compared with the intended levels of service and whether any intended changes to levels of service were achieved;
    - the reasons for any significant variation between the levels of service achieved and the intended levels of service; and
  - complies with generally accepted accounting practice in New Zealand; and



- the statement about capital expenditure for each group of activities on pages 87 to 145 presents fairly, in all material respects, actual capital expenditure as compared to the budgeted capital expenditure included in the District Council's annual plan; and
- the funding impact statement for each group of activities on pages 87 to 145, presents fairly, in all material respects, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council's Long-term plan.

### Report on the disclosure requirements

We report that the District Council has:

- complied with the requirements of Schedule 10 of the Act that apply to the annual report; and
- made the disclosures about performance against benchmarks as required by the Local Government (Financial Reporting and Prudence Regulations 2014) on pages 32 to 36, which represent a complete list of required disclosures and accurately reflects the information drawn from the District Council's audited information and, where applicable, the District Council's long-term plan and annual plans.

The basis for our opinion is explained below and we draw attention to other matters. In addition, we outline the responsibilities of the Council and our responsibilities relating to the audited information, we comment on other information, and we explain our independence.

### Emphasis of matter – uncertainty over the water services reform programme

Without modifying our opinion, we draw attention to Note 16 on page 73, which outlines developments in the Government's water services reform programme.

The Water Services Entities Act 2022, as amended by the Water Services Entities Amendment Act 2023 on 23 August 2023 and the Water Services Legislation Act 2023 on 31 August 2023, establishes ten publicly owned water services entities to carry out responsibilities for the delivery of three waters services and related assets and liabilities currently controlled by local authorities. Water services entities' establishment dates are staggered, with all the water services entities becoming operational between 1 July 2024 and 1 July 2026. The financial impact of the water services reform on the Council as outlined in Note 16 on page 73 remains uncertain until the relevant water services entity's establishment date is known, and the allocation schedule of assets, liabilities, and other matters to be transferred is approved.

### Basis for opinion on the audited information

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. We describe our responsibilities under those standards further in the "*Responsibilities of the auditor for the audited information*" section of this report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the audited information.

### Responsibilities of the Council for the audited information

The Council is responsible for meeting all legal requirements that apply to its annual report.



The Council's responsibilities arise under the Local Government Act 2002 and the Local Government (Financial Reporting and Prudence) Regulations 2014.

The Council is responsible for such internal control as it determines is necessary to enable it to prepare the information we audit that is free from material misstatement, whether due to fraud or error.

In preparing the information we audit, the Council is responsible for assessing its ability to continue as a going concern. The Council is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless there is an intention to amalgamate or cease all of the functions of the District Council or there is no realistic alternative but to do so.

### **Responsibilities of the auditor for the audited information**

Our objectives are to obtain reasonable assurance about whether the audited information, as a whole, is free from material misstatement, whether due to fraud or error, and to issue an audit report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit carried out in accordance with the Auditor General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers taken on the basis of this audited information.

For the budget information reported in the audited information, our procedures were limited to checking that the budget information agreed to the District Council's annual plan.

We did not evaluate the security and controls over the electronic publication of the audited information.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the audited information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District Council's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Council.
- We determine the appropriateness of the reported intended levels of service in the performance measures, as a reasonable basis for assessing the levels of service achieved and reported by the District Council.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Council and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast a significant doubt on the District Council's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit report to the

# Deloitte.

related disclosures in the audited information or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our audit report. However, future events or conditions may cause the District Council to cease to continue as a going concern.

- We evaluate the overall presentation, structure and content of the audited information, including the disclosures, and whether the audited information represents, where applicable, the underlying transactions and events in a manner that achieves fair presentation.
- We obtain sufficient appropriate audit evidence regarding the audited information of the entities or business activities within the Group to express an opinion on the consolidated audited information. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the Council regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Our responsibilities arise from the Public Audit Act 2001.

## Other Information

The Council is responsible for the other information included in the annual report. The other information comprises the information included on pages 7 and 13 to 25, but does not include the audited information and the disclosure requirements.

Our opinion on the audited information and our report on the disclosure requirements do not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

Our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the audited information and the disclosure requirements, or our knowledge obtained during our work, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Independence

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

In addition to our audit and our report on the disclosure requirements, we have carried out engagements in the areas of providing a limited assurance report in our capacity as auditor pursuant to the Trust Deed and an audit on the Council's maintenance of the Register in accordance with the Trust Deed. We also provide fraud awareness training which are compatible with those independence requirements. Other than these engagements we have no relationship with or interests in the District Council.



**Bryce Henderson**  
for Deloitte Limited

On behalf of the Auditor-General  
Auckland, New Zealand

# He Arotakenga Tau – Ngā Hua Pai

## A year in review – highlights



**JULY  
2022**

- Council removes fines on late returns and fees on DVD rentals from its libraries



**AUGUST  
2022**

- First phase of the Mangawhai shared path opens to public
- Consultation opens on Exposure Draft District Plan
- Construction begins on a new wastewater balance tank for Mangawhai

**OCTOBER  
2022**



- Local government elections 8 October
- New Council sworn in 28 October
- Council purchases 5.8 hectares of land for sporting and recreational facilities in Mangawhai (funded with reserve contributions)
- Dargaville Library undergoes a colourful makeover with a new mural
- New toilets at Alamar Crescent open to public

**SEPTEMBER  
2022**



- Construction starts on Poutō wharf
- Kaipara welcomes five new citizens at a citizenship ceremony in Dargaville
- Combined Reserve Management Plan completed for Pou Tu o Te Rangi, Harding Park, and Old Mount Wesley Cemetery
- Council adopts Annual Report 2021/2022
- Council adopts its first ever Arts, Culture and Heritage Strategy

**NOVEMBER  
2022**



- New toilets at Lincoln Reserve open to public
- Members of Ruawai Adaptive Pathways Community Panel confirmed
- New shade sails installed at Paparua playground



**DECEMBER  
2022**

- Squash seeds planted at Kaipara Water Demonstration Site 1 (Maunganui Bluff)
- Security improvements at Taharoa Domain completed
- Free summer bus service starts in Mangawhai
- New Zealand Transport Agency announces \$8 million for Kaipara District Council for Dargaville connectivity improvements
- Dargaville Library launches TUTU collection

**FEBRUARY  
2023**



- Northland State of Emergency declared 12 February – terminated 3 March 2023
- February extreme weather events
- Council stands up staff to operate Civil Defence Emergency Operations Centre and Incident Management Point
- Council confirms new Chief Executive Jason Marris

**JANUARY  
2023**



- Northland State of Emergency 31 January – 1 February (declared as a precautionary step)
- KDC joins appeal against Sand Extraction from Pakiri Beach
- Funding for two Freedom Camping Officers in Kaipara
- Council joins Welcoming Communities programme
- Council amends Smokefree Kaipara Policy to include vaping in public places

**MARCH  
2023**



- Kaipara District transitions to Emergency Management Recovery phase
- Kaiwaka-Mangawhai Road reopens after emergency repairs
- Farmers and growers attend Kaipara Water Demonstration Site field visit
- Squash crops harvested from Kaipara Water Demonstration Site 1

**APRIL  
2023**



- Council confirms vision and community outcomes for new Long Term Plan
- Cyclone Gabrielle damage closes Northern Wairoa War Memorial Hall (Dargaville Town Hall)
- Council agrees to investigate Waste to Energy plant

**JUNE  
2023**



- First stage of the Kaihu Valley Trail opens to public
- Annual Plan for 2023-2024 adopted
- Mayoral Relief Fund distributes \$530,000 to residents and ratepayers

**MAY  
2023**



- Extreme weather event 09 May
- Council opts out of Local Government New Zealand (LGNZ) membership
- New balance tank for Mangawhai wastewater treatment plant is operational
- Council appoints working party to develop the proposed District Plan

## TE RATONGA Ā-KIRITAKI | CUSTOMER SERVICE



INTERACTIONS WITH CUSTOMERS,  
PHONE CALLS AND EMAILS **56,287**



VIA PHONE  
**28,129**



DIGITAL  
**18,182**



IN PERSON  
**9,976**



**75%** CALLS ANSWERED WITHIN 34 SECONDS  
(including during Cyclone Gabrielle and Mangawhai rainfall event)

## TE MAURANGA | TRANSPORTATION



**1,578km** OF LOCAL NETWORK ROADS  
IN KAIPARA DISTRICT



RESURFACED  
**52.97km**  
OF THE SEALED  
ROAD NETWORK



REHABILITATED  
**902 metres**  
OF SEALED  
ROAD NETWORK



**1,659.825km**  
OF THE UNSEALED  
NETWORK GRADED  
(not including emergency  
grading works)

## PŪNAHA WAETURE REGULATORY



**339**  
NON-NOTIFIED RESOURCE  
CONSENTS PROCESSED



**689**  
BUILDING CONSENTS  
PROCESSED



**506**  
LIM PROCESSED  
(Average of four  
processing days)

## TE MOKORITANGA O NGĀ KAINOHO RESIDENT SATISFACTION



OVERALL SATISFACTION  
**50%** ↓ **3%**



SATISFACTION WITH  
CORE SERVICES  
**60%** ↓ **4%**



SATISFACTION WITH  
THE DISTRICT LIBRARIES  
**76%** ↓ **7%**



SATISFACTION OF  
LOCAL PARKS, RESERVES  
OR SPORTS FIELDS  
**82%** ↓ **4%**

NGĀ PŪRANGA MONI MĀ NGĀ HAPORI O TE KAIPARA  
FUNDING FOR KAIPARA COMMUNITIES THIS YEAR



**\$530,000**  
**Mayoral**  
**Relief Fund**



**\$99,999.62** COMMUNITY GRANTS



**\$43,873.50** MANGAWHAI ENDOWMENT  
LANDS ACCOUNT (MELA)



**\$258,115.06** RESERVE CONTRIBUTIONS  
FUND

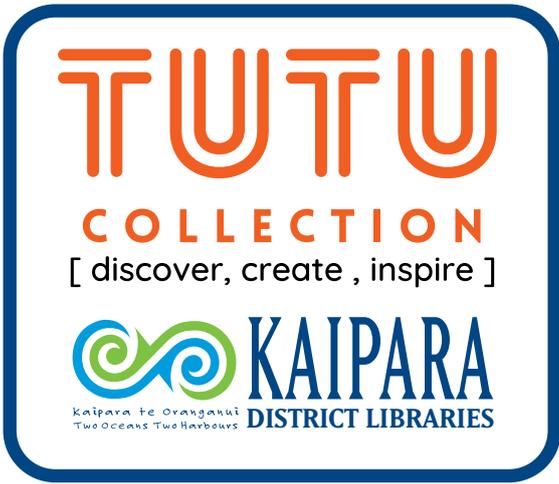
RURAL TRAVEL FUND **\$11,499.38**



**\$34,249.67** CREATIVE COMMUNITIES  
NZ SCHEME



*All figures are from 1 July 2022 to 30 June 2023*



Launched in December 2022 with New Zealand Library Partnership Programme funding - the Discovery Collection Tutu has more than 60 items available to borrow, split across three categories – STEM (Science, Technology, Engineering, Mathematics), games and arts and creativity. All items are free to borrow for two weeks with a Kaipara District library card.

## He Arotakenga Tau | A year in review

This Annual Report by Kaipara District Council (KDC) is a look back over the past financial year – 1 July 2022 to 30 June 2023. It outlines everything we have achieved against what we said we would do in

the second year of our Long Term Plan 2021–2031, and how well we achieved them against our performance measures.



### He aha te Mahere Pae Tawhiti? | What's a Long Term Plan?

Ko te Mahere Pae Tawhiti tētahi pāraharaha whitake a te Kaunihera. Ko tā te MPT, he āta whakatakoto i ngā mahi katoa a te Kaunihera, e tau ai te tūhono tahitanga o ngā mahi katoa. I ia toru tau, ka waihangahia tahitia mai tētahi Mahere Pae Tawhiti (MPT) me te hapori, kia whakatauria ai tō mātou kitenge, te ara whakamua ka whāia, ngā puna moni me ngā Mahere ā-Mahi mō ngā tau tekau kei mua i te aroaro.

Kua whakatauria tō mātou MPT 2021-2031 me pēhea rā e tutuki ai te kitenga o te Kaunihera, arā ko Growing a Better Kaipara mā te hāpai i te oranga o te whānau, te ohanga, te ahurea me te taiao, me te whakamana kia momoho tō tātou rohe me ōna hapori whānui. E āhei ana koe ki te pānui i te roanga ake o tō mātou MPT 2021-2031 kei tō mātou pae tukutuku.

The Long Term Plan is Council's key planning tool. LTPs outline everything Council does and how they fit together. Every three years we develop a Long Term Plan (LTP) in consultation with the community, setting our vision, direction, budgets, and our work plans for the next 10 years.

Our LTP 2021-2031 sets out how to deliver Council's vision of Growing a Better Kaipara, through ensuring our social, economic, cultural, and environmental wellbeing, and enabling our district and our communities to thrive. You can read the full LTP 2021-2031 on our [website](#).

**Tirohia atu kia kite ai koe me pēhea e whai wāhi mai ki tō mātou MPT hou kei tō mātou pae tukutuku, ki [www.kaipara.govt.nz](http://www.kaipara.govt.nz).**  
**Find out more and how you can get involved in building our next Long Term Plan on our [website www.kaipara.govt.nz](http://www.kaipara.govt.nz)**



Kaipara District Council Elected Members 2022

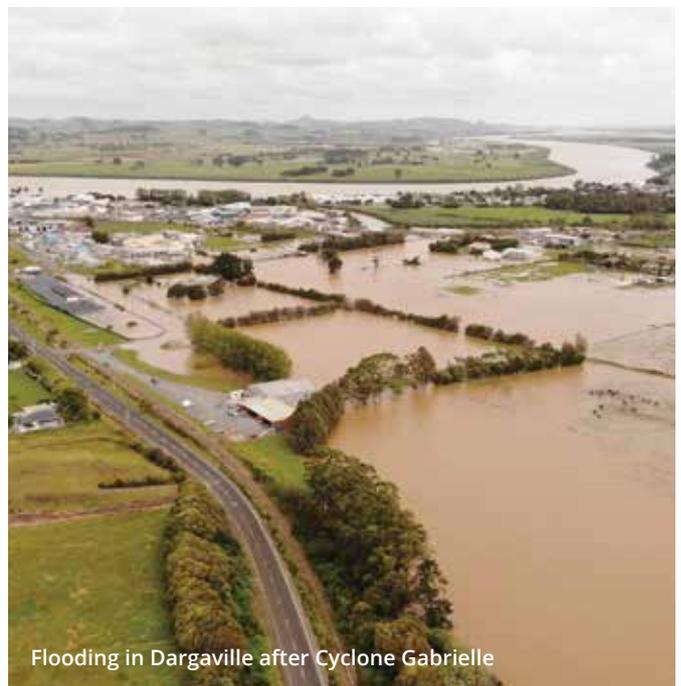
## He Poari Hou mō te rohe o Te Kaipara New governance for Kaipara District

On 26 October 2022, the newly elected mayor and councillors of Kaipara District were officially sworn into office in Dargaville. The election also realised the representation review that took place in 2021. There are now three councillors representing Wairoa ward (merging previous Dargaville and West Coast/Central wards), two councillors representing the Otamatea ward, three councillors representing Kaiwaka-Mangawhai ward, and one councillor elected to represent Te Moananui o Kaipara ward (Māori ward). This representation arrangement will remain in place for the 2025 elections.

## Ngā take huarere hārukiruki – He urupare, he whakamāui Extreme weather events – Response and Recovery

The past year has been a challenging one for Council. As part of our review, we must first acknowledge the extreme weather events of February 2023 and their wide-ranging affects. Cyclone Gabrielle is officially the costliest tropical cyclone on record for the Southern Hemisphere, including the deaths of 11 people and the displacement of more than 10,000 people across the country.

The KDC Cyclone Gabrielle response started on Thursday 9 February 2023 with staff monitoring, preparing, and planning for the impending weather. During this preparation phase steps were taken to ready an Emergency Operations Centre (EOC) in Mangawhai, and an Incident Management Point (ICP) in Dargaville.



Flooding in Dargaville after Cyclone Gabrielle

At 4.30pm on Sunday 12 February Northland Civil Defence Group Controller Graeme MacDonald declared a Regional State of Emergency. This was followed by a National State of Emergency declared on Tuesday 14 February.

The KDC Emergency Operations Centre was activated at 1C Molesworth Drive, Mangawhai with an Incident Management Point activated at 32 Hokianga Road, Dargaville. A welfare line was set up and operated by Council staff. At peak, the EOC and ICP were collectively operating with over 40 KDC staff including surge staff (this number does not include those who continued to support and manage business-as-usual services during the response, or provided support from outside the EOC, as well as some ex-staff members who assisted in the welfare centres).

Throughout the response several Civil Defence Centres (CDCs) were opened and operated by KDC, alongside a number of iwi organisation and community-operated civil defence centres. Between Saturday 18 February and Wednesday 22 February, the KDC response teams carried out community outreach to meet with community members in isolated communities and assess their needs.

As the initial Cyclone Gabrielle response phase was looking to wind down to recovery, Kaipara faced another extreme weather event, this time focused in the Mangawhai area. Between noon and 10pm on Friday 24 February the Hakaru rain gauge near Mangawhai recorded 373mm of rain, with 240mm recorded in the 3-hour period from 5pm. During this period a number of people were displaced by flooding, damaged roads, and the dangers of travelling during the extreme weather. This number was exacerbated by the closure of State Highway 1 through the Brynderwyns, which meant all light traffic was diverted via Mangawhai/Waipu. With the EOC still activated, staff continued to support those impacted by the Mangawhai event. KDC staff opened new CDCs at the Mangawhai Golf Club (with the support of the Mangawhai Community Response Group) and Mangawhai Council office and supported two community-led centres.

On Sunday 26 February, the KDCs response phase for the extreme weather event ended, however KDC staff continued to work tirelessly to ensure a smooth transition to recovery.

Major, long-lasting damage occurred to the local roading network and other critical infrastructure during the extreme weather events. This significantly lengthened the recovery phase for Kaipara and the wider region, which is anticipated to take years.

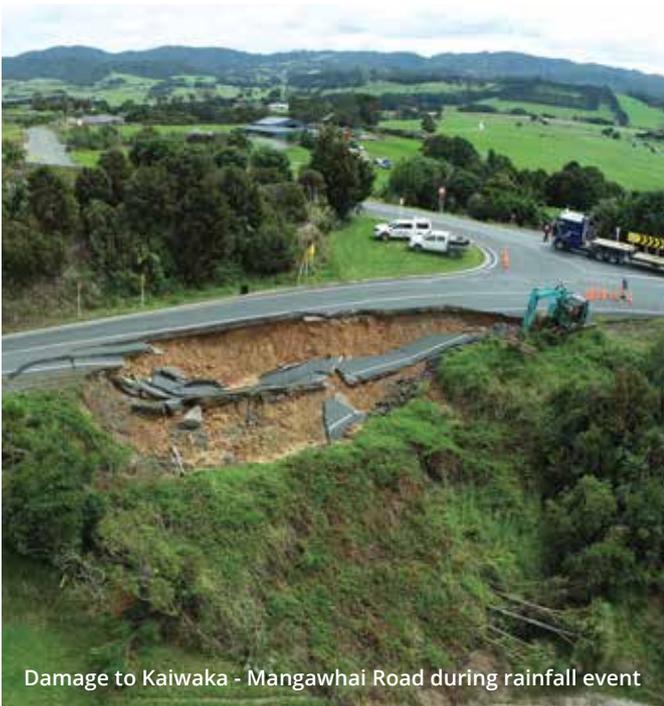
An overview of KDC’s response to the February Extreme Weather Events was prepared in April 2023 and can be found online at [www.kaipara.govt.nz](http://www.kaipara.govt.nz) A Kaipara District Local Recovery Manager was appointed on Monday 27 February to lead the recovery for Kaipara District Council. They, along with the other Northland recovery managers supported the Northland Regional Council Recovery Manager to build a recovery plan for the region.

A list of actions – short, medium and long term were agreed for each local council, including Kaipara District, and can be found in the Regional Recovery Plan for Northland: [www.nrc.govt.nz](http://www.nrc.govt.nz)

As part of the response, Kaipara District Mayor Craig Jepson established a Mayoral Relief Fund to help support those affected by the February 2023 extreme weather events. The Mayoral Relief Fund was used to allocate one-off payments to individuals, families, community organisations, marae, and small businesses within the Kaipara District who suffered severe hardship or damage as a result of February’s weather events. A panel of KDC staff processed and reviewed applications, which came in from all over the district. Applications totalled \$2.3 million, exceeding the amount available.

A majority of the 119 grant payments went to individual and families, with a number of marae, community groups and businesses also receiving funds.

Kaipara District Council acknowledges and appreciates the significant part other agencies, services, organisations, and community members also played in our response and how together, our combined efforts kept people safe.



Damage to Kaiwaka - Mangawhai Road during rainfall event

## Te pānga ki ngā ā-rohe Impact to infrastructure

February's extreme weather events caused considerable damage to Council infrastructure. The impact of the extreme weather events was seen across many Council services, from roading and land drainage to stormwater, wastewater infrastructure, community facilities, and more. The impact was twofold – halting progress on a significant capital works and maintenance programme and creating a backlog of repairs previously unprovisioned for. Lastly, there is a knock-on effect as some repairs are prioritised over existing projects.

As a result, a number of capital works projects planned for 2022/2023 were not completed at 30 June 2023. Projects totalling \$28.8 million have been carried forward to the next financial year (2023/2024). In addition, \$780,772 of operating expenditure has also moved into the following financial year (2023/2024).

Approximately \$5.8 million was spent on repairs during this reporting period and there are further costs to be incurred in subsequent years.

Approximately \$173,000 was spent repairing damage to our parks facilities – fixing cushion fall in the playgrounds, cleaning flood-damaged toilets, and extensive arborist work removing, and chipping fallen and damaged trees.

Another \$607,000 was spent on wastewater services – repairing and replacing damaged pumps and pumpstations, and employing vacuum pumps/sucker trucks at Sailrock Drive, Mangawhai Community Park, and dealing with the Brown Road farm treatment ponds.

Approximately \$56,000 was spent on solid waste – providing free resident drop off for damaged items for both Hakaru and Dargaville transfer stations after the weather events. \$38,000 of this spend was recouped via the National Emergency Management Agency (NEMA). We were not able to claim on green waste (\$18,000).

But most significantly, extreme weather event damage to roading infrastructure far outweighed the total combined costs of any other damage. In this financial year \$4.96 million was spent on emergency roading repairs, maintenance and resilience works such as retaining walls, 100 percent of which was funded by New Zealand Transport Agency. Work is underway to repair other key infrastructure,

including the Awakino rail embankment which was damaged in the cyclone.

## Te kōkiri tonu i ngā wāhanga katoa o te pakihi Keeping the engine running in other parts of the business

While the response and recovery from the February extreme weather events make up a significant part of this reporting year, Council staff have continued to progress other work, some of which are highlighted below.

A new balance tank for the Mangawhai wastewater treatment plant has been constructed and became operational in May 2023. Building the balance tank is part of a draft long term strategy to increase the plant capacity. The need to build the infrastructure was identified in Council's Long Term Plan 2021-2031 and was a key project in the Council's Annual Plan for 2022-2023. To date, the cost to construct the balance tank has been \$4,744,791, and was funded by growth, through development contributions, and partly by current users, through loan.

Earlier this year, Council kickstarted the process for the new Long Term Plan (2024-2034) and agreed a new vision and set of community outcomes to guide the process.

Council's new vision places particular emphasis on economic development and supporting managed growth. In line with this, a significant milestone has been achieved in the process for the District Plan Review. Kaipara District Council's District Plan (DP) became operative in 2013 and is due for review in 2023 (District Plans renew every ten years under legislation).

In July 2022, Council approved an Exposure Draft District Plan for non-statutory public consultation. During the consultation period in August and September 2022 we received more than 240 submissions on the Exposure Draft District Plan from the community. You can view the fully digital draft E-Plan at <https://kaipara.isoplan.co.nz/Review/>

(It is important to note that the Exposure Draft District Plan has no 'legal weight' and people should continue to refer to the Operative District Plan to determine whether a resource consent is required to undertake activities on their land). Kaipara's Proposed District Plan is on track to be notified in 2024.



Council has also processed multiple private plan changes in line with their statutory requirements during the year. Private Plan Change 82 – Moonlight Heights (Awakino Road, Dargaville) was accepted to be processed in December 2022 and Private Plan Change 83 – The Rise (Mangawhai) was accepted to be processed in June 2023. We held the hearing for Private Plan Change 81 – Dargaville Racecourse Trifecta Development in March 2023. Following this, the application for PPC81 was accepted by Council as a private plan change.

Other decisions made with an eye to the future include the purchase of 5.8 hectares of land for future public sporting and recreational facilities in Mangawhai. We asked the community if they supported the purchase of the land using reserve contributions. Reserve contributions are funds collected from developers or property owners who are subdividing their land. Reserve contributions can only be used to purchase or upgrade open spaces, and funds can only be used in the catchment area they were collected from, in this case Mangawhai.

Close to 93 percent of those who took part in a survey to assess community support for the proposed land purchase were in favour of the purchase, and at the September Council Meeting elected members agreed to purchase the land.

## He paerata mō te whakamahere ara urutau A pilot for adaptive pathway planning

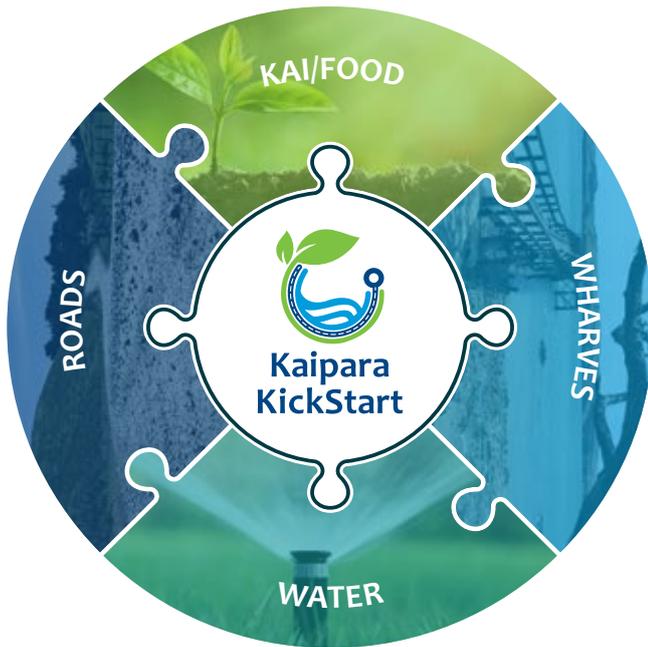
Ruawai Adaptive Pathways, the first community adaptation planning pilot for both the Kaipara District and the Northland region, was established. Through the project, Council is supporting the Ruawai community to develop a plan to prepare for, and respond to increasing coastal hazards, flood hazards and sea level rise.

Over the last year, several milestones have been achieved for the project including:

- establishment of the Ruawai Adaptive Pathways Community Panel to lead the conversation as the community advisory body to Council
- co-developed and adopted guiding community values and pathway objectives
- accessed the best-available hydrodynamic modelling and mapping for the Raupō Land Drainage Scheme and Te Kowhai area
- developed an in-depth risk assessment, applying this modelling to identify hazard exposure and vulnerability of physical assets, including infrastructure assets and community and cultural assets
- initial engagement to identify community tolerance levels towards risks and impacts of flooding
- strengthened relationships with Mana Whenua within the pilot area.

## Te whakahaere i ngā kaupapa moni ā-waho Delivering our externally funded projects

A number of our capital projects are supported by central government funding. Without this funding many of our major infrastructure projects would not be possible. These projects often go across multiple financial years from conception to completion – below you will find an update on the ones we have been working on in this financial year.



### Kaipara KickStart

Kaipara KickStart consists of four major initiatives to support regional economic growth through improved access (Kaipara Roads), by enabling water transport links (Kaipara Wharves), and improving diversity of land use (Kaipara Kai). All up, the external funding pledged in early 2020 totalled \$20.39 million. A further \$740,000 was awarded in April 2020 to demonstrate effective and innovative water use for growing crops via two demonstration sites (Kaipara Water). Kaipara KickStart projects detailed below are those that remain in progress or have been completed in this financial year.

### Kaipara Wharves

MBIE allocated \$4.95 million of funding to support a water transport network in Kaipara Harbour. Construction for a new wharf at Poutō, the third and final project in Kaipara Wharves started in September 2022 and is planned to open to the public before the end of 2023.



Poutō Wharf Construction

### Kaipara Water demonstration sites

In 2020, Council secured \$740,000 towards trialling different irrigation techniques on crops. In the second season (2022-2023 spring/summer), crops of Squash Delica and T-133 (another Kabocha squash) were sown on Kaipara Water Demonstration Site 1, on a Te Roroa iwi-owned farm. Learnings were applied to mitigate the first season’s issues, among them armyworm and weeds. Fifty percent of the demonstration site was irrigated using drip tape, while the other fifty percent of the area went without.

Continual wet conditions meant Demonstration Site 2 in Te Kopuru was unable to be sown with sunflowers, as had been planned. Machinery to



Squash Delica crop

prepare or even plant in the three-month window was not able to operate due to the wet ground and it became too late to plant sunflowers to get them through to maturity before winter.

Access to these practical working examples, expert advice and local knowledge provides decision support and confidence in transforming land usage towards horticulture in the Kaipara. Further learnings and information on both the first and second seasons can be found online at [www.kaipara.govt.nz/kaipara-water](http://www.kaipara.govt.nz/kaipara-water)

### **Mangawhai Shared Path**

Council is building a shared path network to improve safety and connectivity between the two Mangawhai centres.

The first phase of the shared path was completed in August 2022 and includes the sections from ITM down to Estuary Drive, as well as the work in the village (roundabouts and associated streetscaping).

Additional works in both the village area and further north on Molesworth Drive, including the associated shared gravel paths meandering through Mangawhai Community Park were also completed as part of the first phase of works. Phase Two construction works, continuing the shared path and including a boardwalk collaboratively designed with Te Uri o Hau, started in October 2022 and is on track to open to the public in August 2023.

The project budget for the first two phases of the Mangawhai shared path is \$12.8 million and was funded by \$7.954 million New Zealand Transport Agency, \$2.4 million from the COVID-19 Response and Recovery Fund – Infrastructure Reference Group (IRG) administered by Kānoa – Regional Development & Investment Unit, and \$2.475 million from KDC (development and financial contributions).

### **Kaihu Valley Trail**

In October 2020, MBIE allocated \$4 million of funding from the Infrastructure Reference Group (IRG) fund to construct sections of the Kaihu Valley Trail.

A sunny day set the scene for the official opening of Stage One of the Kaihu Valley Trail (KVT), which was celebrated with a blessing and ribbon cutting ceremony hosted by Ahikiwi Marae on Saturday 10 June.

Stage One of the KVT is made up of two off-road



trail sections, linked by low-volume roads, providing a 30km trail from Dargaville to Kaihu. When completed, the KVT will be a 45km walking and cycling trail between Dargaville and Donnellys Crossing.

The KVT forms part of the Heartland Trail/Kauri Coast Cycleway and will also become part of the Ancient Kauri Trail that eventually link Ōmāpere, on the Hokianga Harbour, to the Mangawhai Coast.

With Stage One officially open, the KDC project team will look for additional funding opportunities to complete the rest of the trail.

### **Kaipara stopbanks**

MBIE has allocated \$6 million of funding through their Climate Resilience programme towards stopbank improvements in Kaipara. Work has continued through this financial year on the two projects announced by the Minister in October 2020, which are critical to sustain the North Kaipara Agricultural Delta. Upgrading a section of the Te Kopuru to Dargaville stopbanks to a specified level will allow for future increases in protection heights. In Raupō a dual sluice gate coupled with a single floodgate will be installed.



Lincoln Street toilet opening

### **Infrastructure renewals**

In 2021 the Department of Internal Affairs (DIA) awarded a total of \$4.691 million for nine projects as part of the Three Waters Programme (Stimulus Grant). The remaining works completed in this financial year included relining wastewater pipes in Kaiwaka and replacing ageing watermain pipes in Maungaturoto along Gorge Road and Hurndall Street East, between Matai Road and Bickerstaffe Road.

### **Tourism Infrastructure Fund**

Several new and improved public toilet facilities have rolled out across the district thanks to grants from the Tourism Infrastructure Fund.

This year new toilets were opened for use in Maungaturoto, as well as Lincoln Reserve and Alamar Crescent in Mangawhai. Design and community engagement have been completed for a new toilet in Pahi (to be constructed in the upcoming year).

### **Freedom Camping officers**

Thanks to a \$135,000 funding boost from the Ministry of Business, Innovation & Employment's (MBIE) Freedom Camping Transition Fund, two full-time, fixed-term Freedom Camping Officer roles have been established in Kaipara this year.

Kaipara communities will see officers regularly patrolling freedom camping hot spots, offering education and increasing awareness of proposed new national freedom camping rules. The two new Freedom Camping Officers are focused on the popular Kai Iwi Lakes, Mangawhai, and Ripiro Beach areas.

### **Welcoming Communities**

In January 2023 Immigration New Zealand (INZ) announced KDC was among the latest group of councils to join the Welcoming Communities programme. Welcoming Communities support councils and their communities to create welcoming environments for newcomers, specifically recent migrants, former refugees and international students. In April 2023 a Welcoming Communities Advisor was appointed to lead this work for KDC.



