



Kaipara District Council

Annual Report 2015/2016



Kaipara te Oranganui • Two Oceans Two Harbours

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Part One – Introduction

Kaipara District



Stretching from coast to coast, Kaipara district is located at the entrance to Northland at the top of the North Island. Travelling from east to west, the Kaipara is a district of contrasts and spectacular scenery. Residents and visitors enjoy the magic of the east coast settlement of Mangawhai, the peacefulness of New Zealand's largest harbour – the Kaipara – and the wild beauty of the west coast beaches.

Kaipara's economy has historically been based around pastoral farming and, to a lesser extent, horticulture and forestry. However, developments in tourism are growing in importance and there is a trend toward small mixed-use farm holdings. The district's rural nature, especially in the heartland, is one of the charms residents are keen to preserve.

Kaipara District Council is the seat of local government for the district. Councils exist to provide a broad role in meeting the current and future needs of their communities as outlined in Council's Community Outcomes, for good quality local infrastructure, local public services, and the performance of regulatory functions.

Commissioners' Foreword

It is a pleasure to present this Annual Report to Kaipara residents and stakeholders.

The Kaipara District Council is in good shape. It is running, and can continue to run, a balanced budget. Debt reduction has been particularly significant this year with a total of \$10.9 million being paid off primarily towards the district-wide debt for the Mangawhai Community Wastewater Scheme (MCWWS). Nearly half of this was a payment in settlement from the Auditor-General as a result of mediation of the case taken by Council against her in the High Court.

The Statement of Comprehensive Revenue and Expense for the year ending 30 June 2016 advises of rate revenues of \$31.3 million (\$30.5 million 2015), of total revenues of \$56.9 million (\$49.4 million 2015), and of total expenditure of \$46.9 million (\$45.9 million 2015). Thus the net surplus in the year under review was \$10.0 million compared to the 2015 year surplus of \$3.6 million. Surpluses are forecasted to continue.

External debt has been reduced to \$65.0 million, an improvement of \$10.9 million over the 30 June 2015 position.

The east of the district continues to grow

Mangawhai's growth has exceeded all predictions, and our Building Control Team is permitting an average of two new houses a week in Mangawhai and the surrounding area. This year, we have added 110 new connections to the Mangawhai Community Wastewater Scheme (MCWWS). Next year we expect continued growth.

The Community Advisory Panel appointed last year to assist Council with decision-making on future investment in the MCWWS, provided us with their report and recommendations in July 2015. Council values their contribution. It is clear that the scheme, with some extension of the disposal field on the Browns Road farm, can cope with all the new connections expected for some years. A further review should take place in 2018, alongside the review of the current Long Term Plan.

As a result of growth further infrastructure investment will be needed in the east. Council has initiated work on a Mangawhai Town Plan to ensure that there is an appropriate response to the future needs of this area.

The community is working with Council to care for their place

The Commissioners and Council officers have continued to engage extensively with members of the community, proactively meeting with community groups and following up enquiries from individuals. In this year, community planning programmes continued in Kaiwaka, Dargaville and Mangawhai. Action plans were put in

place, after community consultation, for Pouto Peninsula, Baylys, Tangiteroria and Mangawhai Village. We have contracts with 17 community groups who are caring for and developing public spaces for the community. We co-govern three premier parks in partnership with Iwi and community representatives.

Legal action continues

Although our focus is on the future, there is still significant time and cost being spent on defending Council against Court action initiated by the Mangawhai Ratepayers and Residents Association (MRRA).

Our attempt to bring the former Chief Executive to account continues.

The organisation is in good shape

The Council organisation is in good shape. In-house staff numbers have increased to replace contractors and consultants, with savings from this available to be applied to improving areas where we had gaps. The demand for building and resource consents has meant that we have increased our staff involved in consent processing so that we can continue to provide a good and timely service. This service is funded from fees charged.

We have built a Council that is well prepared for the return of elected representatives in October 2016. Chief Executive, Graham Sibery, who began on 04 July this year, will use his expertise to further improve the organisation and to provide professional support to the elected Council.

We thank the people of Kaipara, for their support as we have undertaken the task that we were given in September 2012.



John Robertson QSO

Chair of Commissioners

Your Commissioners



John Robertson QSO

Chair

John has public sector experience as a former Member of Parliament, as a former Mayor of Papakura and a Chair of Infrastructure Auckland. He is an accredited member of the Institute of Directors, is a Chartered Accountant and a professional Director.



Peter Winder

Peter is a former Chief Executive Officer of the Auckland Regional Council, Director of Transport at the Auckland Regional Council, and Chief Executive Officer of Local Government New Zealand. He is a Director of McGredy Winder & Co, advisers to local and regional government authorities.



Richard Booth

Richard is a Whangarei-based horticulturalist and farmer, with considerable experience in the dairy industry and as a Director. He is Chair of Delta Produce and a Director of Northpower.

Chief Executive's Overview

Welcome to the Annual Report 2015/2016. This is my first official report as the newly appointed Chief Executive.

Kaipara District Council has had a particularly busy year. A lot has occurred to resolve historical issues, and the organisation has continued to invest in improvements. Our financial status is secure, more services and investment have been delivered and debt has reduced faster than planned. The Council is in an increasingly strong position.

A high performing organisation

The Council organisation is a good one and continues to improve.

The number of outsourced contracts has been reduced and key functions brought in-house. This includes the managing of our roads, our resource consent responsibilities, health and food inspections, general engineering work for stormwater and building inspections. Maintenance of our parks and other infrastructure remains contracted out, as does animal management.

Our capability has increased, continuous improvement is now part of our culture and we have prioritised improving customer service.

Caring for the district's infrastructure

Council continues to invest in future Asset Management Plans. Following a good financial year, we will be able to complete more condition assessments of our water supply assets earlier than envisaged in the Long Term Plan 2015/2025. Future capital expenditure in our road and water infrastructure has been increased.

Council completed 86% delivery of its capital works programme this year which is a strong improvement. The remaining value of \$1.5 million has been approved and will be carried over to 2016/2017.

Community planning

Council continues to engage locally through the community planning programme started in 2013. Most areas of the district now have a Community Action Plan, and several of these have had all actions resolved or delivered.

We have initiated the development of a Mangawhai Town Plan. This will guide future investment in public infrastructure and may result in some changes to the Kaipara District Plan.

We are also working with community groups in Dargaville and Kaiwaka to improve the look, feel and function of these town centres.

Financial performance

This year we joined the Local Government Funding Agency. This has allowed access to Local Government debt packaging enabling us to reduce rates and the amount spent on debt servicing.

We now have a well-established discipline of running a balanced budget. Service levels focus on core responsibilities. Debt is well within manageable limits and reducing. Our finances are well within prudent levels.

Risks

Rates arrears are reducing with a total of \$4.7 million rates arrears at 30 June 2016 compared to \$5.0 million at June 2015 and \$6.3 million the year before.

Over the last 12 months we continued to make good progress in addressing the issues facing Council. The organisation has built its capability and is working well. The team is looking forward to the return to local democracy and continuing to build on sound foundations.

Responding to matters from the past

The appeal against the first Judicial Review between the Mangawhai Ratepayers and Residents Association (MRRA) and Kaipara District Council was dismissed in December 2015. The subsequent application for leave to appeal to the Supreme Court was dismissed in May 2016.

There is a second Judicial Review process underway. This case was heard in May 2016 and we await the Court's final decision.



Graham Sibery
Chief Executive

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 the Report as outlined in the Local Government Act 2002 have been complied with.



John Robertson QSO
Chair of Commissioners

26 September 2016



Graham Sibery
Chief Executive

26 September 2016

Audit Report

**INDEPENDENT AUDITOR'S REPORT
TO THE READERS OF KAIPARA DISTRICT COUNCIL ANNUAL REPORT
FOR THE YEAR ENDED 30 JUNE 2016**

The Auditor-General is the auditor of Kaipara District Council (the *District Council*). The Auditor-General has appointed me, Peter Gulliver, using the staff and resources of Deloitte, on her behalf, to:

- audit the information included in the District Council annual report that we are required to audit under the Local Government Act 2002 (the audited information);
- report on whether the District Council has complied with the requirements of Schedule 10 of the Local Government Act 2002 that apply to the annual report and the Local Government (Financial Reporting and Prudence) Regulations 2014.

Opinion on the audited information

In our opinion:

- the financial statements on pages 20 to 25 and pages 32 to 75:
 - present fairly, in all material respects:
 - the District Council's financial position as at 30 June 2016;
 - 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 Tier 1 of the Public Benefit Entity reporting standards,
- the funding impact statement on pages 159 to 160, 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 78 to 158:

- present fairly, in all material respects, the District Council levels of service for each group of activities for the year ended 30 June 2016 , 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;
- the statement about capital expenditure for each group of activities on pages 78 to 158, presents fairly, in all material respects, actual capital expenditure as compared to the budgeted capital expenditure included in the District Council annual plan;
- the funding impact statement for each group of activities on pages 78 to 158, 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 Long-term plan; and
- the disclosures on pages 26 to 31 required by the Local Government (Financial Reporting and Prudence) Regulations 2014 represent a complete list of required disclosures and accurately reflects the information drawn from the District Council's audited information.

Compliance with requirements

The District Council has:

- complied with the requirements of schedule 10 of the Local Government Act 2002 that apply to the annual report; and
- made the disclosures on pages 26 to 31 which are required by the Local Government (Financial Reporting and Prudence) Regulations 2014 which represent a complete list of required disclosures and accurately reflects the information drawn from the District Council audited information.

Our audit was completed on 26 September 2016. This is the date at which our opinion is expressed.

The basis of our opinion is explained below. In addition, we outline the responsibilities of the Council and our responsibilities, and we explain our independence.

Basis of opinion

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

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

An audit involves carrying out procedures to obtain audit evidence about the amounts and disclosures in the information we audited. The procedures selected depend on our judgement, including our assessment of risks of material misstatement of the information we audited, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the District Council's preparation of the information we audited in order to design procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the District Council's internal control.

An audit also involves evaluating:

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

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

When reporting on whether the District Council complied with the requirements of Schedule 10 of the Local Government Act 2002 that apply to the annual report, we limited our procedures to making sure the annual report included the required information and identifying material inconsistencies, if any, with the information we audited. We carried out this work in accordance with International Standard on Auditing (New Zealand) 720; *The Auditor's Responsibilities Relating to Other Information in Documents Containing Audited Financial Statements*.

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

Responsibilities of the Council

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

Responsibilities of the Auditor

We are responsible for expressing an independent opinion on the annual report in accordance with the reporting requirements of the Local Government Act 2002 and the Local Government (Financial Reporting and Prudence) Regulations 2014. Our responsibility arises from the Public Audit Act 2001.

Independence

When carrying out our audit, we followed the independence requirements of the Auditor-General, which incorporate the independence requirements of the External Reporting Board.

We draw your attention to the fact that the Council has settled a claim against the Auditor-General in relation to previous audits of the Council by her service provider Audit New Zealand. In December 2012, the Auditor-General appointed Peter Gulliver of Deloitte to carry out audits of the Council on her behalf to reduce any independence threat to an acceptable level.

Other than this audit, we have no relationship with or interests in the District Council.



Peter Gulliver

Deloitte

On behalf of the Auditor-General

Auckland, New Zealand

Reader's Guide

The Annual Report sets out Council's achievements for the year and reports on whether we reached the targets forecasted in our Annual Plan.

What does the Annual Report include?

The first part of this Report introduces Kaipara District Council and provides an overview of events during 2015/2016. It also includes the Audit Report. The second part contains the financial results for the year to June 2016. It also includes the accounting policies and notes to the financial statements. The third part includes Council's Groups of Activity Statements.

Activities

Based on the performance targets listed in the first year of the Long Term Plan 2015/2025, Council's work programme is divided into 10 significant activities and individually assessed to determine how well targets have been met. Performance ratings used in this Report are as follows:

- **Achieved:** All aspects of the performance target were achieved (including time, cost, quality, quantity and location).
- **Not achieved:** The activity was not significantly progressed or the work undertaken did not meet the requirements of the target (e.g. where the target stipulates a customer satisfaction rating of 80% and a rating of 73% was achieved then the measure would be rated as not achieved).
- **Not measured:** Performance could not be conclusively reported on (e.g. systems were not in place to measure performance or carrying out the target could have led to a duplication of activities).
- **Not applicable:** Due to events beyond Council's control, the activity was no longer relevant and the work was not carried out.

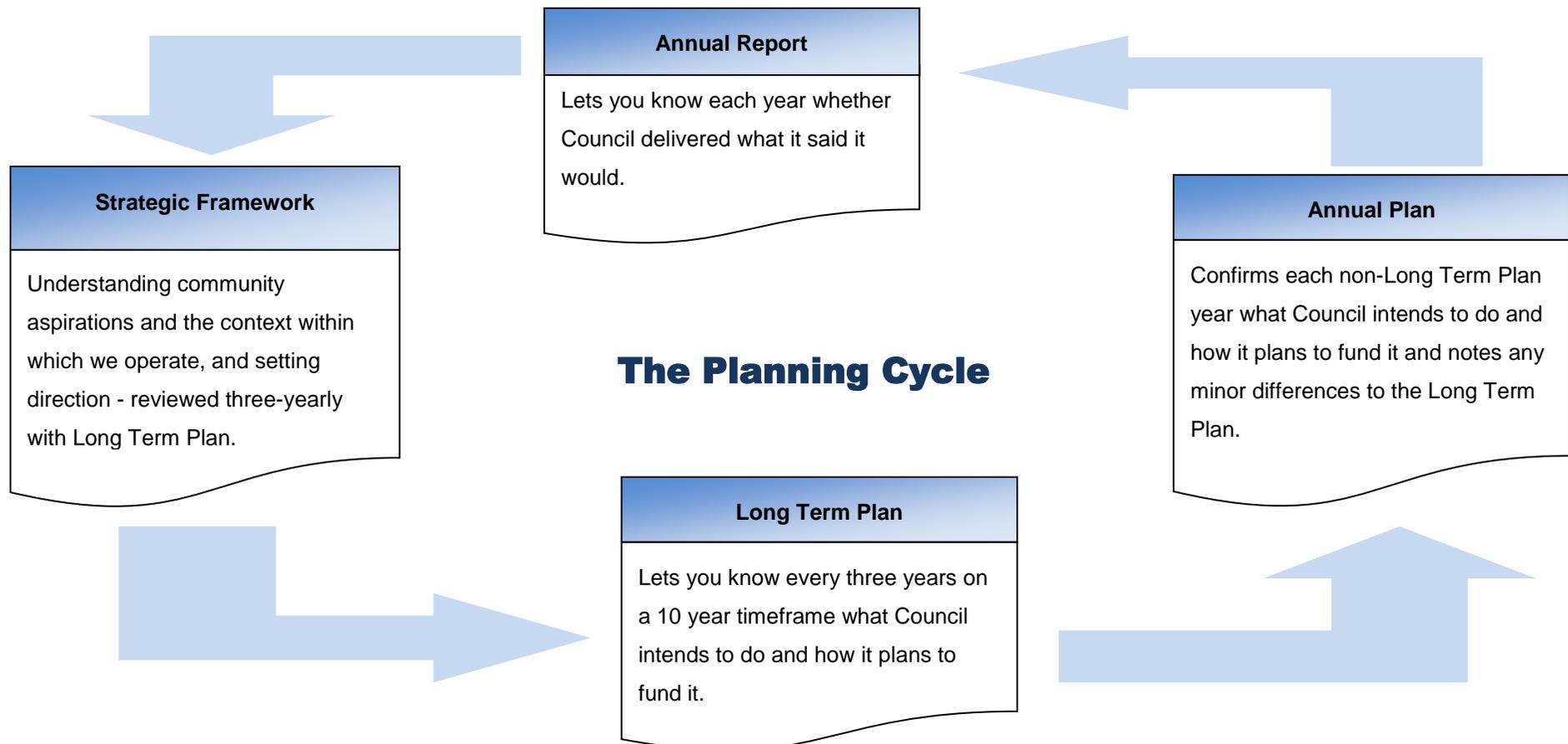
Where does the Annual Report fit into the planning and reporting cycle?

This Annual Report is reporting on the delivery of year one of Council's Long Term Plan 2015/2025.

Setting the Scene

The purpose of this Annual Report is to tell you whether we did what we said we would in the 2015/2016 year. This is the first year of the Kaipara District Council Long Term Plan 2015/2025 adopted by Council on 30 June 2015. It sets out what was achieved and not achieved and the associated costs as compared to what was signalled in the Long Term Plan.

Consequently, this Annual Report needs to be read in conjunction with the Long Term Plan 2015/2025.



Council working with Maori

Council recognises its obligations to Maori under the Local Government Act 2002 and the Resource Management Act 1996, and continues to look for ways to facilitate Maori input into decision-making.

Council recognises the importance of its relationships with Te Uri o Hau, Ngati Whatua, and Te Iwi O Te Roroa. Council and Te Uri o Hau have a Memorandum of Understanding and is negotiating a Mana Enhancing Agreement with Te Roroa.

Kaipara District Council is a member of the Northland Iwi and Local Government Chief Executives' Forum. This group meets quarterly with the key objective of bringing consistency to approaches across the Iwi organisations and councils.

Council's commitment to partnership with Iwi on matters of importance to Maori is further illustrated by:

- Council's contribution to the Integrated Kaipara Harbour Management Group (IKHMG) project which is led by Te Uri o Hau;
- Iwi is given the opportunity for input into the Long Term Plans and Annual Plans during the consultation process;
- Council and Te Iwi O Te Roroa/Te Kuihi joint management of the Taharoa Domain; and
- Council and Te Uri o Hau joint management of Harding Park Pou Tu Te Rangi in Dargaville.

Council is committed to constructive engagement and acknowledges the positive approach to Council initiatives in 2015/2016 to decision-making processes.

The Year in Review

The past year has seen further progress within Council as we strive to become a high-performing organisation that can better serve Kaipara and make a positive difference to the district's future success. The changing way we deliver services has been a particular feature this year.

We continue to roll out our vision - "Kaipara – where it's easy to live" which provides our staff with a strong focus on what we need to do to achieve the results you expect of us. This means working with you to help make it easy to enjoy nature, to join in, and to do business. The emphasis is on partnership, working with you as well as for you, to do the things needed to make Kaipara's communities strong and successful.

Community Placemaking - a strong focus

We have continued with our community planning programme and completed six community action plans in Pouto Peninsula, Baylys, Tangiteroria, Kelly's Bay, Glinks Gully and Mangawhai Village, with 14 other community plans updated. The focus for the year has been on implementing the larger projects identified by the planning in Dargaville and Kaiwaka, in conjunction with these communities.

The Dargaville Placemaking Vision Guide has been developed in consultation with an advisory group and community feedback. The Kaiwaka Improvement Plan, developed to improve traffic and pedestrian safety, has been developed in partnership with the community and NZ Transport Agency.

Reserve management planning has continued with a draft Reserve Management Plan (RMP) developed for Taharoa Domain (Kai Iwi Lakes). There was considerable interest in the development of this RMP which reflects the importance of this place to many people.

Kaipara's Premier Parks

Community facilities are an important part of every community. We have refurbished the Baylys, Whakapirau, Omamari, Maunganui Bluff, Kellys Bay, Mangawhai Heads and Moir Street public toilet facilities. Newly built facilities at the Mangawhai Activity Zone and Alamar Crescent have been accomplished to meet increased demand from visitors.

We have continued to improve our smaller parks with the rollout of new signage and improved safety with the installation of bollards to separate pedestrians and cars. In response to feedback from community plans we have been upgrading gardens in Dargaville and Mangawhai to smarten up the look of our town centres.

The three premier parks, Pou Tu Te Rangi Harding Park, Taharoa Domain and Mangawhai Community Park are the focus of our capital development programme. Working in partnership with Te Uri o Hau we have rebranded Pou Tu Te Rangi Harding Park and developed new walkways, removed exotic trees to make the most of

the panoramic views and installed interpretative signage. At Taharoa Domain we have continued to improve biodiversity with over 10,000 native plants in the ground this year. Good progress is being made in the pest plant removal programme and 60ha is being actively managed. New walking/cycling tracks have been developed around Lake Taharoa and Lake Kai Iwi that are getting positive comments from visitors and campers. After a slow start Mangawhai Community Park development is progressing with the Pioneer Village site works complete and ready for new buildings to arrive early next year.

Working in partnership regionally

We have been actively working with Northland's other councils to find ways to work more closely together through shared service initiatives.

We began the process in the second half of the financial year as part of the establishment of the Kaipara Rooding Business Unit. This unit has combined into the regional Northland Transportation Alliance (NTA), which began on 01 July 2016, with all four Northland councils contributing towards this. This alliance is primarily designed to bring about cost-savings, having internal capacity and capability which provides opportunities for knowledge sharing between councils.

We are teaming up with Whangarei District Council for the delivery of Animal Management, Noise Control and Parking activities, and are looking into efficiencies regionally for delivery of IT and Water Services.

Rooding services progressing well

Rooding continues to, and will always, be a big ticket item with 67% of Council's capital expenditure budget spent here in 2015/2016. We have completed our planned sealed road rehabilitation projects as well as heavy maintenance on our unsealed roads. There are 1,573km of roads in our network, 92.5% rural and 7.5% urban, with 71.5% unsealed and 28.5% sealed.

Road safety promotion is also important to us. We have spent a total of \$90,506 on initiatives like the Drive Soba programme, which is part of the alcohol and drugs Safer Journeys Area. We assisted with the younger drivers' programme, with the mentor driving programmes and the Rotary Youth Driver Awareness (RYDA) programme. The RYDA programme is a partnership with Rotary, Road Safety Education, Safer Journeys and Council.

Enhancements to water and wastewater

One of our objectives is to ensure we provide a reliable and sustainable infrastructure for Kaipara district. During the past year, we delivered the majority of our water services capital expenditure programme successfully, with some savings and some projects carried forward to the next financial year.

We successfully accomplished the key contract tender, awarding the Three Waters Operation and Maintenance Contract to the new contractor, Broadspectrum. The tendering was publicly notified and Broadspectrum started on 01 July 2016.

Council has reviewed the bulk water supply agreement with Fonterra resulting in an increase to the annual charges. Water services has continued to install SCADA (Supervisory Control and Data Acquisition) at key locations to have better control and improve overall efficiency. We also reviewed our critical assets for Three Waters, leading to a more focused and targeted condition assessment programme to improve our knowledge of the condition of our assets.

Improved service from strengthening our capability

In keeping with 'making it easy' we now have a projects office with project management and business analysis resource delivering projects and initiatives across the organisation, the prime project being the Business Plan. We look to make improvements across the entire organisation supporting the Commissioners intention that Council be a high performing organisation. Other projects include Mangawhai Community Wastewater Scheme Extension, Taxonomy/EDRMS, Mangawhai Harbour Water Quality, Customer Database, Northland Transportation Alliance (NTA), Land Information Memorandum (LIM) Improvement and Mangawhai Town Plan. Project methodology and disciplines are utilised and the organisation is able to undertake and deliver projects alongside ongoing operational activity.

Economic growth increases

A positive sign for 2015/2016 was an increase in residential building consents and resource consents. Kaipara's economic growth accelerated in the second half of the 2015/2016 year.

Building activity meant an increase in resourcing and in-house capability for Council. Implementing a training needs analysis programme to assist staff training skills and preparing for Building Control Authority accreditation were highlights for 2015/2016.

Planning was another area of strong growth for the year. Additional internal resourcing and use of external contractors was a beneficial tool in managing peaks in applications due to economic growth.

Internal capability was also strengthened in Regulatory for alcohol management, environmental health and consent monitoring. Transitioning of the new contractor for Animal Management, Noise Control and Parking will begin shortly.

Financial position improved

Council's position has improved significantly again with debt of \$65.0 million compared with the budgeted \$74.5 million at 30 June 2016. This was due in part to the settlement with the Office of the Auditor-General (OAG). Council acceded to the Local Government Funding Agency (LGFA) in March 2016. As a result of this, Council is able to refinance debt at a lower cost and can access a wide range of funding maturities. We thank our banking partners for their continued support.



Part Two - Finances

Statement of Comprehensive Revenue and Expense for the Year Ended 30 June 2016

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.

| For the year ended: | | | Actual | Annual Plan | Annual Report |
|--|---|--------|---------------|---------------|---------------|
| 30 June | | | 2015-2016 | 2015-2016 | 2014-2015 |
| | | | \$'000 | \$'000 | \$'000 |
| Revenue | | | | | |
| | Note | | | | |
| | Rates | 2a | 31,297 | 31,751 | 30,511 |
| | Subsidies and grants | 2c | 10,202 | 10,269 | 11,971 |
| | Activity income | | 9,216 | 3,915 | 4,393 |
| | Contributions | | 3,984 | 897 | 1,595 |
| | Investments and other income | 2c | 2,228 | 440 | 962 |
| | Total revenue | 2a | <u>56,928</u> | <u>47,271</u> | <u>49,432</u> |
| Expenses | | | | | |
| | Activity costs | | 26,516 | 22,450 | 25,974 |
| | Employee benefits | | 6,726 | 6,714 | 6,016 |
| | Finance costs | | 3,613 | 4,294 | 4,119 |
| | Depreciation | 10a,11 | 10,091 | 9,458 | 9,747 |
| | Total expenses | 3 | <u>46,946</u> | <u>42,916</u> | <u>45,856</u> |
| | Surplus/(deficit) for the period | | <u>9,981</u> | <u>4,355</u> | <u>3,576</u> |
| Other comprehensive revenue and expense | | | | | |
| (Items that will not be reclassified subsequently to surplus or deficit) | | | | | |
| | Gain/(loss) on revaluation | 4a,10a | 15,849 | 13,239 | 25,713 |
| | Total comprehensive revenue and expense for the period | | <u>25,830</u> | <u>17,594</u> | <u>29,289</u> |

The accompanying notes form part of these financial statements.

Explanation of major revenue and expenditure variances against Annual Plan

Revenue

Rates: Rates revenue is \$0.4 million lower than budget due to lower water by meter charges and an adjustment for prepaid rates.

Activity income: Activity income is \$5.3 million above budget due to a settlement with Office of the Auditor-General (OAG) and increased building control and resource consent income.

Contributions: Contributions are \$3.1 million above budget due to development and financial contributions received reflecting increased activity in the district.

Investment and other income: The favourable variance against budget of \$1.8 million is due to the revaluation of forestry, land assets vested in Council and gains on sale of assets.

Expenditure

Activity costs: The major factors contributing to the unfavourable variance of \$4.1 million are:

- Revaluation of interest rate swap derivatives to fair market value \$3.7 million
- Higher contracting and professional services costs of \$0.3 million.
- Consultancy and legal advice to support Council with rating issues, the Judicial Review and other organisational service delivery matters \$0.9 million.

Partially offsetting these increases were below plan costs for:

- Lower maintenance costs of (\$0.8 million)

Finance costs: The favourable variance in finance costs of \$0.7 million is due to lower than budget external interest costs as a result of lower debt levels.

Gain on revaluation: The favourable variance of \$2.6 million is due to higher than budget gain on revaluation of Council's roading, water supply, stormwater and flood protection and control works infrastructure, as assessed by independent engineers at 30 June 2016.

Statement of Financial Position as at 30 June 2016

| As at | | Actual | Annual Plan | Annual Report |
|---|------|----------------|----------------|----------------|
| 30 June | | 2015-2016 | 2015-2016 | 2014-2015 |
| | | \$'000 | \$'000 | \$'000 |
| Net assets/equity | Note | | | |
| Accumulated comprehensive revenue and expense | 4a | 370,863 | 374,153 | 362,805 |
| Asset revaluation reserves | 4a | 199,499 | 171,175 | 183,649 |
| Restricted reserves | 4a | 5,673 | 5,618 | 5,692 |
| Council created reserves | 4a | -16,965 | -19,130 | -18,909 |
| Total net assets/equity | | 559,070 | 531,816 | 533,238 |
| <i>represented by</i> | | | | |
| Current assets | | | | |
| Cash and cash equivalents | | 7,285 | 3,821 | 9,926 |
| Trade and other receivables | 6 | 6,180 | 7,688 | 7,208 |
| Accrued revenue | | 1,883 | 2,700 | 1,079 |
| Other financial assets | 5a | 115 | 2 | 115 |
| Non current assets held for sale | | 186 | 0 | 380 |
| Total current assets | | 15,649 | 14,211 | 18,708 |
| <i>less</i> | | | | |
| Current liabilities | | | | |
| Trade and other payables | 7 | 8,254 | 7,485 | 9,611 |
| Provisions | 8a | 139 | 1 | 185 |
| Employee entitlements | | 512 | 413 | 545 |
| Public debt | 9a | 6,983 | 1,986 | 5,609 |
| Total current liabilities | | 15,889 | 9,885 | 15,950 |
| Working capital/(deficit) | | -239 | 4,326 | 2,758 |
| <i>plus</i> | | | | |
| Non current assets | | | | |
| Property, plant, equipment | 10a | 624,003 | 603,839 | 604,882 |
| LGFA Borrower notes | | 560 | 0 | 0 |
| Biological assets | 13 | 3,466 | 2,372 | 2,697 |
| Derivative financial assets | | 0 | 85 | 0 |
| Other financial assets | 5a | 276 | 148 | 273 |
| Total non current assets | | 628,306 | 606,444 | 607,853 |
| <i>less</i> | | | | |
| Non current liabilities | | | | |
| Public debt | 9a | 57,978 | 72,550 | 70,258 |
| Provisions | 8a | 4,570 | 3,756 | 4,295 |
| Derivative financial liabilities | 18a | 6,448 | 2,648 | 2,819 |
| Total non current liabilities | | 68,997 | 78,954 | 77,372 |
| Net assets | | 559,070 | 531,816 | 533,238 |

The accompanying notes form part of these financial statements.

Explanation of major variances against Annual Plan

Equity: The favourable variance relates to the revaluation of infrastructure assets and higher than budgeted net surplus.

Cash and cash equivalents: Cash and cash equivalents are \$3.5 million higher than planned. Cash is being retained to meet capital commitments now planned for the next two years.

Trade and other receivables: Trade and other receivables are \$1.5 million lower than budget due to continuing focus on collecting outstanding debt.

Accrued revenue: Accrued revenue is lower than budget by \$0.8 million primarily due to timing of receipts for the NZTA subsidy.

Non-current assets held for sale: A number of properties were sold in the year. Efforts continue to dispose of the remaining non-strategic properties.

Trade and other payables: An increase in revenue in advance and bond money held has increased payables.

Property, plant and equipment: Revaluation of roading, water supply, stormwater and flood protection and control coupled with capital works programme have increased the value.

New Zealand Local Government Funding Agency (LGFA) Borrower notes: Deposits required to be held as part of joining LGFA in April 2016.

Biological assets: Higher than budget biological assets reflects the increase in fair value of Council's forestry assets following an independent forestry valuation at 30 June 2016.

Derivative financial assets and liabilities: Council uses interest rate derivatives to assist in achieving a long term stable interest rate on debt. Higher than budget derivative liabilities of \$3.8 million is due to the nature of these financial instruments whereby their value is not able to be budgeted with certainty due to the unpredictability of interest rates. Derivatives are marked to market at each balance date, and as the floating interest rate is lower than at last balance date, the interest rate derivatives were valued at less than they were when Council entered into the agreements. This resulted in an increase in the liability Council has on some derivatives.

Public debt: Approximately \$10.9 million of existing debt was retired during the year which was \$9.6 million higher than planned. Council is now, in keeping with its Treasury policies, utilising surplus cash to reduce external borrowing. Council is ensuring that it maintains adequate working capital by having committed bank short term borrowing facilities in place. The variance to budget on both the Public Debt in Non-Current Liabilities and the Public Debt in Current Liabilities reflects the repayment and classification of the current loan maturity dates.

Provisions: The increase reflects the calculation of the aftercare costs for closed landfills based on engineering estimates over the term of the care.

Statement of Changes in Net Assets/Equity for the Year Ended 30 June 2016

| For the year ended: | Actual | Annual Plan | Annual Report |
|---|---------------------|---------------------|---------------------|
| 30 June | 2015-2016 \$'000 | 2015-2016 \$'000 | 2014-2015 \$'000 |
| <i>Balance at 1 July</i> | 533,238 | 514,222 | 503,949 |
| Comprehensive revenue and expense for the period | | | |
| Surplus/(deficit) for the period | 9,981 | 4,355 | 3,576 |
| Other comprehensive revenue and expense for the period | | | |
| Surplus on Revaluation of Infrastructure 10a | 15,849 | 13,239 | 25,713 |
| Total comprehensive revenue and expense for the period | 25,831 | 17,594 | 29,289 |
| Balance at 30 June | <u>559,070</u> | <u>531,816</u> | <u>533,238</u> |

Note

The accompanying notes form part of these financial statements.

Statement of Cash Flows for the Year Ended 30 June 2016

| For the year ended: | Actual | Annual Plan | Annual Report |
|---|----------------|----------------|----------------|
| 30 June | 2015-2016 | 2015-2016 | 2014-2015 |
| | \$'000 | \$'000 | \$'000 |
| Cash Flow from Operating Activities | | | |
| <i>Receipts:</i> | | | |
| Rates | 31,605 | 28,601 | 28,929 |
| Fees, charges and other | 13,225 | 8,262 | 8,230 |
| Grants and subsidies | 11,570 | 10,269 | 11,250 |
| Interest received | 28 | 50 | 70 |
| <i>sub total</i> | 56,428 | 47,182 | 48,479 |
| <i>Payments:</i> | | | |
| Suppliers and employees | 31,912 | 29,161 | 24,772 |
| Taxes (including the net effect of GST) | 20 | 0 | -250 |
| Interest expense | 3,613 | 4,294 | 4,119 |
| <i>sub total</i> | 35,546 | 33,455 | 28,641 |
| Net Cash Flow from/(to) Operating Activities | 20,882 | 13,727 | 19,838 |
| Cash Flow from Investing Activities | | | |
| <i>Receipts:</i> | | | |
| Sale of Property, plant and equipment | 1,369 | 150 | 57 |
| <i>sub total</i> | 1,369 | 150 | 57 |
| <i>Payments:</i> | | | |
| LGFA Borrower notes | 560 | 0 | 0 |
| Mortgage advances | 0 | 0 | 100 |
| Property, plant and equipment purchases | 13,425 | 15,150 | 14,025 |
| <i>sub total</i> | 13,985 | 15,150 | 14,125 |
| Net Cash Flow from/(to) Investing Activities | -12,616 | -15,000 | -14,068 |
| Cash Flow from Financing Activities | | | |
| <i>Receipts:</i> | | | |
| Loans raised (Net) | 0 | 0 | 0 |
| <i>Payments:</i> | | | |
| Loans repayment (Net) | -10,906 | -1,332 | -432 |
| Net Cash Flow from/(to) Financing Activities | -10,906 | -1,332 | -432 |
| Net Increase/(Decrease) in cash and cash equivalents | -2,640 | -2,605 | 5,338 |
| Cash and cash equivalents at beginning of period | 9,926 | 6,426 | 4,588 |
| Cash and cash equivalents at end of period | 7,285 | 3,821 | 9,926 |

The accompanying notes form part of these financial statements.

Annual Report Disclosure Statement for the year ending 30 June 2016

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.

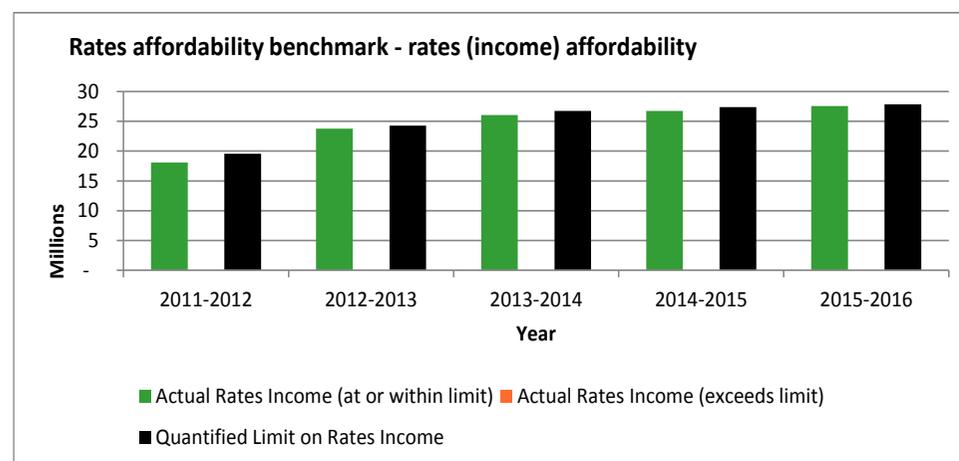
Rates affordability benchmark

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 increases equal or are less than each quantified limit on rates increases.