Mangawhai Beach

## Ngā ture whaipānga ki ngā Kaunihera ā-Rohe

### Reforms affecting local councils

Significant reform and review processes remain in motion affecting local government: Affordable Waters (formerly Three Waters), Resource Management and the Future for Local Government. Collectively and separately, they represent the largest reforms to local government and local governance since provinces were abolished in 1877.

Local councils currently own and operate three water services. Drinking water, wastewater and stormwater management and delivery is changing, with the Government reforming water services by establishing larger water management entities, empowered by a suite of legislation. The Government's Affordable Waters reform shifts the current 67 council-owned and operated three waters services into ten new publicly owned entities to manage the future delivery of these services. Legislation giving effect to this reform was passed this year. You can find further details of the legislation in Part Two of this Annual Report.

Northland and Auckland regions will be supplied by a publicly owned entity Wai Tāmaki ki Te Hiku (Entity A) from July 2024. Note that these reforms do not affect any change to the reporting period for this Annual Report.

The Government is repealing the Resource Management Act 1991 (RMA) and replacing it with three new pieces of legislation. In February 2021, the Government announced it would repeal the RMA and enact new legislation based on the recommendations of the Resource Management Review Panel. Two out of three new acts have been passed so far - Natural and Built Environments Act (NBA), as the main replacement for the RMA, to protect and restore the environment while better enabling development; and the Spatial Planning Bill (SPA), requiring the development of long-term regional spatial strategies to help coordinate and integrate decisions made under relevant legislation.

Central Government is also working towards introducing a draft Climate Adaptation Act in 2023, to address complex technical and legal issues associated with managed retreat and climate change adaptation. This has not been passed in this reporting period.

The Future for Local Government Review is an independent, two-year ministerial review, established in April 2021. Its overall purpose is to consider how New Zealand's system of local democracy and governance will need to evolve over the next 30 years to improve the wellbeing of New Zealanders, and actively embody Te Tiriti Treaty partnership. The review is in three stages, with initial scoping and early engagement undertaken in 2021, broader public engagement in 2022, and formal consultation and a public submissions process, concluding with a final report which was released in 2023. Government has communicated that none of the review recommendations will be considered or implemented until after the general elections.

## Tō mātou tūranga ā-moni

### Financial position

From a finance perspective our public debt remains unchanged at \$44 million as of 30 June 2023, consistent with the previous two years. Council is within its debt limit ratios required by the Local Government Funding Agency (LGFA) and its own Treasury Policy ratios. However, Council is out of its Treasury Management Policy for the funding maturity profile of 0 to 3 and 3 to 7 years and the fixed/floating interest rate risk control limit for 0 to 36 and 37 to 60 months debt.

Council has approved to be outside of its Treasury Management Policy until 1 August 2024 to allow time for the water services transition to occur.

Read more in Part Two.

## He aha e whai ake nei i roto i tēnei Pūrongo ā-Tau? What's next in this Annual Report?

Kei Te Wāhanga Tuarua ngā taipitopito kōrero mō ā mātou moni.

Ko tā Te Wāhanga Tuatoru o tēnei kōnae – arā, ko Ngā Tauākī ā-Mahi – ngā kōrero mō ngā momo mahi ka whakahaerehia e te Kaunihera, ngā paearu mahi me ōna hua, ngā kaupapa ā-moni puna me ngā puna moni.

Part Two offers a detailed breakdown of our finances.

The third part of this document – Activity Statements – outlines the different groups of activities that Council undertakes, their performance measures and results, plus their capital programmes and budgets.



Manuka at Taharoa Domain Photo: Jordy Soole



# TE WĀHANGA TUARUA He Pūrongo ā-Moni PART TWO Financials

**E kore e taea te oranga mō te tangata i te aroha  
me te pipi anahe**

**We can no longer live only on love and pipi**

***- Tā Hēmi Henare, 1985.***

## Statement of Comprehensive Revenue and Expense

The Statement of Comprehensive Revenue and Expense details income and expenditure relating to all activities of Council. The supporting Funding Impact Statements for each activity provide further details as to the costs and revenues of each activity.

Statement of Comprehensive Revenue and Expense	Note	Annual Report	Annual Plan	Annual Report
For the year ended: 30 June		2022/2023 \$'000	2022/2023 \$'000	2021/2022 \$'000
<b>Revenue</b>				
Rates	2a	44,277	44,831	41,691
Subsidies and grants	2c	26,852	25,396	31,980
Activity income		7,489	7,848	7,741
Contributions		4,414	4,543	4,361
Investments and other income	2c	2,788	1,356	5,474
<b>Total revenue</b>	<b>2a</b>	<b>85,820</b>	<b>83,976</b>	<b>91,247</b>
<b>Expenses</b>				
Activity costs		33,820	28,542	28,552
Employee benefits		15,680	17,393	14,675
Finance costs		2,239	2,248	1,926
Depreciation	10a,11	14,069	12,186	12,633
<b>Total expenses</b>	<b>3</b>	<b>65,808</b>	<b>60,368</b>	<b>57,786</b>
<b>Surplus for the period</b>		<b>20,012</b>	<b>23,607</b>	<b>33,461</b>
<b>Other comprehensive revenue and expense</b> (Items that will not be reclassified subsequently to surplus)				
Gain/(loss) on revaluation	4a	19,371	13,600	99,222
<b>Total comprehensive revenue and expense for the period</b>		<b>39,383</b>	<b>37,207</b>	<b>132,683</b>

The accompanying notes form part of these financial statements. (p.37-45)

### Explanation of major revenue and expenditure variances against Annual Plan 2022/2023

#### Revenue:

**Subsidies and grants:** Comprises \$20.146 million of New Zealand Transport Agency (NZTA) subsidies for road maintenance and new works, \$4.752 million of Ministry of Business, Innovation & Employment (MBIE) Provincial Growth Fund grants, \$951,000 of Affordable Waters Reform grants, \$366,000 from the MBIE Tourism Infrastructure Fund (TIF) grants. A total of \$530,000 of donations were received for the Mayoral Relief Fund, which was set up to help support those in Kaipara District affected by the February extreme weather events. The actual subsidies received are higher than planned due to additional 100% funding from NZTA for cyclone damaged roads.

**Activity income:** Includes building and resource consent fees which are \$979,000 lower than planned and \$541,000 lower than last year, reflecting an overall decrease in economic activity across the district. This is offset by an increase in activities fees (primarily from campgrounds) driven by an uptake in domestic tourism, as well as more income generated from the Waste Minimisation Levy received.

**Contributions:** Comprises \$2.92 million of financial contributions and \$1.49 million of development contributions recognised as revenue. The overall revenue recognised was lower than planned for the year due to forecasted growth being higher than actual growth, but was still more than last year.

**Investments and other income:** Includes \$667,000 of infrastructure assets vested in Council by developers from recently completed subdivision developments, \$726,000 earned in interest income, and an \$896,000 increase in the value of Council's interest rate swaps, which are a mechanism used to mitigate negative impacts from changing interest rates.

**Expenses:**

**Activity costs:**

Includes:

An additional \$6.92 million in repairs and maintenance for roading was spent during the year primarily as a result of storm damage. The emergency works programme was fully funded (100%) by NZTA. In other areas of the business, repairs and maintenance were higher than budgeted as a result of flooding and damage to parks and infrastructure. \$530,000 of unbudgeted grants were distributed from the Mayoral Relief Fund as a result of the February 2023 extreme weather events. Separately, \$400,000 was granted to Mangawhai Activity Zone (MAZ) for a community skate bowl, which was unbudgeted for this year and funded from financial reserves.

**Employee benefits:** Employment benefits were lower than planned due to a higher than normal staff turnover and vacant positions being difficult to recruit.

**Finance costs:** External interest costs of \$2.2 million, in line with what was budgeted for this year.

**Depreciation:** The annual charge is higher than planned due to the significant increase in asset values resulting from the revaluation of infrastructure assets.

## Statement of Financial Position

Statement of Financial Position	Note	Annual Report	Annual Plan	Annual Report
As at 30 June		2022/2023 \$'000	2022/2023 \$'000	2021/2022 \$'000
<b>Net assets/equity</b>				
Accumulated comprehensive revenue and expense	4a	480,579	488,670	454,663
Asset revaluation reserves	4a	495,636	379,326	476,265
Restricted reserves	4b	6,042	5,935	5,805
Council created reserves	4b	(11,819)	(14,776)	(5,679)
<b>Total net assets/equity</b>		<b>970,438</b>	<b>859,155</b>	<b>931,054</b>
<b>represented by Current assets</b>				
Cash and cash equivalents		10,632	8,794	11,802
Short term investments		6,000	0	10,000
Trade and other receivables	6	6,379	8,888	7,602
Accrued revenue		7,950	2,285	2,672
LGFA borrower notes		157	0	0
Other financial assets	5a	116	121	121
<b>Total current assets</b>		<b>31,234</b>	<b>20,088</b>	<b>32,197</b>
<b>less Current liabilities</b>				
Trade and other payables	7	19,245	14,288	16,041
Provisions	8a	61	357	306
Employee entitlements		1,218	1,054	1,168
Public debt	9a	7,000	0	10,000
<b>Total current liabilities</b>		<b>27,524</b>	<b>15,699</b>	<b>27,515</b>
<b>Working capital/(deficit)</b>		<b>3,710</b>	<b>4,388</b>	<b>4,682</b>
<b>plus Non current assets</b>				
Property, plant, equipment	10a	1,002,787	901,583	960,148
LGFA borrower notes		866	1,049	929
Biological assets	13	986	1,047	1,030
Derivative financial assets	18a	483	0	0
Other financial assets	5a	269	270	271
<b>Total non current assets</b>		<b>1,005,391</b>	<b>903,949</b>	<b>962,378</b>
<b>less Non current liabilities</b>				
Public debt	9a	37,000	43,281	34,000
Provisions	8a	1,663	2,413	1,547
Derivative financial liabilities	18a	0	3,489	459
<b>Total non current liabilities</b>		<b>38,663</b>	<b>49,183</b>	<b>36,006</b>
<b>Net assets</b>		<b>970,438</b>	<b>859,155</b>	<b>931,054</b>

The accompanying notes form part of these financial statements. (p.37-45)

**Explanation of major variances against Annual Plan 2022/2023**

**Equity:** The favourable variance relates to the higher valuation of infrastructure assets.

**Cash and cash equivalents and short term investments:** Cash has built up from an increase in the financial contribution reserves from significant development occurring in and around Mangawhai. The infrastructure depreciation reserves have also increased as the capital works in this area focused on completing works funded by central government grants. Short term deposits are cash deposits with terms between three months to a year.

**Trade and other receivables:** \$475,500 of rates and penalties have been written off as a result of Council implementing the Local Government (Rating of Whenua Māori) Amendment Act 2021 and changing 19 whenua Māori blocks from rateable to non-rateable. Along with improved debt collection this has reduced the overall level of receivables.

**Accrued revenue:** This includes the final NZTA local share subsidy claim for roading works (planned maintenance and special projects) completed during the year but not invoiced. The final claim for the year was higher than forecast in the Annual Plan 2022/2023, as a result of the increased subsidy on storm repairs.

**Trade and other payables:** These were higher than budgeted, reflecting the increased capital works expenditure in the later part of 2022/2023 as we focused on February 2023 extreme weather event recovery work. The amount also includes \$581,000 of income in advance from The Department of Internal Affairs (DIA) under the Affordable Waters Better Off scheme.

**Property, plant and equipment:** Higher than budgeted due to revaluation of infrastructure assets (\$19.4 million).

**Biological assets:** Biological assets reflect the decrease in fair value of Council's forestry.

**Derivative financial assets:** The derivatives are revalued to market value at each balance date. Due to favourable interest rates, these are recognised as assets as at 30 June 2023 whereas they were recognised as liabilities as at 30 June 2022. Council did not enter into any new swaps during the year due to the uncertainty of future debt funding associated with Three Waters assets. Council uses interest rate derivatives to assist in achieving a long-term stable interest rate on debt along with minimising debt.

**Public debt:** \$7 million of public debt has been moved to the current liabilities from non-current liabilities as it is due for repayment in the next year. No public debt was raised or repaid during the year.

**Statement of Changes in Net Assets/Equity**

Statement of Changes in Net Assets/Equity	Note	Annual Report	Annual Plan	Annual Report
For the year ended: 30 June		2022/2023 \$'000	2022/2023 \$'000	2021/2022 \$'000
<i>Balance at 1 July</i>		931,054	821,947	798,371
Surplus for the period		20,012	23,607	33,461
Other comprehensive revenue and expense for the period				
Surplus on Revaluation of Infrastructure		19,371	13,600	99,222
<i>Total comprehensive revenue and expense for the period</i>		39,384	37,207	132,683
<i>Balance at 30 June</i>		970,438	859,155	931,054

The accompanying notes form part of these financial statements. (p.37-45)

## Statement of Cash Flows

Statement of Cash Flows	Annual Report	Annual Plan	Annual Report
For year ended: 30 June	2022/2023 \$'000	2022/2023 \$'000	2021/2022 \$'000
<b>Cash Flow from Operating Activities</b>			
<b>Receipts:</b>			
Rates	43,687	44,831	42,418
Fees, charges and other	15,044	12,767	11,716
Grants and subsidies	21,574	25,396	33,393
Taxes (including the net effect of GST)	0	0	0
Interest received	417	206	140
<b>sub total</b>	<b>80,723</b>	<b>83,200</b>	<b>87,667</b>
<b>Less Payments:</b>			
Suppliers and employees	47,342	45,482	46,660
Taxes (including the net effect of GST)	(625)	0	92
Interest expense	2,239	2,248	1,926
<b>sub total</b>	<b>49,956</b>	<b>47,730</b>	<b>48,678</b>
<b>Net Cash Flow from/(to) Operating Activities</b>	<b>31,767</b>	<b>35,471</b>	<b>38,989</b>
<b>Cash Flow from Investing Activities</b>			
<b>Receipts:</b>			
Sale of property, plant and equipment	85	0	107
Short term investments	4000	0	0
<b>sub total</b>	<b>4085</b>	<b>0</b>	<b>107</b>
<b>Less Payments:</b>			
Short term investments	0	0	10,000
Property, plant and equipment	36,935	36,172	29,488
<b>sub total</b>	<b>36,935</b>	<b>36,172</b>	<b>39,488</b>
<b>Net Cash Flow from/(to) Investing Activities</b>	<b>(32,849)</b>	<b>(36,172)</b>	<b>(39,381)</b>
<b>Cash Flow from Financing Activities</b>			
<b>Receipts:</b>			
Loans raised	7	701	0
<b>Less Payments:</b>			
Loan repayment	0	0	0
LGFA borrower notes	94	0	0
<b>Net Cash Flow from/(to) Financing Activities</b>	<b>(87)</b>	<b>701</b>	<b>0</b>
<b>Net Increase/(Decrease) in cash and cash equivalents</b>	<b>(1,170)</b>	<b>0</b>	<b>(392)</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>11,802</b>	<b>8,794</b>	<b>12,194</b>
<b>Cash and cash equivalents at end of period</b>	<b>10,632</b>	<b>8,794</b>	<b>11,802</b>

The accompanying notes form part of these financial statements. (p.37-45)

# Annual Report Disclosure Statement

## FOR THE YEAR ENDED 30 JUNE 2023

### What is the purpose of this Statement?

The purpose of this Statement is to disclose the Council’s financial performance in relation to various benchmarks to enable the assessment of whether the Council is prudently managing its revenues, expenses, assets, liabilities, and general financial dealings.

The Council is required to include this Statement in its Annual Report in accordance with the Local Government (Financial Reporting and Prudence) Regulations 2014 (the regulations). Refer to the regulations for more information, including definitions of some of the terms used in this Statement.

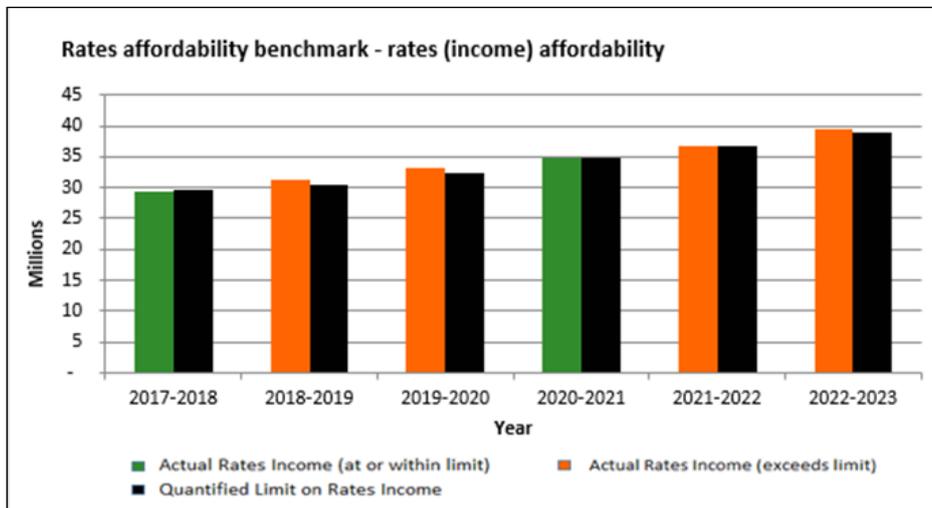
### Rates affordability benchmark

The Council meets the rates affordability benchmark if:

- its actual rates income equals or is less than each quantified limit on rates; and
- its actual rates increase equal or are less than each quantified limit on rates increases. Rates (income) affordability

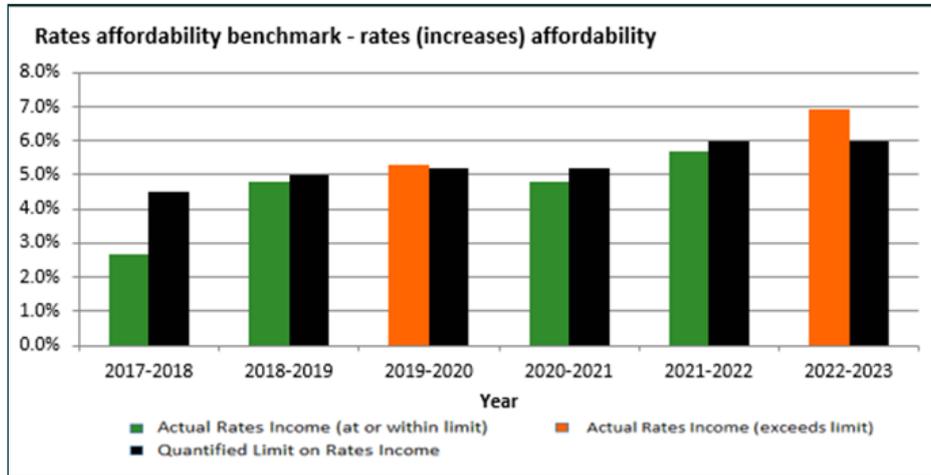
The following graph compares the Council’s actual rates income with a quantified limit on rates contained in the Financial Strategy included in the Council’s Long Term Plan. The quantified limit for 2022/2023 was set in the Long Term Plan at \$38.899 million excluding water meter billing (2022: \$36.7 million), the actual was \$39.322 million.

The Long Term Plan 2021-2031 predicted the ceiling to be exceeded in each of the first three years. The Long Term Plan 2021-2031 forecast cumulative increases over the life of the plan will be less than the ceiling.



## Rates (increases) affordability

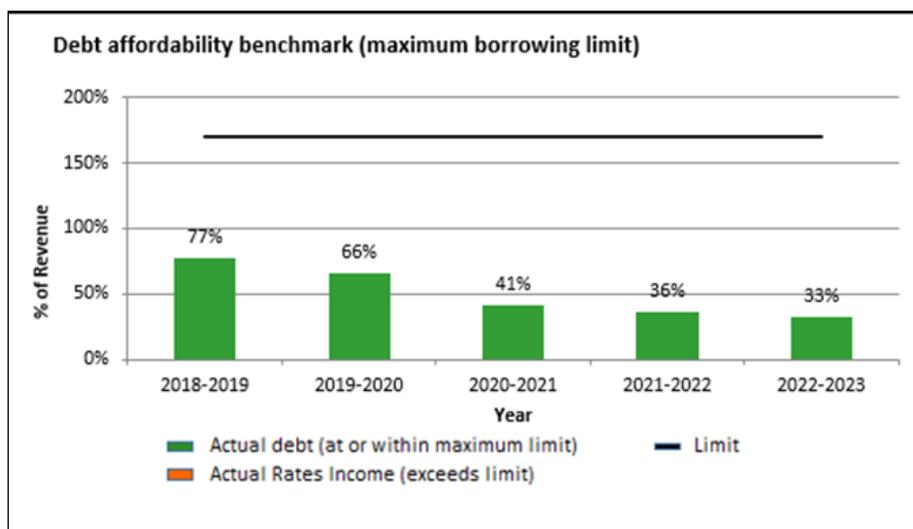
The following graph compares the Council’s actual rates increases with its quantified limit on rates as stated included in the Financial Strategy, included in the Council’s Long Term Plan. Quantified limit per the Long Term Plan for 2023: 6.0% (5.0% plus 1.0% for growth) (2022: 6.0% (5.0% plus 1.0% for growth)).



## Debt affordability benchmark

The Council meets the debt affordability benchmark if its actual borrowing is within each quantified limit on borrowing.

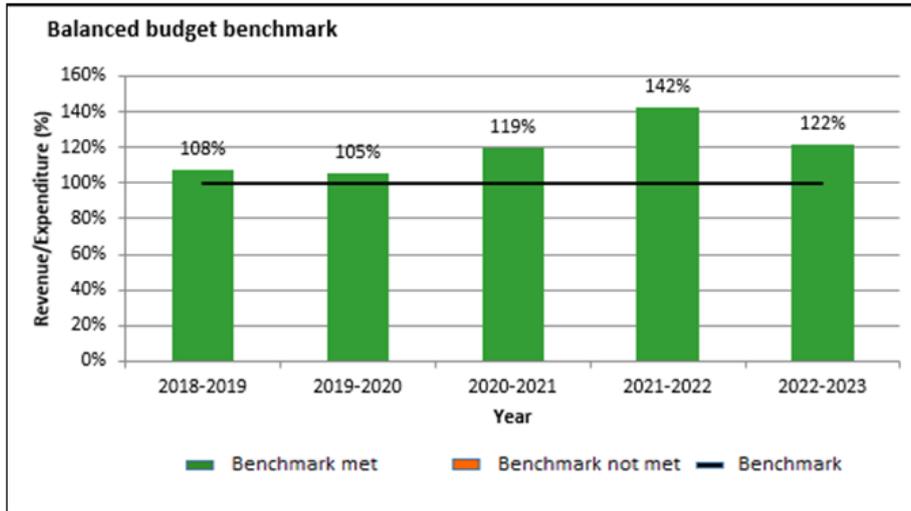
The following graph compares the Council’s actual borrowing with a quantified limit on borrowing stated in the Financial Strategy included in the Council’s Long Term Plan. The quantified limit for 2023 is 170%. In the 2022/2023 year Council’s net debt remained unchanged at \$44 million and revenue from subsidies increased significantly.



## Balanced budget benchmark

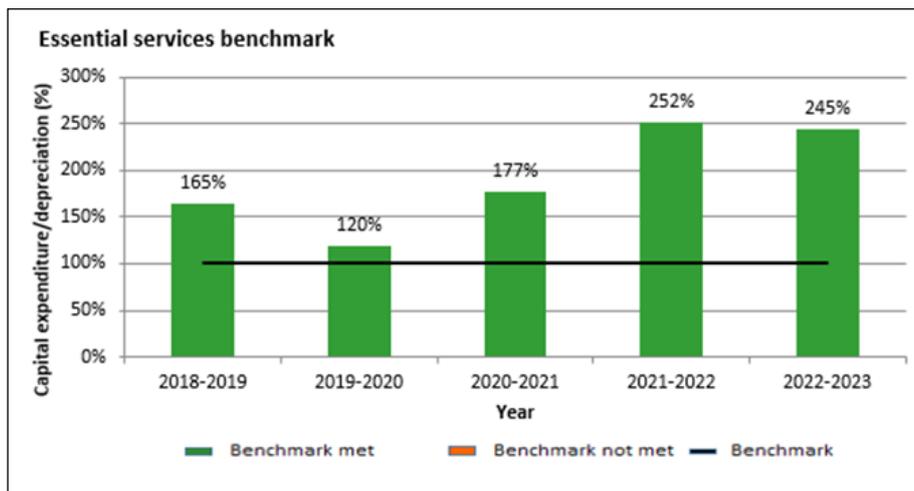
The following graph displays the Council's revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant, or equipment) as a proportion of operating expenses (excluding losses on derivative financial instruments and revaluations of property, plant, or equipment).

The Council meets this benchmark if its revenue equals or is greater than its operating expenses.



## Essential services benchmark

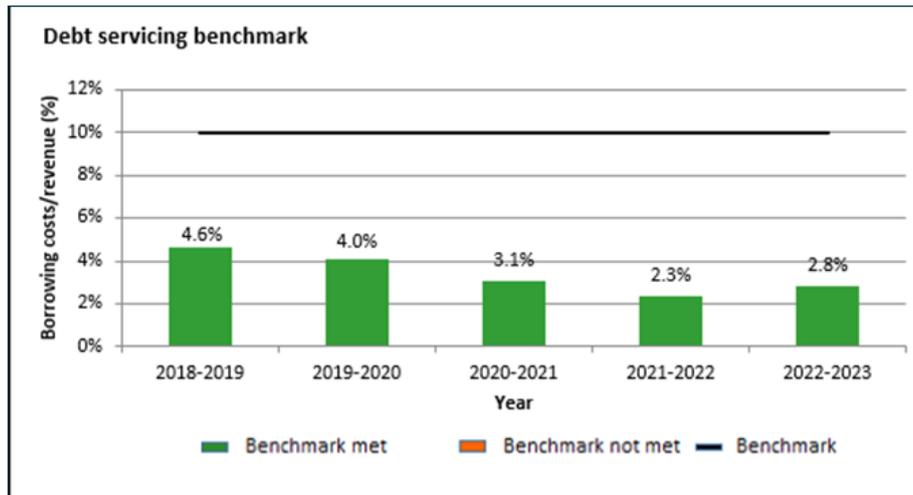
The following graph displays the Council's capital expenditure on network services as a proportion of depreciation on network services. The Council meets this benchmark if its capital expenditure on network services equals or is greater than depreciation on network services.



## Debt servicing benchmark

The following graph displays the Council's borrowing costs as a proportion of revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant, or equipment).

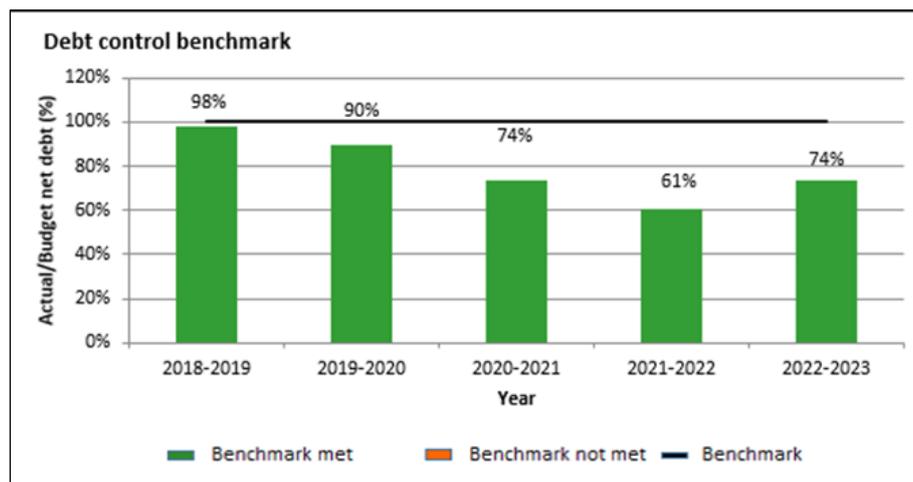
Council meets the debt servicing benchmark if its borrowing costs equal or are less than 10% of its actual revenue.



## Debt control benchmark

The following graph displays the Council's actual net debt as a proportion of planned net debt. In this statement, net debt means financial liabilities less financial assets (excluding trade and other receivables).

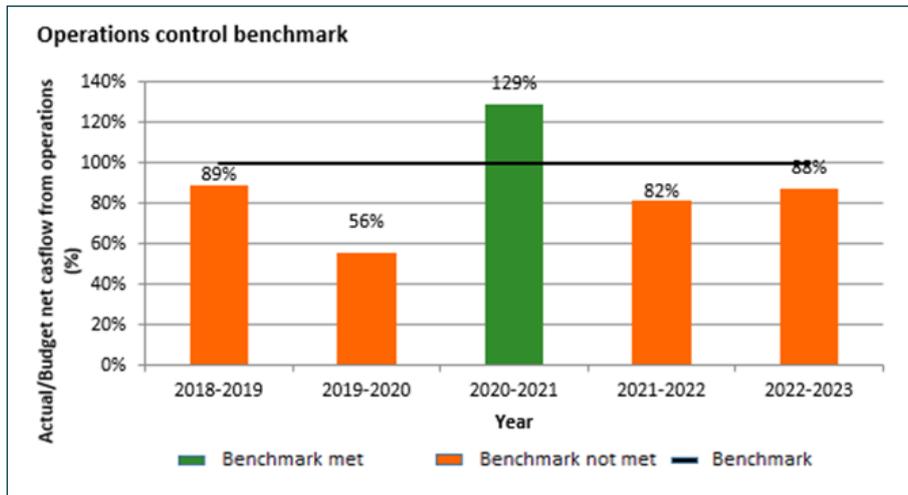
This Council meets the debt control benchmark if its actual net debt equals or is less than its planned net debt.



## Operations control benchmark

This graph displays the Council's actual net cash flow from operations as a proportion of its planned net cash flow from operations.

The Council meets the operations control benchmark if its actual net cash flow from operations equals or is greater than its planned net cash flow from operations.



# Notes to Financial Statements

## STATEMENT OF ACCOUNTING POLICIES

### Reporting entity

Kaipara District Council is a territorial local authority governed by the Local Government Act 2002. The Council comprises the Council and its associates, namely:

- Northland Inc Limited (33.33% owned)

Kaipara District Council's investment in Northland Inc is equity accounted into the Council's financial statements.

Kaipara District Council and its associates are incorporated, domiciled and operate in New Zealand.

The primary objective of Kaipara District Council is to provide core services for the community, which focus on a social benefit rather than making a financial return. Accordingly, Kaipara District Council has designated itself as a Public Sector Public Benefit Entity (PS PBE).

The financial statements of Kaipara District Council are for the year ended 30 June 2023.

The financial statements were adopted by Council on 25 October 2023.

### Basis of preparation

These financial statements have been prepared in accordance with the requirements of the Local Government Act 2002 and in accordance with generally accepted accounting practice (GAAP). For the purposes of complying with GAAP, Council is a Tier 1 Public Benefit Equity.

These financial statements are expressed in New Zealand dollars, which is Kaipara District Council's functional currency. All financial information has been rounded to the nearest thousand, unless otherwise stated. The measurement basis adopted in the preparation of these financial statements is historical cost, modified by the revaluation of infrastructure assets and certain financial instruments as identified in the specific accounting policies below and the accompanying notes.

### Going concern

This Annual Report has been prepared on the assumption that Council is a going concern. This means Council has a reasonable expectation there are adequate resources to continue operations, having regard to known circumstances, in the next year and those events known to occur further in the future. As such, adoption of the assumption has been based on the provisions of PBE IPSAS 1.

### Changes in accounting policies

The following changes in accounting policies have been applied:

#### Financial instruments – PBE IPSAS 41

In March 2019, the External Reporting Board (XRB) issued PBE IPSAS 41 Financial Instruments, which supersedes both PBE IFRS 9 Financial Instruments and PBE IPSAS 29 Financial Instruments: Recognition and Measurement.

Council has adopted PBE IPSAS 41 and the main changes between PBE IPSAS 29 and PBE IPSAS 41 that are relevant for Council are:

- New financial asset classification requirements for determining whether an asset is measured at fair value or amortised cost; and
- A new impairment model for financial assets based on expected losses, which may result in earlier recognition of impairment losses.

The only amendment is the reclassification from 'amortised cost' to 'fair value through surplus or deficit' (FVTSD) for Council's financial instruments. The adoption did not result in any significant impact on the Council's financial statements.

## Significant Accounting Policies

### Revenue

Revenue is measured at fair value. Revenue is comprised of exchange and non-exchange transactions. Exchange transaction revenue arises when one entity receives assets or services, or has liabilities extinguished, and directly gives approximately equal value in exchange.

Non-exchange transaction revenue arises from transactions without an apparent exchange of approximately equal value. Non-exchange revenue includes rates, grants, subsidies, fees and user charges derived from activities that are partially funded by rates. Revenue relating to non-exchange transactions is recognised as conditions, if any exist, are satisfied.

### Rates revenue

Rates are set annually by a resolution from Council and relate to a financial year. All ratepayers are invoiced within the financial year for which the rates have been set and are considered to be fair value. Rates revenue is recognised when payable. Rates collected on behalf of Northland Regional Council (NRC) are not recognised as rates revenue as Council is acting as an agent. Rates revenue also comprises amounts received and receivable from water revenue at balance date for water supplied to customers in the ordinary course of business. As meter reading is cyclical, management must apply judgement when estimating the water consumption of customers between meter readings. Unbilled revenues as a result of unread meters at year end, is accrued on an average usage basis.

### Subsidies and grants revenue

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

### Activity income

Activity income comprises consent fees, campground fees, licence and registration fees and lease and rental charges. The revenue is the gross amount of the fee or charge.