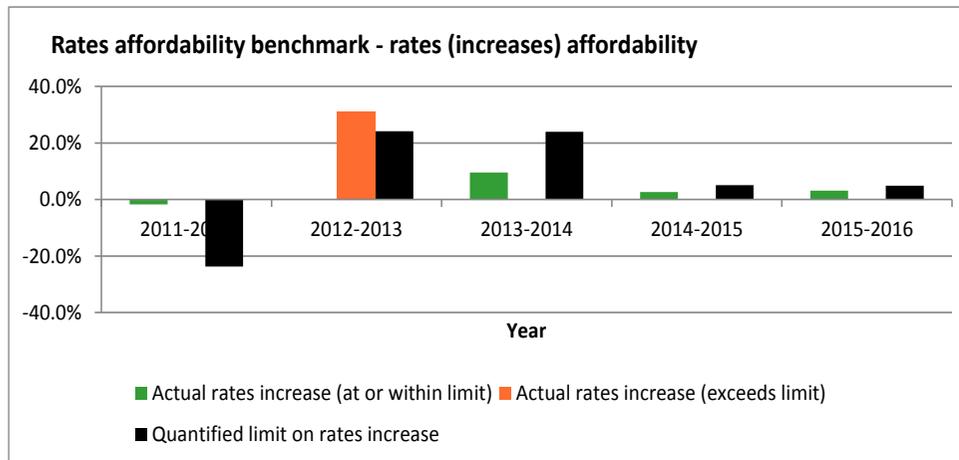
Rates (income) affordability

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 2015/2016 was set in the Long Term Plan at \$27.9 million excluding water meter billing.



Rates (increases) affordability

The following graph compares the Council's actual rates increases with a quantified limit on rates increase included in the Financial Strategy included in the Council's Long Term Plan. The quantified limit for 2015/2016 was 4.94% above the previous year's rates excluding water meter billing.

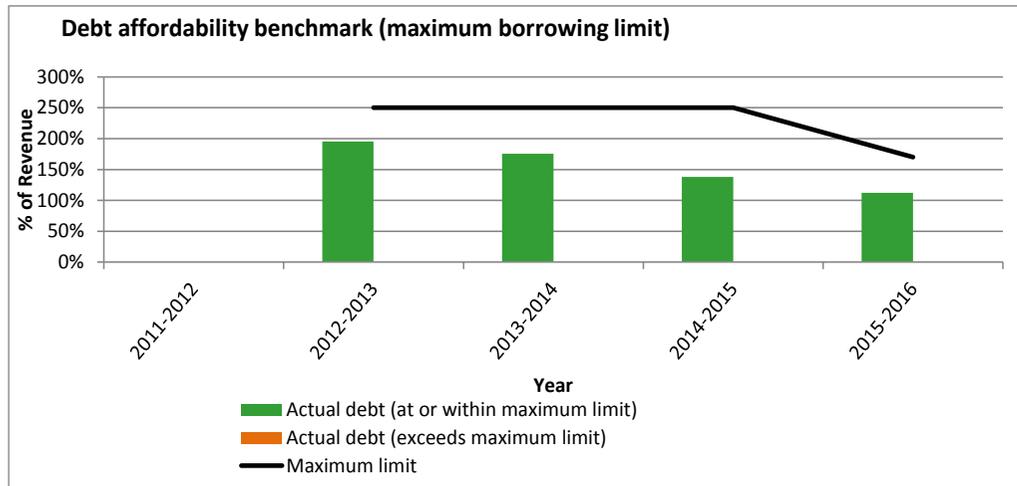


Debt affordability benchmark

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.

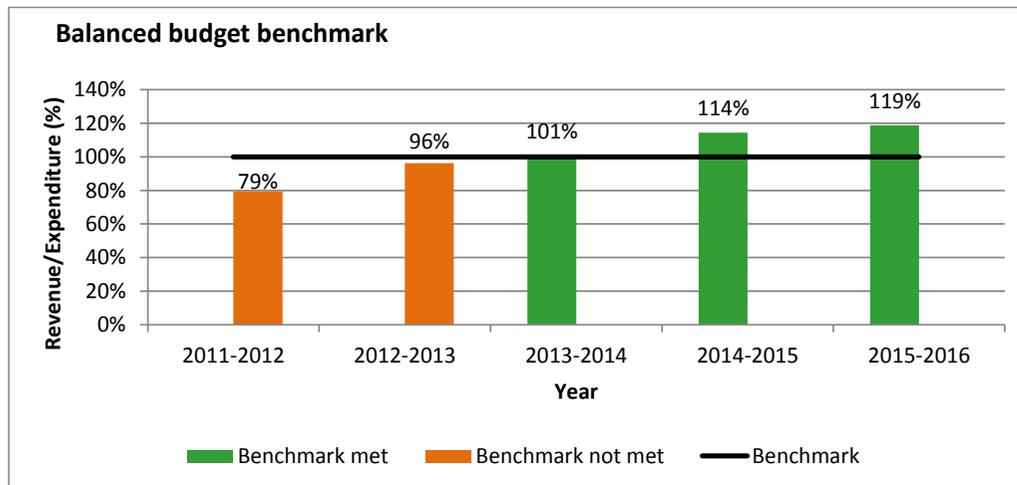
Prior to 30 June 2012, Council operated a segmented debt policy for debt associated with the Mangawhai Community Wastewater Scheme (MCWWS). There was no quantified limit and the balance of debt ("core debt") was subject to 2:1 ratio of "normal operating revenue" to debt.



Balanced budget benchmark

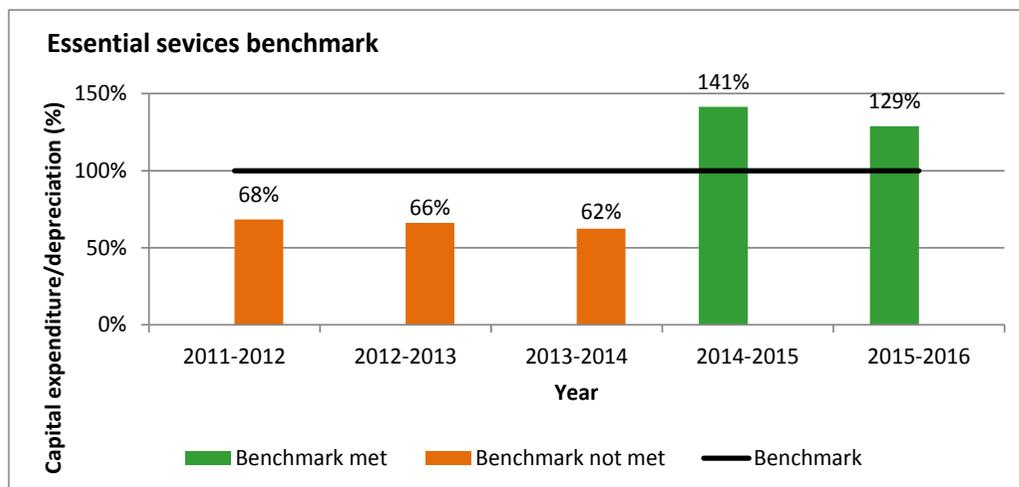
The following graph displays the Council’s revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant, or equipment) as a proportion of operating expenses (excluding losses on derivative financial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

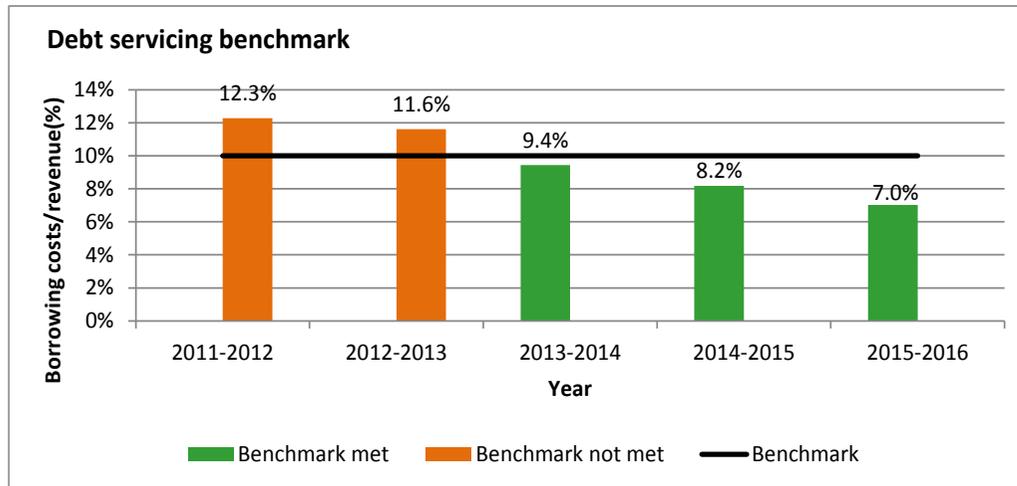


Debt servicing benchmark

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).

Because Statistics New Zealand projects the Council's population will grow more slowly than the national population growth rate, it meets the debt servicing benchmark if its borrowing costs equal or are less than 10% of its revenue.

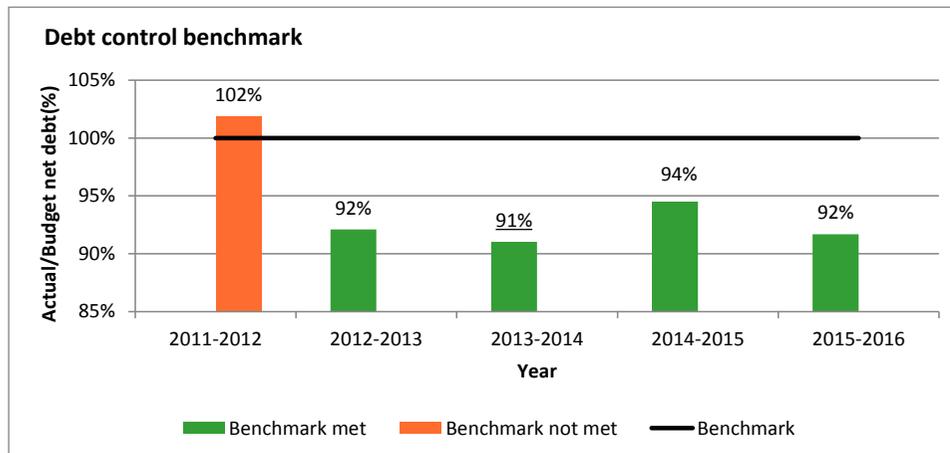
Note: Statistics New Zealand information shows that the total growth rate for New Zealand between 2006 and 2013 was 5.1%. Kaipara's overall growth for the same period was 3.8%. Within this 3.8%, growth rates ranged from negative 9.7% for Maungaturoto to positive 44.8% for Mangawhai.



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).

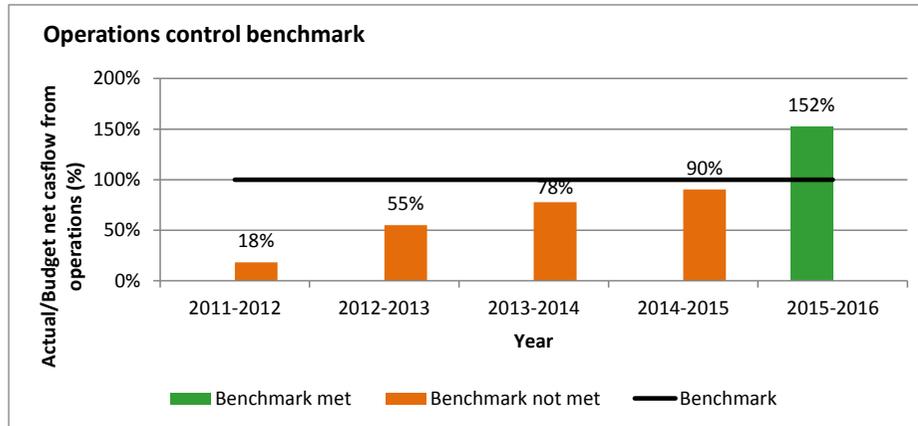
This Council meets the debt control benchmark if its actual net debt equals or is less than its planned net debt.



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.



All benchmarks were met in 2015/2016.

Notes to Financial Statements

1 Statement of Accounting Policies for the year ended 30 June 2016

Reporting entity

Kaipara District Council is a territorial local authority governed by the Local Government Act 2002.

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). Council will be classified as a “Tier 1” entity.

The financial statements of Kaipara District Council are for the year ended 30 June 2016. The financial statements were authorised for issue by the Commissioners on 26 September 2016.

Basis of preparation

These financial statements have been prepared in accordance with the requirements of the Local Government Act 2002, which includes the requirement to comply with Tier 1 PBE Standards

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.

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 NRC are not recognised in the Financial Statements as Council is acting as an agent.

Grants revenue

Council receives Government grants from NZTA, which subsidises part of Council's costs in maintaining the local roading infrastructure. The subsidies are recognised as revenue upon entitlement as conditions pertaining to eligible expenditure have been fulfilled.

Other revenue

Water billing revenue is recognised on an accrual basis. Unbilled usage, as a result of unread meters at year end, is accrued on an average usage basis.

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

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 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.

Borrowing costs

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

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 in 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 and 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 surplus/(deficit).

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.

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).

Non-current assets held for sale

Non-current assets held for sale are classified as held for sale if their carrying amount will be recovered principally through a sale transaction, not through continuing use. Non-current assets held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

Any impairment losses for write-downs of non-current assets held for sale are recognised in the surplus/(deficit).

Any increases in fair value (less costs to sell) are recognised up to the level of any impairment losses that have been previously recognised.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

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.

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 | | Expected life years | Depreciation straight line |
|-----------------------|--------------------------------|---------------------------------------|---------------------------------|--------------------------------|---------------------------------------|
| Roading | | | Water Supply | 20-80 | 1.25%-4% |
| Top surface (seal) | 4-20 | 5%-25% | Wastewater | 14-80 | 1.25%-7% |
| Pavement (basecourse) | | | Stormwater | 40-80 | 1.25%-2.5% |
| Urban sealed | 40-80 | 1.25%-2.5% | Landfills and transfer stations | 33.3 | 3.0% |
| Rural sealed | 40-80 | 1.25%-2.5% | Halls | 50 | 2% |
| Unsealed | 20-60 | 1.67%-5% | Community housing | 50 | 2% |

| | Expected life years | Depreciation straight line | | Expected life years | Depreciation straight line |
|----------------------------------|------------------------|-------------------------------|-------------------------------------|------------------------|-------------------------------|
| Foundation and unsealed subgrade | n/a ¹ | - | Plant, equipment and motor vehicles | 5-10 | 10%-20% |
| Culverts | 25-100 | 1%-4% | Buildings | 50 | 2% |
| Kerb and channel | 25-80 | 1.25%-4% | Building contents | 10 | 10% |
| Bridges | 40-100 | 1%-2.5% | Other plant | 5 | 20% |
| Signs | 12 | 8.3% | Computer and office equipment | 5 | 20% |
| Lights | 15-40 | 2.5%-6% | Library collection | 5 | 20% |
| Footpaths | 25-80 | 1.25%-4% | | | |
| Drainage | 15-100 | 1%-6% | | | |

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

Biological (forestry 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).

New Zealand Units (Forestry) – Emissions Trading Scheme

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.

¹Not depreciated

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 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, it 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***

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

Council is one of 43 local authority guarantors of the LGFA. When aggregated with the uncalled capital of other shareholders, \$20 million is available in the event that an imminent default is identified. Also, together with the other shareholders and guarantors, Council is a guarantor of all LGFA's borrowings. At 30 June 2016, LGFA had borrowings totalling \$6.501 billion (2015: \$4.9 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 the 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.

Closure and post-closure provisions

All Council landfills are now closed. Provision has been made for the future costs of closing the Dargaville 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 capitalised to deferred closure and post-closure costs within property, plant and equipment in the Statement of Financial Position. 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.

Infrastructural Assets

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

- 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 under-estimating the annual depreciation charge recognised as an expense in the Statement of Comprehensive Revenue and Expense. To minimise this risk Council's infrastructural asset 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.

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 2016:

- **Classification of property**

Council owns a number of properties, which are maintained primarily to provide community housing to elderly persons.

The receipt of market-based rental from these properties is incidental to holding these properties. These properties are held for service delivery objectives as part of Council's social development policy. These properties are accounted for as property, plant and equipment.

2 Income and Expenditure Summary

2(a) Non-exchange revenue summary

| For the year ended: | Actual | Annual Plan | Annual Report |
|-----------------------------------|---------------|---------------|---------------|
| 30 June | 2015-2016 | 2015-2016 | 2014-2015 |
| | \$'000 | \$'000 | \$'000 |
| Non exchange revenue | | | |
| Rates | 31,297 | 31,751 | 30,511 |
| Resource consents | 1,061 | 0 | 695 |
| Solid waste recoveries | 73 | 0 | 68 |
| Community spaces access fees | 0 | 0 | 6 |
| Total Non exchange revenue | 32,431 | 31,751 | 31,280 |
| Exchange revenue | 24,496 | 15,520 | 18,152 |
| Total revenue | 56,928 | 47,271 | 49,432 |

2(b) Rating Base Information

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 2015 | As at 30 June 2014 |
|---|---|---|
| Number of rating units within the Kaipara District | 15,036 units of which 14,210 are rateable | 14,696 units of which 14,146 are rateable |
| Total capital value of rating units within the Kaipara District | \$6,358,815,225 of which \$6,187,157,350 is rateable | \$6,206,788,200 of which \$6,036,684,150 is rateable |
| Total land value of rating units within the Kaipara District | \$3,715,405,125 of which \$3,648,211,350 is rateable | \$3,651,092,600 of which \$3,583,705,550 is rateable |

2(c) Revenue Summary - Analysis

| For the year ended: | Actual | Annual Report |
|--|----------------------|----------------------|
| 30 June | 2015-2016 \$'000 | 2014-2015 \$'000 |
| <i>Subsidies and grants</i> | | |
| NZTA Rooding Subsidies | 10,202 | 11,971 |
| <i>Total Subsidies and grants</i> | <u>10,202</u> | <u>11,971</u> |
| <i>Investments and Other Income</i> | | |
| Petrol tax | 199 | 153 |
| Gain on disposal of property, plant and equipment | 379 | 29 |
| Unrealised gain on forestry revaluation | 769 | 408 |
| Finance income | 28 | 70 |
| Vested assets | 733 | 68 |
| Sundry income | 120 | 234 |
| <i>Total Investment and Other Income</i> | <u>2,228</u> | <u>962</u> |

2(d) Targeted Rates for metered water supply

| For the year ended: | Actual | Annual Plan |
|---|---------------------|---------------------|
| 30 June | 2015-2016 \$'000 | 2015-2016 \$'000 |
| <i>Targeted Rates for metered water supply</i> | | |
| Water Supply | 2,936 | 3,150 |
| <i>Total Targeted Rates for metered water supply</i> | <u>2,936</u> | <u>3,150</u> |

The Local Government (Financial Reporting and Prudence) Regulations 2014 require, from 01 July 2015, Water by Meter charges to be classified in rating income.