### Provision of service

Revenue from the rendering of services is recognised by reference to the stage of completion of the transaction at balance date, based on the actual service provided as a percentage of the total services to be provided.

### Sales of goods

Sales of goods are recognised when the product is sold to the customer. Sales are all in cash. The recorded revenue is the gross amount of the sale.

### Consents

Building consents provide approval for specific building works on a specific site, and resource consents provide approval for projects that impact the environment or others. Building consent revenue is recognised at each stage of completion when consents are processed and inspections performed. Resource consent revenue is recognised when consents completion certificates are issued.

## Vested assets

Where a physical asset is acquired for nil or nominal consideration, the fair value of the asset received is recognised as revenue. Assets vested in Kaipara District Council are recognised as revenue when control over the asset is obtained.

## Interest and dividend income

Interest income is recognised using the effective interest method.

Dividends are recognised when the right to receive payment has been established.

## Development and financial contributions

The revenue recognition point for development and financial contributions is when Council provides or is able to provide the service for which the contribution was levied. Otherwise, development or financial contributions are recognised as liabilities until such time as Council provides, or is able to provide, the service.

## Grant expenditure

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

Discretionary grants are those grants where Council has no obligation to award on receipt of the grant application and are recognised as expenditure when a successful applicant has been notified of Council's decision.

## Operating leases

An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset. Lease payments under an operating lease are recognised as an expense on a straight line basis over the lease term.

## Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks and other short term highly liquid investments with original maturities of three months or less.

## Trade and other receivables

Trade and other receivables are measured at fair value, less any provision for impairment. Council maintains a provision for impairment losses when there is objective evidence of debtors being unable to make required payments and no other recourse available to Council.

When the receivable is uncollectable, it is written off against the provision. Overdue receivables which have been negotiated are reclassified as current (that is, not past due).

## Financial assets

Financial assets are classified at fair value through surplus or deficit, loans and receivables, held to maturity and available for sale. The classification depends on the purpose for which the financial assets or liabilities are held. Council determines the classification of financial assets and liabilities at initial recognition.

The applicable categories of financial assets are:

### 1. Financial assets at fair value through surplus or deficit

Either, financial assets held for trading or those designated at fair value through surplus or deficit at inception. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so, designated by management.

Derivatives are also categorised as held for trading unless they are designated as hedges. Assets in this category are classified as current assets if they are either held for trading or are expected to be realised within 12 months of the balance sheet date.

After initial recognition they are measured at their fair values. Gains or losses on re-measurement are recognised in the Statement of Comprehensive Revenue and Expense.

## 2. Loans and receivables

These 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, less impairment. Gains and losses when the asset is impaired or de recognised are recognised in the surplus/ (deficit).

Loans, including loans to community organisations made by Council at nil or below-market interest rates are initially recognised at the present value of their expected future cash flows, discounted at the current market rate of return for a similar asset/investment. They are subsequently measured at amortised cost using the effective interest method. The difference between the face value and present value of expected future cash flows of the loan is recognised in the Statement of Comprehensive Revenue and Expense as a grant.

## Investments in council-controlled organisations

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

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

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

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

## Impairment

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

Non-financial assets are reviewed at each reporting date to determine whether there are any indicators that the carrying amount may not be recoverable. If any such indicators exist, the asset's recoverable amount is estimated. 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 the 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 its remaining future economic benefits or service potential.

The value in use for cash-generating assets is the present value of expected future cash flows.

An impairment loss is recognised in the surplus/(deficit) for the amount by which the asset's carrying amount exceeds its recoverable amount. For the purposes of assessing impairment, assets are grouped at the lowest level for which there are separately identifiable cash flows (cash-generating units). The reversal of an impairment loss on a revalued asset is credited to the revaluation reserve. However, to the extent that an impairment loss for that class of asset was previously recognised in the surplus/(deficit), a reversal of the impairment loss is also recognised in the surplus/(deficit).

## Property, plant and equipment

**Property, plant and equipment consist of:**

- **Operational Assets**

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

- **Restricted Assets**

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

- **Infrastructure Assets**

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

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

- **Additions**

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

In most instances, an item of property, plant and equipment is recognised at its cost. Where an asset is acquired at no cost, or for a nominal cost such as a vested asset, it is recognised at fair value as at the date of acquisition.

Work in progress is recognised at cost less impairment and is not depreciated.

- **Disposals**

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

- **Subsequent Costs**

Costs incurred subsequent to initial acquisition are capitalised only when it is probable future economic benefits or service potential associated with the item will flow to Council and the cost of the item can be measured reliably.

## Revaluation

Infrastructural assets are revalued with sufficient regularity by independent valuers to ensure their carrying amount does not differ materially from fair value and at least every three years. All other asset classes are carried at depreciated historical cost.

The carrying values of revalued assets are assessed annually to ensure that they do not differ materially from

the assets' fair values. If there is a material difference, then the off cycle asset classes are revalued.

Revaluations of property, plant and equipment are accounted for on a class-of-asset basis.

The net revaluation results are credited or debited to other comprehensive revenue and expense and are accumulated to an asset revaluation reserve in equity for that class of asset. Where this would result in a debit balance in the asset revaluation reserve, this balance is not recognised in other comprehensive revenue and expense but is recognised in the surplus/(deficit). Any subsequent increase on revaluation that reverses a previous decrease in value recognised in the surplus/(deficit) will be recognised first in the surplus/(deficit) up to the amount previously expensed, and then recognised in other comprehensive revenue and expense.

## Creditors and other payables

Creditors and other payables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method.

## Employee benefits

Employee benefits that Council expects to be settled within 12 months of balance date are measured at nominal values 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.

## Superannuation schemes - defined contribution schemes

Obligations for contributions to defined contribution superannuation schemes are recognised as an expense in the Statement of Comprehensive Revenue and Expense.

## Provisions

Council recognises a provision for future expenditure of uncertain amount or timing when there is a present obligation (either legal or constructive) as a result of a past event and is probable that expenditures will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as an interest expense and is included in "Finance Costs".

## Financial guarantee contracts

### New Zealand Local Government Funding Agency

Kaipara District Council is a guarantor of the New Zealand Local Government Funding Agency Limited (NZLGFA). The NZLGFA was incorporated in December 2011 with the purpose of providing debt funding to local authorities in New Zealand. NZLGFA has a local currency rating from Standard and Poor's of AAA and a foreign currency rating of AA. NZLGFA has a local currency rating from Fitch of AA+ and a foreign currency rating of AA.

As at 30 June 2023 Kaipara District Council is one of 75 members local authorities and 68 authority guarantors of the NZLGFA. When aggregated with the uncalled capital of other shareholders, \$20 million is available in the event that an imminent default is identified. Also, together with the shareholders and guarantors, Council is a guarantor of all NZLGFA's borrowings. At 30 June 2023, LGFA had borrowings totalling \$17.68 billion (2022: \$15.79 billion).

Financial reporting standards require Council to recognise the guarantee liability at fair value. However, Council has been unable to determine a sufficiently reliable fair value for the guarantee, and therefore has not recognised a liability. Council considers the risk of LGFA defaulting on repayment of interest or capital to be very low on the basis that:

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

### Borrowings

Borrowings are initially recognised at their fair value. After initial recognition, all borrowings are measured at amortised cost using the effective interest method.

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

### Net assets/equity

Net assets/equity is the community's interest in Council and is measured as the difference between total assets and total liabilities. Net assets/equity is disaggregated and classified into a number of reserves.

The components of net assets/equity are:

- Accumulated comprehensive revenue and expense;
- Restricted reserves;
- Council-created reserves; and
- Asset revaluation reserves.

### Restricted and Council-created reserves

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

Restricted reserves are subject to specific conditions accepted as binding by Council and which may not be revised by Council without reference to the Courts or a third party. Transfers from these reserves may be made only for certain specified purposes or when certain specified conditions are met. The Mangawhai Endowment Fund referred to in this document includes the Mangawhai Endowment Lands Account (MELA) referred to in section 8 of the Mangawhai Lands Empowering Act 1966 (sic).

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

## Asset revaluation reserves

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

## Goods and Services Tax (GST)

All items in the financial statements are stated exclusive of Goods and Services Tax (GST), except for receivables and payables, which include GST invoiced.

## Budget figures

The budget figures have been prepared using accounting policies that are consistent with those adopted by Council for the preparation of the Financial Statements.

## Cost allocation

Council has derived the cost of service for each significant activity of Council using the cost allocation system outlined below:

- Direct costs are those costs directly attributable to a significant activity. Indirect costs are those costs which cannot be identified in an economically feasible manner, with a specific significant activity;
- Direct costs are charged directly to significant activities;
- Indirect costs are charged to significant activities using appropriate cost allocations determined by management.

## Critical accounting estimates and assumptions

In preparing these financial statements, Council has made estimates and assumptions concerning the future. These estimates and assumptions may differ from the subsequent actual results.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations or future events 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.

## Critical judgements in applying Council's accounting policies

Management has exercised the following critical judgements in applying Council's accounting policies for the period ended 30 June 2023.

The Council is required to make judgements, estimates and assumptions about carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and judgements are based on historical experience and other relevant factors. Actual results may differ from the estimates. The estimates and underlying assumptions are review on an ongoing basis.

Revisions to estimates are recognised in the period in which the estimate is revised or in the current and/or future period(s) which the revisions affect. Refer to the notes below for a discussion of estimates and judgements in applying the accounting policies.

## Revaluation of infrastructure assets - Note 10(a), page 61

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

- the valuations include confidence grading assumptions relating to the quality and reliability of underlying records used in the valuations. These assumptions depend on engineers interpretations and judgement;

- the physical deterioration and condition of an asset, for example Council could be carrying an asset at an amount that does not reflect its actual condition. This is particularly so for those assets which are not visible, for example stormwater, wastewater and water supply pipes that are underground. This risk is minimised by Council performing a combination of physical inspections and condition modelling assessments of underground assets;
- estimating any obsolescence or surplus capacity of an asset; and
- estimates made when determining the remaining useful lives over which the asset will be depreciated. These estimates can be impacted by the local conditions, for example weather patterns and traffic growth. If useful lives do not reflect the actual consumption of the benefits of the asset, then Council could be over or underestimating the annual depreciation charge recognised as an expense in the Statement of Comprehensive Revenue and Expense. To minimise this risk Council's infrastructural assets useful lives have been determined with reference to the New Zealand Infrastructural Asset Valuation and Depreciation Guidelines published by the National Asset Management Steering Group and have been adjusted for local conditions based on past experience. Asset inspections, deterioration and condition modelling are also carried out regularly as part of Council's asset management planning activities, which gives Council further assurance over its useful life estimates.
- Experienced independent valuers perform Council's infrastructural asset revaluations.

### Closure and post-closure provisions - Note 8(a), page 56

All Council landfills are now closed. Provision has been made for the future costs of closing the Awakino, Glinks Gully and Hakaru landfills being the aftercare of the landfill for the prescribed period. Estimated costs, adjusted for inflation, have been built up on an item by item basis. The provision held, at each balance date, represents the net present value of the estimated future costs. A detailed reassessment and the anticipated remaining lives of the landfills are performed regularly.

The impact of changes to the provision arising from the reassessment of the life of the landfill and estimated future costs are recorded in the Statement of Comprehensive Revenue and Expense. The annual change in the net present value of the provision due to the passage of time is recorded as the time value adjustment of provisions in the Statement of Comprehensive Revenue and Expense.

## 2a. Income and Expenditure Summary

Revenue Summary	Annual Report	Annual Report
For the year ended: 30 June	2022/2023 \$'000	2021/2022 \$'000
<b>Non exchange revenue</b>		
Rates (excluding water meter charges)	40,175	37,363
Resource consents	2,031	1,999
Solid waste recoveries	228	45
Subsidies and Grants	26,852	31,980
<b>Total Non exchange revenue</b>	<b>69,286</b>	<b>71,387</b>
<b>Exchange revenue</b>	<b>16,534</b>	<b>19,860</b>
<b>Total revenue</b>	<b>85,820</b>	<b>91,247</b>

**Resource consents:** In accordance with Council's accounting policies \$265,000 of consent fees charged during the year for consents lodged has not yet been recognised as revenue as those consents were still being processed at 30 June 2023 (2022 \$383,000).

## 2b. Income and Expenditure Summary

The following disclosures are made in accordance with the Local Government Act 2002 Amendment Act 2014, clause 30A of Schedule 10.

	As at 30 June 2023	As at 30 June 2022
Number of rating units within the Kaipara District	16,476 units of which 15,438 are rateable	15,961 units of which 14,992 are rateable
Total capital value of rating units within the Kaipara District	\$11,479,377,240 of which \$11,230,623,990 is rateable	\$10,941,263,000 of which \$10,714,118,750 is rateable
Total land value of rating units within the Kaipara District	\$6,273,166,540 of which \$6,146,899,090 is rateable	\$6,143,729,100 of which \$6,026,825,650 is rateable

## 2c. Revenue Summary - Analysis

Revenue Summary - Analysis	Annual Report	Annual Report
For the year ended: 30 June	2022/2023 \$'000	2021/2022 \$'000
<b>Subsidies and grants</b>		
Subsidies and grants - to fund operations	10,485	7,428
Subsidies and grants - to fund capital projects	16,367	24,552
<b><i>Total Subsidies and grants</i></b>	<b>26,852</b>	<b>31,980</b>
<b>Investments and Other Income</b>		
Petrol tax	252	246
Gain on disposal of property, plant and equipment	85	107
Unrealised gain (loss) on forestry revaluation	(44)	83
Finance income	726	189
Vested assets	667	937
Derivative Financial Instruments (Swaps)	944	3,766
Sundry income	158	146
<b><i>Total Investment and Other Income</i></b>	<b>2,788</b>	<b>5,474</b>

**Subsidies and grants – operations:** comprises \$9.602 million of NZTA subsidies for road maintenance, \$245,000 of DIA subsidies for operational support for the Water Services Reform Programme, and \$530,000 of donations for the Mayoral Relief Fund.

**Subsidies and grants – capital projects:** comprises \$11.144 million of NZTA subsidies, \$4.152 million of MBIE Provincial Growth Fund grants, \$706,000 of DIA Water Services Reform Programme stimulus grants and \$366,000 from the MBIE Tourism Infrastructure Fund grants.

## 2d. Targeted rates for metered water supply

Targeted Rates for metered water supply	Annual Report	Annual Report
For the year ended: 30 June	2022/2023 \$'000	2021/2022 \$'000
<b>Targeted Rates for metered water supply</b>		
Water Supply	4,101	4,327
<b><i>Total Targeted Rates for metered water supply</i></b>	<b>4,101</b>	<b>4,327</b>

The Local Government (Financial Reporting and Prudence) Regulations 2014 require, from 1 July 2015, Water by Meter charges to be classified in rating income.

### 3. Cost of service summary – analysis

Cost of Service Summary - Analysis	Annual Report	Annual Report
For the year ended: 30 June	2022/2023 \$'000	2021/2022 \$'000
<b>Analysis of expenditure</b>		
Depreciation and amortisation	14,069	12,633
Other expenses	33,520	28,336
<b>Employee benefit expenses</b>		
Salaries and wages	15,680	14,675
<b>Finance costs</b>		
Interest on loans	1,492	1,412
Interest on Local Government Stock	747	514
<b>Fees paid to Principal Auditor</b>		
Fees for audit of the Annual Report	281	199
Fees for other assurance services	14	12
Fees for other services	5	5
<b><i>Total expenditure</i></b>	<b>65,808</b>	<b>57,786</b>

Salaries and wages also include employer contributions to KiwiSaver which is a Defined Contribution Plan. Employer contributions totaled 2023: \$397,006 (2022: \$389,597).

The auditor of Council is Deloitte Limited who is acting for and on behalf of the Auditor-General. The fees paid to Deloitte Limited for the other assurance services for the year ending 30 June 2023 are for the audit compliance report prepared in respect to Council's debenture trust deed and an audit on the Council's maintenance of the Register in accordance with the Trust. Deloitte also provided fraud awareness training during the year.

## 4a. Ratepayers Equity

Ratepayers Equity	Note	Annual Report	Annual Report
For year ended: 30 June		2022/2023 \$'000	2021/2022 \$'000
Accumulated Comprehensive Revenue and Expense			
<i>Balance at 1 July</i>		454,663	426,867
plus Surplus/(deficit) for the period		20,012	33,461
<b>Transfers from Accumulated Revenue and Expense to:</b>			
Restricted reserves	4b	281	204
Council created reserves	4b	9,077	11,325
<b><i>Total Transfers from Accumulated Comprehensive Revenue and Expense</i></b>		<b>9,357</b>	<b>11,529</b>
<b>Transfers to Accumulated Funds from:</b>			
Restricted reserves	4b	44	45
Council created reserves	4b	15,216	5,819
<b><i>Total Transfers to Accumulated Comprehensive Revenue and Expense</i></b>		<b>15,260</b>	<b>5,864</b>
<b><i>Closing balance as at 30 June</i></b>		<b>480,579</b>	<b>454,663</b>
<b>Asset Revaluation Reserves</b>			
<i>Balance at 1 July</i>		476,265	377,043
<i>Gain/(loss) on revaluation</i>		19,371	99,222
<b><i>Closing balance as at 30 June</i></b>		<b>495,636</b>	<b>476,265</b>
<b>Asset Revaluation Reserves</b>			
<b>Operational assets:</b>			
Land		302	302
Buildings		0	0
<b><i>Total Operational assets</i></b>		<b>302</b>	<b>302</b>
<b>Infrastructural assets:</b>			
Transportation		407,695	388,324
Water Supply		25,658	25,658
Wastewater		17,973	17,973
Stormwater		39,423	39,423
Flood Protection and land drainage		4,585	4,585
<b><i>Total Infrastructural assets</i></b>		<b>495,334</b>	<b>475,963</b>
<b><i>Total Asset Revaluation Reserves</i></b>		<b>495,636</b>	<b>476,265</b>

## 4b. Statement of reserve fund activities

Statement of reserve fund activities	Open Spaces and Facilities	Resource Consents, Building Control and Compliance	Flood Protection and Land Drainage	District Leadership, Finance and Internal Services	Waste Minimisation	Transportation	Wastewater	Stormwater	Water Supply	Total Reserves Funds
	2022/2023 \$'000	2022/2023 \$'000	2022/2023 \$'000	2022/2023 \$'000	2022/2023 \$'000	2022/2023 \$'000	2022/2023 \$'000	2022/2023 \$'000	2022/2023 \$'000	2022/2023 \$'000
For year ended: 30 June										
Restricted Council Reserves										
Restricted Reserve										
Mangawhai Endowment Lands Account										
Opening Balance	0	0	0	5,805	0	0	0	0	0	5,805
Deposited	0	0	0	281	0	0	0	0	0	281
Withdrawn	0	0	0	(44)	0	0	0	0	0	(44)
<b>Closing Balance</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>6,042</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>6,042</b>
Council Created Reserves										
Depreciation Reserve										
Opening Balance	831	179	802	1,859	35	78	1,721	1,380	1,832	8,719
Deposited	467	52	281	838	10	0	1,339	560	1,116	4,663
Withdrawn	(307)	0	(75)	(194)	0	0	-645	(117)	(1,277)	-2,615
<b>Closing Balance</b>	<b>991</b>	<b>231</b>	<b>1,008</b>	<b>2,503</b>	<b>45</b>	<b>78</b>	<b>2,415</b>	<b>1,823</b>	<b>1,671</b>	<b>10,767</b>
Development Contribution Reserve										
Opening Balance	9	0	0	0	0	446	(26,826)	(58)	(48)	(26,479)
Deposited	36	0	0	0	0	211	1,221	24	2	1,494
Withdrawn	0	0	0	0	0	(945)	(3,110)	(37)	(19)	(4,112)
<b>Closing Balance</b>	<b>45</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(288)</b>	<b>(28,715)</b>	<b>(71)</b>	<b>(65)</b>	<b>(29,097)</b>
Financial Contribution Reserve										
Opening Balance	7,172	0	0	0	0	849	0	0	0	8,021
Deposited	2,669	0	0	0	0	1	0	0	0	2,670
Withdrawn	(713)	0	0	0	0	(67)	0	0	0	(780)
<b>Closing Balance</b>	<b>9,128</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>783</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>9,911</b>
Provision Expenditure Reserve										
Opening Balance	0	0	0	0	449	0	85	0	0	534
Deposited	0	0	0	0	0	0	0	0	0	0
Withdrawn	0	0	0	0	(3)	0	0	0	0	(3)
<b>Closing Balance</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>446</b>	<b>0</b>	<b>85</b>	<b>0</b>	<b>0</b>	<b>531</b>

Council has set aside reserve funds for the purposes of asset renewal (depreciation reserve), development contributions, financial contributions and provision expenditure. These funds are grouped under the heading of Council-created reserves. The funds are required by the Local Government Act 2002 to be separately disclosed for each activity to which they pertain.

**Purpose of each Reserve Fund:**

**Restricted Reserve** is for the Mangawhai Endowment Fund which relates to assets vested to the Council from the Mangawhai Harbour Board via the Mangawai Lands Empowering Act 1966 (sic). The Act requires the Fund (assets) to be held for county (or Council) purposes that are of benefit to the Mangawhai area.

**Council Created Reserves:**

**Depreciation (Asset Renewal) Reserves** are used for the funding of capital renewals and/or repay loans and are derived from the funding of depreciation within each asset carrying activity in accordance with the existing revenue and financing policies.

**Development Contributions** towards infrastructure growth through the provisions of Council's Development Contributions Policy are separately recognised and accounted for in Development Contribution Reserves based on the specified activities.

**Financial Contributions** towards infrastructure growth through the provisions of the Resource Management Act are separately recognised and accounted for in Financial Contribution Reserves based on the specified activities.

**Provision Expenditure Reserves** are Council funds reserved for expenditure provisioned to be spent in future years.

## 5a. Other Financial Assets

Other Financial Assets	Annual Report	Annual Report
For the year ended: 30 June	2022/2023 \$'000	2021/2022 \$'000
Current portion of investments		
Loan	116	121
<i>Total Current financial assets</i>	<b>116</b>	<b>121</b>
Non-current portion of investments		
Emission Trading Scheme - NZU's	258	258
Civic Financial Services Limited	12	13
<i>Total Non-current financial assets</i>	<b>270</b>	<b>271</b>

### Accounting policy

Council's other financial assets are initially recognised at fair value plus transaction costs unless they are carried at fair value through surplus or deficit in which case the transaction costs are recognised in surplus or deficit.

Other financial assets of Council include loans to related parties, borrower notes and unlisted shares.

### Impairment of loans to related parties

Impairment of loans to related parties reflect Council's expected credit losses (ECLs). ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that Council expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been significant increase in credit risk since initial recognition, a loss allowance is recognised for credit losses expected over the remaining life of the exposure, irrespective of timing of the default (a lifetime ECL).

### Loans

Council has two loans to ratepayers for the cost of a water tank, ancillary equipment and installation for each. Interest rates for each loan are set at 5.6%. The fair value of these loans is calculated using the discounted cashflow method. The balances at year end were assessed for impairment. There have not been any defaults on repayments and therefore the balances were not adjusted.

There is also a loan to Mangawhai Museum which is paid on an interest-only basis at market interest rates.

### Borrower notes

Borrower notes are subordinated convertible debt instruments that Council is required to subscribe for when borrowing from the LGFA, currently set at 2.5% of the amount borrowed. The LGFA will redeem borrower notes when Council's related borrowings are repaid or are no longer owed to the LGFA or may convert them to equity under specific circumstances.

The fair value of borrower notes is calculated using the discounted cashflows. The significant input used in the fair value measurement of borrower notes is the forward interest rate yield curve.

## Unlisted shares

Council holds 13,629 shares at \$0.90 each in Civic Financial Services Limited. The fair value is determined by reference to Council's share of net assets in the company as there is no market information on the value of the organisations' shares.

## Emissions Trading Scheme (ETS)

Emission Trading Units allocated under the Emissions Trading Scheme (ETS) are recognised at deemed cost based on the fair value at the date of receipt (that is, historic value). The units are recognised when they have been received and are recognised as income in the Statement of Comprehensive Revenue and Expense. After initial recognition ETS units are recognised at cost and reviewed annually for impairment.

Council has 135.5 hectares of pre-1990 forest land. This land is subject to the provisions of the New Zealand ETS. The implication of this for the financial statements is two-fold:

- should the land be deforested (that is, the land is changed from forestry to being used for some other purpose) a deforestation penalty will arise; and
- as a result of the deforestation restriction, compensation units are being provided by the Government.

Compensation is provided to forestry owners via the allocation of compensation units known as New Zealand Units (NZUs) in two tranches. Council received the first tranche of 14,927 units in December 2012 and the second tranche of 24,013 in February 2013.

Compensation units are recognised at deemed cost based on the fair value at the date of receipt (that is, historic value). The units are recognised when they have been received and are recognised as income in the Statement of Comprehensive Revenue and Expense. After initial recognition NZUs are measured at cost with an annual review for impairment.

## Investments in council-controlled organisations

Northland Inc Limited (Northland Inc) is a limited company incorporated and registered under the Companies Act 1993 and is a council-controlled organisation as defined in section 6 of the Local Government Act.

Northland Inc is an associate of Council with a primary objective to develop the economy of Northland and review funding opportunities for the Investment and Growth Reserve. Northland Inc is classified as an associate as it is considered that Council holds significant influence over the financial and operating policies of Northland Inc due to the fact Council shares joint control of Northland Inc with Northland Regional Council (33.3%) and Far North District Council (33.3%). Council's investment in Northland Inc is carried at cost of \$80 (2022: \$80) in the Council's parent entity financial statement.

## 6. Trade and other receivables

### Accounting policy

Short-term receivables are recorded at the amount due, less an allowance for expected credit losses (ECL). Council applied the simplified ECL model of recognising lifetime ECL for short-term receivables.

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

Rates are “written-off”:

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

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

### Fair value

Receivables are non-interest bearing and receipt is normally on 30-day terms. Therefore, the carrying value of debtors and other receivables approximates their fair value.

Trade and other receivables	Annual Report	Annual Report
For the year ended: 30 June	2022/2023 \$'000	2021/2022 \$'000
<b>Trade and other receivables</b>		
Sundry debtors	1,136	3,958
Land rates and penalties	6,227	6,124
Water rates and charges	1,352	777
Dog licences and dog infringements	306	268
Prepayments	169	131
GST and taxes	718	655
<b>Gross Trade and other receivables</b>	<b>9,908</b>	<b>11,913</b>
less Provision for impairment- Land rates	(3,303)	(4,768)
less Provision for impairment - Other debtors	(226)	457
<b>less Provision for impairment – closing balance</b>	<b>(3,529)</b>	<b>(4,311)</b>
<b>Total Trade and other receivables</b>	<b>6,379</b>	<b>7,602</b>

## Provision for impairment

The provision for impairment of receivables is determined based on an expected credit loss (ECL) model.

In assessing credit losses for receivables, Council applied the simplified approach and record lifetime ECL on receivables. Lifetime ECL result from all possible default events over the expected life of a receivable. Council used a provision matrix based on historical credit loss experience upon initial recognition of a receivable, using reasonable assumptions and any available customer information.

In assessing ECL on receivables Council considered both quantitative and qualitative inputs. Quantitative inputs include past collection rates, ageing of receivables and trading outlook. Qualitative inputs include past trading history with Council.

To measure the ECL, all receivables have been grouped based on shared credit risk characteristics and other receivables have been grouped by the days overdue. Expected loss rates are applied based on payment profiles and corresponding historical credit losses experienced within the year. Expected loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle their debt.

Exchange/Non exchange receivables	Annual Report	Annual Report
For the year ended: 30 June	2022/2023 \$'000	2021/2022 \$'000
<b>Movement in Impairment Provision</b>		
Opening balance - Impairment provision	(4,311)	(4,768)
Estimated (increase)/decrease in doubtful debts	782	457
<i>Total Non-current financial assets</i>	<i>(3,529)</i>	<i>(4,311)</i>

Analysis of Total	Annual Report	Annual Report
For the year ended: 30 June	2022/2023 \$'000	2021/2022 \$'000
<b>Trade and Other Receivables Ageing</b>		
Not past due	2,282	3,676
Past due 1-30 days	1,519	1,745
Past due 31-60 days	87	43
Past due 60 days	2,491	2,138
<i>Total trade and receivables ageing</i>	<i>6,379</i>	<i>7,602</i>

## 7. Trade and other payables

Trade and other payables	Annual Report	Annual Report
For the year ended: 30 June	2022/2023 \$'000	2021/2022 \$'000
Trade and Other Payables		
Trade creditors	5,670	3,095
Accrued expenses	7,823	5,543
Deposits held	2,696	2,085
Receipts held in advance	58	2,559
Income in advance	2,998	2,759
<i>Total Trade and other payables</i>	<b>19,245</b>	<b>16,041</b>

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

## 8a. Provisions

Provisions	Annual Report	Annual Report
For the year ended: 30 June	2022/2023 \$'000	2021/2022 \$'000
Current provisions		
Landfill closure and aftercare	61	306
<i>Total Current provisions</i>	<b>61</b>	<b>306</b>
Non-current provisions		
Landfill closure and aftercare	1,663	1,547
<i>Total Non-current provisions</i>	<b>1,663</b>	<b>1,547</b>
<i>Total Provisions</i>	<b>1,724</b>	<b>1,853</b>

## 8b. Provisions - movement in provisions

Provisions - movement in provisions	Landfill closure & aftercare	Total
For the year ended: 30 June 2023	\$'000	\$'000
The movement in the provisions are represented by:		
Balance as at 1 July 2022	1,853	1,853
Amounts used	(330)	(330)
Release of provision	(38)	(38)
Funding increase	239	239
<i>Balance at 30 June 2023</i>	<i>1,724</i>	<i>1,724</i>

	Landfill closure & aftercare (before adjustment)	Total
For the year ended: 30 June 2022	\$'000	\$'000
The movement in the provisions are represented by:		
Balance as at 1 July 2021	1,865	1,865
Amounts used	(171)	(171)
Release of provision	(188)	(188)
Funding increase	347	347
<i>Balance at 30 June 2022</i>	<i>1,853</i>	<i>1,865</i>

### Landfill Aftercare Provisions

The Council has resource consents to operate landfills at Hakaru, Awakino and Bickerstaffe Road. These landfills are now closed. The Council has obligations under the Resource Management Act 1991 to provide ongoing maintenance and monitoring of the landfills after the sites are closed.

At the **Hakaru closed landfill** site, phase 1 (being the construction of the onsite leachate treatment system and wetland area), has now been commissioned and continues to be monitored along with maintenance where needed as identified in the operations and maintenance manual. To date, monitoring has confirmed that there is sufficient treatment to discharged leachate and it meets consent standards. Phase 2 will only be completed if consent standards are not met. If this should occur, phase 2 would be completed within the 12 months following. Throughout this past financial year, all conditions of consent have been compliant, so it is highly unlikely that phase 2 will be required.

The **Awakino Road closed landfill** has now been capped. The only remaining works which may need completion is an upgrade of the wetland area, prior to the leachate discharge point. Sampling results of leachate will be monitored for signs of wetland non-performance i.e. identifying if heavy metals are not being removed. At this point a project will be planned for the upgrade which is expected to be 5 to 10 years in the future.

The **Glinks Gully closed landfill** is currently causing issues with higher than consented heavy metal sampling results. The current consent limits are set lower than other landfills due to the close proximity of a secondary water supply pump station. The landfill has now been decommissioned and a variation to the consent is planned.

Failing this it is likely that the landfill site will need further capping. At this point a project will be planned for the upgrade which is expected to be 5 to 10 years into the future.

The **Bickerstaffe Road closed landfill** was fully remediated since the financial year ending 2019. While it has been remediated, additional works may be required once climate change impact assessments have been completed. These are currently underway.

Closure and post-closure responsibilities include 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;
- Groundwater 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.

## Provision

The cash flows for the landfill post-closures, particularly for Hakaru, are expected to occur up to 2026. 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 4.66% (2022: 4.41%).

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

- The cost of monitoring of surface/groundwater including the removal of leachate; and
- Major remedial works being required at the Hakaru landfill site.

## 9a. Public debt

Public debt	Annual Report	Annual Report
	2022/2023 \$'000	2021/2022 \$'000
For the year ended: 30 June		
Opening balance	44,000	44,000
add Funds raised	0	0
<b>Total Funds</b>	<b>44,000</b>	<b>44,000</b>
less Repayments	0	0
<b>Closing balance</b>	<b>44,000</b>	<b>44,000</b>
Current portion	7,000	10,000
Non-current portion	37,000	34,000
<b>Total Public debt</b>	<b>44,000</b>	<b>44,000</b>
Balances are represented by:		
Bank Loans	0	0
Local Government Funding Agency (LGFA)	44,000	44,000
	<b>44,000</b>	<b>44,000</b>

All term liabilities are secured under a Debenture Trust Deed.

Maturity interest rates for public debt	Maturity	Interest Rates	Actual	Annual Report
For the year ended: 30 June			2022/2023 \$'000	2021/2022 \$'000
Local Government Funding Agency (LGFA)	2023 to 2024	3.61% to 6.27%	7,000	
Local Government Funding Agency (LGFA)	2025 to 2030	3.32% to 6.51%	37,000	
Local Government Funding Agency (LGFA)	2022 to 2023	1.24% to 2.92%	0	10,000
Local Government Funding Agency (LGFA)	2024 to 2029	0.91% to 2.86%	0	34,000
<b>Total</b>			<b>44,000</b>	<b>44,000</b>

### Undrawn facilities

Undrawn facilities of \$10 million (\$5 million ANZ and \$5 million BNZ) were available at 30 June 2023 (2022: \$10 million).