3 Cost of Service Summary – Analysis

| For the year ended: | Actual | Annual Report |
|---|---------------------|---------------------|
| 30 June | 2015-2016 \$'000 | 2014-2015 \$'000 |
| Analysis of expenditure | | |
| Depreciation and amortisation | 10,091 | 9,747 |
| Swaps revaluation through revenue and expense | 3,629 | 3,233 |
| Asset revaluation revenue and expense | 0 | 878 |
| Other expenses | 22,709 | 21,574 |
| Employee benefit expenses | | |
| Salaries and wages | 6,850 | 6,040 |
| Increase/(Decrease) in Annual leave provision | -124 | -24 |
| Finance costs | | |
| Interest on loans | 3,227 | 3,771 |
| Interest on Local Government Stock | 386 | 348 |
| Fees paid to Principal Auditor | | |
| Fees for audit of the Long Term Plan | 0 | 119 |
| Fees for audit of the Annual Report | 177 | 164 |
| Fees for other services | 0 | 6 |
| Total expenditure | 46,946 | 45,856 |

The auditor of Council is Deloitte for and on behalf of the Auditor-General.

Salaries and wages also includes employer contributions to KiwiSaver which is a Defined Contribution Plan. Employer contributions totalled 2016: \$162,088 (2015: \$143,900).

Interest on loans includes hedge costs. .

4(a) Ratepayers Equity

| For the year ended: | Actual | Annual Report |
|---|---------------------|---------------------|
| 30 June | 2015-2016 \$'000 | 2014-2015 \$'000 |
| Accumulated Comprehensive Revenue and Expense Balance at 1 July | 362,805 | 390,549 |
| plus Surplus/(deficit) for the period | 9,981 | 3,576 |
| Transfers from Accumulated Revenue and Expense to: | | |
| Restricted reserves | -19 | 214 |
| Council created reserves | 8,491 | 7,324 |
| Total Transfers from Accumulated Comprehensive Revenue and Expense | 8,473 | 7,538 |
| Transfers to Accumulated Funds from: | | |
| Restricted reserves | 0 | 139 |
| Council created reserves | 6,547 | -23,921 |
| Total Transfers to Accumulated Comprehensive Revenue and Expense | 6,547 | -23,782 |
| Closing balance as at 30 June | 370,861 | 362,805 |
| Asset Revaluation Reserves | | |
| Balance at 1 July | 183,649 | 157,936 |
| Gain/(loss) on revaluation | 15,849 | 25,713 |
| Closing balance as at 30 June | 199,499 | 183,649 |
| Asset Revaluation Reserves | | |
| Operational assets: | | |
| Land | 302 | 302 |
| Buildings | 0 | 0 |
| Total Operational assets | 302 | 302 |
| Infrastructural assets: | | |
| Roads and Footpaths | 174,984 | 165,622 |
| Water Supply | 8,494 | 7,192 |
| Sewerage and the treatment and disposal of sewage | 0 | 0 |
| Stormwater Drainage | 13,427 | 10,042 |
| Flood Protection and control works | 2,292 | 491 |
| Total Infrastructural assets | 199,197 | 183,347 |
| Total Asset Revaluation Reserves | 199,499 | 183,649 |

4(b) Statement of Reserves Funds Activities

| For the year ended: | Community Activities | Regulatory Management | Emergency Management | Flood Protection and Control Works | District Leadership | Solid Waste | The Provision of Roads and Footpaths | Sewerage and the Treatment and Disposal of Sewage | Stormwater Drainage | Water Supply | Total Reserves Funds |
|---|----------------------|-----------------------|----------------------|------------------------------------|---------------------|---------------------|--------------------------------------|---|---------------------|---------------------|----------------------|
| 30 June | 2015-2016 \$'000 | 2015-2016 \$'000 | 2015-2016 \$'000 | 2015-2016 \$'000 | 2015-2016 \$'000 | 2015-2016 \$'000 | 2015-2016 \$'000 | 2015-2016 \$'000 | 2015-2016 \$'000 | 2015-2016 \$'000 | 2015-2016 \$'000 |
| Council Created Reserves | | | | | | | | | | | |
| Depreciation Reserve | | | | | | | | | | | |
| <i>Opening Balance</i> | -8 | 0 | 26 | 0 | 19 | 0 | 1,888 | 704 | 107 | 753 | 3,488 |
| Deposited | 94 | 0 | 0 | 101 | 72 | 0 | 2,379 | 346 | 268 | 969 | 4,229 |
| Withdrawn | -39 | 0 | 0 | -71 | -72 | 0 | -2,215 | -333 | -185 | -954 | -3,869 |
| <i>Closing Balance</i> | 47 | 0 | 26 | 29 | 19 | 0 | 2,052 | 718 | 190 | 768 | 3,849 |
| Development Contribution Reserve | | | | | | | | | | | |
| <i>Opening Balance</i> | 0 | 0 | 0 | 0 | -12 | 0 | 451 | -28,129 | 4 | 29 | -27,656 |
| Deposited | 0 | 0 | 0 | 0 | 0 | 0 | 375 | 2,024 | 12 | -1 | 2,409 |
| Withdrawn | 0 | 0 | 0 | 0 | 0 | 0 | -740 | 0 | 0 | 0 | -741 |
| <i>Closing Balance</i> | 0 | 0 | 0 | 0 | -12 | 0 | 86 | -26,105 | 16 | 29 | -25,988 |
| Financial Contribution Reserve | | | | | | | | | | | |
| <i>Opening Balance</i> | 4,789 | 0 | 0 | 0 | 0 | 0 | 470 | 0 | 0 | 0 | 5,259 |
| Deposited | 1,469 | 0 | 0 | 0 | 0 | 0 | 106 | 0 | 0 | 0 | 1,576 |
| Withdrawn | -1,937 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | -1,937 |
| <i>Closing Balance</i> | 4,321 | 0 | 0 | 0 | 0 | 0 | 576 | 0 | 0 | 0 | 4,898 |
| Provision Expenditure Reserve | | | | | | | | | | | |
| <i>Opening Balance</i> | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Deposited | 0 | 0 | 0 | 0 | 0 | 250 | 0 | 27 | 0 | 0 | 277 |
| Withdrawn | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| <i>Closing Balance</i> | 0 | 0 | 0 | 0 | 0 | 250 | 0 | 27 | 0 | 0 | 277 |
| Restricted Council Reserves | | | | | | | | | | | |
| Restricted Reserve | | | | | | | | | | | |
| <i>Opening Balance</i> | 0 | 0 | 0 | 0 | 5,692 | 0 | 0 | 0 | 0 | 0 | 5,692 |
| Deposited | 0 | 0 | 0 | 0 | -20 | 0 | 0 | 0 | 0 | 0 | -19 |
| Withdrawn | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| <i>Closing Balance</i> | 0 | 0 | 0 | 0 | 5,673 | 0 | 0 | 0 | 0 | 0 | 5,673 |

Council has set aside reserve funds for the purposes of asset renewal (Depreciation Reserve), development contributions and financial contributions. 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 Mangawhai 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 to repay loans and are derived from the funding of depreciation within each asset carrying activity in accordance with the existing revenue and financing policies.

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 Reserve

Council funds reserved for expenditure provisioned to be spent in future years.

5(a) Other Financial Assets

Other financial assets are valued at fair value.

| For the year ended: | Actual | Annual Report |
|---|------------|---------------|
| 30 June | 2015-2016 | 2014-2015 |
| | \$'000 | \$'000 |
| Current portion of investments | | |
| Loan | 115 | 115 |
| Total Current financial assets | 115 | 115 |
| Non-current portion of investments | | |
| Emission Trading Scheme - NZU's | 257 | 257 |
| NZLG Insurance Corporation Shares | 19 | 16 |
| Total Non-current financial assets | 276 | 273 |

5(b) Emissions Trading Scheme (ETS)

Council has 631 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.

5(c) Shareholdings

New Zealand Local Government Insurance Corporation Limited:

- 13,629 shares of \$1.00 each. Council holds 0.1% of the issued shares.

An estimate of the fair value is based on Council's share of the net assets.

6 Trade and other receivables

| For the year ended: | Actual | Annual Report |
|---|---------------------|---------------------|
| 30 June | 2015-2016 \$'000 | 2014-2015 \$'000 |
| Trade and other receivables | | |
| Sundry debtors | 1,755 | 2,849 |
| Land rates and penalties | 4,761 | 5,033 |
| Water rates and charges | 929 | 1,010 |
| Dog licences and dog infringements | 236 | 195 |
| Prepayments | 737 | 533 |
| Gross Trade and other receivables | 8,418 | 9,621 |
| less Provision for impairment- Land rates | -2,130 | -1,999 |
| less Provision for impairment - Other debtors | -108 | -414 |
| Total Non-current financial assets | 6,180 | 7,208 |

As at 30 June 2016 all overdue receivables, including rates, have been assessed for impairment and appropriate provisions applied. Council holds no collateral as security or other credit enhancements over receivables, but does have rates recovery powers under the Local Government (Rating) Act 2002. Those powers are exercised to recover all rates other than on some Maori land with multiple owners, impairment of which is included in Council's doubtful debt provision.

| For the year ended: | Actual | Annual Report |
|---|---------------------|---------------------|
| 30 June | 2015-2016 \$'000 | 2014-2015 \$'000 |
| Exchange/ Non exchange receivables | | |
| Exchange | 2,439 | 3,108 |
| Non exchange | 3,741 | 4,101 |
| Total Exchange/ Non exchange Receivables | 6,180 | 7,208 |
| Movement in Impairment Provision | | |
| Opening balance - Impairment provision | -2,413 | -2,078 |
| Estimated (increase)/decrease in doubtful debts | 175 | -335 |
| Total Non-current financial assets | -2,238 | -2,413 |

The carrying value of trade and other receivables approximates their fair value.

| For the year ended: | Actual | Annual Report |
|---|---------------------|---------------------|
| 30 June | 2015-2016 \$'000 | 2014-2015 \$'000 |
| Analysis of Total Trade and Other Receivables Ageing | | |
| Not past due | 2,807 | 3,403 |
| Past due 1-30 days | 154 | 148 |
| Past due 31-60 days | 75 | 81 |
| Past due 60 days | 3,146 | 3,576 |
| Total trade and receivables ageing | 6,180 | 7,208 |

7 Trade and other payables

| For the year ended: | Actual | Annual Report |
|--|---------------------|---------------------|
| 30 June | 2015-2016 \$'000 | 2014-2015 \$'000 |
| Trade and Other Payables | | |
| Trade creditors | 1,943 | 3,754 |
| Accrued expenses | 3,156 | 3,355 |
| Deposits held | 1,992 | 1,861 |
| Receipts held in advance | 699 | 607 |
| Income in advance | 464 | 34 |
| Total Trade and other payables | 8,254 | 9,611 |
| Exchange/ Non exchange payables | | |
| Exchange | 7,660 | 9,083 |
| Non exchange | 594 | 528 |
| Total Exchange/ non exchange payables | 8,254 | 9,611 |

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.

8(a) Provisions

| For the year ended: | Actual | Annual Report |
|-------------------------------------|---------------------|---------------------|
| 30 June | 2015-2016 \$'000 | 2014-2015 \$'000 |
| Current provisions | | |
| Landfill closure and aftercare | 122 | 122 |
| Building repairs | 17 | 63 |
| Total Current provisions | 139 | 185 |
| Non-current provisions | | |
| Landfill closure and aftercare | 4,570 | 4,295 |
| Total Non-current provisions | 4,570 | 4,295 |
| Total Provisions | 4,709 | 4,480 |

8(b) Provisions – Movement in provisions

| | Landfill closure & aftercare | Building repair | Total |
|---|------------------------------------|--------------------|--------------|
| | \$'000 | \$'000 | \$'000 |
| The movement in the provisions are represented by: | | | |
| 2016 | | | |
| <i>Balance as at 1 July 2015</i> | 4,417 | 63 | 4,480 |
| Passage of time adjustment | 146 | 0 | 146 |
| Amounts used | -122 | -46 | -168 |
| Discount rate adjustment | 251 | 0 | 251 |
| Unused amount reversed | 0 | 0 | 0 |
| <i>Balance at 30 June 2016</i> | 4,692 | 17 | 4,709 |
| 2015 | | | |
| <i>Balance as at 1 July 2014</i> | 4,173 | 65 | 4,238 |
| Passage of time adjustment | 151 | 0 | 151 |
| Amounts used | -156 | -2 | -158 |
| Discount rate adjustment | 249 | 0 | 249 |
| Unused amount reversed | 0 | 0 | 0 |
| <i>Balance at 30 June 2015</i> | 4,417 | 63 | 4,480 |

Landfill Aftercare Provisions

Council has resource consents to operate landfills at Dargaville and Hakaru. These landfills are now closed. Council has responsibility under the Resource Management Act (1991) to provide ongoing maintenance and monitoring of the landfills after the sites are closed.

The provision for Hakaru closure and post-closure costs was increased in 2012/2013 following an independent assessment by VK Consulting Environmental Engineers Ltd. A number of Hakaru landfill closure options were presented to Council's management including maintaining the status quo (which requires the continuation of leachate removal) through to the excavation and removal of all refuse from the site in 2025. Apart from the refuse removal option, all other options require ongoing cost to Council. Council's management preferred the removal option on the basis that it was the only option that will enable Council to eliminate the ongoing liability. The cost of the removal option was provided for in the 2012/2013 financial statements. Options for the Dargaville landfill are about to be considered and works under taken in the next two to three years.

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

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 5.23% (2015: 6.12%).

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

- The cost of monitoring of surface / ground water including the removal of leachate; and
- No major remedial works being required at any of the sites; and
- Costs associated with the removal of refuse from Hakaru to remain at current day levels adjusted only for inflation per latest Annual Plan.

9(a) Public Debt

| For the year ended: | | Actual | Annual Report |
|-------------------------------------|--|---------------------|---------------------|
| 30 June | | 2015-2016 \$'000 | 2014-2015 \$'000 |
| Opening balance | | 75,868 | 76,299 |
| | add Funds raised | 119,111 | 48,580 |
| | Total Funds | 194,979 | 124,879 |
| | less Repayments | -130,018 | -49,012 |
| | Closing balance | 64,961 | 75,867 |
| | Current portion | 6,983 | 5,609 |
| | Non-current portion | 57,978 | 70,258 |
| | Total Public debt | 64,961 | 75,867 |
| Balances are represented by: | | | |
| | Bank Loans | 29,961 | 71,137 |
| | Local Government Funding Agency (LGFA) | 35,000 | 0 |
| | Local Government Stock | 0 | 4,730 |
| | | 64,961 | 75,867 |

All term liabilities are secured under a Debenture Trust Deed.

| For the year ended: | | Maturity | Interest Rates | Actual | Annual Report |
|--|--|--------------|----------------|---------------------|---------------------|
| 30 June | | | | 2015-2016 \$'000 | 2014-2015 \$'000 |
| Maturity and Interest Rates for Public Debt | | | | | |
| | ANZ | April 2017 | 3.26% to 4.55% | 6,983 | 12,280 |
| | ANZ | October 2017 | 3.55% | 17,978 | 52,978 |
| | BNZ | May 2016 | 6.00% to 6.52% | 0 | 5,609 |
| | BNZ | July 2018 | 3.44% to 4.89% | 5,000 | 5,000 |
| | Local Government Funding Agency (LGFA) | 2021 to 2023 | 3.09% to 3.34% | 35,000 | 0 |
| | Total | | | 64,961 | 75,867 |

Undrawn facilities

Undrawn facilities of \$18 million were available at 30 June 2016 (2015: \$12.7 million).

Loan covenant

Council has loans that amount to \$64.96 million at 30 June 2016 (2015: \$75.9 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.