### Loan Covenant

Council has loans that amount to \$44 million at 30 June 2023 (2022: \$44 million). There are a number of covenants included within the loan agreements that Council has with its lenders. These include a requirement to adopt an Annual Report within four months of the end of the financial year and then forward a copy of that Annual Report to the bank.

The LGFA requirement is to deliver a copy of the Annual Report within five months of the financial year end.

No breach of these loan covenants has occurred during the period.

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.

## 9b. Compliance with Liability Management Policy

Compliance with liability management policy	Target	Achievement	Policy Compliance	Comment
	%	%	Y/N	
<b>Debt ratios and limits:</b>				
Net Debt as a percentage of Total Revenue	<170%	34%	Yes	Achieved
Net Interest as a percentage of Total Revenue	<15%	2%	Yes	Achieved
Net Interest as a percentage of Annual Rates Income	<20%	2%	Yes	Achieved
Liquidity (per Treasury policy)	>110%	134%	Yes	Achieved
<b>Debt Interest Rate Policy Parameters (calculated on a rolling monthly basis):</b>				
0 -36 months	40% - 90%	33%	No	Not achieved
37 - 60 months	30% - 75%	15%	No	Not achieved
60 -84 months	0% - 60%	5%	Yes	Achieved
Greater than 84 months	0% - 50%	0%	Yes	Achieved
<b>Liquidity/funding Maturity Profile:</b>				
0 - 3 years	15% - 60%	76%	No	Not achieved
3 - 7 years	25% - 85%	24%	No	Not achieved
7 years plus	0% - 60%	0%	Yes	Achieved

Council primarily borrows from the LGFA who provides the cheapest debt financing and longest maturity terms for debt financing available.

Until August 2024 when the Government's Water Services Reform Transition has occurred, the Council has approved the out of policy positions of the debt maturity and fixed to floating interest rate profiles.

## 9c. Internal borrowings

Internal borrowings for each group of activities are detail below. Internal borrowings are eliminated on consolidation of activities in the Council's financial statements.

Compliance with liability management policy	Internal Borrowing	Repaid	Borrowed	Internal Borrowing	Internal Interest
	2021/2022 \$'000	2022/2023 \$'000	2022/2023 \$'000	2022/2023 \$'000	2022/2023 \$'000
<b>By Group of activities</b>					
<b>Infrastructural assets</b>					
Open Spaces and Facilities	1,043	(70)	98	1,071	27
Regulatory	120	(3)	0	117	4
District Leadership, Finance and Internal Services	4,779	(877)	550	4,452	228
Waste Minimisation	300	(35)	0	264	12
Transportation	1,500	(158)	206	1,549	99
Stormwater	2,805	(378)	226	2,653	169
Wastewater	39,907	(582)	5,287	44,612	1,983
Water Supply	2,854	(373)	83	2,564	191
<b>Total</b>	<b>53,308</b>	<b>(2,477)</b>	<b>6,450</b>	<b>57,281</b>	<b>2,713</b>

## 10a. Property, plant and equipment

Property, plant and equipment: 2023	Opening Cost	Closing Accumulated Depreciation & Impairment Charges	Carrying Amount	Adjustment to Prior Year vested Assets	Additions Current Year	Adjustments/Reclass Current Year	Net Disposals Current Year Cost	Disposal Depreciation	Transfer to Assets Held for Sale	Depreciation Current Year	Revaluation Surplus/(loss) Current Year	Closing Cost/Revaluation	Closing Accumulated Depreciation & Impairment Charges	Carrying Amount
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Property, plant and equipment: 2022	1-Jul-22	1-Jul-22	1-Jul-22									30-Jun-23	30-Jun-23	30-Jun-23
<b>Infrastructural assets</b>														
Transportation	701,069	0	701,069	0	15,112	0	0	0	0	(9,088)	19,371	726,465	0	726,465
Stormwater	51,043	0	51,043	0	507	0	0	0	0	(636)	0	51,550	(636)	50,914
Flood Protection and Land Drainage	16,371	0	16,371	0	162	0	0	0	0	(63)	0	16,533	(63)	16,470
Wastewater	69,611	0	69,611	0	2,431	0	0	0	0	(1,491)	0	72,042	(1,491)	70,550
Water Supply	45,136	0	45,136	0	2,531	0	0	0	0	(1,120)	0	47,668	(1,120)	46,548
Waste Minimisation	1,319	(1,197)	122	0	0	0	0	0	0	0	0	1,319	(1,197)	121
Work in Progress	32,298	0	32,298	0	7,238	0	0	0	0	0	0	39,536	0	39,536
<b>Total Infrastructural assets</b>	<b>916,846</b>	<b>(1,197)</b>	<b>915,649</b>	<b>0</b>	<b>27,982</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(12,399)</b>	<b>19,371</b>	<b>964,199</b>	<b>(13,596)</b>	<b>950,604</b>
<b>Restricted assets</b>														
Reserves	21,371	(385)	20,985	0	6,616	0	0	0	0	(157)	0	27,987	(542)	27,445
Community Housing	2,320	(671)	1,649	0	0	0	0	0	0	(46)	0	2,320	(717)	1,603
MEF Property	387	0	387	0	0	0	0	0	0	0	0	387	0	387
Halls	1,775	(660)	1,115	0	0	0	0	0	0	(36)	0	1,775	(696)	1,079
Work in Progress	1,001	0	1,001	0	(122)	0	0	0	0	0	0	879	0	879
<b>Total Restricted assets</b>	<b>26,854</b>	<b>(1,717)</b>	<b>25,138</b>	<b>0</b>	<b>6,494</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(239)</b>	<b>0</b>	<b>33,348</b>	<b>(1,955)</b>	<b>31,393</b>
<b>Operational assets</b>														
Land	7,108	0	7,108	0	0	0	0	0	0	0	0	7,108	0	7,108
Buildings	7,815	(2,255)	5,560	0	688	0	(56)	55	0	(170)	0	8,448	(2,370)	6,078
Building Contents	1,814	(1,322)	492	0	0	0	0	0	0	(67)	0	1,814	(1,389)	425
Leasehold Improvements	0	0	0	0	1,092	0	0	0	0	(22)	0	1,092	(22)	1,070
Mobile Plant (incl MV's)	1,459	(915)	543	0	317	0	(238)	208	0	(195)	0	1,538	(902)	635
Static Plant	2,284	(138)	2,147	0	102	0	(1)	1	0	(183)	0	2,386	(320)	2,066
Library Books	582	(410)	172	0	63	0	(53)	53	0	(69)	0	592	(426)	166
Office Equipment	5,837	(4,340)	1,497	0	472	0	(2,448)	2,448	0	(726)	0	3,862	(2,618)	1,244
Work in Progress	1,842	0	1,842	0	156	0	0	0	0	0	0	1,998	0	1,998
<b>Total Operational assets</b>	<b>28,741</b>	<b>(9,381)</b>	<b>19,360</b>	<b>0</b>	<b>2,891</b>	<b>0</b>	<b>(2,795)</b>	<b>2,765</b>	<b>0</b>	<b>(1,432)</b>	<b>0</b>	<b>28,837</b>	<b>(8,047)</b>	<b>20,790</b>
<b>Total Property, plant and equipment</b>	<b>972,442</b>	<b>(12,294)</b>	<b>960,147</b>	<b>0</b>	<b>37,367</b>	<b>0</b>	<b>(2,795)</b>	<b>2,765</b>	<b>0</b>	<b>(14,069)</b>	<b>19,371</b>	<b>1,026,384</b>	<b>(23,598)</b>	<b>1,002,786</b>

Property, plant and equipment: 2022	Opening Cost \$'000	Closing Accumulated Depreciation & Impairment Charges \$'000	Carrying Amount 1-Jul-21	Adjustment to Prior Year vested Assets \$'000	Additions Current Year \$'000	Adjustments/Reclass Current Year \$'000	Net Disposals Current Year Cost \$'000	Disposal Depreciation \$'000	Transfer to Assets Held for Sale \$'000	Depreciation Current Year \$'000	Revaluation Surplus/(loss) Current Year \$'000	Closing Cost/Revaluation \$'000	Closing Accumulated Depreciation & Impairment Charges \$'000	Carrying Amount \$'000
Property, plant and equipment: 2022	1-Jul-21	1-Jul-21	1-Jul-21									30-Jun-22	30-Jun-22	30-Jun-22
<b>Infrastructural assets</b>														
Transportation	620,780	0	620,780	0	7,526	0	0	0	0	(7,699)	80,466	701,073	0	701,073
Stormwater	44,605	0	44,605	0	601	0	0	0	0	(578)	6,415	51,043	0	51,043
Flood Protection and Land Drainage	16,827	(241)	16,587	0	0	0	0	0	0	3	(220)	16,370	0	16,370
Wastewater	63,568	0	63,568	0	800	0	0	0	0	(1,773)	7,017	69,612	0	69,612
Water Supply	39,830	0	39,830	0	939	0	0	0	0	(1,177)	5,544	45,136	0	45,136
Waste Minimisation	1,319	(1,197)	122	0	0	0	0	0	0	0	0	1,319	(1,197)	122
Work in Progress	12,927	0	12,927	0	19,370	0	0	0	0	0	0	32,297	0	32,297
<b>Total Infrastructural assets</b>	<b>799,856</b>	<b>(1,438)</b>	<b>798,419</b>	<b>0</b>	<b>29,236</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(11,224)</b>	<b>99,222</b>	<b>916,850</b>	<b>(1,197)</b>	<b>915,653</b>
<b>Restricted assets</b>														
Reserves	20,844	(259)	20,585	0	527	0	0	0	0	(126)	0	21,371	(385)	20,986
Community Housing	2,320	(623)	1,697	0	0	0	0	0	0	(46)	0	2,320	(671)	1,649
MEF Property	387	0	387	0	0	0	0	0	0	0	0	387	0	387
Halls	1,775	(625)	1,150	0	0	0	0	0	0	(36)	0	1,775	(660)	1,115
Work in Progress	441	0	441	0	(133)	0	0	0	0	0	0	308	0	308
<b>Total Restricted assets</b>	<b>25,767</b>	<b>(1,507)</b>	<b>24,260</b>	<b>0</b>	<b>394</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(208)</b>	<b>0</b>	<b>26,161</b>	<b>(1,716)</b>	<b>24,445</b>
<b>Operational assets</b>														
Land	7,109	0	7,109	0	0	0	0	0	0	0	0	7,109	0	7,109
Buildings	7,528	(2,103)	5,425	0	287	0	0	0	0	(152)	0	7,815	(2,255)	5,560
Building Contents	2,037	(1,447)	590	0	0	0	(224)	(224)	0	(98)	0	1,813	(1,322)	491
Mobile Plant (incl MV's)	1,367	(859)	508	0	214	0	(123)	(123)	0	(180)	0	1,458	(915)	543
Static Plant	762	(114)	648	0	1,533	0	(12)	(12)	0	(36)	0	2,283	(138)	2,145
Library Books	645	(470)	175	0	66	0	(130)	(130)	0	(70)	0	582	(410)	172
Office Equipment	6,932	(5,117)	1,814	0	346	0	(1,442)	(1,442)	0	(655)	0	5,835	(4,340)	1,495
Work in Progress	915	0	915	0	1,620	0	0	0	0	0	0	2,535	0	2,535
<b>Total Operational assets</b>	<b>27,295</b>	<b>(10,110)</b>	<b>17,185</b>	<b>0</b>	<b>4,066</b>	<b>0</b>	<b>(1,931)</b>	<b>(1,931)</b>	<b>0</b>	<b>(1,201)</b>	<b>0</b>	<b>29,430</b>	<b>(9,380)</b>	<b>20,050</b>
<b>Total Property, plant and equipment</b>	<b>852,918</b>	<b>(13,055)</b>	<b>839,864</b>	<b>0</b>	<b>33,696</b>	<b>0</b>	<b>(1,931)</b>	<b>(1,931)</b>	<b>0</b>	<b>(12,633)</b>	<b>99,222</b>	<b>972,441</b>	<b>(12,293)</b>	<b>960,148</b>

## Property, plant and equipment (continued)

Council has applied the historical cost method under PBE IPSAS for buildings and land. This does not include land associated with infrastructure assets. Land associated with infrastructure assets like all other infrastructural assets, continues to be revalued periodically, but at least every three years. During the off-cycle years for revaluation, the carrying values of previously revalued assets are assessed to ensure that they do not differ materially from fair value. If there is evidence supporting a material difference, then the off-cycle assets are valued.

Restricted assets are held by Council for the benefit of the community and are not, because of their nature or the title to their ownership, generally available for disposal by Council.

## Accounting for revaluations

The most recent valuations were effective as at 30 June 2023. The names, and asset responsibility, of the Valuers engaged are as follows:

Valuer	Asset Responsibility
WSP New Zealand Limited (Independent external professional engineers and valuers)	Valuations and cost escalation adjustments were made to the following asset classes in the 2022/2023 year: <ul style="list-style-type: none"> <li>• Transportation</li> </ul>

The methodology base of all infrastructural valuations, other than land, was depreciated replacement cost with reference as necessary to the following standards - PB IPSAS17 (Property, Plant and Equipment), PB IPSAS21 (Impairment of Assets), National Asset Management Steering Group (NAMS Group), NZ Infrastructural Asset Valuation and Depreciation Guidelines (version 2), the Local Government Act 2002, and NZPI Standards.

Land is revaluated primarily with reference to comparable sales.

Roads and footpaths, stormwater drainage, flood protection and control works, wastewater and the treatment and disposal of wastewater and water supply assets are valued under at least on a three-yearly valuation cycle.

There are a number of estimates and assumptions exercised when valuing infrastructure assets using the Depreciated Replacement Cost method. These include:

- Estimating any obsolescence or surplus capacity of the asset.
- Estimating the replacement costs of the asset. The replacement cost is derived from recent contracts in the region for similar assets.
- Estimating the remaining useful life over which the asset will be depreciated. If useful lives do not reflect the actual consumption of the benefits of the asset Council could be over or underestimating the annual depreciation charge recognised as an expense in the Statement of Comprehensive Revenue and Expense. To minimise the risk, infrastructure asset useful lives have been determined with reference to the International Infrastructure Management Manual for roading assets and the Institute of Public Works Engineering Australasia (IPWEA) guidelines and have been adjusted for local conditions based on past experience.

Category	Methods and key assumptions
Transportation	<p>Unit costs are sourced from recent contract costs. Where no recently tendered rates were available, a sanity check was undertaken where they were compared against a neighbouring council to ensure they appeared reasonable.</p> <p>Remaining useful lives have been determined by calculating the difference between the respective asset's Total Useful Life (TUL) and the age of the asset. Note that where an asset's age is unknown, both engineering judgement and local knowledge have been used to assign a remaining life.</p>
Water assets (Wastewater, Water Supply, Stormwater) and Flood Protection and Land Drainage	No revaluation has taken place on Three Waters assets during the year ended 30 June 2023. A review of carrying values was provided from our valuers (WSP) to ensure the carrying values and capital additions to Three Waters assets materially reflected their expected values. A more comprehensive review and assessment of Council's Three Water assets is expected to take place ahead of the expected Water Services Reform Programme in July 2024.
Impairment	<p>No impairment of Council assets has been recognised during the year ended 30 June 2023.</p> <p>While there is ongoing operating and capital expenditure to be incurred in remediating weather-related damage to infrastructure assets, Council has determined that the service potential of these assets have not been reduced and hence, there is no impairment recognised. Operating expenditure to be incurred will be recognised in the year they are incurred, and capital expenditure to be incurred pertains to new assets being constructed to enhance the resilience of the assets. Comprehensive reviews have been undertaken by Northland Transportation Alliance (NTA) to assess the completeness of the damage to the roading assets and estimates for remedial costs are provided by independent contractors.</p>

## 10b. Property, plant and equipment analysis

Property, plant and equipment analysis	Closing Book Value	Acquisitions Constructed	Acquisitions Vested	Latest Estimate of Replacement Cost
	\$'000	\$'000	\$'000	\$'000
Property, Plant and Equipment: 2023	30-Jun-23	30-Jun-23	30-Jun-23	30-Jun-23
<b>Infrastructural assets</b>				
Roads and Footpaths	726,465	14,932	180	921,012
Stormwater Drainage	50,914	460	47	74,860
Flood Protection and Control Works	16,470	162	0	22,269
Sewerage and the Treatment and Disposal of Sewage	70,550	2,163	267	111,822
Water Supply	46,548	2,530	1	103,031
Property, Plant and Equipment: 2022	30-Jun-22	30-Jun-22	30-Jun-22	30-Jun-22
<b>Infrastructural assets</b>				
Roads and Footpaths	701,073	22,592	216	884,142
Stormwater Drainage	51,043	341	472	70,821
Flood Protection and Control Works	16,370	447	0	21,353
Sewerage and the Treatment and Disposal of Sewage	69,611	2,471	249	109,768
Water Supply	45,137	2,446	0	97,719

**Capitalised labour:** capital projects constructed includes capitalised labour of \$304,000 (\$393,000 in 2021/2022).

## 10c. Capital expenditure and disposals for year

Capital Expenditure (Disposals) for Year	Annual Report	Annual Report
For the year ended: 30 June	2022/2023 \$'000	2021/2022 \$'000
<b>Capital expenditure</b>		
Open Spaces and Facilities	6,928	1,044
Resource Consents, Building Control and Compliance	26	120
District Leadership, Finance and Internal Services	2,260	3,298
Waste Minimisation	3	0
Transportation	18,972	22,592
Stormwater	345	341
Flood protection and land drainage	727	447
Wastewater	6,061	2,471
Water supply	1,380	2,446
<b>Total Capital expenditure</b>	<b>36,700</b>	<b>32,759</b>
<b>Disposals</b>		
Community Activities	(55)	0
District Leadership, Finance, and Internal Services	(2,726)	0
Transportation	(14)	0
Other	0	(196)
<b>Total Disposals</b>	<b>(2,795)</b>	<b>(196)</b>

## 10d. Reconciliation of Current Year Additions

Reconciliation of Current Year Additions	Annual Report
For the year ended: 30 June	2022/2023 \$'000
<b>Work in Progress</b>	
Work in Progress - Opening Balance 30 June 2022	35,140
Net Capital Expenditure Incurred - Current Financial Year	36,700
Net Capital Expenditure Capitalised - Current Financial Year	(29,428)
Work in Progress - Carrying Balance at 30 June 2023	42,412
<b>Total Net Movement in Work in Progress year ended 30 June 2023</b>	<b>7,272</b>
<b>Property Plant &amp; Equipment</b>	
Work in Progress – Capitalised during year ended 30 June 2023	29,428
Assets Vested to Council during year ended 30 June 2023	667
Net Movement in Work in Progress	7,272
<b>Total Property Plant &amp; Equipment additions in year ended 30 June 2023</b>	<b>37,367</b>

## 11. Depreciation summary

Depreciation summary	Annual Report	Annual Report
For the year ended: 30 June	2022/2023 \$'000	2021/2022 \$'000
by Groups of activities		
Open Spaces and Facilities	486	455
Resource Consents, Building Control and Compliance	3	0
District Leadership, Finance and Internal Services	1,162	933
Waste Minimisation	0	0
Transportation	9,088	7,701
Stormwater	636	578
Flood protection and land drainage	64	(3)
Wastewater	1,509	1,791
Water supply	1,121	1,178
<i>Total Groups of activities depreciation</i>	<b>14,069</b>	<b>12,633</b>

## Depreciation

Depreciation is provided on a straight line basis on all property, plant and 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.

The useful lives and associated depreciation rates of major classes of assets have been estimated as follows:

	Expected life years	Depreciation straight line
<b>Roading</b>		
Top surface (seal)	5-100	5%-25%
<b>Pavement (basecourse)</b>		
Urban sealed	40-100	1.25%-2.5%
Rural sealed	40-100	1.25%-2.5%
Unsealed	20-60	1.67%-5%
Foundation and unsealed subgrade (land)	n/a <sup>1</sup>	-
Culverts	40-100	1%-4%
Kerb and channel	25-100	1.25%-4%
Bridges	40-100	1%-2.5%
Signs	12	8.3%
Lights	15-100	2.5%-6%
Footpaths	25-100	1.25%-4%
Drainage	20-100	1%-6%
Water Supply	60-70	1.25%-4%
Wastewater	25-80	1.25%-4%
Stormwater	40-80	0.50%-2%
Landfills and transfer stations	10-100	0%-10%
Halls	50	2%
Community housing	50	2%
Plant, equipment and motor vehicles	5-10	10%-20%
Buildings	50	2%
Building contents	10	10%
Other plant	5	20%
Computer and office equipment	5	20%
Library collection	5	20%

<sup>1</sup> Not depreciated

The residual value and useful life of an asset is reviewed, and adjusted if applicable, at each financial year end.

## 12. Insurance of assets

The following disclosures are made in accordance with the Local Government Act 2002 Amendment Act 2014, clause 31A of Schedule 10.

		2023 \$000's	2022 \$000's
<b>A</b>	Total value of assets that are covered by insurance contracts	175,924	175,880
	Maximum amount to which these assets are insured	63,673	58,687
<b>B</b>	Total value of all assets that are covered by financial risk sharing arrangements	Nil*	Nil*
	Maximum amount available to Council under those arrangements	Nil*	Nil*
<b>C</b>	Total value of all assets that are self-insured	939,113	901,461
	Value of any fund maintained by Council for that purpose	Nil	Nil

\* The Council has an agreement with central government, specifically the NZTA Funding Rules for emergency works funding for Road Controlling Authorities. The Council applies for each application for emergency work subsidy funding separately and it is assessed on a case by case basis. The maximum subsidy available to the Council is 62% to 100%, depending on the size of the event.

## 13. Biological assets

Council acquired the Hobson County Council forestry estate as a consequence of the 1989 Local Government amalgamation process which formed Kaipara District Council.

Council owns and leases three forest blocks with net stocked area of 128.3 hectares (all excluding Taharoa Domain estate). The 7.8 hectares within the catchment forest was harvested in the 2020 financial year.

Council's accounting policy requires annual revaluations of biological assets.

Forestry assets are independently revalued annually at fair value less estimated point of sale costs. Fair value is determined based on the present value of expected net cash flows discounted at a current market determined pre-tax rate.

Gains or losses arising on initial recognition of biological assets at fair value less estimated point of sale costs and from a change in fair value less estimated point of sale costs are recognised in the surplus/ (deficit). The costs to maintain the forestry assets are included in the surplus/(deficit).

### Valuation

Woodlands Pacific International Forestry Consultants performed an independent valuation of the forests as at 30 June 2023. The calculation of the revaluation was fair value less estimated point of sale costs.

Valuation assumptions:

A discount rate of 8.5% (2022: 8.5%) has been used in discounting the present value of future cash flows;

- Notional land rental costs have been included for freehold land;
- The forest has been valued on a going concern basis and includes only the value of the existing crops on a single rotation basis; and
- Log prices are based upon the valuers latest survey supplemented by local prices to reflect the Northland market and takes into account key price drivers (market prices, exchange rates and shipping).

The movement in asset value is as follows:

Biological assets	Annual Report	Annual Report
For the year ended: 30 June	2022/2023 \$'000	2021/2022 \$'000
Forestry assets movements		
Opening balance	1,030	947
Annual revaluation movement	(44)	83
Harvesting removals	0	0
<i>Closing balance</i>	986	1,030

## Financial risk management strategies

Council is exposed to financial risks arising from changes in timber prices, foreign exchange rates, disease, climatic conditions and potential plagues (rodent and insect). Council reviews these risks regularly in considering the need for active financial management.

Council's strategy in respect of these forestry assets involves outsourcing the annual maintenance and harvesting, of all the individual blocks, to a specialist firm of forest management professionals, with a view to maximising financial returns. Such returns are then utilised on an annual basis for capital improvements across the district. There is no rating input into the operation of this activity.

Net income from forest harvesting for the year was \$0 (2022: \$0).

## 14. Reconciliation of surplus/(deficit) to net cash flow from operating activities

Reconciliation of surplus/(deficit) to net cash flow from operating activities	Annual Report	Annual Report
For the year ended: 30 June	2022/2023 \$'000	2021/2022 \$'000
Surplus/(deficit) for the period		
Surplus/(deficit) for the period	20,012	33,461
add/(deduct) Non-cash movements		
Property, Plant and Equipment vested to Council	(667)	(937)
(Gain)/Loss on sale of assets	(85)	(107)
Forestry harvesting and revaluation (Gain)/Loss	44	(83)
Increase/(decrease) in Provisions	(911)	(468)
Depreciation	14,069	12,633
Unrealised (gain)/loss on interest rate swaps	(942)	(3,766)
Other Financial Assets	0	1
<b>Total Non-cash movements</b>	<b>(11,508)</b>	<b>7,273</b>
add/(deduct) Movements in working capital Items		
Trade and other receivables	2,005	(147)
Accrued Revenue	(5,278)	1,412
Employee Entitlements	50	169
Trade and other payables (net of capital accruals)	3,470	(3,179)
<b>Total Movement in working capital Items</b>	<b>247</b>	<b>(1,745)</b>
<b>Net Cash Inflow from Operating Activities</b>	<b>31,767</b>	<b>38,989</b>

## 15. Capital commitments and operating leases

Capital commitments and operating leases	Annual Report	Annual Report
For the year ended: 30 June	2022/2023 \$'000	2021/2022 \$'000
Capital commitments		
Property, Plant and Equipment	8,826	12,995
<b>Total Capital commitments</b>	<b>8,826</b>	<b>12,995</b>
Operational non-cancellable contracts		
Not later than one year	12,341	13,325
Later than one year and not later than five years	12,262	12,049
Later than five years	176	176
<b>Total Operational non-cancellable contracts</b>	<b>24,779</b>	<b>25,550</b>
Operating leases as lessee		
Not later than one year	588	593
Later than one year and not later than five years	2,005	1,621
Later than one year and not later than five years	3,354	4,290
<b>Total Operating leases as lessee</b>	<b>5,947</b>	<b>6,504</b>
Operating leases as lessor		
Not later than one year	188	183
Later than one year and not later than five years	687	687
Later than five years	229	389
<b>Total Operating leases as lessor</b>	<b>1,104</b>	<b>1,259</b>

**Capital commitments:** There were fewer capital contracts as at June 2023. In addition, the latest roading network maintenance and renewal contract comprises a larger proportion of operational works and less capital works than previous contracts.

**Operational non-cancellable contracts:** This includes two new contracts covering the operations and maintenance of the Three Waters assets (\$16 million over three years) and roading assets (\$8 million over the next year). The previous contracts expired during 2021/2022.

### Operating leases as lessee:

A new lease agreement for the Kaipara Service Centre in Dargaville was in place as at 30 June 2022, and is due to expire on 30 May 2037. The lease for the offices in Mangawhai is due to expire in October 2027. There was a slight decrease in the lease with Ricoh for photocopiers across all of the offices.

**Operating leases as lessor:** No new leases have been granted since 01 July 2022, with those in place at that time running according to contract.

## 16. Contingent liabilities

16. Contingent liabilities	Annual Report	Annual Report
For the year ended: 30 June	2022/2023 \$'000	2021/2022 \$'000
Contingent Liabilities		
Guarantees to other organisations	903	903
<b>Total Contingent Liabilities</b>	<b>903</b>	<b>903</b>

## Guarantees

### New Zealand Local Government Funding Agency

Kaipara District Council is a guarantor of the New Zealand Local Government Funding Agency Limited (NZLGFA). The NZLGFA was incorporated in December 2011 with the purpose of providing debt funding to local authorities in New Zealand. NZLGFA has a local currency rating from Standard and Poor's of AAA and a foreign currency rating of AA. NZLGFA has a local currency rating from Fitch of AA+ and a foreign currency rating of AA.

As at 30 June 2023 Kaipara District Council is one of 75 members local authorities and 68 authority guarantors of the NZLGFA. When aggregated with the uncalled capital of other shareholders, \$20 million is available in the event that an imminent default is identified. Also, together with the shareholders and guarantors, Council is a guarantor of all NZLGFA's borrowings. At 30 June 2023, LGFA had borrowings totalling \$17.684 billion (2022: \$15.789 billion).

Financial reporting standards require Council to recognise the guarantee liability at fair value. However, Council has been unable to determine a sufficiently reliable fair value for the guarantee, and therefore has not recognised a liability. Council considers the risk of LGFA defaulting on repayment of interest or capital to be very low on the basis that:

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

### Other

Council has given a \$750,000 guarantee to Westpac Banking Corporation Ltd on loan advances to the Mangawhai Harbour Restoration Society. The purpose of the loan advance was to fund the Society's harbour restoration project. The Society funds the loan repayments from Council grants. Council has for many years and plans to continue to rate properties in the catchment area of the Mangawhai Harbour to fund the grants. The Society controls all of the activities of the restoration project. The Society's loan balance at 30 June 2023 was \$52,298.

In 1998 a \$108,000 letter of credit was issued in favour of the Northland Regional Council (NRC), being a performance bond in respect of the future capping of district landfills.

A \$45,000 guarantee to the Bank of New Zealand exists for Council credit card limits.

In respect of all of the above guarantees, Council has assessed the risk factor and any uncertainty at zero.

### Weathertightness Northern Wairoa War Memorial Hall

Council has determined that an appropriate course of action is to demolish the leaky Town Hall annex attached to the Northern Wairoa War Memorial Hall and re-clad and reinstate the Municipal Chambers and Northern Wairoa War Memorial Hall as separate buildings. Council has budgeted \$1 million for demolition of the Town Hall Annex in the 2023/2024 Annual Plan.

### Council Building 42 Hokianga Road, Dargaville

Council no longer uses the Council building at 42 Hokianga Road, Dargaville as its main office building but has subleased this building for a short term. At such time it is no longer required Council has determined that an appropriate course of action is to demolish the building and turn the site into a green space. This work is likely to take place within the next five years.

### Community housing caveat

Council undertook the modernisation of 34 of its community housing units, with the works programme completed in March 2009. The programme was funded by the Housing New Zealand Corporation by way of an interest-free suspensory loan, conditional on the completion of the work, after which the liability ceased.

A caveat remains, however, requiring Council to neither withdraw from providing community housing, nor significantly altering its investment in this joint-funded housing modernisation programme.

At this time Council does not expect to withdraw or significantly alter its investment in community housing. The total value of the interest-free suspensory loan is \$1,020,000 which was previously recognised as revenue.

## Riskpool exposure

Kaipara District Council was previously a member of the New Zealand Mutual Liability Riskpool scheme ('Riskpool'). The Scheme is in wind down, however the Council has an ongoing obligation to contribute to the scheme should a call be made in respect of any historical claims (to the extent those claims are not covered by reinsurance), and to fund the ongoing operation of the scheme.

The likelihood of any call in respect of historical claims diminishes with each year as limitation periods expire. However, as a result of the Supreme Court decision on 1 August 2023 in Napier City Council v Local Government Mutual Funds Trustee Limited, it has been clarified that Riskpool has a liability for that member's claim in relation to non-weather-tight defects (in a mixed claim involving both weather-tight and non-weather-tight defects). Riskpool has advised that it is working through the implications of the Supreme Court decision. At this point any potential liability is unable to be quantified.

## Earthquake risk to buildings

Council is required under the Building Act 2004 to identify earthquake-prone buildings within the Kaipara District. The district is designated a low-risk area for earthquake hazards and the deadline to complete this work is 2032.

At this point Council has only just begun the task of evaluating buildings to determine if they may be earthquake-prone. At present, we are confident there will be no outstanding seismic work for non-priority buildings in the district before 1 July 2032.

## Water Services Reform Programme

The New Zealand Government is implementing a water services reform programme that is intended to ensure all New Zealanders have safe, clean and affordable water services. The Government believes this will be achieved by establishing new public entities to take on the delivery of drinking water, wastewater and stormwater services across New Zealand. The reform will be enacted by three pieces of legislation:

- The Water Services Entities Act 2022, which (as amended by the Water Services Entities Amendment Act 2023 on 23 August 2023) establishes ten publicly owned water services entities and sets out their ownership, governance, and accountability arrangements. A water services entity is established (for transitional purposes) on the date on which the appointment of the entity's establishment board takes effect, and its establishment date (operational date) will be a date between 1 July 2024 and 1 July 2026.
- The Water Services Legislation Act 2023, which amended the Water Services Entities Act 2022 on 31 August 2023 to provide for the transfer of water services assets and liabilities to the water services entities.
- The Water Services Economic Efficiency and Consumer Protection Act 2023, which provides the economic regulation and consumer protection framework for water services. The consumer protection framework will come into force on 1 July 2024 and the rest of the Act came into force on 31 August 2023.

Kaipara District Council's transition takes effect from 1 July 2024. The impact of this reform means that the Council will no longer deliver three water services or own assets required to deliver these services.

## 17. Statutory disclosures and remuneration and related party transactions

Chief Executive	Annual Report	Annual Report
For the year ended: 30 June	2022/2023	2021/2022
Chief Executive Remuneration:		
<i>Chief Executive</i>		
Salary	316,442	295,897
Other Benefits	27,093	27,858
<i>Total Chief Executive Remuneration</i>	<b>343,535</b>	<b>323,755</b>

A change in Chief Executive occurred 28 October 2022, both salaries have been combined in the above table.

Key Management Personnel	Annual Report	Annual Report
For the year ended: 30 June	2022/2023 \$'000	2021/2022 \$'000
<i>Key management personnel compensation</i>		
Salaries and other short term employee benefits	1,530	1,767
<i>Total Key management personnel compensation</i>	<b>1,530</b>	<b>1,767</b>

**Key management personnel** include the Chief Executive, senior management, and the Mayor and Councillors. The costs for 2022/2023 were lower than the previous year as the GM of infrastructure was in a contractor position.

During the year Council did not purchase any services from any key management personnel other than as disclosed in this note. During the year, the Mayor, Councillors and senior management dealt with the Council on normal terms within the ordinary course of trading activities of the Council.

Severance and redundancy pay	Actual	Annual Report
For the year ended: 30 June	2022/2023	2021/2022
Severance pay		
Number of Employees	0	2
Redundancy Payments to Employees	1	1

Severance and redundancy payments made during the year totalled \$31,615 (2022: \$69,240).

Elected Representatives Remuneration	Annual Report	Annual Report
For the year ended: 30 June	2022/2023	2021/2022
<b>Elected Representatives Remuneration:</b>		
<i>Mayor:</i>		
Jason Smith	36,011	115,455
Other Benefits	3,713	12,907
Craig Jepson	90,295	0
Other Benefits	13,680	0
<b>Total Mayoral Remuneration</b>	<b>143,699</b>	<b>128,362</b>
<i>Deputy Mayor:</i>		
Anna Curnow	17,409	55,827
Jonathan Larsen	42,665	0
<i>Councillors:</i>		
Peter Wethey	14,178	44,694
Jonathan Larsen	18,046	44,469
Karen Joyce-Paki	13,762	44,131
Victoria del la Varis-Woodcock	14,375	48,971
Mark Vincent	44,316	44,131
David Wills	13,762	44,131
Eryn Wilson-Collins	44,316	44,131
Pera Paniora	30,954	0
Rachael Williams	30,554	0
Michael Howard	30,554	0
Ronald Manderson	30,554	0
Ashok Nayyar	31,595	0
Gordon Lambeth	31,497	0
	<b>408,537</b>	<b>485,942</b>
<b>Audit, Risk and Finance Committee Chair Remuneration:</b>		
Philip Jones*	6,650	4,579
Geoff Copstick*	0	1,600
	<b>6,650</b>	<b>6,179</b>

Please refer to the Elected Members meeting attendance in the Appendix for further information.

\*Independent chairpersons appointed by Council, not elected members.

Related party transactions	Annual Report	Annual Report
For the year ended: 30 June	2022/2023	2021/2022
Northland Inc		
Payments made	95,051	103,390
Outstanding payables	37,000	51,750

On 1 July 2021, Kaipara District Council and Far North District Council became joint shareholders with Northland Regional Council (referred to collectively as the Joint Regional Economic Development Committee) in Northland Inc Limited. All transactions are carried out on normal commercial terms. There was no impairment of any of these transactions (2022: nil).

Council employees remuneration	Annual Report	Annual Report
For the year ended: 30 June	2022/2023	2021/2022
Annual remuneration by band:		
\$0 - \$60,000	49	51
\$60,001 - \$80,000	64	60
\$80,001 - \$100,000	30	35
\$100,001 - \$120,000	13	12
\$120,001 - \$140,000	10	9
\$140,001 - \$200,000	7	5
\$200,001 - \$300,000	2	3
<b>Total Employees by remuneration band</b>	<b>175</b>	<b>175</b>
Number of Employees:		
Full time employees	154	154
Part time employees (FTE)	13.3	14.4
<b>Total Employees (FTE)</b>	<b>167.3</b>	<b>168.4</b>

Casual employees are excluded from the Total Employees (FTE) above.

## 18a. Categories of financial assets and liabilities

Categories of financial assets and liabilities	Annual Report	Annual Report
For the year ended: 30 June	2022/2023 \$'000	2021/2022 \$'000
<b>Financial Assets:</b>		
<b>Amortised cost</b>		
Cash and cash equivalents	16,788	21,802
Trade and other receivables	6,379	7,602
Loan	116	121
<b>Total Financial Assets at Amortised Cost</b>	<b>23,283</b>	<b>29,525</b>
<b>Fair value through surplus or deficit (FVTSD)</b>		
LGFA Borrower notes	1,023	929
Interest rate swaps	483	0
<b>Total Financial Assets at FVTSD</b>	<b>1,506</b>	<b>929</b>
<b>Fair value through other comprehensive revenue and expense (FVOCRE)</b>		
Civic Financial Services Limited	13	13
<b>Total Financial Assets at FVOCRE</b>	<b>13</b>	<b>13</b>
<b>Financial Liabilities:</b>		
<b>Amortised cost</b>		
Trade and other payables	19,114	17,206
Public debt	44,000	44,000
<b>Total Financial Liabilities at amortised cost</b>	<b>63,114</b>	<b>59,413</b>
<b>Fair value through surplus or deficit (FVTSD)</b>		
Interest rate swaps	0	459
<b>Total Financial Liabilities at FVTSD</b>	<b>0</b>	<b>459</b>

Fair Value Hierarchy	Annual Report	Level
	2022/2023 \$'000	2021/2022
Interest rate swaps	(483)	Level 2
Civic Financial Services Ltd	13	Level 3

## Financial instrument risks

Council has a series of policies to manage the risk associated with financial instruments. Council is risk averse and seeks to minimise exposure from its treasury activities. Council has established Council approved Liability Management and Investment Policies. These policies do not allow any transactions that are speculative in nature to be entered into.

### Fair value interest rate risk

“Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. Borrowings issued at fixed rates expose Council to fair value interest rate risk. Council’s Liability Management Policy outlines the level of borrowing that is to be secured using fixed rate instruments. Investments at fixed interest rates expose Council to fair value interest rate risk.

The fair value of the debt is not considered to be materially different from the carrying amount.”

### Cash flow interest rate risk

Cash flow interest rate risk is the risk that the cash flows from a financial instrument will fluctuate because of changes in market interest rates. Borrowings and investments issued at variable interest rates expose Council to cash flow interest rate risk. Such risk is considered to be low given Council has utilised interest rate swaps to manage these risks.

Council raises long term borrowings at floating rates and swaps them into fixed rates using interest rate swaps in order to manage interest rate risk. Such interest rate swaps have the economic effect of converting borrowings at floating rates into fixed rates. Under the interest rate swaps Council agrees with other parties to exchange, at specified intervals, the difference between fixed contract rates and floating rate interest amounts calculated by reference to the agreed notional principal amounts of \$28 million of current swaps and \$12 million of forward start interest rate swaps totalling \$40 million (2022: \$28 million of current swaps and \$12 million of forward start swaps totalling \$40 million).

## Financial instruments

### *Liquidity risk*

Council is exposed to liquidity risk as a guarantor of all LGFA’s borrowings. This guarantee becomes callable in the event of LGFA failing to pay its borrowings when they fall due. Information about this is explained in Note 16.

### Maximum exposure to credit risk

Credit risk is the risk that a third party will default on its obligation to Council, causing Council to incur a loss. Due to the timing of its cash inflows and outflows, Council invests surplus cash into term deposits and local authority stock which gives rise to credit risk.

Council’s investment policy limits the amount of credit exposure to any one financial institution or organisation. Investments in other local authorities are secured by charges over rates. Other than other local authorities, the group only invests funds with entities that have a Standard & Poor’s credit rating of at least AA-.

Council has no collateral or other credit enhancements for financial instruments that give rise to credit risk.

The Council is exposed to credit risk as a guarantor of all of NZLGFA’s borrowings. Information about this exposure is explained in note 16.

## 18b. Financial instrument risks

Financial Instrument Risks	Annual Report	Annual Report
For the year ended: 30 June	2022/2023 \$'000	2021/2022 \$'000
<b>Council's maximum credit exposure by class</b>		
Cash and cash equivalents and short term investments	16,788	21,802
Trade and other receivables	6,379	7,602
LGFA Borrower notes	1,023	929
Loan	116	121
<i>Total Council's maximum credit exposure by class</i>	<b>24,306</b>	<b>30,454</b>

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to Standard & Poor's credit rating (if available) or to historical information about counterparty default rates:

Financial Instrument Risks	Annual Report	Annual Report
For the year ended: 30 June	2022/2023 \$'000	2021/2022 \$'000
<b>Counterparties with Credit Ratings</b>		
<b>Cash and cash equivalents and LGFA borrower notes:</b>		
AA	0	0
AA-	17,655	22,731
<i>Total cash and cash equivalents and LGFA borrower notes</i>	<b>17,655</b>	<b>22,731</b>

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 and other receivables with reference to internal or external credit ratings. Council has no significant concentrations of credit risk in relation to debtors and other receivables. The Local Government (Rating) Act 2002 provides powers to recover outstanding debts from ratepayers.

### Credit Risk

Council is exposed to credit risk as a guarantor of all LGFA's borrowings. Information about this is explained in Note 16.

## 18c. Contractual maturity of financial liabilities

The table below analyses Council's non-derivative financial liabilities to relevant maturity groupings based on the remaining period at the balance date to the contractual maturity date. The amounts disclosed are the contractual undiscounted cash flows.

Maturity analysis Financial liabilities	Principal Carrying Amount	Contractual Cash Flows	Less than 1 year	1-2 years	2-5 years	More than 5 years
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Council 2023</b>						
Trade and Other Payables	13,493	13,493	13,493	0	0	0
Public Debt	44,000	50,378	9,039	18,781	19,405	3,153
<b>Total Council 2023</b>	<b>57,493</b>	<b>63,871</b>	<b>22,532</b>	<b>18,781</b>	<b>19,405</b>	<b>3,153</b>
<b>Council 2022</b>						
Trade and Other Payables	8,638	8,638	8,638	0	0	0
Public Debt	44,000	48,725	11,582	8,211	22,651	6,282
<b>Total Council 2022</b>	<b>52,638</b>	<b>57,363</b>	<b>20,220</b>	<b>8,211</b>	<b>22,651</b>	<b>6,282</b>

**Note:** Comparatives have been restated to conform to the current year presentation for trade and other payables which excludes deposits held, receipts held in advanced and income in advance. Contractual cash flows includes principal and interest.

## 18d. Contractual maturity of derivative financial liabilities

Maturity analysis	Principal Carrying Amount	Contractual Cash Flows	Less than 1 year	1-2 years	2-5 years	More than 5 years
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Maturity analysis - Council 2021</b>						
Derivative financial liabilities						
Interest rate swaps	40,000	(483)	(51)	(301)	(73)	(58)
<b>Total Derivative financial liabilities</b>	<b>40,000</b>	<b>(483)</b>	<b>(51)</b>	<b>(301)</b>	<b>(73)</b>	<b>(58)</b>
<b>Maturity analysis - Council 2020</b>						
Derivative financial liabilities						
Interest rate swaps	50,000	4,225	205	0	3,270	750
<b>Total Derivative financial liabilities</b>	<b>50,000</b>	<b>4,225</b>	<b>205</b>	<b>0</b>	<b>3,270</b>	<b>750</b>

The fair value of forward start interest rate swaps is \$12 million (2022: \$12 million).

## Credit risk

The Council is exposed to liquidity risk as a guarantor of all of NZLGFA's borrowings. This guarantee becomes callable in the event of the NZLGFA failing to pay its borrowings when they fall due. Information about this exposure is explained in note 16.

## 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 risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions.

Council aims to maintain flexibility in funding by keeping committed credit lines available.

## 18e. Sensitivity analysis

The following table illustrates the potential surplus and deficit and equity (excluding retained earnings) impact for reasonable possible market movements, with all other variables held constant, based on Council's nonderivative financial instrument exposures at balance date.

Interest rate risk	Annual Report							
	2022/2023 \$'000	2022/2023 \$'000	2022/2023 \$'000	2022/2023 \$'000	2021/2022 \$'000	2021/2022 \$'000	2021/2022 \$'000	2021/2022 \$'000
	-100bps Profit	-100bps Equity	+100bps Profit	+100bps Equity	-100bps Profit	-100bps Equity	+100bps Profit	+100bps Equity
<b>Financial assets</b>								
Cash and deposits	-166	-166	166	166	-218	-218	218	218
<b>Total financial assets</b>	<b>-166</b>	<b>-166</b>	<b>166</b>	<b>166</b>	<b>-218</b>	<b>-218</b>	<b>218</b>	<b>218</b>
<b>Financial liabilities</b>								
Public debt	40	40	-40	-40	-60	-60	60	60
Swaps interest rate	-130	-130	1,073	1,073	-1,353	-1,353	381	381
<b>Total financial liabilities</b>	<b>-90</b>	<b>-90</b>	<b>1,033</b>	<b>1,033</b>	<b>-1,413</b>	<b>-1,413</b>	<b>441</b>	<b>441</b>
<b>Total sensitivity to interest rate risk</b>	<b>-256</b>	<b>-256</b>	<b>1,199</b>	<b>1,199</b>	<b>-1,631</b>	<b>-1,631</b>	<b>659</b>	<b>659</b>

## 19. Capital management

The Council's capital is its ratepayers' equity, which comprises retained earnings and reserves. Equity is represented by net assets.

The Local Government Act 2002 requires 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. Ratepayers' funds are largely managed as a by-product of managing revenues, expenses, assets, liabilities, investments, and general financial dealings.

The objective of managing these items is to achieve intergenerational equity, which is a principle promoted in the Local Government Act 2002 and applied by Council. Intergenerational equity requires today's ratepayers to meet the costs of utilising Council's assets and not expecting them to meet the full cost of long term assets that will benefit ratepayers in future generations. Additionally, Council has in place Asset Management Plans for major classes of assets detailing renewal and maintenance programmes, to ensure ratepayers in future generations are not required to meet the costs of deferred renewals and maintenance.

The Local Government Act 2002 requires Council to make adequate and effective provision in its Long Term Plan and in its Annual Plan (where applicable) to meet the expenditure needs identified in those Plans. The Local Government Act 2002 sets out the factors that Council is required to consider when determining the most appropriate sources of funding for each of its activities. The sources and levels of funding are set out in the funding and financial policies in Council's Long Term Plan.

Details of Council's various reserves can be found in Note 4.

## Funding Impact Statement - Whole of Council

Operating Funding	Annual Report	Annual Plan	Annual Report	Annual Plan
For the year ended: 30 June	2022/2023 \$'000	2022/2023 \$'000	2021/2022 \$'000	2021/2022 \$'000
<b>Sources of operating funding</b>				
General rates, uniform annual general charges, rate penalties	29,341	29,497	27,884	28,528
Targeted rates	14,935	15,334	13,807	13,413
Subsidies and grants for operating purposes	10,485	5,591	7,428	5,348
Fees and charges	7,489	7,848	7,741	7,066
Interest and dividends from investments	726	206	189	6
Local authorities fuel tax, fines, infringement fees and other receipts	482	375	499	366
<b>Total operating funding</b>	<b>63,458</b>	<b>58,852</b>	<b>57,548</b>	<b>54,727</b>
<b>Application of operating funding</b>				
Payments to staff and suppliers	50,514	46,542	43,803	42,363
Finance costs	2,239	2,248	1,926	2,568
Other operating funding applications	0	0	0	0
<b>Total applications of operating funding</b>	<b>52,753</b>	<b>48,790</b>	<b>45,729</b>	<b>44,931</b>
<b>Surplus (deficit) of operating funding</b>	<b>10,705</b>	<b>10,062</b>	<b>11,819</b>	<b>9,796</b>

## Funding Impact Statement - Whole of Council

Capital Funding	Annual Report	Annual Plan	Annual Report	Annual Plan
For the year ended: 30 June	2022/2023 \$'000	2022/2023 \$'000	2021/2022 \$'000	2021/2022 \$'000
<b>Sources of capital funding</b>				
Subsidies and grants for capital expenditure	16,367	19,805	24,552	32,912
Development and financial contributions	4,414	4,543	4,361	3,860
Increase (decrease) in debt		701	0	2,101
Gross proceeds from sale of assets		0	102	0
Lump sum contributions		0	0	0
Other dedicated capital funding		0	0	0
<i><b>Total sources of capital funding</b></i>	<b>20,781</b>	<b>25,050</b>	<b>29,015</b>	<b>38,873</b>
<b>Applications of capital funding</b>				
Capital expenditure - to meet additional demand	9,909	11,807	4,032	9,481
Capital expenditure - to improve the level of service	16,514	12,763	15,554	25,344
Capital expenditure - to replace existing assets	10,276	11,747	14,503	15,478
Increase (decrease) in reserves	(5,213)	(1,206)	6,745	(1,634)
Increase (decrease) of investments	0	0	0	0
<i><b>Total applications of capital funding</b></i>	<b>31,486</b>	<b>35,111</b>	<b>40,834</b>	<b>48,669</b>
<i><b>Surplus (deficit) of capital funding</b></i>	<b>(10,705)</b>	<b>(10,062)</b>	<b>(11,819)</b>	<b>(9,796)</b>
Funding Balance	0	0	0	0

## Reconciliation of Funding Impact Statement to Statement of Comprehensive Revenue and Expense

Reconciliation of Funding Impact Statement to Statement of Comprehensive Revenue and Expense	Annual Report	Annual Plan	Annual Report
For the year ended: 30 June	2022/2023 \$'000	2022/2023 \$'000	2021/2022 \$'000
Revenue			
Statement of Comprehensive Revenue and Expense			
<i>Total revenue</i>	85,820	83,976	91,247
Funding Impact Statement			
Total operating funding	63,459	58,852	57,547
Total sources of capital funding	20,781	24,348	28,913
add Provisions	1,580	775	4,787
<i>Total revenue</i>	85,820	83,976	91,247
Expenses			
Statement of Comprehensive Revenue and Expense			
<i>Total expenses</i>	65,808	60,368	57,786
Funding Impact Statement			
Total applications of operating funding	52,753	48,790	45,729
less Internal professional services	0	(1,061)	(447)
add Depreciation expense	14,069	12,186	12,633
add Provisions	(1,014)	453	(129)
<i>Total expenses</i>	65,808	60,368	57,786



# TE WĀHANGA TUATORU He Tauākī ā-Mahi PART THREE Activity statements

**E tū te huru mā, haramai, e noho; e tū te huru  
pango, hanatu, e haere**

**Rest now, eldersmen and let the youth act.**

***- Nukutawhiti, captain of the Ngātokimatawhaorua canoe.***

## He Huatakinga | Introduction

The following section describes the different groups of activities that Council undertakes. For the Long Term Plan (LTP) 2021 - 2031 Council's work is classed into nine groups.

- Ngā Whakaaetanga Rawa Taiao, Mana Waihanga Whare me ōna Tūtohutanga Resource Consents, Building Control and Compliance
- Te Hautūtanga ā-Rohe, Ngā Moni me ngā Ratonga ā-roto District Leadership, Finance and Internal Services
- Te Parahau Waipuketanga me te Whakamimiti Waikari Whenua Flood Protection and Land Drainage
- Ngā Wāhi Wātea me ngā Whakaurunga Open Spaces and Facilities
- Te Waitūpuhi | Stormwater
- Te Mauranga | Transportation
- Te Whakaheke Para | Waste Minimisation
- Te Para Wai | Wastewater
- Te Putunga Wai | Water Supply.

The information provided about each activity within the groups includes:

- What was achieved based on Year Two plans from the LTP 2021 - 2031
- The performance measures as stated in the LTP 2021 - 2031 and their results
- The capital programme and budgets.

Performance measures are set every three years at the long term planning stage. The LTP is a commitment Council makes to the community to ensure we are delivering what we said we would. For this Annual Report year we are in the second year of LTP 2021 - 2031. The performance measure achievement is judged by a combination of community feedback on our levels of service gathered from an annual residents survey, as well as measures using number and percentage targets e.g. zero road fatalities caused by road conditions. Some of the measures are set based on levels of service as committed to in the LTP, while others are based on statutory obligations.

The customer satisfaction results come from resident surveys conducted three times during the 2022/2023 year by an independent research company – Key Research. Of 4,450 residents contacted randomly from the electoral roll, 770 responded to the questionnaire either by post or online.

They were asked their opinion on Council's services and facilities. The samples have been weighted to known population distributions according to the Census 2018 based on age, gender, ethnicity and location. Weighting ensures that the sample is representative of the underlying population of the Kaipara District.



## Ngā Whakaaetanga Rawa Taiao, Mana Waihanga Whare me ōna Tūtohutanga Resource Consents, Building Control and Compliance

The building service ensures that new and existing buildings are developed in a safe and compliant manner to facilitate resource and building consents.

Environmental monitoring ensures our public spaces are used appropriately by all, positively contributing to the health, safety and wellbeing of our community.

The animal management activity contributes to having a safe and enjoyable environment in which animals, animal owners and the wider community live together in harmony.

This group of activities ensure we meet our responsibilities under various legislation, such as the Building Act 2004; Dog Control Act 1996; Resource Management Act 1991; and the Local Government Act 2002.

What we planned	What we achieved
Building and resource consents delivered in a timely fashion	Achieved
Information and consenting processes that enable developers large or small to do business easier	Building and resource consent information and guidance on the KDC website is regularly updated and shared with the building industry. One on one meetings with building companies have been incorporated into the work programme to increase communication.
Work with legislative changes, e.g. review of Resource Management Act	Training completed for resource consent team on upcoming Built and Natural Environment Act and new National Policy Statement for Highly Productive Land. Practice note on the latter formulated and applied.
Working with Northland councils to identify earthquake-prone buildings	Carried forward from 2022. Earthquake-prone Buildings (EPB) training has been completed and the EPB register has been created. Actual building assessments are due to commence in the first quarter of 2023/2024.

## Ngā Paearu Mahi | Performance Measures

Resource Consents, Building Control and Compliance measured by	LTP Year 2 Target 2022/2023	Actual 2022/2023	Comments for 2022/2023	Actual 2021/2022
<b>Building Control Inspections, Compliance and Enforcement</b>				
Ensure effective response to customer enquiries about building standards.				
Percentage of building control customers who rate request for service responses as very satisfied or satisfied.	79%	54%	Not achieved	Not achieved 56%
<b>Responsiveness</b>				
To process applications within statutory timeframes.				
Percentage of Building Consents (BC) processed within 20 working days.	100%	97%	Not achieved An annual total of 689 building consent applications were processed, in which 668 were processed within 20 working days. 2020/2021 = 95.7% 2021/2022 = 99.5% 2022/2023 = 97%	Not achieved 99.5%
Percentage of Code Compliance applications processed within 20 working days.	100%	94.5%	Not achieved An annual total of 617 code compliance certificates were issued, in which 583 were issued within 20 working days. This is considered by the Building Consent Authority as an excellent result for the year.	Not achieved 98.8%
<b>Quality</b>				
Monitoring of BC applications and inspections to ensure projects comply with New Zealand Building Code.				
Illegal activity/ unauthorised work complaints investigated within three working days.	93%	100%	Achieved There was no illegal activity.	Achieved 100%
<b>Resource Consents, Monitoring and Enforcement</b>				
Ensure effective response to customer enquiries about District Plan/Resource Consent requirements.				
Percentage of non-notified Resource Consents processed within 20 working days.	≥90%	97%	Achieved 329 of the 339 were processed within 20 working days.	Achieved 95.3%

Resource Consents, Building Control and Compliance measured by	LTP Year 2 Target 2022/2023	Actual 2022/2023	Comments for 2022/2023	Actual 2021/2022
<b>Resource Consents, Monitoring and Enforcement (continued)</b>				
Ensure effective response to customer enquiries about District Plan/Resource Consent requirements.				
Percentage of Land Information Memoranda (LIM) processed within 10 working days.	100%	100%	Achieved 506 LIMs were processed throughout the year with an average of four processing days, compared to 4.25 days in 2021/2022.	Achieved 100%
Percentage of s224(c) certificates for new land titles processed within 10 working days.	100%	100%	Achieved 100% of 115 s224(c) issued on time, with an average of 1.15 working days taken to process.	Achieved 100%
<b>Resolving of complaints concerning breaches of conditions of Resource Consent and other non-compliance with the District Plan</b>				
Percentage of resource consent complaints regarding unconsented works and non compliance with the District Plan and Resource Consent investigated within five working days.	100%	100%	Achieved 82 complaints received throughout the year, with all complaints investigated within five days, compared to 60 complaints in 2021/2022.	100% Achieved
Percentage of all granted Resource Consents are monitored each year to ensure they comply with relevant conditions.	25%	98%	Achieved 384 out of 391 active resource consents were monitored throughout the year.	Achieved 57%
<b>Compliance</b>				
Health and Safety Customer Service: Regulate commercial operations to protect public health.				
Percentage of noise callouts to be responded to within 30 minutes.	95%	78%	Not achieved Based on 333 complaints responded to within 30 minutes, out of a total of 429. The 78% is based on an officer being onsite within 30 minutes.	Not achieved 79.4%
Percentage of all dog attacks and or wandering stock are responded to (within one hour) as a Priority 1.	95%	67%	Not achieved Based on a total of 57 responses out of 85 Priority 1 call-outs. The 67% is based on an officer being onsite within one hour.	Not achieved 81%

Resource Consents, Building Control and Compliance measured by	LTP Year 2 Target 2022/2023	Actual 2022/2023	Comments for 2022/2023	Actual 2021/2022
<b>Compliance (continued)</b>				
Health and Safety Customer Service: Regulate commercial operations to protect public health.				
Percentage of food premises verified when required under the Food Act.	100%	100%	Achieved 113 verifications completed out of 102, with 102 booked to be completed. The frequency changes depending on the outcome of the verification, which could mean more.	Not achieved 96%
Percentage of alcohol premises inspected at least once per year.	100%	100%	Achieved The number of premises inspected for alcohol compliance is an annual tally.	Achieved 100%

Operating Funding - Regulatory Management	Actual	Annual Plan	Annual Report
For the year ended: 30 June	2022/2023 \$'000	2022/2023 \$'000	2021/2022 \$'000
<b>Sources of operating funding</b>			
General rates, uniform annual general charges, rate penalties	2,395	2,395	2,352
Targeted rates	0	0	0
Subsidies and grants for operating purposes	51	0	0
Fees and charges	4,725	5,711	5,164
Internal charges and overheads recovered	0	0	0
Interest and dividends from investments	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	10	7	14
<b>Total operating funding</b>	<b>7,181</b>	<b>8,113</b>	<b>7,530</b>
<b>Application of operating funding</b>			
Payments to staff and suppliers	6,879	6,337	6,421
Finance costs	0	4	0
Internal charges and overheads recovered	1,721	1,716	1,550
<b>Total applications of operating funding</b>	<b>8,600</b>	<b>8,057</b>	<b>7,971</b>
<b>Surplus (deficit) of operating funding</b>	<b>(1,419)</b>	<b>56</b>	<b>(441)</b>

Capital Funding - Regulatory Management	Actual	Annual Plan	Annual Report
For the year ended: 30 June	2022/2023 \$'000	2022/2023 \$'000	2021/2022 \$'000
<b>Sources of capital funding</b>			
Subsidies and grants for capital expenditure	0	0	0
Development and financial contributions	0	0	0
Increase (decrease) in debt	0	97	0
Gross proceeds from sale of assets	0	0	0
<b>Total sources of capital funding</b>	<b>0</b>	<b>97</b>	<b>0</b>
<b>Application of capital funding</b>			
Capital expenditure - to meet additional demand	0	0	0
Capital expenditure - to improve the level of service	26	0	120
Capital expenditure - to replace existing assets	0	0	0
Increase (decrease) in reserves	(1,445)	52	(561)
<b>Total applications of capital funding</b>	<b>(1,419)</b>	<b>52</b>	<b>(441)</b>
<b>Surplus (deficit) of capital funding</b>	<b>1,419</b>	<b>45</b>	<b>441</b>
<b>Funding Balance</b>	<b>0</b>	<b>101</b>	<b>0</b>

Several categories as prescribed in the 2014 Local Government (Financial Reporting and Prudence) Regulations Order in Council, have been excluded from this activity level Financial Impact Statement. The excluded categories contain no actual, planned, or prior year financial activity and have been removed in the interest of brevity.



## Te Hautūtanga ā-Rohe, Ngā Moni me ngā Ratonga ā-roto District Leadership, Finance and Internal Services

District Leadership, Finance and Internal Services is the activity of running the business of Council. It involves democratic support to Elected Members, Council, its committees and other bodies in local decision-making and governance processes. It ensures governance structures and processes are effective, open and transparent. It also involves the development of policies, bylaws and the District Plan together with contributing to civil defence emergency management.

Our internal services relate to those functions of Council which assist the day to day running of our activities. They include Finance, Information Services, Customer Services, People and Capability, Communications and Economic Development.

What we planned	What we achieved
Administer local government elections for the Kaipara District	Achieved
Meeting technology improvements	Achieved Council Briefings and Meetings are broadcast live on the Council YouTube channel more consistently since the purchase of a Starlink system in February.
District Plan Review: Continuation	Achieved Council released an Exposure Draft District Plan for public feedback in August 2022. A significant community engagement programme was undertaken at the same time as the Exposure Draft Plan was out for feedback. More than 240 submissions were received on the Exposure Draft District Plan.
Climate change work programme: Climate smart policy development	Achieved Ruawai Adaptive Pathways in progress, on track for 2024 adaptation plan delivery.
Climate Action Plan development	Partial progress on Climate Action Plan. Phase 1, internal actions, have been developed and are being implemented. Phase 2, external actions, deferred due to lack of internal resources.
Adaptive Pathways pilot project	Climate Smart Policy delayed due to lack of internal resources. Scoped and in development, due for completion by end 2023.

What we planned (continued)	What we achieved
Complete Omnibus Reserve Management Plans	Carried forward from the first year of the LTP. Deferred due to lack of internal resources.
Complete statutory review of Alcohol Control Policy	In progress - research and analysis phase.
Scanning documents	\$100,000 was allocated in the 2022/2023 Annual Plan, to digitise documents using an external scanning company and employing two fixed term (three month) full-time employees.
<b>Emergency Management</b>	
Continue staff training and development so that Council can respond before, during and after any emergency	Completed Staff attended Coordinated Incident Management System (CIMS) training during the year. The Emergency Operations Centre (EOC) exercise was scheduled for Friday 17 March, however due to February's extreme weather events response, this was substituted as an EOC response debrief.
Purchase 10 tsunami sirens in Mangawhai to replace existing network	Completed KDC contributed funding towards the Northland Tsunami Siren Network Upgrade project.

## Ngā Paearu Mahi | Performance Measures

District Leadership, Finance and Internal Services measured by	LTP Year 2 Target 2022/2023	Actual 2022/2023	Comments for 2022/2023	Actual 2021/2022
<b>Governance</b>				
Compliance with legal requirements around formal meetings of Council and its Committees.				
Council maintain and improve opportunities for Māori to contribute to local government decision-making processes.	Achieved	Achieved	Achieved This has been achieved via the election of the district-wide Māori Ward representative at the Local Elections 2022, the ongoing operational level of the Mana Whenua Quarterly Hui forum, ongoing involvement of local marae in association with strategic infrastructure projects including (but not limited to) Kaihu Valley Trail, Climate Change Adaptive Pathways and other community-based work. Council also worked proactively with mana whenua to enable them to provide meaningful feedback on the Exposure Draft District Plan.	Achieved

District Leadership, Finance and Internal Services measured by	LTP Year 2 Target 2022/2023	Actual 2022/2023	Comments for 2022/2023	Actual 2021/2022
<b>Governance (continued)</b>				
<b>Compliance with legal requirements around formal meetings of Council and its Committees.</b>				
Elected Members are performing well.	61.1% (3% more than previous year of 59.3%)	49%	Not achieved This is measured by a Key Research survey which surveyed 770 people across three periods: 19 October to 21 November 2022, 10 February to 21 March 2023, and 21 April to 30 June 2023. The question asked in the survey was on the performance of the elected members.	Not achieved 59.3%
The community has trust in the Council.	56.7% (3% more than previous year of 55%)	48%	Not achieved Verbatims from the Key Research survey indicate the way Council meetings are conducted is lowering the score. This is measured by a Key Research survey which surveyed 770 people across three periods: 19 October to 21 November 2022, 10 February to 21 March 2023, and 21 April to 30 June 2023. The question asked in the survey was on the performance of the elected members.	Not achieved 55%
<b>Responsiveness</b>				
<b>To process applications within statutory timeframes.</b>				
LGOIMA requests processed by the LGOIMA team completed within statutory timeframes.	100%	100%	Achieved 158 requests were received and responded to within the 20 working day statutory timeframe.	Not achieved 99.15%
Long Term Plan, Annual Plan and Annual Reports will be adopted within timeframes set in the Local Government Act 2002.	Compliant	Compliant	Achieved Annual Report 2021/2022 was adopted 28 September 2022. Annual Plan 2023/2024 was adopted 28 June 2023. The option was available for both documents to be delivered within a longer timeframe due to Covid-19 and Cyclone Gabrielle respectively. This option was not taken up and both were completed inside standard legislative timeframes.	Achieved

District Leadership, Finance and Internal Services measured by	LTP Year 2 Target 2022/2023	Actual 2022/2023	Comments for 2022/2023	Actual 2021/2022
<b>Civil Defence Management</b>				
Conduct Civil Defence training exercises.	One per year	2	<p>Achieved</p> <p>A Civil Defence exercise was completed on 8 July 2022.</p> <p>An exercise was scheduled to occur on Friday 17 March 2023. Due to staff working tirelessly on a 'real life exercise,' namely February extreme weather events (Cyclone Gabrielle and the 24 February Mangawhai rainfall event), the exercise was cancelled. Instead, an Emergency Operations Centre staff debrief was held to discuss what went well, what could have been done better, and how we can improve for the next response.</p>	Not achieved
<b>Policy and District Planning</b>				
All statutory development and review timeframes for Bylaws and Policies are met.	100%	Not applicable	<p>Not applicable</p> <p>During the 2022/2023 year, Council did not have any statutory policy or bylaw reviews due for review. During this year, staff have been focusing on separating the Consolidated General Bylaw into individual bylaws to make them more accessible for the public and users.</p>	Achieved 100%

## Northland Inc Limited

### About this council-controlled organisation (CCO)

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

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

### Policies and objectives

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

Pou	Objective
Pou Tahī: Māori Economic Development- "Āe Mārika"!	To respect and implement the principals of Te Tiriti O Waitangi, which support meaningful partnership with Māori. Working with strategic partners in the Māori Economic Development space to drive delivery on high impact Māori economic development projects across all levels, with a specific focus on improving capacity and capability of those who we partner with for delivery. Implementation of our pathway – He Korowai Manawanui – a two-year programme working on our organisational culture towards elevating the importance of Māori Economic Development and becoming a better partner for Māori with a genuine understanding of Tikanga and Te Ao Māori.
Pou Rua: Environmental Sustainability	Help prepare for Tai Tokerau Northland's transition to a zero carbon and low emission economy by partnering to provide support and embedding environmental sustainability criteria within all active projects. Northland Inc will work to embed Te Ao Māori/Mātauranga Māori in environment/sustainability kaupapa.
Pou Toru: Regional Investment	Grow investment and business support services such that regional economic activity improves consistently year on year. Following assessment and review we will prioritise activities and ideas, with a view to applying our resources to engage in focused impactful projects reflecting the organisational capacity at this time.
Pou Whā: Destination Management and Marketing	To lead the implementation of a regional Destination Management Plan in partnership with relevant stakeholders, industry, iwi and hapū. Through a programme of investment and development, we will deliver destination management and marketing activity to position Northland within target markets as a desirable place to visit and support a visitor economy that aims to enhance the distribution of benefits across the region, environmental sustainability, heritage and culture.
Pou Rima: Profile and Advocacy of Economic Development	To develop and improve the profile of economic development and Northland Inc to ensure that Tai Tokerau Northland understands and values the efforts of Northland Inc and advocate for Te Tai Tokerau Northland to improve the economic well-being of the region to help support strong communities and environmental sustainability.
Pou Ono: Organisational Culture	At its core, regional economic development is about improving the livelihoods of the Tai Tokerau Northland's people. As an economic development agency, our culture should therefore be focused on supporting our people and their livelihoods. Therefore, Northland Inc actively upholds a culture where teams are respectful and supportive of one another; our histories, our whānau, and our aspirations.