9(b) Compliance with Liability Management Policy

| | Target | Achievement | Policy Compliance | Comment |
|---|-----------|-------------|-------------------|----------|
| | % | % | Y/N | |
| Overall Fixed: Floating Mix | 60%-90% | 89% | Yes | Achieved |
| Debt and Facilities/Current External Debt | 110% | 128% | Yes | Achieved |
| Net Debt as a percentage of Total Revenue | <170% | 113% | Yes | Achieved |
| Net Interest as a percentage of Total Revenue | <15% | 7% | Yes | Achieved |
| Net Interest as a percentage of Annual Rates Income | <20% | 12% | Yes | Achieved |
| Fixed Rate Debt Maturity Profile: | | | | |
| 1 - 3 years | 15% - 60% | 18% | Yes | Achieved |
| 3 - 5 years | 15% - 60% | 25% | Yes | Achieved |
| 5 - 10 years | 0% - 60% | 58% | Yes | Achieved |
| Debt Maturity Profile: | | | | |
| 0 - 3 years | 15% - 60% | 58% | Yes | Achieved |
| 3 - 5 years | 15% - 60% | 30% | Yes | Achieved |
| 5 years plus | 10% - 40% | 12% | Yes | Achieved |

10(a) Property Plant and Equipment

| | Opening Cost | Opening Accumulated Depreciation & Impairment Charges | Carrying Amount | Additions Current Year | Reclass Current Year | Net Disposals Current Year | Transfer to Assets Held for Sale | Impairments Current Year | 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 |
| | 1-Jul-15 | 1-Jul-15 | 1-Jul-15 | | | | | | | | 30-Jun-16 | 30-Jun-16 | 30-Jun-16 |
| Property, Plant and Equipment: 2016 | | | | | | | | | | | | | |
| <i>Infrastructural assets</i> | | | | | | | | | | | | | |
| Roads and Footpaths | 456,254 | 0 | 456,254 | 9,099 | 1,692 | 0 | 0 | 0 | -6,577 | 9,359 | 469,827 | 0 | 469,827 |
| Stormwater Drainage | 21,590 | -731 | 20,859 | 191 | 11 | 0 | 0 | 0 | -374 | 3,387 | 24,075 | 0 | 24,075 |
| Flood Protection and Control Works | 12,425 | -205 | 12,220 | 105 | 17 | 0 | 0 | 0 | -112 | 1,801 | 14,031 | 0 | 14,031 |
| Sewerage and the Treatment and Disposal of Sewage Plant | 49,154 | -1,340 | 47,814 | 715 | 3 | 0 | 0 | 0 | -1,349 | 0 | 49,872 | -2,689 | 47,183 |
| Sewerage and the Treatment and Disposal of Sewage Land | 3,670 | 0 | 3,670 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 3,670 | 0 | 3,670 |
| Water Supply | 28,801 | -2,263 | 26,538 | 1,394 | 105 | 0 | 0 | 0 | -1,124 | 1,302 | 28,215 | 0 | 28,215 |
| Solid Waste | 1,318 | -1,194 | 124 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1,318 | -1,194 | 124 |
| Work in Progress | 1,732 | 0 | 1,732 | 785 | -1,691 | 0 | 0 | 0 | 0 | 0 | 826 | 0 | 826 |
| Total Infrastructural assets | 574,944 | -5,733 | 569,211 | 12,289 | 138 | 0 | 0 | 0 | -9,536 | 15,849 | 591,834 | -3,883 | 587,951 |
| <i>Restricted assets</i> | | | | | | | | | | | | | |
| Reserves | 17,647 | 0 | 17,647 | 807 | 0 | -4 | 0 | 0 | 0 | 0 | 18,450 | 0 | 18,450 |
| Community Housing | 2,313 | -346 | 1,967 | 1 | 0 | 0 | 0 | 0 | -46 | 0 | 2,314 | -392 | 1,922 |
| MEF Property | 817 | 0 | 817 | 0 | 0 | -204 | 0 | 0 | 0 | 0 | 613 | 0 | 613 |
| Halls | 2,108 | -517 | 1,591 | 0 | 0 | 0 | 0 | 0 | -42 | 0 | 2,108 | -559 | 1,549 |
| Total Restricted assets | 22,885 | -863 | 22,022 | 808 | 0 | -208 | 0 | 0 | -88 | 0 | 23,485 | -951 | 22,535 |
| <i>Operational assets</i> | | | | | | | | | | | | | |
| Land | 7,313 | 0 | 7,313 | 133 | -137 | -571 | 0 | 0 | 0 | 0 | 6,738 | 0 | 6,738 |
| Buildings | 6,467 | -1,315 | 5,152 | 399 | 0 | 0 | 0 | 0 | -133 | 0 | 6,866 | -1,448 | 5,417 |
| Building Contents | 1,388 | -1,122 | 266 | 33 | -3 | 0 | 0 | 0 | -35 | 0 | 1,418 | -1,157 | 261 |
| Mobile Plant (incl MV's) | 740 | -469 | 271 | 289 | 0 | -18 | 0 | 0 | -86 | 0 | 979 | -522 | 457 |
| Static Plant | 106 | -106 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 106 | -106 | 0 |
| Library Books | 241 | -79 | 162 | 55 | 0 | 0 | 0 | 0 | -54 | 0 | 296 | -133 | 163 |
| Office Equipment | 3,488 | -3,003 | 485 | 152 | 1 | 0 | 0 | 0 | -157 | 0 | 3,641 | -3,160 | 481 |
| Total Operational assets | 19,743 | -6,094 | 13,649 | 1,061 | -139 | -589 | 0 | 0 | -465 | 0 | 20,044 | -6,526 | 13,518 |
| Total Property, plant and equipment | 617,572 | -12,690 | 604,882 | 14,158 | -1 | -796 | 0 | 0 | -10,091 | 15,849 | 635,363 | -11,360 | 624,003 |

| | Opening Cost | Opening Accumulated Depreciation & Impairment Charges | Carrying Amount | Additions Current Year | Reclass Current Year | Net Disposals Current Year | Transfer to Assets Held for Sale | Impairments Current Year | 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 |
| | 1-Jul-14 | 1-Jul-14 | 1-Jul-14 | | | | | | | | 30-Jun-15 | 30-Jun-15 | 30-Jun-15 |
| Property, Plant and Equipment: 2015 | | | | | | | | | | | | | |
| <i>Infrastructural assets</i> | | | | | | | | | | | | | |
| Roads and Footpaths | 426,511 | 0 | 426,511 | 9,878 | 431 | 0 | 0 | 0 | -6,279 | 25,713 | 456,254 | 0 | 456,254 |
| Stormwater Drainage | 21,372 | -364 | 21,008 | 196 | 22 | 0 | 0 | 0 | -367 | 0 | 21,590 | -731 | 20,859 |
| Flood Protection and Control Works | 12,285 | -101 | 12,184 | 140 | 0 | 0 | 0 | 0 | -104 | 0 | 12,425 | -205 | 12,220 |
| Sewerage and the Treatment and Disposal of Sewage Plant | 48,765 | 0 | 48,765 | 296 | 93 | 0 | 0 | 0 | -1,340 | | 49,154 | -1,340 | 47,814 |
| Sewerage and the Treatment and Disposal of Sewage Land | 4,548 | | 4,548 | 0 | 0 | 0 | 0 | 0 | 0 | -878 | 3,670 | 0 | 3,670 |
| Water Supply | 27,831 | -1,110 | 26,721 | 853 | 117 | 0 | 0 | 0 | -1,153 | 0 | 28,801 | -2,263 | 26,538 |
| Solid Waste | 1,314 | -1,194 | 120 | 4 | 0 | 0 | 0 | 0 | 0 | 0 | 1,318 | -1,194 | 124 |
| Work in Progress | 698 | 0 | 698 | 1,705 | -671 | 0 | 0 | 0 | 0 | 0 | 1,732 | 0 | 1,732 |
| Total Infrastructural assets | 543,324 | -2,769 | 540,555 | 13,072 | -8 | 0 | 0 | 0 | -9,243 | 24,835 | 574,944 | -5,733 | 569,211 |
| <i>Restricted assets</i> | | | | | | | | | | | | | |
| Reserves | 17,481 | 0 | 17,481 | 166 | 0 | 0 | 0 | 0 | 0 | 0 | 17,647 | 0 | 17,647 |
| Community Housing | 2,238 | -301 | 1,937 | 75 | 0 | 0 | 0 | 0 | -45 | 0 | 2,313 | -346 | 1,967 |
| MEF Property | 817 | 0 | 817 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 817 | 0 | 817 |
| Halls | 2,108 | -476 | 1,632 | 0 | 0 | 0 | 0 | 0 | -41 | 0 | 2,108 | -517 | 1,591 |
| Total Restricted assets | 22,644 | -777 | 21,867 | 241 | 0 | 0 | 0 | 0 | -86 | 0 | 22,885 | -863 | 22,022 |
| <i>Operational assets</i> | | | | | | | | | | | | | |
| Land | 7,415 | -102 | 7,313 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 7,415 | -102 | 7,313 |
| Buildings | 6,144 | -1,189 | 4,955 | 323 | 0 | 0 | 0 | 0 | -126 | 0 | 6,467 | -1,315 | 5,152 |
| Building Contents | 1,388 | -1,109 | 279 | 19 | 0 | 0 | 0 | 0 | -32 | 0 | 1,388 | -1,122 | 266 |
| Mobile Plant (incl MV's) | 979 | -755 | 224 | 162 | 0 | -47 | 0 | 0 | -68 | 0 | 740 | -469 | 271 |
| Static Plant | 106 | -106 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 106 | -106 | 0 |
| Library Books | 183 | -37 | 146 | 58 | 0 | 0 | 0 | 0 | -42 | 0 | 241 | -79 | 162 |
| Office Equipment | 3,270 | -2,853 | 417 | 218 | 0 | 0 | 0 | 0 | -150 | 0 | 3,488 | -3,003 | 485 |
| Total Operational assets | 19,485 | -6,151 | 13,334 | 780 | 0 | -47 | 0 | 0 | -418 | 0 | 19,845 | -6,196 | 13,649 |
| Total Property, Plant and Equipment | 585,453 | -9,697 | 575,756 | 14,093 | -8 | -47 | 0 | 0 | -9,747 | 24,835 | 617,674 | -12,792 | 604,882 |

Council has applied the historical cost method under PBE IPSAS for buildings and land. This does not include land associated with infrastructure assets. This land like all other infrastructural assets, continue to be revalued periodically, but at least every three years.

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.

Urban portions of the State Highway network

The ownership of urban portions of the State Highway network is unclear although there is legal opinion indicating that the ownership rests with local authorities. NZTA maintains these highways in their entirety without any costs accruing to local authorities. The Kaipara district contains 17.7kms of urban State Highway.

As a consequence, even if ownership resides with local authorities, in practice NZTA controls the economic resources. Pending clarification of ownership and further consideration of the accounting issue which may arise, Council has not recognised the urban portion of the State Highway network as an asset in these financial statements.

Accounting for revaluations

The most recent valuations were effective as at 30 June 2016. The names, and asset responsibility, of the valuers engaged are as follows:

| Valuer | Asset Responsibility |
|---|---|
| MWH New Zealand Limited (Independent external professional engineers and valuers) | Roads and footpaths, water supply, stormwater drainage and flood protection and control works |
| Quotable Value | Land associated with and included within water supply and floor protection and control works |

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 was revaluated primarily with reference to comparable sales.

Infrastructure Valuations

Roads and footpaths, stormwater drainage, flood protection and control works, sewerage and the treatment and disposal of sewage and water supply assets are valued under at least a three-yearly valuation cycle. Sewerage and the treatment and disposal of sewage assets were not revalued as at 30 June 2016. These will be revalued in 2016/2017.

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 the Council could be over/or under-estimating the annual depreciation charge recognised as an expense in the Statement of Comprehensive Income and Expense. To minimise the risk infrastructure asset useful lives have been determined with reference to the NZ Infrastructure Asset Valuation and Depreciation Guidelines published by the NAMS Group and have been adjusted for local conditions based on past experience.

| Category | Methods and key assumptions |
|--|---|
| Roading | <ul style="list-style-type: none"> • Depreciated replacement cost is calculated using the NZTA cost adjustment factor (CAF). At the time of valuation, the CAF was available to the March 2016 quarter. • 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 for assets that have exceeded their TUL the Adjusted Total Useful Life is calculated as the age of the asset plus the Minimum Remaining Useful Life. |
| Water, stormwater and flood protection | <ul style="list-style-type: none"> • Depreciated replacement cost is determined through comparing unit replacement values per the previous valuation to recent construction, operation, and maintenance costs incurred by the Council, and either updating to reflect significant changes or rolling forward to the current year by applying a CAF. • 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 for assets that have exceeded their TUL the Adjusted Total Useful Life is calculated as the age of the asset plus the Minimum Remaining Useful Life. |
| Land under water | <ul style="list-style-type: none"> • Land has been valued through reference to comparable sales. |

10(b) 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: 2016 | 30-Jun-16 | 30-Jun-16 | 30-Jun-16 | 30-Jun-16 |
| <i>Infrastructural assets</i> | | | | |
| Roads and Footpaths | 469,827 | 8,367 | 733 | 593,549 |
| Stormwater Drainage | 24,075 | 191 | 0 | 34,069 |
| Flood Protection and Control Works | 14,031 | 105 | 0 | 20,610 |
| <i>Sewerage and the Treatment and Disposal of Sewage</i> | | | | |
| Treatment plants and facilities | 31,832 | 196 | 0 | 44,375 |
| Other assets | 19,021 | 519 | 0 | 30,057 |
| <i>Water Supply</i> | | | | |
| Treatment plants and facilities | 10,109 | 135 | 0 | 19,016 |
| Other assets | 18,106 | 1,259 | 0 | 45,339 |
| Property, Plant and Equipment: 2015 | 30-Jun-15 | 30-Jun-15 | 30-Jun-15 | 30-Jun-15 |
| <i>Infrastructural assets</i> | | | | |
| Roads and Footpaths | 456,254 | 9,811 | 67 | 574,328 |
| Stormwater Drainage | 20,859 | 196 | 0 | 30,432 |
| Flood Protection and Control Works | 12,220 | 140 | 0 | 16,102 |
| <i>Sewerage and the Treatment and Disposal of Sewage</i> | | | | |
| Treatment plants and facilities | 32,479 | 125 | 0 | 44,179 |
| Other assets | 19,005 | 171 | 0 | 29,538 |
| <i>Water Supply</i> | | | | |
| Treatment plants and facilities | 13,412 | 121 | 0 | 29,764 |
| Other assets | 13,126 | 732 | 0 | 38,582 |

10(c) Capital Expenditure (Disposals) for Year

| For the year ended: | Actual | Annual Report |
|---|---------------|---------------|
| 30 June | 2015-2016 | 2014-2015 |
| | \$'000 | \$'000 |
| <i>Capital expenditure</i> | | |
| Community Activities | 996 | 513 |
| Regulatory Management | 0 | 0 |
| Emergency Management | 0 | 0 |
| District Leadership | 873 | 508 |
| Solid Waste | 0 | 4 |
| The Provision of Roads and Footpaths | 9,884 | 11,583 |
| Stormwater Drainage | 191 | 196 |
| Flood protection and control works | 105 | 140 |
| Sewerage and the treatment and disposal of sewage | 715 | 296 |
| Water supply | 1,394 | 853 |
| Total Capital expenditure | 14,158 | 14,093 |
| <i>Disposals</i> | | |
| Community Development | 0 | 0 |
| MELA Property | -204 | 0 |
| Other | -592 | -47 |
| Total Disposals | -796 | -47 |

11 Depreciation Summary

| For the year ended: | Actual | Annual Report |
|--|---------------------|---------------------|
| 30 June | 2015-2016 \$'000 | 2014-2015 \$'000 |
| <i>by Groups of activities</i> | | |
| Community Activities | 158 | 146 |
| Regulatory Management | 0 | 0 |
| Emergency Management | 3 | 0 |
| District Leadership | 395 | 362 |
| Solid Waste | 0 | 0 |
| The Provision of Roads and Footpaths | 6,576 | 6,279 |
| Stormwater Drainage | 374 | 367 |
| Flood protection and control works | 112 | 104 |
| Sewerage and the treatment and disposal of sewage | 1,349 | 1,335 |
| Water supply | 1,124 | 1,153 |
| Total Groups of activities depreciation | 10,091 | 9,747 |

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.

| | | 2016 \$000's | 2015 \$000's |
|---|---|-----------------|-----------------|
| A | Total value of all assets that are covered by insurance contracts | 113,942 | 108,574 |
| | Maximum amount to which these assets are insured | 92,711 | 91,141 |
| 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 |
| C | Total value of all assets that are self-insured | 530,987 | 514,227 |
| | Value of any fund maintained by Council for that purpose | nil | nil |

13 Biological Assets

In accordance with Council's accounting policy requiring annual revaluations, Chandler Fraser and Keating (Forestry Consultants) performed an independent Desktop valuation of the forests as at 30 June 2016. The calculation of the revaluation was fair value less estimated point of sale costs. Fair value was determined based on:

- The present value of expected net cash flows discounted at a current market determined rate of 10.5% (2015:11%) for mature trees; and
- The replacement cost method for younger trees.

The movement in asset value is as follows:

| For the year ended: | Actual | Annual Report |
|----------------------------------|-----------|---------------|
| 30 June | 2015-2016 | 2014-2015 |
| | \$'000 | \$'000 |
| Forestry assets movements | | |
| <i>Opening balance</i> | 2,697 | 2,289 |
| Annual revaluation movement | 849 | 488 |
| Harvesting removals | -80 | -80 |
| <i>Closing balance</i> | 3,466 | 2,697 |

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 nine small forest blocks of radiata pine (631 productive hectares) which are strongly biased toward young replanted strands (2-15 years) and an area of 22-24 year strands. The overall weighted average is 11.6 years.

Valuation assumptions

- A discount rate of 10.5% (2015; 11%) has been used in discounting the present value of future cashflows;
- 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;
- 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).

It is assumed beyond five years prices remain flat;

- The replacement cost methodology has been applied for the younger strands at \$1,250 per hectare to provide a 'floor value'.

Financial risk management strategies

The 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 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 \$nil (2015: \$310,000).

14 Reconciliation of Net Surplus/(Deficit) to Net Cash Flow from Operating Activities

| For the year ended: | Actual | Annual Report |
|--|---------------------|---------------------|
| 30 June | 2015-2016 \$'000 | 2014-2015 \$'000 |
| Surplus/(deficit) for the period | | |
| Surplus/(deficit) for the period | 9,981 | 3,576 |
| add/(deduct) Non-cash movements | | |
| Property, Plant and Equipment vested to Council | -733 | -67 |
| (Gain)/Loss on sale of assets | -379 | -4 |
| Forestry revaluation gain | -769 | -408 |
| Asset revaluation through Profit and Loss | 0 | 878 |
| Increase/(decrease) in Provisions | 229 | 242 |
| Depreciation | 10,091 | 9,747 |
| Unrealised (gain)/loss on interest rate swaps | 3,629 | 3,233 |
| Other Financial Assets | -3 | -99 |
| Total Non-cash movements | 12,799 | 13,522 |
| add/(deduct) Movements in working capital Items | | |
| Trade and other receivables | 1,027 | 190 |
| Accrued Revenue | -803 | 457 |
| Employee Entitlements | -33 | 31 |
| Trade and other payables (net of capital accruals) | -1,356 | 2,062 |
| Total Movement in working capital Items | -1,165 | 2,741 |
| Net Cash Inflow from Operating Activities | 20,882 | 19,838 |

Note

15 Capital Commitments and Operating Leases

| For the year ended: | Actual | Annual Report |
|--|---------------------|---------------------|
| 30 June | 2015-2016 \$'000 | 2014-2015 \$'000 |
| Capital commitments | | |
| Property, Plant and Equipment | 180 | 1,806 |
| Total Capital commitments | 180 | 1,806 |
| Operational non-cancellable contracts | | |
| Not later than one year | 11,677 | 11,871 |
| Later than one year and not later than five years | 6,457 | 3,080 |
| Later than five years | 252 | 265 |
| Total Operational non-cancellable contracts | 18,386 | 15,216 |
| Operating leases as lessee | | |
| Not later than one year | 172 | 156 |
| Later than one year and not later than five years | 92 | 101 |
| Total Operating leases as lessee | 265 | 257 |
| Operating leases as lessor | | |
| Not later than one year | 78 | 32 |
| Later than one year and not later than five years | 72 | 78 |
| Later than five years | 45 | 61 |
| Total Operating leases as lessor | 195 | 171 |

The operating leases are in relation to Council properties.

16 Contingent Liabilities

| For the year ended: | Actual | Annual Report |
|-------------------------------------|---------------------|---------------------|
| 30 June | 2015-2016 \$'000 | 2014-2015 \$'000 |
| <i>Contingent Liabilities</i> | | |
| Guarantees to other organisations | 1,003 | 1,003 |
| Total Contingent Liabilities | 1,003 | 1,003 |

Guarantees***New Zealand Local Government Funding Agency***

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

Council is one of 43 local authority guarantors of the LGFA. When aggregated with the uncalled capital of other shareholders, \$20 million is available in the event that an imminent default is identified. Also, together with the other shareholders and guarantors, Council is a guarantor of all LGFA's borrowings. At 30 June 2016, LGFA had borrowings totalling \$6.501 billion (2015: \$4.9 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

The 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 2016 was \$164,942.