### Investment and Growth Reserve

Northland Inc’s activities include a focus on finding economic development projects that qualify for funding through the IGR. The objective of the reserve is to provide a fund that shareholder councils can use to support strategic investments that lift the long-term growth of the Northland economy that support strong communities and environmental sustainability. All three shareholder councils contribute funding to the IGR, and through their membership of the Joint Regional Economic Development Committee, have responsibility for allocating funding from the IGR. The main criteria for allocation are as follows:

- The reserve provides operational expenditure for Northland Inc.
- Up to \$300,000 per annum can be used for project development funding.
- Responsibility for allocating project development funding of up to \$100,000 is delegated to the Board of Northland Inc.
- The reserve can be used to provide enabling investment funding for projects that lift the economic performance of Northland through the construction of public or community held infrastructure or the development of regionally strategic sectors. The strategic sectors identified in the 2021-24 Statement of Intent are aquaculture, agriculture and horticulture, digital, tourism, ship and boat building and repair services.
- Any project that is determined to potentially have significant adverse impacts on social, environmental, economic, or cultural well-being will not be eligible for funding, regardless of the positive impacts.
- Decisions on enabling investment funding must have been considered and evaluated for funding by the Board of Northland Inc.
- Applications for enabling investment funding must be accompanied by a robust business case.

### Key performance measures and targets

This section summarises the results of Northland Inc’s activities during 2022-2023 against the key performance indicators set for five of the six pou (objectives). Key performance indicators were not set for the sixth pou: organisational culture

*NB: Northland Inc information is audited separately from KDC. Northland Inc activities are carried out across the region and may not have occurred in Kaipara District.*

## Ngā Paearu Mahi | Performance Measures

Northland Inc measured by	LTP Year 2 Target 2022/2023	Actual 2022/2023	Comments for 2022/2023	Actual 2021/2022
<b>Māori Economic Development</b>				
Proportion of Māori businesses satisfied with Northland Inc support.	>50%	94%	Achieved	Achieved 78%
Number of engagements or established relationships with iwi/hapū groups and other Māori organisations, e.g. marae, land trusts, etc. that have led to a positive outcome.	15	21	Achieved	Achieved 12

Northland Inc measured by	LTP Year 2 Target 2022/2023	Actual 2022/2023	Comments for 2022/2023	Actual 2021/2022
<b>Environmental Sustainability</b>				
Proportion of businesses / projects that Northland Inc are supporting that have identified their environmental aspirations and complied with governmental regulations.	90% of businesses/ projects.	91%	Achieved	Achieved 91%
Number of workshops and events that help promote or support environmental sustainability values and culture in Te Tai Tokerau.	5	7	Achieved	Achieved 4
Reduction percentage of Northland Inc's carbon footprint.	5% net reduction in footprint (Target 52,500 kg CO2/year)	71,545 kg CO2/year	Not achieved	Achieved Initial carbon footprint set at 55,260 kg CO2/year.

Increased activity in a post covid environment not comparable with base year. The Carbon Emission figure is at best indicative and was prepared internally within Northland Inc using the third-party Carbon Neutral Trust Calculator to achieve consistency with Northland Regional Council. The results for each emission category are heavily based on assumptions but with better data and collection processes. Northland Inc can reach better quality reporting and a more accurate carbon position and will continue to improve the calculation methodology over time.

Northland Inc measured by	LTP Year 2 Target 2022/2023	Actual 2022/2023	Comments for 2022/2023	Actual 2021/2022
<b>Regional Investments</b>				
Number of unique businesses assisted (by TA and industry).	240/NPS	431	Achieved	Achieved 545
Proportion of those businesses assisted that are Māori (by TA and industry).	30%	31%	Achieved	Achieved 22%
Number of inward delegations hosted.	3	5	Achieved	Not achieved 1
Number of high impact projects that are implemented.	4	3	Not achieved	Not achieved 2

Northland Inc measured by	LTP Year 2 Target 2022/2023	Actual 2022/2023	Comments for 2022/2023	Actual 2021/2022
<b>Regional Investments (continued)</b>				
Value of Grant funding and investment facilitated for Māori businesses.	\$120k	\$2,204k	Not achieved Many of the Māori businesses the BIG (Business, Innovation and Growth) team are connecting with require soft support and are not yet ready for funding support through the Regional Business Partners (RBP) only \$36k of RBP grant funding achieved. However, \$2,168k of funding has been facilitated through the cyclone relief fund.	Not achieved \$106k
Client satisfaction as measured by Net Promoter Score (NPS)	NPS >50%	NPS = 85%	Achieved	New Measure
Number of workshops and events to promote product development and position Te Tai Tokerau Northland as a green tourism destination.	4	9	Achieved	Achieved 4
<b>Destination Management and Marketing</b>				
Number of destination promotion campaign initiatives to generate national exposure to the region (including number of businesses that are engaged in the campaign).	1 campaign per year.	1	Achieved Target exceeded – 79 individual operations spotlighted at least once through campaign activity.	Achieved 4
<b>Profile and Advocacy of Economic Development</b>				
Number of regional economic development updates or reports released.	6	6	Achieved	Achieved 4
Number of media features that profile the region.	24	26	Achieved	Achieved 20
Number of media activity that references Northland Inc.	52	104	Achieved	Achieved 77

## Te Kaupapa ā-Moni Punga | Capital Programme

Project	Actual 2022/2023	Budget from Annual Plan (plus carryovers)	Comments
Kai Water	0	\$130,080	Second season completed in summer 2023 with Squash Delica and T-133 (another Kabocha squash) harvested on Site 1, Maunganui Bluff. Project heading towards planned completion late 2023.
Kaipara Wharves – Poutō	\$1,644,834	\$2,339,531	Programme extended following weather conditions impacting progress - due for completion late 2023.
Kaipara Wharves – Pahi	\$2,489	\$5,425	Completed.
Tsunami Sirens	\$100,000	\$102,200	Contributed funding towards the Northland tsunami siren network upgrade project.
Information Services – new and replacement equipment	\$109,445	\$122,640	Completed.
Wi-Fi – refresh and rebuild	\$54,481	\$67,585	Completed. Project requirements met.
Replacement vehicles (7 p.a.)	\$316,772	\$214,620	Two additional vehicles were required to be purchased this year on top of the scheduled seven replacements.

<b>Operating Funding - District Leadership, Finance and Internal Services</b>	<b>Actual</b>	<b>Annual Plan</b>	<b>Annual Report</b>
For the year ended: 30 June	2022/2023 \$'000	2022/2023 \$'000	2021/2022 \$'000
<b>Sources of operating funding</b>			
General rates, uniform annual general charges, rate penalties	6,0334	6,189	5,337
Targeted rates	51	51	51
Subsidies and grants for operating purposes	770	0	92
Fees and charges	515	153	395
Internal charges and overheads recovered	12,817	13,204	11,524
Interest and dividends from investments	726	206	189
Local authorities fuel tax, fines, infringement fees and other receipts	472	368	485
<b><i>Total operating funding</i></b>	<b>21,384</b>	<b>20,171</b>	<b>18,073</b>
<b>Application of operating funding</b>			
Payments to staff and suppliers	17,050	18,068	15,055
Finance costs	2,237	(260)	(586)
Internal charges and overheads recovered	(1,487)	1,021	1,038
<b><i>Total applications of operating funding</i></b>	<b>17,799</b>	<b>18,829</b>	<b>15,507</b>
<b>Surplus (deficit) of operating funding</b>	<b>3,585</b>	<b>1,342</b>	<b>2,566</b>

<b>Capital Funding - District Leadership, Finance and Internal Services</b>	<b>Actual</b>	<b>Annual Plan</b>	<b>Annual Report</b>
For the year ended: 30 June	2022/2023 \$'000	2022/2023 \$'000	2021/2022 \$'000
<b>Sources of capital funding</b>			
Subsidies and grants for capital expenditure	2,231	0	1,836
Development and financial contributions	0	0	0
Increase (decrease) in debt	0	(1,015)	0
Gross proceeds from sale of assets	0	0	102
<b><i>Total sources of capital funding</i></b>	<b>2,231</b>	<b>(1,015)</b>	<b>1,938</b>
<b>Application of capital funding</b>			
Capital expenditure - to meet additional demand	0	0	0
Capital expenditure - to improve the level of service	1,904	195	2,948
Capital expenditure - to replace existing assets	474	296	355
Increase (decrease) in reserves	3,438	(327)	1,201
<b><i>Total applications of capital funding</i></b>	<b>5,815</b>	<b>164</b>	<b>4,504</b>
<b><i>Surplus (deficit) of capital funding</i></b>	<b>3,584</b>	<b>(1,179)</b>	<b>(2,566)</b>
<b>Funding Balance</b>	<b>0</b>	<b>163</b>	<b>0</b>

Several categories as prescribed in the 2014 Local Government (Financial Reporting and Prudence) Regulations Order in Council, have been excluded from this activity level Financial Impact Statement. The excluded categories contain no actual, planned, or prior year financial activity and have been removed in the interest of brevity.



## Te Parahau Waipuketanga me te Whakamimiti Waikari Whenua Flood Protection and Land Drainage

Flood Protection and Land Drainage involves the planning and management for flood protection over Kaipara’s drainage districts. Council co-ordinates land drainage works in 30 land drainage schemes of various sizes. The largest is the Raupō Drainage District, where the Council provides administrative and technical support.

Through our land drainage networks, we seek to deliver on the following in a cost-effective manner:

- Protection of land from tidal waters;
- Managing surface water in events of flooding and
- Diversion of runoff from inland hills.

What we planned	What we achieved
Complete asset data for stopbanks in all land drainage districts. Develop a standard for routine condition assessment of these assets in 100m lengths by the contractor and complete this assessment	Raupo completed, remainder of drainage districts in progress.
Bower stopbank construction	Design in progress and construction scheduled for summer of 2023/2024.
Asset data collated into Asset Management system (Assetfinda)	Raupo completed, remainder of drainage district in progress. This will now be continuous until all drainage districts are complete.
Increasing support to land drainage districts for increasing pressures of climate change	Ruawai Adaptive Pathways planning is underway, and learnings will be applied across district in future years.
Develop maintenance schedule with maintenance contractor and asset management improvements for clarity on ownership and responsibility of core assets	This work is ongoing but will see a new approach in the next LTP.
Continue investigating floodgate and infrastructure options in all drainage districts	This work is ongoing. Canal G is in the Raupō project and Canal K will be included in the next LTP period.

What we planned continued	What we achieved
Continue modelling infrastructure requirements for flood susceptible areas to allow Level of Service (LoS) under increasing rain intensity and river level. Use this to plan LoS projects for stopbanks, floodgates and other network infrastructure	This work is ongoing.
Continue to review catchment definition and neighbouring land drainage districts. Refine lot by lot contribution and consult on rates distribution	Approach for catchments to be redefined is progressing through the next LTP period.

## Ngā Paearu Mahi | Performance Measures

Flood Protection and Land Drainage measured by	LTP Year 2 Target 2022/2023	Actual 2022/2023	Comments for 2022/2023	Actual 2021/2022
<b>Monitor drainage of rivers and streams, ensure minimal flood risk and coast erosion to the community</b>				
The number of flood events not contained by the drainage district scheme up to a 1:5 year flood.	0	0	Achieved There have been no 1:5 year rainfall events that were not contained within the district schemes. The extreme weather events in February were not in the scope of a 1:5 year event, and Mangawhai is not in a Land Drainage District.	Achieved 0
Service Requests for broken, blocked, or failing floodgates.	<7 service requests per year	4	Achieved Four requests were received for the 2022/2023 period. These were caused by a broken chain, debris blockage and door jam. Some of the requests related to the February 2023 extreme weather events.	Achieved 4
Service requests for additional cleaning of drains, i.e. missed by routine monitoring and maintenance programmes.	<5 requests per year	0	Achieved There were no requests for additional drain cleaning.	Achieved 3
Biannual inspection of our drainage network to ensure it can contain a 1 in 5 year flood.	2 inspections per year	Completed	Achieved There are 30 land drainage districts. The expectation and usual practice is that property owners report issues as they arise which is only recorded once maintenance has been completed. Raupo inspections are completed by KDC staff and drainage board members.	Achieved

Flood Protection and Land Drainage measured by	LTP Year 2 Target 2022/2023	Actual 2022/2023	Comments for 2022/2023	Actual 2021/2022
Monitor drainage of rivers and streams, ensure minimal flood risk and coast erosion to the community (continued)				
Targeted maintenance of the stopbank system in the Raupō Drainage District to prevent tidal flows from inundating private property during high tide and/or when the river is in flood.	Minimum yearly inspections and targeted maintenance completed.	Completed	Achieved After February's extreme weather events there were a number of internal stopbank issues identified that took priority over programmed works. All works completed are recorded in the Raupo Drainage Committee agenda reports.	Achieved

## Te Kaupapa ā-Moni Punga | Capital Programme

Project	Actual 2022/2023	Budget from Annual Plan (plus carryovers)	Comments
District-wide land drainage – improvements	\$12,725	\$47,725	Completed.
District-wide land drainage – Te Kopuru Stopbank	\$387,477	\$3,153,767	Works continuing through into new financial year.
Horehore Land Drainage - Floodgate 20	\$54,509	0	Completed. Further work will be required.
Raupō Land Drainage - Floodgate 48	\$74,921	\$90,000	Completed.
Raupō Land Drainage - Internal Stopbanks	\$155,835	\$2,410,182	Finalising detailed design ahead of construction later in 2023.
Storm damage - Awakino rail embankment	\$9,903	0	Underway - ballast metal has been reinstated - under investigation/design for earth bund.

Operating Funding - Flood Protection and Land Drainage	Actual	Annual Plan	Annual Report
For the year ended: 30 June	2022/2023 \$'000	2022/2023 \$'000	2021/2022 \$'000
<b>Sources of operating funding</b>			
General rates, uniform annual general charges, rate penalties	111	6,189	5,337
Targeted rates	1,059	51	51
Subsidies and grants for operating purposes	0	0	92
Fees and charges	0	153	395
Internal charges and overheads recovered	0	13,204	11,524
Interest and dividends from investments	0	206	189
Local authorities fuel tax, fines, infringement fees and other receipts	0	368	485
<b>Total operating funding</b>	<b>1,170</b>	<b>1,171</b>	<b>982</b>
<b>Application of operating funding</b>			
Payments to staff and suppliers	578	681	528
Finance costs	0	9	1
Internal charges and overheads recovered	202	193	160
<b>Total applications of operating funding</b>	<b>780</b>	<b>883</b>	<b>689</b>
<b>Surplus (deficit) of operating funding</b>	<b>390</b>	<b>288</b>	<b>293</b>

Capital Funding - Flood Protection and Land Drainage	Actual	Annual Plan	Annual Report
For the year ended: 30 June	2022/2023 \$'000	2022/2023 \$'000	2021/2022 \$'000
<b>Sources of capital funding</b>			
Subsidies and grants for capital expenditure	241	4,800	228
Development and financial contributions	0	0	0
Increase (decrease) in debt	0	(11)	0
Gross proceeds from sale of assets	0	0	0
<b>Total sources of capital funding</b>	<b>241</b>	<b>4,789</b>	<b>228</b>
<b>Application of capital funding</b>			
Capital expenditure - to meet additional demand	0	0	0
Capital expenditure - to improve the level of service	566	4,800	448
Capital expenditure - to replace existing assets	161	103	0
Increase (decrease) in reserves	(97)	173	73
<b>Total applications of capital funding</b>	<b>630</b>	<b>5,076</b>	<b>521</b>
<b>Surplus (deficit) of capital funding</b>	<b>(389)</b>	<b>(287)</b>	<b>(293)</b>
<b>Funding Balance</b>	<b>0</b>	<b>1</b>	<b>0</b>

Several categories as prescribed in the 2014 Local Government (Financial Reporting and Prudence) Regulations Order in Council, have been excluded from this activity level Financial Impact Statement. The excluded categories contain no actual, planned, or prior year financial activity and have been removed in the interest of brevity.



## Ngā Wāhi Wātea me ngā Whakaurunga | Open Spaces and Facilities

We provide community development, libraries, a hall and pensioner housing to contribute to our social wellbeing and pride, and natural spaces open to all enabling our community to come together and encourage active play. We support community involvement in placemaking, outdoor activities, creating partnerships to provide recreation facilities and civic spaces that are fit-for-purpose. Financial contributions collected from developers mean we have a healthy fund to invest in increased park and open space development.

A community development approach strengthens local democracy and the capacity of communities to participate actively in determining the processes and outcomes of social and economic change.

What we planned	What we achieved
Review current terms of Operations and Maintenance Contract, tender and award new contract	Completed.
Pahi Toilet replacement	The project is in the delivery phase. After community engagement a site and design for the building was confirmed. A resource consent for the new wastewater system has been granted, a consent application for the new toilet building is in progress and expected to be issued soon. The toilet building has been ordered from a supplier and procurement is underway for the wastewater system and for a contractor to do the construction works. Construction is expected to start later in 2023.
Mangawhai coastal walkway development	Carried forward from year 1: In progress. Breve Street track work has been completed.
New Master Plan for Mangawhai Community Park	In progress. Due for completion 2023/2024.
Te Kopuru Pump Track surrounds improvement (to complement community-funded pump track)	In progress. Development agreement is still in draft and sitting with Community Team/Property. Parks staff are working cross-council including with animal management officers to mitigate issues that will impact the project.

What we planned	What we achieved
McClellan Park, Kaiwaka improvements Council will contribute \$100,000 to bring the previously neglected McClellan Park in Kaiwaka up to a standard that is acceptable to the public and easier to maintain, in the first year of the LTP Council investment will be used to provide drainage and improving the hard surfaces	The plan for park development continued progressing in 2022/2023. February's extreme weather events impeded this work and now a fresh look is being taken as to how best to deal with the damage, the drainage and roading proposals for the broader intersection. The planning of this will continue in 2024/2025.
Lincoln Down Mountain Bike Park (Browns Road) and Mangawhai Activity Zone skate bowl	Construction of the skate bowl is underway.
Ancient Kauri Trail	Northland Inc activity is leading this work. Council focus has been on the first stage of the Kaihu Valley Trail (KVT).
Deliver a new playground	Locations for a new playground in Bayliss Beach are underway.
New Reserve Management Plan for Pou Tu o Te Rangi Harding Park	Completed. A Reserve Management Plan for Pou Tu o Te Rangi Harding Park was adopted September 2022. Extensive engagement was carried out with Mana Whenua, local hapu and the local community to produce the new plan.
<b>Community Development</b>	
Administer the contestable funding programme	Achieved (as per table on Page 111)
Coordinate the Citizens and Environmental Awards	<b>Citizens Awards 2022</b> John and Margaret Bishop Phillip Godfrey Alan Mortenson Graham Taylor <b>Environmental Awards 2022</b> Nil nominations
Coordinate Community Agreement processes: <ul style="list-style-type: none"> <li>Contracts for Service</li> <li>Community Licences to Occupy</li> <li>Community Leases</li> <li>Development Agreements</li> </ul>	<b>Contracts for Service Agreements</b> Contracts for services moved to budget holders this year to simplify the process. <b>License to Occupy Agreements</b> Mangawhai Heads Surf Lifesaving Club Mangawhai Fishing and Boating Club Pahi Community Hall <b>Development Agreements</b> Kaiwaka Can Te Kopuru Community Development Group Mangawhai Heads Surf Lifesaving Club.
<b>Pensioner Housing</b>	
36 units in Dargaville and Ruawai will be available to older community members of limited means	Housing is available for the elderly, managed on Council's behalf by the Dargaville Community Development Board. Upgrades to the Mangawhai units was deferred pending a decision from Council.

What we planned	What we achieved
<p>Support community and Council-led projects by advising on, and participation in, the implementation and review of community plans such as:</p> <ul style="list-style-type: none"> <li>• Mangawhai Community Plan</li> <li>• Kaiwaka Improvement Plan</li> <li>• Ancient Kauri Trail</li> <li>• Dargaville Township Improvement Plan</li> <li>• Paparoa Connections</li> <li>• Te Kopuru Community Activation Plan</li> </ul>	<p>Te Kopuru Domain Master Plan - completed.</p> <p>Paparoa Connections - exercise stations added to the concrete walking track round the showgrounds, colour palette established for business premises and painted, gardening group formed to beautify the township.</p> <p>Mangawhai Community Plan – Phase 1 of the shared path completed in August 2022. Phase 2 of the shared path is nearing completion including a boardwalk over the estuary reflecting Te Ao Māori designs (due for completion August 2023). Phase 3 design phase and consultation with impacted neighbours underway. Wood Street final layout design close to completion – construction deferred from Year 3 due to prioritisation of storm recovery repairs.</p> <p>Kaiwaka Improvement Plan - progressing well, Development Agreement for McClean Park, Gibbons Road with Kaiwaka Can. Rangiora Boat Ramp is in the final stages of planning.</p> <p>Ancient Kauri Trail - Focus has been on the Kaihu Valley Trail (KVT) cycleway. KVT Stage One was opened to the public on 10 June 2023. This experience includes two 68 metre swing bridges that span Kaihu River in Parore and Ahikiwi. The 30km ride to Kaihu township uses KVT and low volume roads. A business case for Stage 2 is being completed when new funding becomes available.</p> <p>Dargaville Township Improvement Plan - Focus has been on the KVT and engaging with the community on their aspirations.</p>
<b>Libraries</b>	
Progress towards a modern library environment in Dargaville	Progressions on this initiative has paused due to the government withdrawing tranche two of the Better off funding package. There is currently no budget for this work.
Identify and secure a site for a new Council library in Mangawhai	Progressions on this initiative has paused due to the government withdrawing tranche two of the Better off funding package. There is currently no budget for this work.
Continuously work to improve library services to residents and visitors	<p>New Discovery Library 'Tutu' collection was launched. Launched in December 2022 with New Zealand Libraries Partnership Programme funding - the Discovery Tutu Collection has more than 60 items available to borrow, split across three categories – STEM (Science, Technology, Engineering, Mathematics), games and arts and creativity. All items are free to borrow for two weeks with a Kaipara District library card.</p> <p>Kaipara Libraries went fines free on 1 July 2022, meaning charges on overdue items and DVD rentals have been removed.</p> <p>Kaipara Libraries will be fees free from 1 July 2023.</p>
Support community libraries to improve and develop their services and work to align standards between libraries	This is a work in progress.
Investigate cooperative initiatives with other Northland libraries	Working well together on shared digital platforms. Far North District Council's new manager settling in and more progress is expected in 2024.
<b>Northern Wairoa War Memorial Hall</b>	
Continue to mitigate mould caused by water ingress to allow for continued use of some parts of the complex	As a result of testing and mould removal, it was no longer tenable to keep the facility in operation. It is now closed until demolition due to health and safety risks.
Support the formation of a trust who will fundraise and construct new Community Hub and Library on the Council reserve adjacent to the Northern Wairoa War Memorial Hall	Work on formation of the trust remained on hold due to a successful application for Three Waters tranche one, Better off funding.

## Ngā Paearu Mahi | Performance Measures

Community Activities measured by	LTP Year 2 Target 2022/2023	Actual 2022/2023	Comments for 2022/2023	Actual 2021/2022
<b>Pensioner Housing</b> Quality: Affordability to provide housing suitable for members of the community who have difficulty providing it themselves.				
Zero net cost to ratepayers for Council's pensioner housing services.	Zero cost	Not achieved	Not achieved Additional expense due to February 2023 extreme weather event damage. Six units in Mangawhai do not currently meet Healthy Homes standards and are therefore vacant, so revenue is reduced.	Achieved 0
Pensioner Housing Annual occupancy rate.	90%	91%	Achieved Predominantly due to the six vacant units in Mangawhai not meeting Healthy Homes standards.	Achieved 94.3%
<b>Reserves and Open Space</b> Open spaces, linkages and facilities to promote community wellbeing and enjoyment.				
Percentage of residents who are very/fairly satisfied with their local parks and sports fields.	86%	82%	Not achieved	Achieved 86%
Percentage of residents who are very/fairly satisfied with the district's public toilets	>70%	72%	Achieved Some members of the community expressed concern about the Maungaturoto toilets being closed for an extended time (Key Research).	Achieved 81%
Compliance with parks maintenance contract specifications – monthly audits	90%	77%	Not achieved The ongoing wet and warm weather during 2022/2023 increased workloads for vegetation maintenance, and also affected contractor's ability to attend to the work. A 'Notice to Contractor' for mowing and gardens has been issued. Staff are working through contract variation costings in order to improve service level.	Achieved 92%
Parks maintenance contract: a safe working environment is provided for those delivering the service, number of health and safety audits per month.	Contractor: 4 per month	101.9%	Achieved 53 audits were completed, 48 required.	Achieved Contractor: 100%
	Council: 1 per month	50%	Not achieved Six out of 12 audits completed. Contractor is compliant. Due to increased workloads, Council staff have been unable to complete their audits.	Not achieved Council: 41%

Community Activities measured by	LTP Year 2 Target 2022/2023	Actual 2022/2023	Comments for 2022/2023	Actual 2021/2022
<b>Reserves and Open Space (continued)</b>				
Open spaces, linkages and facilities to promote community wellbeing and enjoyment.				
Compliance with Resource consent conditions. Wastewater/ watertake consents	No abatement notices received	0	Achieved No abatement notices were received for Parks and Open Spaces consents.	Achieved 0
<b>Libraries</b>				
Percentage of library users who are very satisfied or satisfied with the district's library services	85%	76%	Not achieved	Not achieved 83%

## Community Grants

Organisation	Amount approved
Citizens Advice Bureau Dargaville & Districts	\$3,594.92
No.57 Squadron (Dargaville) Air Training Corps (ATC)	\$2,000.00
Dargaville Dalmation Club	\$2,473.85
Dargaville Lions Club	\$678.10
Dargaville Little Theatre	\$2,000.00
Dargaville Menz Shed	\$2,000.00
1st Dargaville Scout Group	\$2,000.00
Hakaru Branch of the Wellsford District Pony Club Inc	\$1,354.00
Kaiwaka War Memorial Hall Assn - Kaiwaka Library	\$20,040.00
Kauri Coast Recreational Society Inc (Sportsville)	\$2,000.00
Kumarani Productions (KPT)	\$2,500.00
Linking Hands Incorporated	\$1,990.00
Mangawhai Combined Rebus Club	\$1,250.00
Mangawhai Daring Trust	\$2,160.00
Mangawhai Museum & Historical Society Inc	\$8,128.00
Mangawhai Shed	\$3,762.00
Mangawhai Library Trust Hall	\$7,500.00
Maungaturoto Centennial Community Centre	\$6,000.00

## Community Grants (continued)

Organisation	Amount approved
Maungaturoto Playcentre	\$1,250.00
North Rodney Blue Light Ventures	\$709.29
Northern Wairoa Community Radio Trust (Big River FM)	\$2,692.01
Northern Wairoa Māori, Maritime & Pioneer Museum Society Inc (Dargaville Museum - Te Whare Taongā O Tunatahi)	\$10,000.00
Otamatea Repertory Theatre	\$2,667.00
Paparoa Community Library	\$1,013.06
Ruawai Promotions and Development Group	\$1,000.00
Te Kopuru Community Trust Inc	\$1,200.00
Te Kopuru Playcentre	\$7,437.39
Volunteering Northland	\$600.00
<b>Total granted</b>	<b>\$99,999.62</b>

## Creative Communities Scheme Grant

Organisation	Amount approved
	Round One
Dargaville Arts Association	\$2,889.83
Everybody is a Treasure Trust	\$2,800.00
Kaipara Arts Awards Committee 2022	\$6,976.83
Kumarani Productions Trust (KPT)	\$2,515.00
Mangawhai Artists Inc - application 1	\$2,000.00
Mangawhai Artists Inc - application 2	\$150.00
Mangawhai Artists Inc - application 3	\$656.94
Maungaturoto Country Club	\$219.14
Oliver Knox	\$3,372.00
Otamatea Repertory Theatre Inc	\$400.00
<b>Total granted Round One</b>	<b>\$21,979.74</b>

## Creative Communities Scheme Grant (continued)

Organisation	Amount approved
	Round Two
Bill Hyland Community Centre	\$2,510.00
Dargaville Arts Association Inc - applications 2,3,4	\$6,000.00
Kumarani Productions Trust (KPT)	\$2,822.00
Liam Asturby	\$598.00
Raymond Drake	\$339.93
<b>Total granted Round Two</b>	<b>\$12,269.93</b>

## Mangawhai Endowment Lands Account – MELA

Organisation	Amount approved
Mangawhai Activity Zone	\$15,488.00
Mangawhai Community Gardens	\$2,500.00
Mangawhai Heads Volunteer Lifeguard Service Inc	\$5,370.50
Mangawhai Tennis Club	\$5,000.00
Te Whai Community Trust	\$5,370.50
<b>Total granted</b>	<b>\$43,873.50</b>

## Reserves Contribution Contestable Fund

Organisation	Amount approved
Kaipara Cycling Incorporated	\$20,000.00
Kaiwaka Can	\$136,050.00
Kaiwaka Sports Association	\$1,900.00
Mangawhai Tracks Charitable Trust	\$16,500.00
Maungaturoto Residents Association	\$1,945.00
Mangawhai Activity Zone (application 1)	\$56,000.00
Progressive Paparoa Incorporated	\$19,250.00
Te Kopuru Community Development Board	\$6,470.06
<b>Total granted</b>	<b>\$258,115.06</b>

## Rural Sports Travel Grant

Organisation	Amount approved
Round One	
Dargaville High School	\$3,000.00
Dargaville Primary School	\$2,500.00
Kaipara Youth Club	\$500.00
Northland Regional Football	\$1,000.00
Ruawai College	\$1,500.00
<b>Total granted Round One</b>	<b>\$8,500.00</b>
Round Two	
Aranga School	\$434.78
Arapohue School	\$500.00
Dargaville High School	\$1,600.00
Dargaville Primary School	\$500.00
Mangawhai Beach School	\$500.00
Mangawhai Football Club	\$700.00
Mangawhai Heads Volunteer Lifesaving Club	\$800.00
Northern Wairoa Bulls Rugby League & Sports Inc	\$1,200.00
Northern Wairoa Football Club	\$900.00
Otamatea High School	\$1,600.00
Otamatea Netball Club	\$500.00
Ruawai College	\$746.50
Ruawai JMB Rugby	\$900.00
Southern Rugby Club	\$618.10
<b>Total granted Round Two</b>	<b>\$11,499.38</b>

## Building and Resource Consent Fund

Nil grants allocated this financial year.

## Te Kaupapa ā-Moni Punga | Capital Programme

Project	Actual 2022/2023	Budget from Annual Plan (plus carryovers)	Comments
Public Toilets	\$247,154	\$92,954	Completed – Mangawhai (Alamar Crescent, Lincoln Street and Reserve), and Maungaturoto.
Public Toilets - Pahi	\$90,453	\$240,473	In progress. To be constructed early 2024.
Public Toilets – Baylys Beach	\$26,608	0	In planning stages. Construction to begin 2024.
Pensioner Housing - general	0	\$101,550	For heat pump installations in Dargaville and Ruawai. To be completed in 2023/2024 after trials.
Library replacements (books and equipment)	\$63,175	\$59,798	Book replacements.
Parks	\$237,379	\$307,520	Completed hard surface, infrastructure and playground renewals in parks across district.
Kai Iwi Campground facilities and security improvements	\$145,371	\$198,434	Completed.
Kaiwaka – Rangiora Road park development	\$47,626	\$206,200	Construction to begin 2024.
Moir Street, Mangawhai	\$5,861,672	0	A 5.8 hectare block of land (currently in paddock) in Mangawhai Village was purchased using reserve contributions by Council for future public sporting and recreational facilities. The Council will engage further with the community in the future to understand what sports and recreational facilities should be developed on the land.
Mangawhai Coastal Walkway (Breve Street track)	\$40,651	\$291,427	Design complete and walkway constructed in 2023 by the Mangawhai Tracks Charitable Trust (Mangawhai Trackies), supported with funding from Council.
Carpark – Alamar Road, Mangawhai	\$117,624	\$882,070	Design underway, construction planned for 2024.