Council has given a \$100,000 guarantee to the ASB Bank Limited in respect of their loan to the Mangawhai Club Incorporated.

In 1998 a \$108,000 letter of credit was issued in favour of the Northland Regional Council, 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. Therefore any question of reimbursement is not applicable.

MRRA and RB & HE Rogan (CIV–2015–488–95)

On 16 July 2015 Northland Regional Council (NRC) and Kaipara District Council (KDC) were served with a Notice of proceeding by Mangawhai Ratepayers and Residents Association (MRRA) and Richard Bruce Rogan & Heather Elizabeth Rogan who have applied for a Judicial Review in regard to the validity of rates from 2011/2012 to 2015/2016. The proceeding was jointly defended by NRC and KDC. The Rogan's also appealed the decision of the District Court that they were required to pay their outstanding rates in full (RB and HE Rogan v KDC and NRC (CIV-2015–288–182)). Both cases was heard in the High Court by Judge Duffy in May 2016. The final decision has yet to be released. The Court indicated that if any of the judicial review is upheld, a further hearing will be required to establish what relief, if any, is granted. It is not possible to quantify liability at this time but in respect of Mr and Mrs Rogan as the only ratepayers in the proceeding, Council has assessed the risk and does not consider this to be a material issue.

Building weathertightness claims

Council is subject to two building claims in respect of repair costs for leaky buildings. At balance date there was one claim for \$7,000 which has been inactive for several years, being dealt with through the Weathertight Homes Resolution Service. There has been no activity on the other claim of \$25,000 since December 2007. This claim is being handled through Council's insurers.

Council no longer has insurance cover for any weathertightness claims received after 30 June 2009. No provision has been made due to the low likelihood of any additional claims in relation to weathertightness.

Other legal claims

In addition to the weathertightness building defect claims, there are a small number of potential legal claims against Council as at 30 June 2016. All seek compensation related to resource consents, property damage, contractual disputes, or other aspects of Council's operations which the claimants believe have caused them loss. Council will vigorously defend all claims and expects its actual liability to be minimal, if indeed there is any liability at all.

Social housing caveat

Council undertook the modernisation of 34 of its social housing units, which works programme was 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 social 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 social housing. The total value of the interest-free suspensory loan is \$1,020,000 which was previously recognised as revenue.

Riskpool exposure

New Zealand Mutual Liability Riskpool (Riskpool) provides public liability and professional indemnity insurance for its members. Council is a member of Riskpool. The Trust Deed of Riskpool provides that if there is a shortfall (whereby claims exceed contributions of members and reinsurance recoveries) in any fund year, then the Board may make a call on members for that fund year. Council has no knowledge of any further calls.

Earthquake risk to buildings

Council is required, under the Building Act 2004 to have an earthquake prone buildings policy. Under this policy Council is required to assess whether there is any risk to buildings in the Kaipara district. At this point Council has only just begun the task of evaluating buildings to determine if they may be earthquake prone. The former Dargaville Municipal Building has been identified as having an earthquake risk and is defined as earthquake prone under the building code New Building Standard (N.B.S). Assessments by qualified building engineers estimated structural repairs could cost up to a maximum of \$425,000. The chances of a moderate earthquake that would cause structural damage actually occurring in Dargaville are deemed to be a low risk.

17 Statutory disclosures and remuneration and related party transactions

| For the year ended: | Actual | Annual Report |
|--|---------------------|---------------------|
| 30 June | 2015-2016 \$'000 | 2014-2015 \$'000 |
| Chief Executive Remuneration: | | |
| <i>Acting Chief Executive</i> | | |
| Salary | 221,386 | 68,110 |
| Lump sum payment | 0 | 0 |
| Vehicle | 15,000 | 4,644 |
| Other Benefits | 7,092 | 6,312 |
| Total Acting Chief Executive Remuneration | 243,478 | 79,066 |
| Commissioners Remuneration: | | |
| <i>Chairperson of Commissioners:</i> | | |
| John Robertson | 209,389 | 194,261 |
| <i>Commissioners:</i> | | |
| Richard Booth | 52,083 | 60,577 |
| Peter Winder | 48,289 | 55,575 |
| Total Commissioners Remuneration | 309,761 | 310,413 |

Key management personnel include the Chief Executive, senior management and a team of three Commissioners. 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 Commissioners and senior management, as part of a normal customer relationship, were involved in minor transactions with Council (such as payment of rates etcetera). A small parcel of land was sold to Delta Produce for \$17,391. The chair of Delta Produce was also a Commissioner.

There are no material amounts owing to related parties at year end.

| For the year ended: | Actual | Annual Report |
|--|---------------------|---------------------|
| 30 June | 2015-2016 | 2014-2015 |
| Council Employees remuneration: | | |
| <i>Annual remuneration by band:</i> | | |
| \$0 - \$60,000 | 48 | 46 |
| \$60,000 - \$80,000 | 28 | 22 |
| \$80,000 - \$100,000 | 9 | 8 |
| \$100,000 - \$120,000 | 11 | 9 |
| \$120,000 - \$140,000 | 5 | |
| \$120,000 - \$180,000 | | 4 |
| \$140,000 - \$220,000 | 3 | |
| \$220,000 - \$260,000 | 1 | 1 |
| Total Employees by remuneration band | 105 | 90 |
| <i>Number of Employees:</i> | | |
| Full time employees | 95 | 77 |
| Part time employees (FTE) | 5.9 | 5.9 |
| Total Employees (FTE) | 100.9 | 82.9 |
| Severance Payments to Employees | | 0 |
| Redundancy Payments to Employees | | \$14,067 |
| Number of Employees | | 1 |
| Key management personnel compensation | | |
| For the year ended: | Actual | Annual Report |
| 30 June | 2015-2016 \$'000 | 2014-2015 \$'000 |
| <i>Salaries and other short term employee benefits</i> | | |
| | 1,456 | 1,212 |
| Total Key management personnel compensation | 1,456 | 1,212 |

18(a) Categories of Financial Assets and Liabilities

| For the year ended: | Actual | Annual Report |
|---|---------------|---------------|
| 30 June | 2015-2016 | 2014-2015 |
| | \$'000 | \$'000 |
| Loans and Receivables | | |
| Cash and cash equivalents | 7,285 | 9,926 |
| Trade and other receivables | 6,180 | 7,208 |
| LGFA Borrower notes | 560 | 0 |
| Emission Trading Scheme - NZU's | 257 | 257 |
| Loan | 115 | 115 |
| Total Loans and Receivables | 14,398 | 17,506 |
| Financial assets: | | |
| Fair value through revenue and expense | | |
| NZLG Insurance Corporation Shares | 19 | 16 |
| Total Fair value through revenue and expense | 19 | 16 |
| Financial liabilities measured at amortised cost | | |
| Trade and other payables | 8,254 | 9,611 |
| Public debt | 64,961 | 75,867 |
| Total Financial liabilities measured at amortised cost | 73,216 | 85,478 |
| Financial liabilities measured at fair value through revenue and expense | | |
| Interest rate swaps | 6,448 | 2,819 |
| Total Financial liabilities at fair value through revenue and expense | 6,448 | 2,819 |
| Fair Value Hierarchy | | |
| | Actual | |
| | 2015-2016 | |
| Interest Rate Swaps | Level 2 | |
| NZLG Insurance Corporation Shares | 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 (2016: \$91 million, 2015 :\$87 million). Included in these totals are forward start interest rate swaps with notional principal of \$34 million (2015: \$35 million).

Financial Instruments**Liquidity risk**

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

18(b) Financial Instrument Risks

| For the year ended: | Actual | Annual Report |
|--|----------------------|----------------------|
| 30 June | 2015-2016 | 2014-2015 |
| | \$'000 | \$'000 |
| <i>Council's maximum credit exposure by class</i> <small>Note</small> | | |
| Cash and cash equivalents | 7,285 | 9,926 |
| Trade and other receivables ⁶ | 6,180 | 7,208 |
| LGFA Borrower notes | 560 | 0 |
| <i>Total Council's maximum credit exposure by class</i> | <u>14,026</u> | <u>17,133</u> |

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:

| For the year ended: | Actual | Annual Report |
|---|---------------------|---------------------|
| 30 June | 2015-2016 | 2014-2015 |
| | \$'000 | \$'000 |
| Counterparties with Credit Ratings | | |
| <i>Cash and cash equivalents:</i> | | |
| AA | 0 | 0 |
| AA- | 7,845 | 9,926 |
| <i>Total Cash and Cash Equivalents</i> | <u>7,845</u> | <u>9,926</u> |

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

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

18(c) 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.

| | | 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 |
| Maturity analysis Financial liabilities | | | | | | | |
| Council 2016 | | | | | | | |
| Trade and Other Payables | 7 | 8,254 | 8,254 | 8,254 | 0 | 0 | 0 |
| Public Debt | 9a | 64,961 | 72,382 | 9,094 | 19,480 | 33,222 | 10,586 |
| Total Council 2016 | | 73,216 | 80,636 | 17,348 | 19,480 | 33,222 | 10,586 |
| Council 2015 | | | | | | | |
| Trade and Other Payables | 7 | 9,611 | 9,611 | 9,611 | 0 | 0 | 0 |
| Public Debt | 9a | 75,867 | 83,879 | 9,222 | 15,172 | 59,485 | 0 |
| Total Council 2015 | | 85,478 | 93,490 | 18,833 | 15,172 | 59,485 | 0 |

Note: Contractual cash flows includes principal and interest.

18(d) Contractual maturity of derivative financial assets and liabilities

| | Notional Value \$'000 | Fair Value \$'000 | Less than 1 year \$'000 | 1-2 years \$'000 | 2-5 years \$'000 | More than 5 years \$'000 |
|---|-----------------------------|----------------------|-------------------------------|---------------------|---------------------|--------------------------------|
| Maturity analysis - Council 2016 | | | | | | |
| <i>Derivative financial liabilities</i> | | | | | | |
| Interest rate swaps | 91,000 | 6,448 | 18 | 569 | 963 | 4,898 |
| Total Derivative financial liabilities | 91,000 | 6,448 | 18 | 569 | 963 | 4,898 |
| Maturity analysis - Council 2015 | | | | | | |
| <i>Derivative financial liabilities</i> | | | | | | |
| Interest rate swaps | 87,000 | 2,819 | 3 | 36 | 913 | 1,867 |
| Total Derivative financial liabilities | 87,000 | 2,819 | 3 | 36 | 913 | 1,867 |

The fair value of forward start interest rate swaps is \$1.66 million (2015: \$0.95 million)

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.

In meeting its liquidity requirements, Council maintains a target level of investments that must mature within the next 12 months. Council manages its borrowings in accordance with its funding and financial policies, which include a Liability Management Policy..

18(e) 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 non-derivative financial instrument exposures at balance date.

| | Actual 2015-2016 \$'000 -100bps Profit | Actual 2015-2016 \$'000 -100bps Equity | Actual 2015-2016 \$'000 +100bps Profit | Actual 2015-2016 \$'000 +100bps Equity | Actual 2014-2015 \$'000 -100bps Profit | Actual 2014-2015 \$'000 -100bps Equity | Actual 2014-2015 \$'000 +100bps Profit | Actual 2014-2015 \$'000 +100bps Equity |
|--|--|--|--|--|--|--|--|--|
| Interest rate risk | | | | | | | | |
| <i>Financial assets</i> | | | | | | | | |
| Cash and deposits | -73 | -73 | 73 | 73 | -99 | -99 | 99 | 99 |
| Total financial assets | -73 | -73 | 73 | 73 | -99 | -99 | 99 | 99 |
| <i>Financial liabilities</i> | | | | | | | | |
| Public debt | 30 | 30 | -30 | -30 | 191 | 191 | -191 | -191 |
| Total financial liabilities | -43 | -43 | 43 | 43 | 92 | 92 | -92 | -92 |
| Total sensitivity to interest rate risk | -43 | -43 | 43 | 43 | 92 | 92 | -92 | -92 |

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 AMPs 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.

20 Service Concession Arrangement

Council has a service concession arrangement, with Trility Pty Ltd (2014: Water Infrastructure Group now renamed Trility Pty Ltd), in respect of operation of the MCWWS. The obligation on Council, under the arrangement, is the payment of an annual operating toll for a period of 10 years, which commenced on 01 August 2009. The total financial commitment during those 10 years, excluding the annual inflation adjustments which apply to the contract, is approximately \$9.3 million spread fairly evenly by year. The \$9.3 million in the present value, and includes a quantum of asset renewal expenditure being provided by, and paid for, by Trility Pty Ltd.

If the facility is damaged or destroyed, other than by, or as a result of, the actions or omissions of Trility Pty Ltd or their parties, costs of rectification or reinstatement will be treated as a cost to Council.

There have been no changes in the service arrangement since its inception.

The arrangement may, or may not, be renegotiated toward the end of the 10 year period. Council has a contractual option to require the operator to enter a new arrangement, for a further five years, on the same terms and conditions, subject to agreement on the quantum of toll payments.

The services arrangement is reflected in these annual accounts only to the extent of the \$1,092,895 booked as wastewater operating expenses for 2015/2016 (2015: \$903,166).



Part Three – Groups of Activity Statements

How to read this section

What we do

This section includes a description of the services offered in each activity.

Why we do it

This section includes a brief description of why we undertake this activity on your behalf, including the benefits to the community and which community outcome the activity contributes to.

What we did this year

This section includes a brief description of what we did in that activity over the last year.

What levels of service we agreed to provide

This section includes service level statements, our targets for performance against each service level, and our measure on how we performed against those targets. Where targets are not achieved, an explanation is provided.

A number of these performance measures are based on the KeyResearch Report which was completed in June 2016. The survey was conducted via telephone interviews with 401 respondents, 90 from the Dargaville Ward, 166 from the Otamatea Ward and 145 from the West Coast/Central Ward. This survey is intended to give an indication of residents' satisfaction with Council services.

Significant negative effects

This note outlines the significant negative effects (if any) from the activity and the initiatives planned or in place to address these effects.

Operating expenditure and revenue

This section details the expenditure and revenue for each group of activities, and how the financial performance compares to what was budgeted for the year. Variances are explained.

Community Activities

What we do

Community activities that Council supports or delivers include an open space network, libraries, community spaces, street amenities, public toilets, community housing and grants. Council owns the Northern Wairoa War Memorial Hall (Dargaville Town Hall). Other halls in the district are now owned and/or managed by community volunteer organisations.

Community housing

Council owns 56 residential units in Dargaville, Ruawai and Mangawhai for single person accommodation. Tenants need to be over the age of 55 and meet certain criteria, including the capability of living independently.

Open spaces

Council provides a network of parks, reserves and open spaces to cater for physical exercise, visual amenity and environmental protection. The maintenance is contracted out through competitive tender, with the exception of some development and management work at Taharoa Domain (Kai Iwi Lakes) which is done directly by Council.

Council has two campgrounds at Taharoa Domain (Kai Iwi Lakes) that it owns and operates, three that are leased out to commercial operators and five that are community-run.

Community assistance

Council offers grants to community organisations that apply, and meet the criteria, under the Community Assistance Policy. The grants are discretionary and the final decision is made as a Council resolution. Council continues to distribute the income from the Mangawhai Endowment Lands Account (MELA). Decisions are made by the MELA Committee which consists of two Commissioners and two appointed members from the Mangawhai community.

Libraries

Council operates the Dargaville Library. This is the only Council library within Kaipara. There are a further four volunteer libraries which operate independently, with financial support from Contract for Services, in:

- Paparoa;

- Maungaturoto;
- Kaiwaka; and
- Mangawhai.

All libraries share a catalogue and collection.

Why we do it

Reserves and parks are held and managed by Council in trust for the benefit and enjoyment of the public. They contribute significantly to the quality of life in the district, the health of the community and the sense of place for local residents. Some functions within this activity are discretionary. However, there is significant community support for many of the functions and most are listed in the Local Government Act 2002 as core services for a Council.

What we did this year

Community assistance

The Community Assistance Policy was applied as usual this year. The applicants for one-off operational grants were considered and funds allocated in March 2016. Applications for funds from MELA were also considered and agreed by the MELA Committee, made up of two Commissioners and two community members. Applicants for Contracts for Service and Capital Grants assistance were considered and agreed as part of the Annual Plan 2016/2017.

Contracts for Service and Capital Grants

Council received 16 applications for Contracts for Service, totalling \$328,387 for the 2015/2016 year. Council also received 8 applications for Capital Grants totalling \$46,026 and 12 applications for Operational Discretionary Grants totalling \$51,219.82 for the 2015/2016 year. Contracts for Service and Capital Grants were approved at the end of the 2014/2015 financial year and paid out during the 2015/2016 financial year, Operational Discretionary Grants were both approved and paid out during the 2015/2016 financial year.

There is \$80,000 available for Capital Grants, new Contracts for Service and Operational Grants for 2015/2016. The amount approved from applications totals \$68,082 from this budget, plus \$27,381.50 for Operational Discretionary Grants

Council has also agreed in principle to pay for the insurance of community halls that were handed back from Council to the community. Last year this was approximately \$19,290. This is also paid for out of the Grants budget.

This past year the following organisations received Council funding support:

| Contracts for Service | Amount |
|---|--|
| Baylys Beach Society | \$1,000 per year for three years |
| Pahi Reserves Society | \$7,000 per year for three years |
| Dargaville Gardens Trust | \$12,000 per year for three years |
| Paparoa Community Library | \$4,921 per year for three years, plus the cost of rent of their premises (approximately \$6,402 per year) |
| Kaiwaka Library | \$4,000 per year for three years |
| Mangawhai Library | \$13,725 per year for three years |
| Maungaturoto Public Library Inc. | \$6,020 per year, plus electricity, water and rent costs (approximately \$6,278 per year) |
| Kauri Coast Community Pool Trust | \$250,000 per year for three years |
| Sport Northland | \$26,000 per year for three years |
| Maungaturoto Residents Association | \$3,500 per year for three years |
| Capital Grants | Amount |
| Maungaturoto Centennial Community Centre Society Inc. | \$2,907 towards blackout curtains |
| Kaiwaka War Memorial Hall Association Inc. | \$4,411 towards new carpet |
| Mangawhai Library Hall | \$818 towards fencing materials |
| Operational Grants | Amount |
| Chamber of Commerce and Industry of Northland Inc. | \$5,000.00 |
| Pouto Landcare | \$5,000.00 |
| White Rock Gallery | \$2,000.00 |
| Dargaville Dalmatian Cultural Club | \$1,401.00 |
| Northern Wairoa A&P Association Arapohue Hall | \$4,131.50 |
| Kauri Coast Promotion Society | \$4,249.00 |
| Dargaville and Districts Citizen's Advice Bureau | \$5,000.00 |
| Wednesday Craft | \$600.00 |
| Kumarani Productions | -\$2,620.00 (hall hire and photocopying; is absorbed into existing budgets so is cost-neutral) |

Open spaces

Although there was a significant carry forward capital budget transferred into the 2015/2016 year good progress has been made to deliver the capital works programme. The source of all the funding is reserve contributions. Reserve contributions are collected from property development, under provisions in the Resource Management Act and Kaipara District Plan, for investment in open space enhancements and must be used for that purpose.

New toilets were constructed at Alamar Crescent and Mangawhai Community Park (MAZ) to meet the demand from increased visitors to this popular holiday community. The deferred toilet renewal project at Baylys Beach was completed as well as upgrades to toilets at Maunganui Bluff, Omamari, Whakapirau, Moir Street (Mangawhai Village) and at Kellys Bay (water tanks).

In partnership with the community, the Alamar Crescent (Mangawhai) traffic study and public space project has developed a range of options for improvements to parking, traffic flow and pedestrian safety. Council has engaged the community to determine support for the first phase being cost-effective solutions for improved pedestrian and road safety. It is intended the first phase of improvements would be implemented prior to summer 2016.

Progress on creating all-tide pedestrian access from Mangawhai Heads to the Mangawhai Village has not progressed at the pace we would have liked. Small improvements have been made at Back Bay (Molesworth Drive), Findlay Street and Awatea Street. A feasibility study for a track from Mangawhai Heads to the campground was completed followed by detailed design of Stage 1. Subject to its affordability it is intended that Stage 1 will be constructed in 2016/2017.

A range of smaller park improvements were made around the district that included new park signs, bollards to improve pedestrian safety at Selwyn Park (Dargaville) and Village Green (Paparoa), seawall improvements at Pahi and the installation of security cameras at Dargaville gardens. The deferred Selwyn Park drainage was completed along with the construction of a half basketball court, a project highlighted in the Dargaville Action Plan.

Playground upgrades and improvements were made at Maungaturoto, Paparoa and Jaycee Park in Dargaville. Unfortunately the playground replacement planned at Tinopai, in partnership with Tinopai Community Kids Trust, has not progressed as quickly as hoped and funding has been carried forward to next financial year.

Council worked in partnership with the Tinopai community to upgrade the wharf which needed significant work to make it safe for public use.

As a result of strong community interest from the Maungaturoto community, Council has removed the View Street property from the portfolio of properties Council was selling. It has been purchased with reserve contributions and will be declared reserve once a playground has been developed by the community.

Kauri Coast Recreation Society secured significant funding towards the development of its Sportville project at Memorial Park in Dargaville. Council granted a Licence to Occupy and released a \$100,000 grant towards changing rooms within the development.

At Taharoa Domain, Council has continued to make good progress implementing the current reserve management plan (RMP), while ensuring it is consistent with the direction set by the review. Over 10,000 plants, eco-sourced from within the Domain, have been planted. Campground improvements that include stormwater and ablution block upgrades have also been completed. In partnership with the NRC, the pest animal and plant programme has continued. This includes removal of acacia, wattle, wilding pines and the aerial sprayed pampas. The track around Lake Taharoa has been upgraded to cater for cyclists and walkers.

This year good progress has been made at Pou Tu Te Rangi Harding Park to implement the RMP. New tracks have been constructed to create a loop walk through the old cemetery and back up to the Pa site providing a new way to explore the Park. Around 80% of the invasive pest plants have been mulched which has enhanced the panoramic view, particularly from the Pa site. This has been appreciated by local residents and visitors alike. The branding of the Park has concluded and as a result new Park signs will be installed in early July 2016 reflecting the new brand Pou Tu Te Rangi Harding Park – Heritage Park.

Mangawhai Community Park Governance Committee formally established Friends of Mangawhai Community Park to help co-ordinate the development and implementation of the master plan. To ensure the Park is being developed in a co-ordinated manner an infrastructure and landscape plan has been developed. The removal of car parks from lease agreements to create shared car parks has progressed well. These car parks will be for shared use and maintained by Council. The future layout of the pioneer village has been approved and the majority of site clearance completed.

Council has three parks that are now co-governed: Pou Tu Te Rangi Harding Park – Heritage Park with Te Uri o Hau; Taharoa Domain with Te Roroa and Te Kuihi; and Mangawhai Community Park with members of the community. The development of these reserves is now progressing well as the governance committees get up to speed with what is required to implement their respective RMPs, and while the RMP review for Taharoa Domain is continuing to be processed.

A second version of an Asset Management Plan (AMP) for Reserves and Open Space was completed. Implementation of the AMP will focus on data and condition assessment to improve the knowledge and maintenance of the assets.

Community housing

The units are usually fully occupied although there has been regular turnover, mainly due to residents requiring additional health services. The units have been refurbished on a case-by-case basis, between tenancies. In May 2014 a request was received from the Dargaville Foundation Trust (now called Dargaville Community Development Board Inc.) to manage the community houses in Dargaville and Ruawai. Council agreed to this proposal and the units were handed over in December 2015.

Libraries

Dargaville Library and our four community libraries have been working together well this year with all volunteers commenting on the benefits of weekly visits from Dargaville Library staff. All libraries have been addressing growth and increasing digital services. In consortia with Whangarei and Far North libraries BorrowBox by

Bolinda has been added to our Ebooks and Eaudio offering. We have also partnered with Whangarei to offer Zinio digital magazines. Working together has brought the cost down considerably and given our readers a much larger range of material than we could afford ourselves. Our free Wi-Fi continues to be popular with both locals and tourists.

We recognised that many customers being referred to the library computers did not have the skills to use them. In August 2015 we partnered with the 20/20 Trust and the Te Roroa Learning Centre to offer free computer training in Dargaville. This service was expanded to Maungaturoto in February this year. We are currently running 10 week courses in both centres during school terms.

In addition to our popular school holiday programmes in Dargaville, this year we have offered a treat for our older customers. In partnership with Dargaville Medical Centre we hold 'A Cuppa and A Story', a storytime for those aged 50+ and our audience is increasing. We also work with the local schools to promote our summer and winter reading programmes aimed at increasing literacy in the region.

Work has gone into addressing space and health and safety issues at Dargaville Library with our proposed re-design being accepted. Once a project manager is appointed we will get started on the physical work.

Northern Wairoa War Memorial Hall/old Municipal Chambers Building

Dargaville Arts Association, a local community arts group, and Council has recently agreed on a Licence to Occupy for the old Municipal Chambers Building in Dargaville. With the completion of the roof replacement the Dargaville Arts Association commenced occupation of the Municipal Chambers Building in May. Maintenance issues identified have been and are continuing to be addressed. Both the Citizens Advice Bureau and Dargaville Community Cinema Trust continue to operate out of the Hall.

The contribution of this activity to community outcomes:

| Community outcome | How this activity or service contributes |
|---|---|
| Sustainable economy | Provides open spaces and facilities that encourage tourism, visitors and travellers. |
| Strong communities | Provides open spaces and facilities that encourage social interaction and healthy pursuits. |
| Safety and good quality of life | Provides open spaces and facilities that are safe and meet community expectations. |
| Special character and healthy environment | Provides open spaces and facilities that safeguard the environment. |

Community Activities – Funding Impact Statements – Operating and Capital

| For the year ended: | Actual | Annual Plan | Annual Plan | For the year ended: | Actual | Annual Plan | Annual Plan |
|--|---------------------|---------------------|---------------------|---|---------------------|---------------------|---------------------|
| 30 June | 2015-2016 \$'000 | 2015-2016 \$'000 | 2014-2015 \$'000 | 30 June | 2015-2016 \$'000 | 2015-2016 \$'000 | 2014-2015 \$'000 |
| Operating funding | | | | Capital funding | | | |
| Sources of operating funding | | | | Sources of capital funding | | | |
| General rates, uniform annual general charges, rate penalties Targeted rates | 3,371 | 3,373 | 2,914 | Subsidies and grants for capital expenditure | 0 | 0 | 0 |
| Subsidies and grants for operating purposes | 284 | 282 | 282 | Development and financial contributions | 1,469 | 500 | 511 |
| Fees and charges | 46 | 50 | 0 | Increase (decrease) in debt | 0 | -933 | 492 |
| Internal charges and overheads recovered | 825 | 1,139 | 1,046 | Gross proceeds from sale of assets | 0 | 0 | 0 |
| Local authorities fuel tax, fines, infringement fees and other receipts | 337 | 337 | 190 | Lump sum contributions | 0 | 0 | 0 |
| | 50 | 0 | 5 | Other dedicated capital funding | 0 | 0 | 0 |
| | | | | Total sources of capital funding | 1,469 | -433 | 1,003 |
| Total operating funding | 4,913 | 5,180 | 4,437 | | | | |
| Application of operating funding | | | | Applications of capital funding | | | |
| Payments to staff and suppliers | 3,417 | 3,881 | 3,422 | Capital expenditure - to meet additional demand | 375 | 0 | 0 |
| Finance costs | 75 | 75 | 152 | Capital expenditure - to improve the level of service | 823 | 846 | 1,123 |
| Internal charges and overheads applied | 850 | 850 | 488 | Capital expenditure - to replace existing assets | 189 | 340 | 255 |
| Other operating funding applications | 0 | 0 | 0 | Increase (decrease) in reserves | 653 | -1,244 | 0 |
| | | | | Increase (decrease) of investments | 0 | 0 | 0 |
| Total applications of operating funding | 4,341 | 4,806 | 4,062 | Total applications of capital funding | 2,040 | -59 | 1,378 |
| Surplus (deficit) of operating funding | 572 | 375 | 375 | Surplus (deficit) of capital funding | -572 | -375 | -375 |
| | | | | Funding Balance | 0 | 0 | 0 |

Financial comment

- Lower fees received due to the lease of the Mangawhai Campground. This also reduced the associated costs.
- Financial contributions are well ahead of plan due to high levels of activity.
- Capital expenditure is ahead of budget with an increased programme to utilise the financial contributions.

Community Activities – Performance Measures

| Performance indicator/service level | LTP Year 1 Target 2015/2016 | Actual 2014/2015 | Actual 2015/2016 | Comments |
|--|---|----------------------------|---|---|
| Community Halls | | | | |
| Provision | | | | |
| <i>Publicly available hall in every urban settlement with a resident population exceeding 1,000.</i> | | | | |
| Measured by | | | | |
| Annual count. | A public hall is available in Dargaville, Mangawhai Village and Mangawhai Heads | New Measure from 2015/2016 | A public hall is available in Dargaville, Mangawhai Village and Mangawhai Heads | Achieved |
| Community Housing | | | | |
| Quality: Affordability | | | | |
| <i>To provide housing suitable for members of the community who have difficulty providing it themselves.</i> | | | | |
| Measured by | | | | |
| Annual Tenant Survey - percentage of tenants satisfied with standard of accommodation and services. | 95% | 91% | Not formally measured | Not formally measured This measure is to be undertaken from 2016/2017. |
| Annual Tenant Survey - percentage of tenants who rate Council response to request for service as excellent/good. | 90% | 94% | Not formally measured | Not achieved This measure is to be undertaken from 2016/2017. |

| Performance indicator/service level | LTP Year 1 Target 2015/2016 | Actual 2014/2015 | Actual 2015/2016 | Comments |
|---|-----------------------------|----------------------------|------------------|---|
| Net cost to ratepayers for Council's Community Housing services. | Zero | Zero | \$22,000 | Not achieved Additional expenditure in excess of the budget on the Dargaville and Ruawai units was incurred in anticipation of the handover to the Dargaville Community Development Board Inc. |
| Annual occupancy rate. | 90% | 97% | 98% | Achieved |
| Compliance with the Memorandum of Understanding with Housing New Zealand for the management (not necessarily by Council) of Dargaville, Ruawai and Mangawhai Community Housing. | 100% | New measure from 2015/2016 | 100% | Achieved The Memorandum of Understanding mostly deals with the refurbishment that occurred some years ago. |

| Performance indicator/service level | LTP Year 1 Target 2015/2016 | Actual 2014/2015 | Actual 2015/2016 | Comments |
|---|-----------------------------|------------------|------------------|--|
| Reserves and Open Space | | | | |
| Open Spaces, linkages and facilities | | | | |
| <i>To provide and enhance open spaces, linkages and facilities to promote community well-being and enjoyment.</i> | | | | |
| Measured by | | | | |
| Percentage of residents who are very/fairly satisfied with their local parks and sports fields. | 85% | 74% | 84% | Not achieved The community is generally satisfied with the spread of premier parks being developed and the level of maintenance across the district. |
| Percentage of residents who are very/fairly satisfied with their public conveniences. | 65% | 61% | 72% | Achieved A significant investment has been made into public toilets over the last year. Although this has resulted in increased satisfaction levels it is not consistent across the District. |
| User satisfaction with cleanliness and lack of litter and graffiti. | 70% | 82% | 70% | Achieved Although the target was met satisfaction rates are inconsistent across the district with only 64% satisfaction in Otamatea ward. |

| Performance indicator/service level | LTP Year 1 Target 2015/2016 | Actual 2014/2015 | Actual 2015/2016 | Comments |
|---|-----------------------------|----------------------------|-----------------------|---|
| Parks Maintenance Contract measures are met. | Achieved | New measure from 2015/2016 | Achieved | Achieved Compliance with response to service requests, Health and Safety reporting and Quality and Environmental Management Plans. |
| An active sports park within a 40 minute drive of all residents (not all belonging to Council) with toilet and changing facilities. | Achieved | New measure from 2015/2016 | Not achieved | Not achieved Although Kauri Coast Recreation Society has secured sufficient funding to develop toilet and changing facilities at Memorial Park they will not be operational until December 2016. |
| Coastal access and esplanade reserves in urban areas already developed or zoned for residential development in the District Plan, with car parking areas. | Achieved | New measure from 2015/2016 | Not achieved | Not achieved Parking shortage in peak period identified at Alamar Crescent (Mangawhai). Traffic study and public space project if implemented will come close to meeting current demand. |
| A local purpose reserve within 15 minute walk of residents in urban areas already developed or zoned for residential development in the District Plan. | Achieved | New measure from 2015/2016 | Not formally measured | Not achieved This measure was going to be confirmed through the development of omnibus RMPs. These plans were not completed in 2015/2016. |

| Performance indicator/service level | LTP Year 1 Target 2015/2016 | Actual 2014/2015 | Actual 2015/2016 | Comments |
|--|-----------------------------|----------------------------|------------------|--|
| A public toilet in shopping areas servicing an urban population over 2,000. | Achieved | New measure from 2015/2016 | Achieved | Achieved A public toilet is provided in all shopping areas servicing an urban population over 2,000. |
| Community Assistance | | | | |
| <i>Implementing the Community Assistance Policy including Grants, Contract for Service, Licence to Occupy and the Mangawhai Endowment Lands Account.</i> | | | | |
| Measured by | | | | |
| Contract for Service, Operational and Capital Grants, Mangawhai Endowment Lands Account applications called for and processed within timeframes. | Achieved | New measure from 2015/2016 | Achieved | Achieved Although grant funds were oversubscribed a wide range of grants were made to organisations throughout the district. |
| Libraries | | | | |
| Accessibility | | | | |
| <i>To provide accessible library services to the residents of Kaipara.</i> | | | | |
| Measured by | | | | |
| Percentage of householders that have used the District's libraries in the past 12 months. | 60% | 54% | 24% | Not achieved This question was inadvertently presented to all residents rather than Dargaville residents only, as was intended. |

| Performance indicator/service level | LTP Year 1 Target 2015/2016 | Actual 2014/2015 | Actual 2015/2016 | Comments |
|---|-----------------------------|------------------|------------------|---|
| Quality | | | | |
| <i>To provide a range of quality resources and material relevant to the residents of Kaipara.</i> | | | | |
| Measured by | | | | |
| Percentage of library users who are very/fairly satisfied with the Kaipara district's library services. | 81% | 86% | 90% | Achieved This is a pleasing result and reflects the comments of customers who come into our libraries. |
| To comply with Library and Information Association of New Zealand Aotearoa (LIANZA) guidelines for populations of 5,000 or more the Public Library in Dargaville is open for 43 hours per week including Saturdays. | Achieved | Achieved | Achieved | Achieved |

Community Activities – Significant Negative Effects

- The overall Kaipara community is made up of a number of communities of interest which can be defined by location, age group, ethnicity, gender or issue; and
- Sometimes when Council takes a step in providing support it can create an expectation of ongoing assistance; dependency can be created. This is the opposite of what Council seeks to achieve; resilient, vibrant, sustainable communities albeit supported strategically by Council.

Regulatory Management

What we do

Council delivers:

- Building control services – Council processes building consents and undertakes inspection work. Council issues Property Information Memoranda (PIMs);
- Resource management services – processing of resource consent applications, issuing Land Information Memoranda (LIMs);
- Environmental health services – controlling food safety, sale of liquor, registering premises where there is a restricted use, monitoring gambling and responding to complaints; and
- Animal management services – including dog licensing, managing through contract impounding facilities for stock and dogs, responding to complaints and public education.

Council is an accredited Building Control Authority and, as part of this, intends to continually improve consent processing times, quality assurance systems and address the backlog of outstanding Code Compliance Certificates (CCC).

Why we do it

Council delivers regulatory services as required under multiple Acts and regulations on behalf of central government. These include:

- Building Act 2004, and associated regulations including the New Zealand Building Code;
- Resource Management Act 1991 and the Kaipara District Plan;
- Sale and Supply of Alcohol Act 2012;
- Health Act 1956;
- Food Act 1981;
- Dog Control Act 1996; and
- Impounding Act 1955.

What we did this year

Building control services

Fees and charges for building services have been reviewed for implementation in July 2016.

Council ensured building quality was checked by carrying out inspections of new buildings to ensure they comply with consented building plans and inspecting construction of buildings to ensure that the code of compliance could be achieved. Properties were also visited where enforcement by Council for breaches of the Building Act was required. This included illegal activity that the inspectors became aware of either through complaints about unauthorised work or while carrying out their other duties in the field.