Operating Funding - Open Spaces and Facilities	Actual	Annual Plan	Annual Report
For the year ended: 30 June	2022/2023 \$'000	2022/2023 \$'000	2021/2022 \$'000
<b>Sources of operating funding</b>			
General rates, uniform annual general charges, rate penalties	5,585	5,585	4,811
Targeted rates	367	360	358
Subsidies and grants for operating purposes	63	52	81
Fees and charges	1,293	1,189	1,343
Internal charges and overheads recovered	0	0	0
Interest and dividends from investments	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	0	0	0
<b>Total operating funding</b>	<b>7,308</b>	<b>7,186</b>	<b>6,593</b>
<b>Application of operating funding</b>			
Payments to staff and suppliers	6,352	5,197	4,798
Finance costs	0	43	40
Internal charges and overheads recovered	1,396	1,358	1,213
<b>Total applications of operating funding</b>	<b>7,749</b>	<b>6,598</b>	<b>6,051</b>
<b>Surplus (deficit) of operating funding</b>	<b>(441)</b>	<b>588</b>	<b>542</b>

Capital Funding - Open Spaces and Facilities	Actual	Annual Plan	Annual Report
For the year ended: 30 June	2022/2023 \$'000	2022/2023 \$'000	2021/2022 \$'000
<b>Sources of capital funding</b>			
Subsidies and grants for capital expenditure	366	387	191
Development and financial contributions	2,956	1,885	2,714
Increase (decrease) in debt	0	230	0
Gross proceeds from sale of assets	0	0	0
<b>Total sources of capital funding</b>	<b>3,322</b>	<b>2,502</b>	<b>2,905</b>
<b>Application of capital funding</b>			
Capital expenditure - to meet additional demand	167	1,978	841
Capital expenditure - to improve the level of service	6,323	499	53
Capital expenditure - to replace existing assets	438	601	221
Increase (decrease) in reserves	(4,048)	165	2,332
<b>Total applications of capital funding</b>	<b>2,880</b>	<b>3,243</b>	<b>3,447</b>
<b>Surplus (deficit) of capital funding</b>	<b>442</b>	<b>(741)</b>	<b>(542)</b>
<b>Funding Balance</b>	<b>0</b>	<b>(153)</b>	<b>0</b>

Several categories as prescribed in the 2014 Local Government (Financial Reporting and Prudence) Regulations Order in Council, have been excluded from this activity level Financial Impact Statement. The excluded categories contain no actual, planned, or prior year financial activity and have been removed in the interest of brevity.



## Te Waitūpuhi | Stormwater

Stormwater drainage protects our communities, infrastructure, and public places from flooding by discharging stormwater and collecting contaminants to minimise adverse effects from rain, runoff, and high tides. Stormwater drainage on state highways is managed by Waka Kotahi NZ Transport Agency (NZTA).

Stormwater is managed differently across the district:

- Dargaville, Baylys, Te Kopuru and Kaiwaka have a piped stormwater system with open drains;
- Mangawhai is a combination of soakage, stormwater reticulation and open drains;
- Pahi, Whakapirau, Tinopai, Paparoa and Maungaturoto stormwater is predominantly related to the road network;
- Tinopai, Kelly’s Bay and Glinks Gully have road culverts; and
- Ruawai is integrated into the Raupo Drainage District works.

What we planned	What we achieved
Create hydrological models for stormwater networks in Mangawhai, Kaiwaka, Dargaville, Te Kopuru, Baylys Beach, Maungaturoto and Paparoa where Level of Service or growth design questions need answering	Catchment management plans in progress.
Develop a standard for routine condition assessment of stopbank assets in the urban area and begin this assessment	Stopbank assets have been added to Asset Management System (AMS) in 100m lengths to enable individual asset assessment through the AMS. Template still to be agreed with maintenance team.
Model infrastructure requirements in Dargaville for flood-susceptible areas to allow Level of Service under increasing rain intensity and river levels	Catchment management plans in progress.
Complete the new Catchment Management Plans for Dargaville and Mangawhai	Catchment management plans in progress.

What we planned	What we achieved
Complete the Catchment Management Plans for Kaiwaka, Maungaturoto, Paparua, Te Kopuru and Baylys	Catchment management plans in progress.
Complete Closed Circuit Television (CCTV) condition assessments in Kaiwaka, Maungaturoto, Paparua, Te Kopuru and Baylys so set conditions can be used in the renewal strategy	Work is ongoing. Te Kopuru is completed, Mangawhai is partially completed, and Dargaville is ongoing due to the complexity and extent of the network.
Complete CCTV condition assessments in Whakapirau, Tinopai, Pahi, (Glinks Gully, Kellys Bay, Ruawai, Poutō and Matakohē as necessary) to enable asset conditions to be used in the renewal strategy	Not started.
Continue developing overland flow maps for the whole district. Required for reliable Stormwater Catchment Management Plans, land use planning and renewals strategy. Incorporate this into public maps system	Overland flow maps are completed. These are still to be incorporated into the public maps system.
Continue restoration of Mangawhai stormwater ponds requiring upgrade to meet current standards	The largest stormwater pond is now being upgraded to align with growth and development. Health and Safety review is being completed in the 2023/2024 year which will feed into further upgrades of other Mangawhai stormwater ponds.
Continue collaborative monitoring projects with NRC	Ongoing wherever combined KDC/NRC projects are relevant. Relationship building is ongoing to ensure a practice of collaboration is embedded. Collaborative monitoring projects include litter trap monitoring, flood mapping data documenting flood issue areas to identify options, and stormwater modelling.
Continue the condition assessment of the urban stopbanks	Stopbank assets have been added to the Asset Management System (AMS) in 100m lengths to enable individual asset assessment through the AMS. Template still to be agreed with maintenance team.
Model infrastructure requirements in Mangawhai for flood susceptible areas to allow funding for Level of Service	Mangawhai Heads Road complete. Further work as part of catchment management plans is ongoing.
Finalise the Stormwater Bylaw and/or Policy.	Completed.

## Ngā Paearu Mahi | Performance Measures

Stormwater measured by	LTP Year 2 Target 2022/2023	Actual 2022/2023	Comments for 2022/2023	Actual 2021/2022
<b>System adequacy</b>				
To provide stormwater drainage systems in urban areas with the capacity to drain water from normal rainfall events and cope with a one in 10-year rain event.				
The number of flooding events that occur in a territorial authority district	N/A	1	This is not a measure itself, but an absolute figure used in the calculation of performance measures below.	5
For each flooding event, using a maximum of 1:50 year (50 year ARI, Annual Exceedance Probability 2%), the number of habitable floors affected. (Expressed per 1,000 properties connected to the Council's stormwater system).	<10	0.11	Achieved One habitable floor affected. One flooding event expressed per 1,000 properties. Census 2018 recorded 8,844 occupied residences in Kaipara District. The extreme weather events in February were not in the scope of a 1:50 year event.	Achieved 0.57
<b>Discharge compliance</b>				
Compliance with Council's resource consents for discharge from its stormwater system.				
The number of abatement notices received by Council in relation to those resource consents.	0	0	Achieved No abatement notices received.	Achieved 0
The number of infringement notices received by Council in relation to those resource consents.	0	0	Achieved No infringement notices received.	Achieved 0
The number of enforcement orders received by Council in relation to those resource consents.	0	0	Achieved No enforcement notices received.	Achieved 0
The number of convictions received by Council in relation to those resource consents.	0	0	Achieved No conviction notices received.	Achieved 0

Stormwater measured by	LTP Year 2 Target 2022/2023	Actual 2022/2023	Comments for 2022/2023	Actual 2021/2022
<b>Response times</b>				
The median response time to attend a flooding event.				
The median response time in an urgent flooding event (defined as an event is where a habitable floor is reasonably at risk of being affected Priority 1 (P1), measured from the time that the Council (or subcontractor) receives notification to the time that service personnel reach the site.	<2 hours for urgent events	0 minutes	Achieved Year to date is based on median response time to attend a flooding event. One service request received, with a 12 minute response time.	Achieved 35 minutes
<b>Customer satisfaction</b>				
The total number of stormwater system complaints received by Council.				
The number of customer service requests (CSR) received by Council regarding single network issues per year, per 1,000 properties. This includes all CSR that relate to stormwater infrastructure whether directed to the contractor or individual staff member.	≤18	0.11	Achieved Year to date is based on the number of complaints regarding the performance of the stormwater system received per year.	Achieved 2
<b>Environmental outcomes</b>				
Water sensitive design, green infrastructure, low carbon design and construction, resilient network	As defined in the SCMP or emissions targets	Not applicable	Stormwater catchment management plans (SCMP) and the proposed Blue Green Network Strategy are required to document the performance measure methodology and corresponding targets. This work is still in development and as such, targets and a method for measuring Council's performance against these are not reported on in this year.	Not applicable

## Te Kaupapa ā-Moni Punga | Capital Programme

Project	Actual 2022/2023	Budget from Annual Plan (plus carryovers)	Comments
Dargaville stormwater renewals	\$83,553	\$97,940	Completed Parore Street.
Chases Gorge	\$10,242	\$219,242	Stormwater improvements done with Roding at the bottom of Chases Gorge.
Mangawhai stormwater (Eveline Street)	\$35,727	\$85,737	Finalising detailed design ahead of construction later in 2023.
Mangawhai stormwater	\$214,227	\$513,578	Mangawhai stormwater and culvert upgrades.
Mangawhai storm damage – Robert Street cul-de-sac stormwater drainage	\$1,072	0	Construction is planned for the second half of 2024.

Operating Funding - Stormwater	Actual	Annual Plan	Annual Report
For the year ended: 30 June	2022/2023 \$'000	2022/2023 \$'000	2021/2022 \$'000
<b>Sources of operating funding</b>			
General rates, uniform annual general charges, rate penalties	425	425	385
Targeted rates	2,046	2,046	1,761
Subsidies and grants for operating purposes	0	0	0
Fees and charges	1	0	0
Internal charges and overheads recovered	0	0	0
Interest and dividends from investments	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	0	0	0
<b>Total operating funding</b>	<b>2,471</b>	<b>2,471</b>	<b>2,146</b>
<b>Application of operating funding</b>			
Payments to staff and suppliers	1,005	784	613
Finance costs	0	169	155
Internal charges and overheads recovered	708	539	450
<b>Total applications of operating funding</b>	<b>1,714</b>	<b>1,492</b>	<b>1,218</b>
<b>Surplus (deficit) of operating funding</b>	<b>758</b>	<b>979</b>	<b>928</b>

Capital Funding - Stormwater	Actual	Annual Plan	Annual Report
For the year ended: 30 June	2022/2023 \$'000	2022/2023 \$'000	2021/2022 \$'000
<b>Sources of capital funding</b>			
Subsidies and grants for capital expenditure	0	0	0
Development and financial contributions	24	140	29
Increase (decrease) in debt	0	645	0
Gross proceeds from sale of assets	0	0	0
<b>Total sources of capital funding</b>	<b>24</b>	<b>785</b>	<b>29</b>
<b>Application of capital funding</b>			
Capital expenditure - to meet additional demand	105	693	88
Capital expenditure - to improve the level of service	118	655	160
Capital expenditure - to replace existing assets	117	52	94
Increase (decrease) in reserves	443	357	615
<b>Total applications of capital funding</b>	<b>782</b>	<b>1,757</b>	<b>957</b>
<b>Surplus (deficit) of capital funding</b>	<b>(758)</b>	<b>(972)</b>	<b>(928)</b>
<b>Funding Balance</b>	<b>0</b>	<b>7</b>	<b>0</b>

Several categories as prescribed in the 2014 Local Government (Financial Reporting and Prudence) Regulations Order in Council, have been excluded from this activity level Financial Impact Statement. The excluded categories contain no actual, planned, or prior year financial activity and have been removed in the interest of brevity.



## Te Mauranga | Transportation

The transportation group of activities aim is to link our great places, keep our communities connected, safe and active, and to contribute to the sustainability and growth of the local economy. Our transport network is vital for connecting our communities and provides for safe access to the places that make visiting and living in Kaipara an enjoyable experience.

This activity is delivered by the Northland Transportation Alliance (NTA) which includes Kaipara District Council staff.

What we planned	What we achieved
Continue district-wide road safety improvements, including school zones, speed limit reviews, local area road traffic improvements and prioritised road safety initiatives and an education programme	Partial programme delivery and will continue in 2023/2024. Full programme delivery expected within the LTP 2021-2031 period. Speed limit changes for west coast Poutō Peninsula are currently awaiting Council approval. Road safety activities such as new signage and barriers for high risk rural roads is continuing. Road safety education programme continuing.
Continue the network resilience strategy which includes a significant programme of slip repairs and drainage improvements across the district to mitigate the effects of climate change and significant weather events that cause communities to be severed from essential services	Work in progress. Programme is now well underway and anticipated that full delivery of the current prioritised programme will be achieved by the end of this LTP. This work does not include slips that resulted from the extreme weather events that occurred through this financial year.
Complete the delivery of the Provincial Growth Fund (PGF) unsealed roads package	This work was completed in Year 1 and was progressing well until a significant number of weather events over the last 18 months (including February's 2023 extreme weather events). While the district network has suffered and there is long term damage, the pre-cyclone level of service (of improved rehabilitation process) is now implemented as standard practice.
Secure funding and deliver the network cycleway programme	Climate Emergency Response Fund (CERF) funding for Kaipara to \$8 million has been secured for walking and cycling connections in Dargaville township (via the Transport Choices package).

What we planned	What we achieved
Continue township improvement programmes	Physical works projects were not funded under our LTP or NZTA's National Land Transport Plan. Funding was secured to develop further business cases that will contribute to development of future LTP works. Business case development is now underway.
Continue the footpath programme to improve pedestrian safety and connectivity throughout the district	<p>NZTA funding was not approved due to funding constraints nationally. The proposed footpath programme was significantly reduced in size as a result and is being rate-funded by the Council.</p> <p>Programme delivery for Dargaville is now in progress with footpath improvements at the Station Road/Hokianga Road intersection outside the new civic building in Dargaville now complete. Footpath upgrades for Logan, Gordon and Onslow Streets (Dargaville) are starting in August 2023. In Mangawhai, the shared path project is being completed in stages. Phase One of the shared path was completed in 2022/2023 and includes the sections from ITM down to Estuary Drive, as well as the work in the village (roundabouts and associated streetscaping). Phase Two includes the shared path sections on either side of the causeway, and the boardwalk over the causeway due for completion in August 2023. Phase Three is expected to start October/November 2023 and includes the shared path section from Mangawhai Central to the village and from Mangawhai ITM to Wood Street (this section starting later in 2024).</p>
Continue the bridge replacement and upgrade programme	Programme has reached the design stage. It was expected that full delivery of this programme would occur in this LTP however funding was significantly reduced by Council to fund emergency works and bridge programme is now deferred to the next LTP.
Continue the Wood Street capital improvement project business case	Construction of the final Wood Street revitalisation design was deferred by Council this year due to storm recovery repairs. Only design and community engagement will now be complete in this LTP period, with construction moved to Year 1 of the next LTP.
Implement the Ripiro Beach management plan business case	<p>Since June 2021 the Ripiro Beach Management Plan (RBMP) project has evolved into an ongoing working group of agencies holding jurisdiction over the beach, Mana Whenua and the community to establish a collective approach to managing the 107km stretch of coastline and the surrounding environment.</p> <p>The working group, comprised of representatives from Department of Conservation, Fire and Emergency NZ, Kaipara District Council, Kauri Coast 4WD Club, Northland Regional Council, NZ Police, Te Roroa, Te Uri o Hau and the community, was formally confirmed in June 2023.</p> <p>Assets promoting beach behaviour education for the public have been developed, including a collaborative video on beach behaviour that was released and promoted across all agencies from December 2022.</p> <p>Development of new educational signage for beach access areas along Ripiro Beach including dune areas has started.</p> <p>One of the new freedom camping officers is dedicated to Ripiro Beach - their work supports the RBMP.</p>
Implement the Baylys Beach parking and connectivity programme business case	A plan has been developed and the business case is almost complete to seek NZTA funding assistance. No funding was allocated by NZTA in this LTP so project physical delivery funding will be sought in the next LTP cycle 2024-2034, should Council choose to include this project in its capital works programme.
Complete the LED infill lighting programme	Not delivered as no funding provided from NZTA land transport funding.

## Ngā Paearu Mahi | Performance Measures

Transportation measured by	LTP Year 2 Target 2022/2023	Actual 2022/2023	Comments for 2022/2023	Actual 2021/2022
<b>Safety</b>				
The transportation network is designed and managed for safe use with low crash and injury rates.				
The change from the previous financial year in the number of fatalities and serious injury crashes on the local road network.	≤0	0 change in fatal accidents +7 change in serious injury	Not achieved There were two fatal accidents and 16 serious accidents on Kaipara District roads in 2022/2023, compared to two fatal and nine serious crashes in 2021/2022. While fatal accidents equal the previous year, serious crashes increased by seven therefore the measure was not achieved.	Achieved -1
<b>Road Condition (Smoothness)</b>				
The average quality of ride on a sealed local road network, measured by smooth travel exposure.				
The average quality of ride measured by smooth travel exposure within the following range.	≥90%	88%	Not achieved Minimal change from last report. 88% of all journeys on Kaipara District roads met the requirement of smooth travel.	Achieved 91%
<b>Maintenance of the sealed local network</b>				
The percentage of the sealed local road network that is resurfaced.	≥8%	11.3%	Achieved 52.97km of the sealed local road network in Kaipara was resurfaced in 2022/2023 from a total sealed network length of 470km.	Achieved 8.3%
The maintenance of the roads meets the Council level of service targets as specified in our roading maintenance contracts.	≥85%	83.8%	Not achieved Maintenance was impacted by adverse weather events over the year. This led to contractors struggling to resource and meet key performance measures within the contract for several weeks at a time due to the volume of extra work these events created.	Achieved 87.1%
The percentage of the sealed local road network that is rehabilitated (annually).	≥0.6%	0.19%	Not achieved 902m of sealed local road network in Kaipara was rehabilitated in 2022/2023 from a total sealed road network length of 470km. Delivery of the programme was impacted by adverse weather events.	Achieved 0.64%

Transportation measured by	LTP Year 2 Target 2022/2023	Actual 2022/2023	Comments for 2022/2023	Actual 2021/2022
<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').				
The percentage of footpaths within a territorial authority district that fall within the level of service or service standard for the condition of footpaths that is set out in the territorial authority's relevant documentation (such as its annual plan, activity management plan, asset management plan, annual works programme or LTP).	≥90% in fair or better condition	95%	Achieved Footpath condition had minimal change from the previous year. Most KDC footpaths meet the LoS defined in this measure and therefore this measure was passed.	Achieved 99.2%
<b>Response to service requests</b>				
The percentage of customer service requests relating to roads and footpaths to which the Council responds within the specified timeframe of two working days.	95%	93.7%	Not achieved A total of 3,123 service requests were received this year with 2,927 responded to within the required two working days timeframe.	Not achieved 87.4%

## Te Kaupapa ā-Moni Punga | Capital Programme

Project	Actual 2022/2023	Budget from Annual Plan (plus carryovers)	Comments
Bridges and structures	\$1,131,539	\$3,561,005	Programme has reached design stage and is expected that full delivery of this programme will occur in this LTP.
Sealed road resurfacing	\$4,172,870	\$3,662,257	The resurfacing and pavement rehabilitation programme including works on Tangowahine Valley, Murray, Robertson, Waihue and Whakapirau Roads were impacted by extreme weather events. The work programme will carry forward.
Unsealed road metalling	\$1,086,162	\$3,144,452	This programme was impacted by extreme weather events. The work programme will carry forward.
District-wide road safety improvements	\$110,628	\$667,440	Programme partial delivery and will continue to 2023/2024. Full programme delivery is expected within the LTP period.
Minor resilience improvements	\$346,694	\$226,109	Works included retaining structures on Glinks, Cove, Arapohue and Kaiwaka - Mangawhai Roads.
Kaihu Valley Trail (KVT)	\$1,994,241	\$3,350,933	KVT Stage One was opened to the public on 10 June 2023. This experience includes two 68 metre swing bridges that span Kaihu River in Parore and Ahikiwi. The 30km ride to Kaihu township uses KVT and low volume roads. Future off road trail extensions being incorporated into strategic planning works for consideration for funding in 2024/2034 LTP.
Kaihu Valley Trail - Ahikiwi Bridge	\$350,000	0	Completed. Fully funded by NZTA.
Kaihu Valley Trail – State Highway 12 crossing alignment	\$249,821	0	Completed. Fully funded by NZTA.
Dargaville civic building footpath	\$103,079	0	New shared path was created outside of the new civic centre. This connects Dargaville CBD to the new building and also to the start of the KVT.
Dargaville Shared Pathway	\$62,961	0	New project. Fully funded by Climate Emergency Relief Fund (CERF). Design is underway with construction scheduled for 2023/2024.

Project	Actual 2022/2023	Budget from Annual Plan (plus carryovers)	Comments
Mangawhai Shared Pathway	\$6,530,786	\$8,124,092	Phase One of the shared path is complete. Phase Two includes the shared path sections on either side of the causeway, and the boardwalk over the causeway due for completion in August 2023. Phase Three is expected to start summer 2023/2024 and includes the shared path section from Mangawhai Central to the village and from Mangawhai ITM to Wood Street (this section starting later in 2024). Phase One is complete, Phase Two (boardwalk section) planned. Phase Three design almost complete and ready for tender, for delivery in 2023/2024.
Drainage renewals	\$375,841	\$645,955	This programme was impacted by extreme weather events. The work programme will carry forward.
Traffic services renewals	\$52,622	\$191,105	This programme was impacted by extreme weather events. The work programme will carry forward.
Emergency works and preventative maintenance	\$2,048,597	\$100,000	Works underway include extreme weather event damage which is fully funded by NZTA. Baylys Beach work completed including new rock retaining structure.

Operating Funding - Transportation	Actual	Annual Plan	Annual Report
For the year ended: 30 June	2022/2023 \$'000	2022/2023 \$'000	2021/2022 \$'000
<b>Sources of operating funding</b>			
General rates, uniform annual general charges, rate penalties	11,875	11,875	11,301
Targeted rates	426	429	414
Subsidies and grants for operating purposes	9,602	5,628	7,255
Fees and charges	142	0	188
Internal charges and overheads recovered	2,269	2,090	2,265
Interest and dividends from investments	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	0	0	0
<b>Total operating funding</b>	<b>24,314</b>	<b>20,022</b>	<b>21,423</b>
<b>Application of operating funding</b>			
Payments to staff and suppliers	13,640	9,440	10,890
Finance costs	99	96	68
Internal charges and overheads recovered	6,190	6,018	5,880
<b>Total applications of operating funding</b>	<b>19,830</b>	<b>15,554</b>	<b>16,838</b>
<b>Surplus (deficit) of operating funding</b>	<b>4,485</b>	<b>4,468</b>	<b>4,585</b>

Capital Funding - Transportation	Actual	Annual Plan	Annual Report
For the year ended: 30 June	2022/2023 \$'000	2022/2023 \$'000	2021/2022 \$'000
<b>Sources of capital funding</b>			
Subsidies and grants for capital expenditure	12,824	14,529	19,645
Development and financial contributions	211	294	200
Increase (decrease) in debt	0	322	0
Gross proceeds from sale of assets	0	0	0
<b>Total sources of capital funding</b>	<b>13,034</b>	<b>15,145</b>	<b>19,845</b>
<b>Application of capital funding</b>			
Capital expenditure - to meet additional demand	5,119	6,849	1,864
Capital expenditure - to improve the level of service	6,870	5,789	11,636
Capital expenditure - to replace existing assets	6,885	9,715	10,239
Increase (decrease) in reserves	(1,355)	(2,471)	691
<b>Total applications of capital funding</b>	<b>17,519</b>	<b>19,882</b>	<b>24,430</b>
<b>Surplus (deficit) of capital funding</b>	<b>(4,485)</b>	<b>(4,737)</b>	<b>(4,585)</b>
<b>Funding Balance</b>	<b>0</b>	<b>(269)</b>	<b>0</b>

Several categories as prescribed in the 2014 Local Government (Financial Reporting and Prudence) Regulations Order in Council, have been excluded from this activity level Financial Impact Statement. The excluded categories contain no actual, planned, or prior year financial activity and have been removed in the interest of brevity.



## Te Whakaheke Para | Waste Minimisation

Kaipara District Council aims to reduce waste and promote a circular economy. The waste minimisation activity purpose is to collect and distribute the community’s disposal and recycling products to meet its statutory obligations and needs. The decisions Council makes on managing waste minimisation directly affect its communities and its environment. Council needs to ensure that this service is affordable, hygienic and environmentally sustainable, which contributes to its wellbeing, by protecting and enhancing its natural assets and open spaces.

Rubbish and recycling options are available for households, business and industry. Council services include:

- Currently, all solid waste from Dargaville and Hakarū is transferred to Whangarei’s Puwera commercial landfill
- Recycling services are undertaken weekly in association with the weekly bagged kerbside collection (major urban areas only) from Mangawhai to Dargaville. There are also drop-off facilities at both transfer stations
- Abandoned vehicles services and illegal dumping retrieval are carried out as and when required, separate to contracted services.
- There are also a number of historic closed landfill sites that the Council has responsibilities for and carries liability for ongoing monitoring and maintenance, as well as reinstatement obligations for their closures
- Setting service levels and associated performance measures assists to define the service standard that the customer can expect from Council. Performance measure targets provide a basis for measuring the Council’s performance through identified indicators.

What we planned	What we achieved
Expand the Solid Waste Team to enable more focus on waste minimisation and improvements to the activity	This is an ongoing requirement and will be included in the next LTP.
Provision of waste minimisation, sustainable and circular economy education to communities and business, through Council website/ publicity and external groups funded by Council	Council supported a number of initiatives, including funding Northland Field Days for waste minimisation and improved recycling, Sustainable Kaipara for their kerbside food scrap collection in Mangawhai and general waste minimisation initiatives. Council also co-funded a Litta Trap project with Northland Regional Council, to be implemented in schools across Kaipara in 2023/2024.
Installation of a weigh bridge at Dargaville Transfer Station	Not completed due to loss of funding from Ministry for the Environment (MfE). Project was initially delayed due to staff workload issues and then a weigh bridge could not be sourced within the timeframes required for MfE funding.
Planning and procurement of a new transfer station and kerbside collection contracts for implementation in Year 2	After Council deferred the introduction of new services, and both contracts were extended until 1 July 2026.
Planning for improved recycling services for implementation in Year 2	Council agreed to defer changes to Kaipara's waste and recycling services while a new waste strategy from the Government is assessed. It is expected any updated waste strategy will be implemented in July 2026, subject to the LTP 2023-2034 (including community consultation).
Purchase recycling bins ready for recycling collection change in Year 2	As above.
Implement changes set by central government, these could include container deposit schemes, kerbside collection standardisation of refuse and recycling, both products collected and how we collect them	Changes to rubbish and recycling services have been deferred to 2026 and will be included in the next LTP.
Implement recycling collection changes throughout the Kaipara District	Changes to rubbish and recycling services have been deferred to 2026 and will be included in the next LTP.

## Ngā Paearu Mahi | Performance Measures

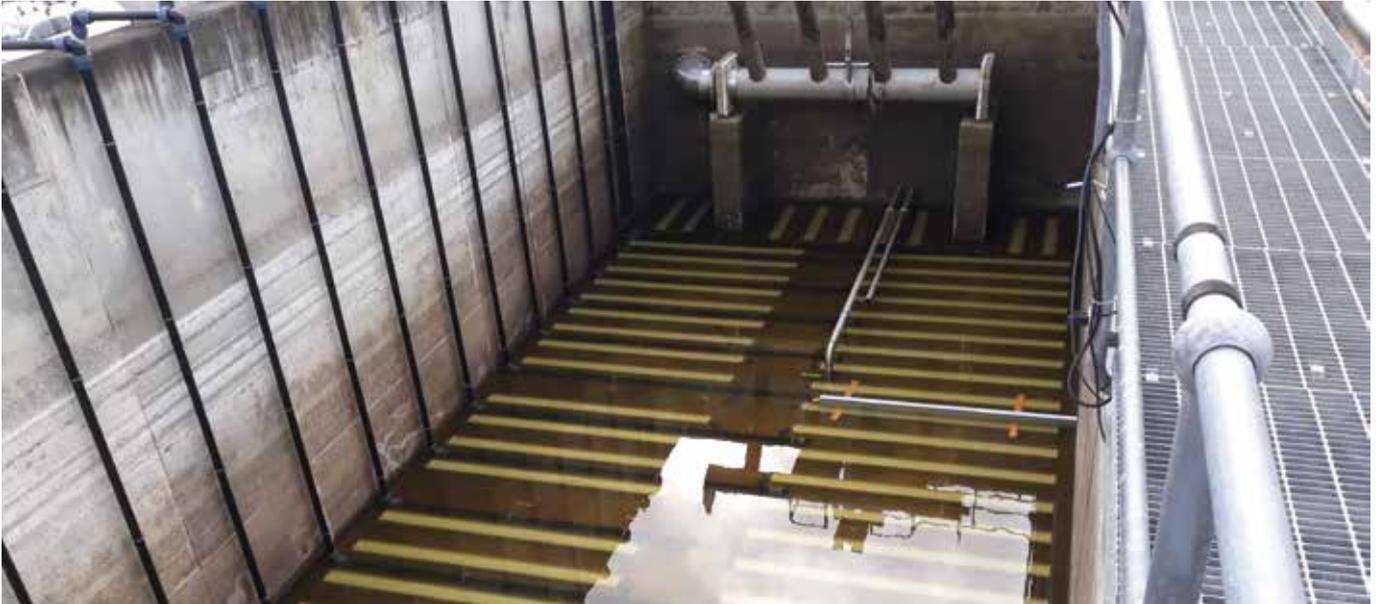
Waste Minimisation measured by	LTP Year 2 Target 2022/2023	Actual 2022/2023	Comments for 2022/2023	Actual 2021/2022
<b>Reliability</b> To provide regular community kerbside collections.				
Percentage of residents who are very satisfied or satisfied with waste management.	70%	59%	Not achieved No improvements were made to recycling services due to Council decision to retain current services while a new waste strategy from the Government is assessed.	Not achieved 62%

Waste Minimisation measured by	LTP Year 2 Target 2022/2023	Actual 2022/2023	Comments for 2022/2023	Actual 2021/2022
To encourage recycling and reduction of waste to landfill				
Average amount of general refuse collected and deposited per property within the Kaipara District	< 301.8kg (less than previous year)	298.04 kg	Achieved Less than last year, even though it included the additional quantities created by the February 2023 extreme weather events free waste drop off.	Not achieved 301.8kg
Average amount of recycling collected and deposited per property within the Kaipara District.	>171.77kgs (greater than previous year)	195.86kg	Achieved Base rate exceeded by 24kgs per household, indicating a better buy in from the community and increased recycling opportunities.	Achieved 171.77kg
Closed landfill activities meet legislative compliance. No resource consent abatement notices, infringement notices, enforcement orders or convictions.	0	0	Achieved No major issues with closed landfills this year.	Achieved 0

<b>Operating Funding - Waste Minimisation</b>	<b>Actual</b>	<b>Annual Plan</b>	<b>Annual Report</b>
For the year ended: 30 June	2022/2023 \$'000	2022/2023 \$'000	2021/2022 \$'000
<b>Sources of operating funding</b>			
General rates, uniform annual general charges, rate penalties	1,651	1,651	1,732
Targeted rates	0	3	0
Subsidies and grants for operating purposes	0	0	0
Fees and charges	274	202	133
Internal charges and overheads recovered	0	0	0
Interest and dividends from investments	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	0	0	0
<b>Total operating funding</b>	<b>1,926</b>	<b>1,856</b>	<b>1,865</b>
<b>Application of operating funding</b>			
Payments to staff and suppliers	752	1,286	628
Finance costs	0	12	14
Internal charges and overheads recovered	293	281	286
<b>Total applications of operating funding</b>	<b>1,046</b>	<b>1,561</b>	<b>928</b>
<b>Surplus (deficit) of operating funding</b>	<b>880</b>	<b>295</b>	<b>937</b>

<b>Capital Funding - Waste Minimisation</b>	<b>Actual</b>	<b>Annual Plan</b>	<b>Annual Report</b>
For the year ended: 30 June	2022/2023 \$'000	2022/2023 \$'000	2021/2022 \$'000
<b>Sources of capital funding</b>			
Subsidies and grants for capital expenditure	0	0	0
Development and financial contributions	0	0	0
Increase (decrease) in debt	0	240	0
Gross proceeds from sale of assets	0	0	0
<b>Total sources of capital funding</b>	<b>0</b>	<b>240</b>	<b>0</b>
<b>Application of capital funding</b>			
Capital expenditure - to meet additional demand	0	0	0
Capital expenditure - to improve the level of service	3	275	0
Capital expenditure - to replace existing assets	0	0	0
Increase (decrease) in reserves	877	259	937
<b>Total applications of capital funding</b>	<b>880</b>	<b>534</b>	<b>937</b>
<b>Surplus (deficit) of capital funding</b>	<b>(880)</b>	<b>(294)</b>	<b>(937)</b>
<b>Funding Balance</b>	<b>0</b>	<b>1</b>	<b>0</b>

Several categories as prescribed in the 2014 Local Government (Financial Reporting and Prudence) Regulations Order in Council, have been excluded from this activity level Financial Impact Statement. The excluded categories contain no actual, planned, or prior year financial activity and have been removed in the interest of brevity.



## Te Para Wai | Wastewater

The wastewater activity focuses on protecting public and environmental health by collecting and treating wastewater prior to its discharge into receiving environments. Continued growth, as well as the need to provide for visitors in peak periods (particularly in coastal communities), has resulted in the Council's ongoing commitment to significant wastewater infrastructure development.

The Council undertakes asset management, planning, operation and maintenance of these wastewater schemes, including capital and refurbishment programmes, consent monitoring and continuous maintenance through its network contractors.

This service also includes the collection, treatment and disposal of industrial liquid wastes (commonly known as trade wastes) from industrial premises across the district.

We provide six community wastewater collection and treatment systems:

- Dargaville
- Glinks Gully
- Kaiwaka
- Maungaturoto
- Te Kopuru; and
- Mangawhai.

What we planned	What we achieved
Investigating the disposal system for MCWWS	Work is progressing and will continue into 2023/2024.
Undertake wastewater modelling for the district	Completed.
Investigation and documentation of asset conditions	Completed.
Start construction of the balance tank for the MCWWS	Balance tank construction complete and tank is operational except for minor close out activities.

What we planned	What we achieved
Investigate alternative usages for sludge from MCWWS	This will be considered at the time of the treatment plant upgrade.
Plan for Three Waters Reform	Ongoing.
Investigate and construct a wastewater treatment extension for Spring Street (Dargaville) residential subdivision	Completed.
Investigate options assessment for a wastewater scheme in Paparua	In progress with community. We are currently investigating best solutions with input from our engineers, Mana Whenua and the community.
Work programme implemented for disposal system MCWWS	As above. Work is progressing and will continue into 2023/2024.
Continue wastewater modelling for the district	Ongoing.
Work programme designed for asset replacement or renewal	Ongoing.
Determine feasible option for sludge usage MCWWS	Ongoing.

## Ngā Paearu Mahi | Performance Measures

Wastewater measured by	LTP Year 2 Target 2022/2023	Actual 2022/2023	Comments for 2022/2023	Actual 2021/2022
<b>System 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 system, expressed per 1,000 sewerage connections to that sewerage system.	≤1	0.54	Achieved Only three dry water overflows throughout the year expressed per 1,000 wastewater connections, based on 5,548 wastewater connections.	Achieved 0.35
<b>Discharge compliance</b>				
Compliance with the Council's resource consents for discharge from its wastewater system.				
The number of abatement notices, infringement notices, enforcement orders and convictions received by Council in relation to its resource consents for discharge from its sewerage systems.	0	3	Not achieved Two infringement notices and one abatement notice were issued.	Not achieved 3

Wastewater measured by	LTP Year 2 Target 2022/2023	Actual 2022/2023	Comments for 2022/2023	Actual 2021/2022
<b>Fault response times</b>				
Where Council attends to sewage overflows resulting from a blockage or other fault in Council's sewerage system.				
Attendance time: from the time that Council receives notification to the time that service personnel reach the site.	≤2 hours	42 minutes	Achieved Year to date median time is calculated from all wastewater service request attendance times.	Achieved 40 minutes
Resolution time: from the time that Council receives notification to the time that service personnel confirm resolution of the blockage or other fault.	≤48 hours	4 hours, 22 minutes	Achieved Year to date median time is calculated from all wastewater service request resolution times.	Achieved 2 hours, 41 minutes
<b>Customer satisfaction</b>				
The total number of sewerage system complaints received by Council.				
The total number of complaints received by Council about sewage odour. Expressed per 1,000 sewerage connections to that sewerage system.	≤10	4.2	Achieved Year to date complaints based on the total number of complaints (23) related to sewer odour per 1,000 connections, based on 5,548 wastewater connections.	Achieved 5.6
The total number of complaints received by Council about sewerage system faults, e.g. blockages, breaks etc. Expressed per 1,000 sewerage connections to that sewerage system.	≤26	11.5	Achieved Year to date is based on the total number of complaints (64) related to the associated measures per 1,000 connections, based on 5,548 wastewater connections.	Not achieved 36.8
The total number of complaints received by Council about Council's response to issues with its sewerage system. Expressed per 1,000 sewerage connections to that sewerage system.	≤48	28.6	Achieved Annual result is based on the total number of complaints (159) related to Council's response to sewer system issues, per 1,000 connections based on 5,548 wastewater connections. (Please note that the wording of this measure has changed in the LTP.)	Achieved 2.5
Major capital projects are completed within budget.	Achieved	Achieved	Achieved Two out of two major projects were completed on or under budget this financial year. Major projects measured here only relate to projects completed in the year with budgeted costs of greater than \$250,000. This measure compares the Actual Costs to Approved Full Year Budget in Capex Listing 2022/2023.	

## Te Kaupapa ā-Moni Punga | Capital Programme

Project	Actual 2022/2023	Budget from Annual Plan (plus carryovers)	Comments
Dargaville wastewater renewals	\$184,811	\$632,808	Victoria Street scope completed.
Dargaville growth design	\$44,161	\$55,055	Flow monitoring completed. Ongoing programme of work.
Spring Street reticulation	\$564,889	\$778,884	Completed.
Station Road reticulation	\$15,470	\$183,053	Design complete. Construction planned for second half of 2023.
Wastewater minor capital works - Dargaville	\$126,181	0	Minor capital work in Dargaville completed.
Dargaville wastewater treatment plant - fencing	\$43,711	0	Completed.
Mangawhai wastewater - replacements	\$197,961	\$46,845	Minor capital work in Mangawhai completed.
Kaiwaka wastewater renewals	\$348,849	\$437,580	Completed.
Kaiwaka wastewater treatment plant and reservoir	0	0	New water reservoir commissioned. Phase 2 to secure site underway, e.g. fencing.
Mangawhai wastewater - extend reticulation (8 years)	\$58,900	\$227,385	
Mangawhai Community Wastewater Scheme (MCWWS) - Balance Tank Stage 1 2020-2021	\$3,634,758	\$4,042,167	Balance tank is constructed and operational, project close out tasks underway.
Mangawhai - capacity up-grades to 5,000 connections	\$227,834	\$254,334	Preliminary design underway.
Mangawhai - extensions to reticulation including new disposal system	\$362,681	\$1,425,000	Preliminary design underway.
Mangawhai - wastewater small extensions right of ways (Jack Boyd Drive)	\$54,054	\$81,640	Completed.
Mangawhai - Browns Road irrigation farm aerator	\$49,740	\$250,000	Other options being investigated.
Mangawhai - PS-K rising main diversion	\$100,447	\$575,000	Near completion. Project close out tasks underway.

Operating Funding - Wastewater	Actual	Annual Plan	Annual Report
For the year ended: 30 June	2022/2023 \$'000	2022/2023 \$'000	2021/2022 \$'000
<b>Sources of operating funding</b>			
General rates, uniform annual general charges, rate penalties	899	899	1,449
Targeted rates	6,857	6,475	6,014
Subsidies and grants for operating purposes	0	0	0
Fees and charges	47	27	32
Internal charges and overheads recovered	0	0	0
Interest and dividends from investments	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	0	0	0
<b>Total operating funding</b>	<b>7,803</b>	<b>7,401</b>	<b>7,495</b>
<b>Application of operating funding</b>			
Payments to staff and suppliers	3,385	2,548	2,814
Finance costs	0	1,983	2,026
Internal charges and overheads recovered	3,694	1,711	1,536
<b>Total applications of operating funding</b>	<b>7,078</b>	<b>6,242</b>	<b>6,376</b>
<b>Surplus (deficit) of operating funding</b>	<b>725</b>	<b>1,159</b>	<b>1,119</b>

Capital Funding - Wastewater	Actual	Annual Plan	Annual Report
For the year ended: 30 June	2022/2023 \$'000	2022/2023 \$'000	2021/2022 \$'000
<b>Sources of capital funding</b>			
Subsidies and grants for capital expenditure	653	0	622
Development and financial contributions	1,221	2,167	1,418
Increase (decrease) in debt	0	558	0
Gross proceeds from sale of assets	0	0	0
<b>Total sources of capital funding</b>	<b>1,874</b>	<b>2,725</b>	<b>2,040</b>
<b>Application of capital funding</b>			
Capital expenditure - to meet additional demand	4,496	2,287	1,146
Capital expenditure - to improve the level of service	693	0	142
Capital expenditure - to replace existing assets	877	687	1,316
Increase (decrease) in reserves	(3,466)	336	555
<b>Total applications of capital funding</b>	<b>2,599</b>	<b>3,310</b>	<b>3,159</b>
<b>Surplus (deficit) of capital funding</b>	<b>(725)</b>	<b>(585)</b>	<b>(1,119)</b>
<b>Funding Balance</b>	<b>0</b>	<b>574</b>	<b>0</b>

Several categories as prescribed in the 2014 Local Government (Financial Reporting and Prudence) Regulations Order in Council, have been excluded from this activity level Financial Impact Statement. The excluded categories contain no actual, planned, or prior year financial activity and have been removed in the interest of brevity.



## Te Putunga Wai | Water Supply

A reliable and high-quality water supply to Kaipara district's reticulated areas is essential for communities and local economic development. Public water supplies ensure communities receive water at the cost of production. Our water supply activities also protect and enhance our natural assets and open spaces.

We operate five community water supply schemes that provide potable water:

- Dargaville (including Baylys)
- Glinks Gully
- Ruawai
- Maungaturoto; and
- Mangawhai (mostly supplying the Mangawhai Heads Holiday Park and the Woods Street commercial precinct).

We own and maintain the whole water supply network for the five schemes. We treat raw water to produce quality and quantities of drinking water to drinking water standards (potable); and distribute treated water to the point of supply to customers to meet specific flow, pressure, and quality standards. This includes water for emergency firefighting services for Dargaville's urban area.

We also undertake:

- customer services
- water billing
- asset management
- planning
- treatment plant operations and maintenance
- network operations and maintenance
- capital and refurbishment programme; and
- consent monitoring and compliance.

What we planned	What we achieved
Feasibility study for connection to Dargaville from all options	Investigations are now well advanced.
Application for new consent at Ahikiwi water take	Consultation took longer than expected but consent planning will begin in the next financial year (2023/2024).
Investigate a water security solution for Mangawhai	Work continues with Whangarei District Council and source options for water for Kaiwaka and Mangawhai is underway.
Continue planning and collaboration on Three Waters Reform	Ongoing.

## Ngā Paearu Mahi | Performance Measures

Water Supply measured by	LTP Year 2 Target 2022/2023	Actual 2022/2023	Comments for 2022/2023	Actual 2021/2022
<b>Fault Response Times</b>				
Where Council attends a callout in response to a fault or unplanned interruption to its networked reticulation system.				
The median response time for attendance of urgent callouts: from the time that the local authority receives notification to the time that service personnel reach the site.	≤2 hours	57 minutes	Achieved Year to date median response time of all annual urgent service requests during the year.	Achieved 45 minutes
The median response time for resolution of urgent callouts: from the time that the local authority receives notification to the time that service personnel confirm resolution of the fault or interruption.	≤48 hours	4 hours, 33 minutes	Achieved Year to date based on median resolution times of all annual urgent service requests. Staff have worked to improve response times.	Achieved 2 hours, 48 minutes
The median response time for attendance of non-urgent callouts: from the time that the local authority receives notification to the time that service personnel reach the site.	≤3 hours	56 minutes	Achieved Year to date based on median time response of all annual service requests which were non urgent callouts.	Achieved 44 minutes
The median response time for resolution of non-urgent callouts: from the time that the local authority receives notification to the time that service personnel confirm resolution of the fault or interruption.	≤3 days	4 hours, 46 minutes	Achieved Year to date based on median resolution times of all annual service requests which were non-urgent callouts.	Achieved 2 hours, 28 minutes

Water Supply measured by	LTP Year 2 Target 2022/2023	Actual 2022/2023	Comments for 2022/2023	Actual 2021/2022
<b>Customer Satisfaction</b>				
The total number of water supply complaints received by Council.				
The total number of complaints for the district received by Council about drinking water clarity, odour, taste, pressure or flow and continuity of supply, Expressed per 1,000 water connections.	≤39	8.73	Achieved Based on total number (32) of complaints per 1,000 water connections with 3,667 water meter connections.	Achieved 37
Total number of complaints received by Council about Council's response to any of these issues. Expressed per 1,000 water connections.	≤39	0	Achieved There were no complaints received from a possible 3,667 water connections.	Achieved 2.43
<b>Demand Management</b>				
The average consumption of drinking water per day per resident within Kaipara District = Billed metered consumption (m3) x 1,000 / (number of connections x 365 x 2.5 (occupancy rate)).	Dargaville 275	291	Not achieved Includes multiple commercial business and private pools whose usage equates to approximately one third of the total take.	Not achieved Dargaville 283
	Maungaturoto 340	244	Achieved	Achieved Maungaturoto 275
	Ruawai 130	119	Achieved	Not achieved Ruawai 140
	Glinks Gully 52	65	Not achieved Campground and public toilets included in calculation.	Not achieved Glinks Gully 76
	Mangawhai 230 *excluding campground	807	Not achieved High consumption due to connections being more commercial, i.e. Wood Street shops, pensioner flats etc.	Not achieved Mangawhai 584
Water take consents.	100% compliance with NRC water take consents	99%	Not achieved Four of 108 non-compliant.	Not achieved 98%

Water Supply measured by	LTP Year 2 Target 2022/2023	Actual 2022/2023	Comments for 2022/2023	Actual 2021/2022
<b>Demand Management</b>				
Major capital projects are completed within budget.	Achieved when completed at or below budget	Not achieved	Not achieved Two out of three major projects were completed on or under budget this financial year. Major projects measured here only relate to projects completed in the year with budgeted costs of greater than \$250,000. Comparison of actual costs to approved full year budget in capex listing 2022/2023.	Not applicable
<b>Safety of drinking water in accordance with NZDWS (bacteria compliance criteria)</b>				
The extent to which Council's drinking water supply complies with part 4 of the NZDWS (bacteria compliance criteria).	Dargaville Maungaturoto Ruawai Mangawhai Glinks Gully All schemes must be compliant	Not achieved	Not achieved This is due to the compliance with the requisite number of samples slightly exceeding the days between samples. For example, samples were missed by 1 day during the sampling period and minor continuous monitoring data gaps, meaning the sampling frequency was not met. The sampling methodology, process and alarm improvements are underway. The bacterial sampling shows compliance and no major risk to the water quality was identified, including no contamination events. The bacterial and protozoa barriers across the Kaipara District Council water treatment plants include various filtration methods, ultraviolet light disinfection and chlorine disinfection, these barriers meet the standards required to provide safe drinking water. For example, the Dargaville Water Treatment Plant uses, coagulation, flocculation, sedimentation, ultraviolet light, and chlorine disinfection. Compliance from 1 July to 31 December 2022 was under old DWSNZ 2005 (revised 2018) rules and from 1 January to 30 June 2023 under new Drinking Water Quality Assurance Rules (DWQAR).	Achieved All compliant

Water Supply measured by	LTP Year 2 Target 2022/2023	Actual 2022/2023	Comments for 2022/2023	Actual 2021/2022
The extent to which Council's drinking water supply complies with part 5 of the NZDWS (protozoal compliance criteria)	Dargaville Maungaturoto Ruawai Glinks Gully Mangawhai All schemes must be compliant	Not achieved	<p>Not achieved</p> <p>This is due to the compliance with the requisite number of samples slightly exceeding the days between samples. For example, samples were missed by 1 day during the sampling period and minor continuous monitoring data gaps, meaning the sampling frequency was not met. The sampling methodology, process and alarm improvements are underway. The bacterial sampling shows compliance and no major risk to the water quality was identified, including no contamination events.</p> <p>The bacterial and protozoa barriers across the Kaipara District Council water treatment plants include various filtration methods, ultraviolet light disinfection and chlorine disinfection, these barriers meet the standards required to provide safe drinking water. For example, the Dargaville Water Treatment Plant uses, coagulation, flocculation, sedimentation, ultraviolet light, and chlorine disinfection.</p> <p>Compliance from 1 July to 31 December 2022 was under old DWSNZ 2005 (revised 2018) rules and from 1 January to 30 June 2023 under new Drinking Water Quality Assurance Rules (DWQAR).</p>	Achieved All compliant
The percentage of real water loss from our networked reticulation system (average for to-tal network of all schemes). Real water loss is calculated by subtracting the meter readings and 'other components' from the total water supplied to the networked reticulation system.	≤ 28%	26%	<p>Achieved</p> <p>The results indicate that the level of water loss is high in three of the supply areas, and low in Ruawai and Mangawhai. The large watermain renewal project in Ruawai in late 2021 has resulted in a significant reduction in water loss in the network. Real loss in Mangawhai is slightly higher than last year, but remains at a low level.</p>	Not achieved 29.2%

## Te Kaupapa ā-Moni Punga | Capital Programme

Project	Actual 2022/2023	Budget from Annual Plan (plus carryovers)	Comments
Dargaville water supply	\$96,774	\$310,682	Minor works on the Dargaville water supply completed in 2022/2023 including pipe bridge renewals on the raw water line. Treated water renewals.
Dargaville watermain renewals	0	\$520,500	Treated water renewals in Dargaville retimed to next financial year 2023/2024.
Maungaturoto water truck filler and main upgrade	\$23,069	\$550,000	Detailed design complete. Construction on hold.
Maungaturoto Hurndall Street watermain renewal	-\$3,316	0	Completed, project close out tasks underway.
Maungaturoto water renewals	\$678,132	\$156,150	Completed.
Maungaturoto water reservoirs on Griffin Road specifically to be renewed	\$81,550	\$260,250	Nearing completion.
Ruawai water treatment plant and reservoir	\$298,922	\$226,640	New water reservoir commissioned. Phase Two to secure site, e.g. fencing.
Glinks Gully water renewals	\$123,745	\$52,050	Completed.

Operating Funding - Water Supply	Actual	Annual Plan	Annual Report
For the year ended: 30 June	2022/2023 \$'000	2022/2023 \$'000	2021/2022 \$'000
<b>Sources of operating funding</b>			
General rates, uniform annual general charges, rate penalties	366	366	381
Targeted rates	4,130	4,910	4,365
Subsidies and grants for operating purposes	0	0	0
Fees and charges	492	566	484
Internal charges and overheads recovered	0	0	0
Interest and dividends from investments	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	0	0	0
<b>Total operating funding</b>	<b>4,988</b>	<b>5,842</b>	<b>5,230</b>
<b>Application of operating funding</b>			
Payments to staff and suppliers	1,657	2,363	2,056
Finance costs	0	191	208
Internal charges and overheads recovered	1,587	1,396	1,230
<b>Total applications of operating funding</b>	<b>3,244</b>	<b>3,950</b>	<b>3,494</b>
<b>Surplus (deficit) of operating funding</b>	<b>1,744</b>	<b>1,892</b>	<b>1,736</b>

Capital Funding - Water Supply	Actual	Annual Plan	Annual Report
For the year ended: 30 June	2022/2023 \$'000	2022/2023 \$'000	2021/2022 \$'000
<b>Sources of capital funding</b>			
Subsidies and grants for capital expenditure	53	0	2,030
Development and financial contributions	2	57	0
Increase (decrease) in debt	0	(364)	0
Gross proceeds from sale of assets	0	0	0
<b>Total sources of capital funding</b>	<b>55</b>	<b>(307)</b>	<b>2,030</b>
<b>Application of capital funding</b>			
Capital expenditure - to meet additional demand	23	0	93
Capital expenditure - to improve the level of service	12	550	47
Capital expenditure - to replace existing assets	1,325	1,353	2,723
Increase (decrease) in reserves	441	248	903
<b>Total applications of capital funding</b>	<b>1,799</b>	<b>2,151</b>	<b>3,766</b>
<b>Surplus (deficit) of capital funding</b>	<b>(1,744)</b>	<b>(2,458)</b>	<b>(1,736)</b>
<b>Funding Balance</b>	<b>0</b>	<b>(566)</b>	<b>0</b>

Several categories as prescribed in the 2014 Local Government (Financial Reporting and Prudence) Regulations Order in Council, have been excluded from this activity level Financial Impact Statement. The excluded categories contain no actual, planned, or prior year financial activity and have been removed in the interest of brevity.



# NGĀ ĀPITI HANGA | APPENDIX



Poutō Lighthouse Photo: Aaron Birch

## Te Rāangi Tau Kaikaunihera | Council Directory

### Main Office

32 Hokianga Road  
Dargaville 0310

### Mangawhai Service Centre

Unit 6 The Hub  
6 Molesworth Drive  
Mangawhai 0505

### Northland Transportation Alliance

Northland Transportation Alliance  
c/o Whangarei District Council  
Te Iwitahi  
9 Rust Avenue  
Whangarei 0110

#### *Postal Address*

Private Bag 9023  
Te Mai  
Whangarei 0143

**Telephone** 09 439 3123 or 0800 727 059

**Email** council@kaipara.govt.nz

**Website** www.kaipara.govt.nz

### Bankers

#### **Bank of New Zealand**

69-71 Victoria Street  
Dargaville 0310

#### **ANZ Bank Ltd**

Private Bag 92210  
Victoria Street West  
Auckland 1010

### Auditors

#### **Deloitte on behalf of the Auditor-General**

Private Bag 115033  
Auckland 1140

## Te Ohu Whakahaere | Management Team

Kaipara District Council 30 June 2023



**Jason Marris**  
*Chief Executive*



**Michael Day**  
*General Manager  
Engagement and  
Transformation*



**Sue Davidson**  
*General Manager  
Sustainability, Growth  
and Investment*



**Hayley Worthington**  
*General Manager  
Customer Experience*



**Anin Nama**  
*General Manager  
Infrastructure  
Services*



**Sarah Morris**  
*General Manager  
People and Capability*

# Ngā Anga mō ngā Komiti ā-Kaunihera Council Committee Structures

## Kaipara District Council 30 June 2023

### Audit, Risk and Finance Committee

**Members:** Philip Jones (Independent Chair)  
Councillor Mike Howard (Deputy Chair)  
Deputy Mayor Jonathan Larsen  
Councillor Ron Manderson  
Councillor Ash Nayyar  
Councillor Pera Paniora  
Councillor Eryn Wilson-Collins

**Purpose:** To oversee the risk management and internal control, audit functions, financial and other external corporate reporting and compliance with legislation.  
To monitor Council's financial performance against the Long Term Plan and Annual Plan.

### Awards and Grants Committee

**Members:** Councillor Eryn Wilson-Collins (Chair)  
Deputy Mayor Jonathan Larsen  
Councillor Mike Howard  
Councillor Pera Paniora  
Councillor Mark Vincent  
Councillor Rachael Williams

**Purpose:** To allocate awards and grants in accordance with Council policy and legislation.

### District Licensing Committee

**Members:** Mark Farnsworth (Chair)  
Councillor Gordon Lambeth  
Grace Le Gros  
Amy Munn  
Murray Clearwater

**Purpose:** To administer Council's alcohol licensing framework as determined by the Sale and Supply of Alcohol Act 2012.

### **Economic Development Committee**

**Members:** Deputy Mayor Jonathan Larsen (Chair)  
Councillor Mike Howard  
Councillor Gordon Lambeth  
Councillor Ron Manderson  
Councillor Ash Nayyar

**Purpose:** To provide strategic direction on enabling and promoting economic growth and prosperity in the Kaipara District.

### **Harding Park Committee**

**Members:** Councillor Gordon Lambeth (Chair)  
Robert Harding  
Henry Holyoake  
Councillor Ron Manderson  
Councillor Ash Nayyar

**Purpose:** To provide advice on priorities for planning and policy development of the Harding Park and Old Mount Wesley Cemetery Reserve areas.

### **Mangawhai Community Park Governance Committee**

**Members:** Councillor Mike Howard (Chair)  
Councillor Ron Manderson  
Councillor Rachael Williams  
Daniel Hawes (community representative)  
Mary-Anne Boyd (Chair of Friends of Mangawhai Community Park)  
Philip Johnson (Māori representative)

**Purpose:** To govern Mangawhai Community Park in accordance with the Mangawhai Community Park Master Plan.

### **Raupo Drainage Committee**

**Members:** Raupo District Ratepayer Members  
Ian Beattie (Chair)  
David Hart  
Greg Gent  
Grace Le Gros  
Brian Madsen  
Ross McKinley  
*Council representatives*  
Councillor Mark Vincent

**Purpose:** To govern the drainage, stopbanks and flood protection in the Raupo Drainage District.

## Remuneration and Development Committee

**Members:** Mayor Craig Jepson (Chair)  
 Deputy Mayor Jonathan Larsen  
 Councillor Mike Howard  
 Councillor Gordon Lambeth  
 Councillor Ron Manderson  
 Councillor Rachael Williams

**Purpose:** To oversee the Chief Executive's performance and to make recommendations on elected member training and development.

## Taharoa Domain Governance Committee

**Members:** Councillor Mark Vincent (Chair)  
 Councillor Ash Nayyar  
 Sonny Nesbit (Te Roroa representative)  
 Councillor Pera Paniora  
 Ric Parore (Te Kuihi representative)  
 Councillor Rachael Williams

**Purpose:** To provide advice on priorities for planning and policy development of Taharoa Domain.

***Please note:** There are two external community funding committees that sit outside of the Council's committee structure. Creative Communities with Chair Councillor Eryn Wilson-Collins, and the Rural Travel Fund, with Chair Councillor Pera Paniora.*

*The Joint Climate Change Adaptation Committee is made up of Elected Members from Northland District Councils, Regional Council, hapū and iwi. KDC representation is Mayor Craig Jepson (alternate Councillor Ron Manderson), and Fiona Kemp (Iwi representative) (alternate Snow Tane).*

## Te Taenga Mai o ngā Mema ki ngā Hui Elected Member Meeting Attendance

Type of meeting held	Number of meetings held	Mayor Jepson	Deputy Mayor Larsen	Cr Howard	Cr Lambeth	Cr Manderson	Cr Nayyar	Cr Paniora	Cr Vincent	Cr Williams	Cr Wilson-Collins
Kaipara District Council (Ordinary)	8	8	8	6	8	8	8	8	7	7	8
Kaipara District Council (Extraordinary)	3	3	3	3	3	2	3	3	3	3	2
Council Briefings	8	8	8	6	7*	8	7	8	8	8	8
Council Workshops	2	2	2	2	2	2	2	2	2	2	2
District Plan Review Briefings	4	4	3	2	4	4	3	4	4	3	4
District Plan Review Workshops	2	2	1	1	2	2	1	2	2	1	2
Long Term Plan Briefings	0	0	0	0	0	0	0	0	0	0	0
Economic Development Committee	1	1^	1	1	1	1	1	-	-"	-	-
Economic Development Committee Briefing	3	3^	3	2	3	3	3	-	2"	-	-
Audit Risk and Finance Committee	3	2^	2*	2	-	3	3	3	-	-	2
Awards and Grants Committee	2	-	2	2	-	-	-	1	2	2	2
Mangawhai Community Park Governance Committee	1	-	-	1	-	0	-	-	-	1	-
Mangawhai Community Park Governance Committee Briefing	1	-	-	1	-	0	-	-	-	1	-
Taharoa Domain Governance Committee	2	1^	-	-	-	-	2	2	2	2	-
Raupo Drainage Committee	1	-	-	-	-	-	-	-	1	-	-
Remuneration and Development Committee	2	2	2	1	2	2	-	-	1"	1	-
Remuneration and Development Committee (Extraordinary)	1	1	1	1	1	0	-	-	1"	1	-
Harding Park Committee	1	1^	-	-	1	1	1	-	-	-	-

This table shows meeting attendance from 26 October 2022 to 30 June 2023, the new triennium.

Emergency meetings are meetings that are added to the adopted meetings schedule of Ordinary meetings due to urgent business.

See page 75 for elected representatives remuneration.

Council appoints ad hoc hearing panels to hear submissions. There was one hearing panel formed during this period for speed reviews.

### Key:

- Denotes the elected member is not a member of that committee.

^ The Mayor is a member of every committee of the local authority, and these meetings were attended in this capacity.

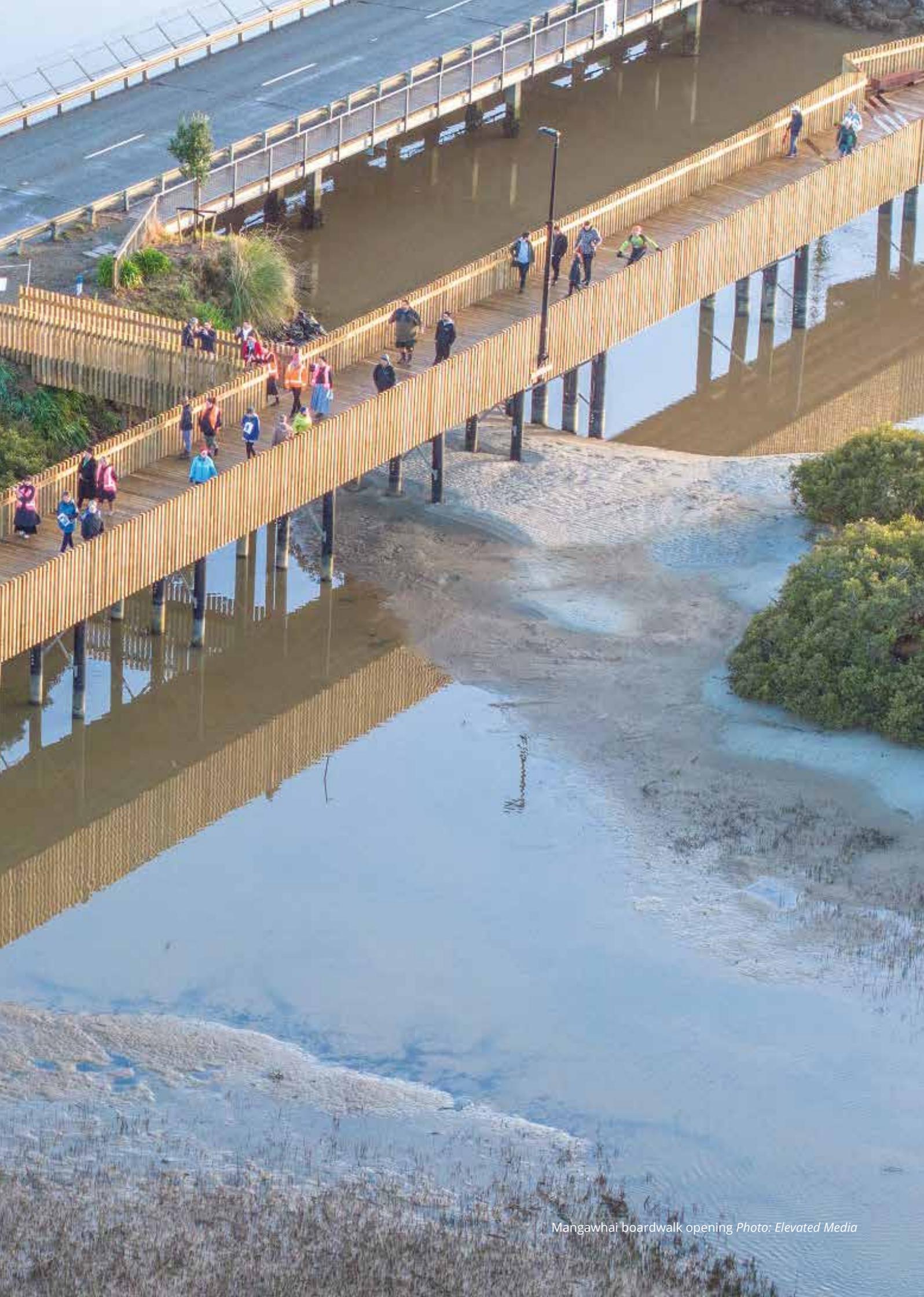
\* Denotes elected member was on other Council Business for some of these absences – refer to minutes.

# Leave of Absence.

" Denotes Member resigned from Committee during the year.







Mangawhai boardwalk opening Photo: Elevated Media



## About the art and the artist – Keanu Townsend

Ko Mahuhu Ki Te Rangi tōku waka, ko Tokatoka tōku maunga,  
Ko Kaipara tōku moana, ko Wairoa tōku awa,  
Ko Ngāti Whātua tōku iwi, ko Te Kuihi tōku hapū,  
Ko Te Houhanga tōku marae,  
Ko Keanu Townsend taku ingoa

*Keanu Townsend is from Ruawai. He is a teacher of hard materials, physical education, social science and te reo Māori and has a passion for Māori art. He is a Tā Moko artist, a wood carver, a painter and a graphic artist.*

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This design represents the two harbours and two oceans on both sides in blue, with the green land in the middle.

The left-hand side is more dominant as Kaipara District Council covers more land area towards the west coast. The symbols inside of the oceans are of a Mangōpare Hammerhead Shark representing strength and perseverance and is a very popular design of Ngāti Whātua and Māori.

The manaia faces represent guardianship of land, ocean and the rivers – sustainability and protection for future generations. The details inside the designs are unaunahi (fish scales) – another symbol for the ocean and marine life, and the koru, a symbol of nature and forests. There's also the woodgrain symbol representing the forests, reserves and the kauri trees, which the Kaipara district is well known for.





Kaipara te Oranganui • Two Oceans Two Harbours

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