Resource management

The RMA Consents Team has now brought all services, including development engineering, in-house but is continuing to use consultants and contractors to help with processing consents, which have increased by 33% on the previous financial year. Involvement in PIM checks for building consents and comments on LIM reports has also increased as interest in the property market in Kaipara continues to grow at a high level. There has been a significant increase in subdivision activity including the finalising of subdivisions consented in the last 10 years. Proactive monitoring of resource consent conditions is ongoing, but restricted by limited staff resources and other workload priorities of the Monitoring Officer and RMA staff.

Animal management

RegtheDog (allows online registration and payment of dog fees). Customers continue to enjoy the ease of registration and service excellence.

The animal management and out of hours contract was carried out by Environment Northland Limited (ENL) during 2015/2016. The contract was put out to tender during the year and has recently been awarded to Armourguard. The service will transition to Armourguard as of 12 September 2016 for a three year period.

Environmental health/alcohol licensing

Full implementation of the Sale and Supply of Alcohol Act 2012 has progressed well. Implementation of the new Food Act 2014 has begun, however the full cost of this will not occur until 2018 as premises transition to Food Control Plans. The Northland District Health Board's one year contract for 2015/2016 ceased on 30 June 2016. From 01 July 2016 the services of Environmental Health Officers and Alcohol Licensing Inspectors will be by "in-house" appointments.

The contribution of this activity to community outcomes

| Community outcome | How this activity or service contributes |
|---|---|
| Strong communities | Provides for community participation in resource management issues. |
| Safety and good quality of life | Public health and safety protected through administration of rules and monitoring of standards. |
| Special character and healthy environment | Works within development framework to ensure the environment is protected. |

Regulatory Management – Funding Impact Statement – Operating and Capital

| For the year ended: | Actual | Annual Plan | Annual Plan | For the year ended: | Actual | Annual Plan | Annual Plan |
|---|---------------------|---------------------|---------------------|---|---------------------|---------------------|---------------------|
| 30 June | 2015-2016 \$'000 | 2015-2016 \$'000 | 2014-2015 \$'000 | 30 June | 2015-2016 \$'000 | 2015-2016 \$'000 | 2014-2015 \$'000 |
| Operating funding | | | | Capital funding | | | |
| Sources of operating funding | | | | Sources of capital funding | | | |
| General rates, uniform annual general charges, rate penalties | 470 | 471 | 400 | Subsidies and grants for capital expenditure | 0 | 0 | 0 |
| Targeted rates | 0 | 0 | 0 | Development and financial contributions | 0 | 0 | 0 |
| Subsidies and grants for operating purposes | 0 | 0 | 0 | Increase (decrease) in debt | 0 | 0 | 0 |
| Fees and charges | 3,184 | 2,487 | 2,026 | Gross proceeds from sale of assets | 0 | 0 | 0 |
| Internal charges and overheads recovered | 569 | 570 | 359 | Lump sum contributions | 0 | 0 | 0 |
| Local authorities fuel tax, fines, infringement fees and other receipts | 5 | 0 | 78 | Other dedicated capital funding | 0 | 0 | 0 |
| Total operating funding | 4,229 | 3,528 | 2,863 | Total sources of capital funding | 0 | 0 | 0 |
| Application of operating funding | | | | Applications of capital funding | | | |
| Payments to staff and suppliers | 3,149 | 2,608 | 2,291 | Capital expenditure - to meet additional demand | 0 | 0 | 0 |
| Finance costs | 0 | 0 | 0 | Capital expenditure - to improve the level of service | 0 | 0 | 0 |
| Internal charges and overheads applied | 920 | 920 | 572 | Capital expenditure - to replace existing assets | 0 | 0 | 0 |
| Other operating funding applications | 0 | 0 | 0 | Increase (decrease) in reserves | 160 | 0 | 0 |
| Total applications of operating funding | 4,069 | 3,528 | 2,863 | Increase (decrease) of investments | 0 | 0 | 0 |
| Surplus (deficit) of operating funding | 160 | 0 | 0 | Total applications of capital funding | 160 | 0 | 0 |
| | | | | Surplus (deficit) of capital funding | -160 | 0 | 0 |
| | | | | Funding Balance | 0 | 0 | 0 |

Financial comment

- Total fees and charges and payments to staff and suppliers are above budget due to the ongoing high levels of activity in the district. However this is offset by revenue and is \$0.2 million above budget.

Regulatory Management – Performance Measures

| Performance indicator/service level | LTP Year 1 Target 2015/2016 | Actual 2014/2015 | Actual 2015/2016 | Comments |
|---|-----------------------------|-------------------------|------------------|---|
| Building Control Inspections, Compliance and Enforcement | | | | |
| Customer Benefits | | | | |
| <i>Ensure effective response to customer enquiries about building standards.</i> | | | | |
| Measured by | | | | |
| Percentage of customers who rate Request for Service responses as excellent/good. | 85% | Not measured | 85% | Achieved |
| Responsiveness | | | | |
| <i>To process applications in accordance with statutory timeframes.</i> | | | | |
| Measured by | | | | |
| Percentage of Building Consents (BC) processed within 19 working days. | 95% | 95% (18 day measure) | 99.77% | Achieved Average processing time is 11.42 days. |
| Percentage of Project Information Memoranda (PIM) processed within 19 working days. | 95% | 95% (18 day measure) | 99.49% | Achieved Average PIM days are 6.57 days. |
| Percentage of Code Compliance Certificates (CCC) issued within 20 working days. | 100% | 100% | 99.33% | Not achieved There were 446 CCC's issued within the 2015/2016 financial year. The average time to issue a CCC was 0.51 days. |

| Performance indicator/service level | LTP Year 1 Target 2015/2016 | Actual 2014/2015 | Actual 2015/2016 | Comments |
|---|-----------------------------|----------------------------|------------------|---|
| Quality | | | | |
| <i>Monitoring of Building Consent applications and inspections to ensure projects comply with New Zealand Building Code.</i> | | | | |
| Measured by | | | | |
| Advise building owners/occupiers of the expiry date of their Warrant of Fitness one month before the expiry date. | 95% | 100% | 85% | Not achieved Due to the high volume of Territorial Authority work, assisting Building Consent Authority with resource shortfall and loss of administration support along with high volumes of service requests requiring investigation. This is being addressed by allocating casual administration support. |
| All new buildings in the Kaipara district for which Building Consent has been issued comply with the NZ Building Code (includes approval of building plan, as well as confirmation that the resulting building matches the approved plans). | 95% | New measure from 2015/2016 | 100% | Achieved |
| Buildings under construction inspected to ensure that code compliance is achieved. | 70% | New measure from 2015/2016 | 100% | Achieved |
| Illegal activity/unauthorised work complaints investigated within three working days. | 90% | New measure from 2015/2016 | 100% | Achieved |

| Performance indicator/service level | LTP Year 1 Target 2015/2016 | Actual 2014/2015 | Actual 2015/2016 | Comments |
|---|-----------------------------|------------------|------------------|--|
| Resource Consents, Monitoring and Enforcement | | | | |
| Customer Benefits | | | | |
| <i>Ensure effective response to customer enquiries about District Plan/Resource Consent requirements.</i> | | | | |
| Measured by | | | | |
| Percentage of customers who rate Request for Service responses as excellent/good. | 85% | Not measured | 77% | Not achieved Target not met due to this being the first full financial year a full RMA Consents service was offered, and a lack of understanding and engagement in the resource consent process in the developer community. The fire safety resource consent process has in particular caused a lot of frustration for customers. |
| Responsiveness | | | | |
| <i>To process applications in accordance with statutory timeframes.</i> | | | | |
| Measured by | | | | |
| Percentage of non-notified Resource Consents processed within 18 working days. | 95% | 95% | 93% | Not achieved The average processing days was 11.5. The number of consents deferred was 61. Target not met as resource consents were deferred to allow customers time to review their subdivision consent conditions. This reduces the likelihood of costly, non-recoverable objections to conditions. However a deferral extends the timeframe. |

| Performance indicator/service level | LTP Year 1 Target 2015/2016 | Actual 2014/2015 | Actual 2015/2016 | Comments |
|--|-----------------------------|----------------------------|------------------|--|
| Percentage of Resource Consents notified by Council that is subject to objections/appeals against consent conditions. | 1% | 2% | Nil | Achieved Due to allowing deferral of consents for reviewing of consent conditions as described above. |
| Percentage of Land Information Memoranda (LIM) processed within 10 working days. | 100% | 100% | 100% | Achieved |
| Quality <i>Resolving of complaints concerning breaches of conditions of resource consent and other non-compliance with the District Plan.</i> | | | | |
| Measured by | | | | |
| Percentage of complaints concerning breaches of Resource Consent conditions relating to earthworks and/or sediment control that are resolved to ensure compliance within 5 working days. | 95% | 100% | 100% | Achieved |
| Percentage of complaints regarding unconsented works and non-compliance with the District Plan and Resource Consent investigated within 5 working days. | 80% | New measure from 2015/2016 | 100% | Achieved |
| Percentage of all new granted Resource Consents are audited each year to ensure they comply with relevant conditions. | 10% | New measure from 2015/2016 | 64% | Achieved We have exceeded the required 10% figure as set by audit Ministry for the Environment. |

| Performance indicator/service level | LTP Year 1 Target 2015/2016 | Actual 2014/2015 | Actual 2015/2016 | Comments |
|--|-----------------------------|------------------|------------------|--|
| Environmental Health | | | | |
| Health and Safety Customer Service | | | | |
| <i>Regulate commercial operations to protect public health.</i> | | | | |
| Measured by | | | | |
| Percentage of food premises inspected at least once per year. | 100% | 100% | 100% | Achieved |
| Percentage of alcohol premises inspected at least once per year | 100% | 100% | 100% | Achieved |
| Reliability | | | | |
| <i>Respond to environmental health issues in the interest of protecting public health.</i> | | | | |
| Measured by | | | | |
| Percentage of customers who rate Requests for Service responses as excellent/good. | 85% | Not measured | 38% | Not achieved We are anticipating a much improved performance in response times in the coming months as the service is now in-house. |

| Performance indicator/service level | LTP Year 1 Target 2015/2016 | Actual 2014/2015 | Actual 2015/2016 | Comments |
|---|-----------------------------|----------------------------|------------------|--|
| Animal Management | | | | |
| Reliability | | | | |
| <i>Respond to animal management issues.</i> | | | | |
| Percentage of priority response times being met. | 85% | New measure from 2015/2016 | 94% | Achieved |
| Percentage of customers who rate Request for Service responses as excellent/good. | 85% | 95% | 44% | Not achieved The response is poorly reflected due to the emotive/sensitive issues surrounding animal management. The contract is to be renewed as of 12 September 2016 and the performance will be carefully monitored to lift this result. |

Regulatory Management – Significant Negative Effects

- Compliance costs to complete subdivisions can be significant before the developer receives the subdivision title.
- The recent accumulative effect of increased subdivisional and construction activity, perceived by the community on the environment, can have an adverse effect i.e. economic growth too quick.
- The BCA and RMA process improvements have resulted in an increase in perception from developers/customers that compliance and a higher level of consent information is required resulting in elevated costs.

Emergency Management

What we do

Emergency management consists of two activities – civil defence and rural fire. In civil defence, Council's role is to increase community awareness, understanding and preparedness for emergencies, reduce the risk from natural hazards to the district and enhance the district's capability to manage and recover from emergencies. In rural fire, Council's role is to safeguard life, property and the environment by firstly, prevention and secondly, the control of fires if they occur in forest and rural areas within the Kaipara District Council Rural Fire Authority boundaries.

Why we do it

These duties are defined by statute in the Civil Defence Emergency Act 2002, the Forest and Rural Fires Act 1977 and the Forest and Rural Fire Regulations 2005.

What we did this year

Civil defence

We continued to work with communities to assist them to plan to mitigate risks, and improve their preparedness for emergency situations. We also made provision for emergency power supply and telecommunications backup for us to function as headquarters.

The development of a community response plan for civil defence purposes for Dargaville has been completed. Community response plans are already in place for Ruawai, Matakōhe, Paparoa, Maungaturoto, Kaiwaka and Mangawhai. No more are currently scheduled. Five of these areas have local plans published on <http://www.nrc.govt.nz/civildefence/Community-Response-Plans>

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

Rural fire

We continue to upgrade rural fire equipment on a planned basis, recruit and train volunteers and provide rural fire forces with depots for housing fire appliances and equipment.

It was a relatively quiet fire season. The largest fire was at Glinks Gully in March. The costs of this fire were mostly recovered by way of claim against the National Rural Fire Authority.

All fires were fought successfully.

The capital expenditure programme has been delivered as follows:

| Description of project | Stage | Budget from Annual Plan | Progress description |
|------------------------|-------|-------------------------|---|
| Replace fire appliance | | \$153,000 | Deferred to 2016/2017 due to Fire Services reorganisation proposal. |

The contribution of this activity to community outcomes

| Community outcome | How this activity or service contributes |
|---------------------------------|--|
| Sustainable economy | Provides safe and efficient management in times of emergencies and effective response times so as to minimise impact on local economy. |
| Strong communities | Provides for community participation in emergency management planning and response. |
| Safety and good quality of life | Communities can feel safe in any emergency event. |

Emergency Management – Funding Impact Statements – Operating and Capital

| For the year ended: | Actual | Annual Plan | Annual Plan | For the year ended: | Actual | Annual Plan | Annual Plan |
|---|---------------------|---------------------|---------------------|---|---------------------|---------------------|---------------------|
| 30 June | 2015-2016 \$'000 | 2015-2016 \$'000 | 2014-2015 \$'000 | 30 June | 2015-2016 \$'000 | 2015-2016 \$'000 | 2014-2015 \$'000 |
| Operating funding | | | | Capital funding | | | |
| Sources of operating funding | | | | Sources of capital funding | | | |
| General rates, uniform annual general charges, rate penalties | 212 | 212 | 356 | Subsidies and grants for capital expenditure | 0 | 115 | 0 |
| Targeted rates | 0 | 0 | 0 | Development and financial contributions | 0 | 0 | 0 |
| Subsidies and grants for operating purposes | 0 | 0 | 0 | Increase (decrease) in debt | 0 | 0 | 0 |
| Fees and charges | 126 | 118 | 118 | Gross proceeds from sale of assets | 0 | 0 | 0 |
| Internal charges and overheads recovered | 0 | 0 | 0 | Lump sum contributions | 0 | 0 | 0 |
| Local authorities fuel tax, fines, infringement fees and other receipts | 0 | 0 | 0 | Other dedicated capital funding | 0 | 0 | 0 |
| Total operating funding | 338 | 330 | 474 | Total sources of capital funding | 0 | 115 | 0 |
| Application of operating funding | | | | Applications of capital funding | | | |
| Payments to staff and suppliers | 316 | 285 | 283 | Capital expenditure - to meet additional demand | 0 | 0 | 0 |
| Finance costs | 0 | 0 | 0 | Capital expenditure - to improve the level of service | 0 | 0 | 0 |
| Internal charges and overheads applied | 46 | 46 | 38 | Capital expenditure - to replace existing assets | 0 | 153 | 153 |
| Other operating funding applications | 0 | 0 | 0 | Increase (decrease) in reserves | -23 | -38 | 0 |
| Total applications of operating funding | 362 | 331 | 321 | Increase (decrease) of investments | 0 | 0 | 0 |
| Surplus (deficit) of operating funding | -23 | 0 | 153 | Total applications of capital funding | -23 | 115 | 153 |
| | | | | Surplus (deficit) of capital funding | 23 | 0 | -153 |
| | | | | Funding Balance | 0 | 0 | 0 |

Financial comment

- Capital expenditure is \$0.2 million lower than budget due to the planned replacement of a fire engine not being required this year.

Emergency Management - Performance Measures

| Performance indicator/service level | LTP Year 1 Target 2015/2016 | Actual 2014/2015 | Actual 2015/2016 | Comments |
|---|---------------------------------------|----------------------------|-----------------------|---|
| Civil Defence | | | | |
| Reliability | | | | |
| <i>To build a resilient and safer Kaipara District and communities understanding and managing their hazards and risks.</i> | | | | |
| Measured by | | | | |
| Number of Civil Defence training exercises conducted per annum. | 1 | 1 | 1 | Achieved Civil Defence training exercise was conducted on 20 April 2016. |
| Time taken to activate the Emergency Operations Centre after the notification of a local Civil Defence emergency. | <1 hour | <1 hour | Not formally measured | No emergency event occurred requiring an activation. |
| Three yearly updating and reviewing of Kaipara Community Response Plans. Plans will be displayed on Regional Council's website and a link from Kaipara. | 4 plans updated and reviewed per year | New measure from 2015/2016 | 4 | Achieved New plan for Pouto developed and reviews of three others completed. |

| Performance indicator/service level | LTP Year 1 Target 2015/2016 | Actual 2014/2015 | Actual 2015/2016 | Comments |
|---|--------------------------------|----------------------------|-----------------------|---------------------------------------|
| Rural Fire | | | | |
| Health and Safety | | | | |
| <i>To protect life and property from rural fires with trained personnel within the Kaipara District Rural Fire Authority Area</i> | | | | |
| Measured by | | | | |
| Percentage of fire fighters who meet the National Rural Fire Authority Training Standards. | 80% | 53% | 100% | Achieved All firefighters trained. |
| Health and Safety | | | | |
| <i>Fire safe behaviour and practices through public education and rural fire co-ordination.</i> | | | | |
| Measured by | | | | |
| The number of public awareness campaigns run each year. | At least one campaign per year | New measure from 2015/2016 | One campaign was held | Achieved Summer Fire Campaign run. |

Emergency Management – Significant Negative Effects

- Extinguishing rural fires may require the use of water chemical suppressants resulting in damage to the environment, ground and air pollution. This is mitigated through limiting the use of suppressants to essential requirements and compliance with National Rural Fire Authority standards;
- Fire sirens and warning systems result in noise pollution. The use of sirens will be limited to testing and emergency requirements. Preferential use of alternative technologies, such as telecommunications, will be investigated and applied where applicable; and
- Damage to the natural environment such as broken vegetation and spoilt beaches may occur during emergency response and recovery activities for example, providing access to 'at risk' people, property and infrastructure, disposal of slip and flood material and restoration of hazard protection structures and lifelines. Activities will be limited, where possible, to the protection of life and property.

Flood Protection and Control Works

What we do

We aim to protect people and property from flooding caused by severe weather events, and possible damage caused by coastal erosion. The flood protection and control works includes:

- Flood control schemes;
- Rivers alignment control; and
- Land drainage.

Land drainage work is undertaken in 29 drainage districts, each of which is currently self-funded and self-managed. The Raupo Drainage District, administered by a committee of Council, is the largest.

Flood protection is carried out through control schemes and a system of stopbanks. Rivers are also monitored in storm events to warn of potential flooding. Council also:

- Maintains floodgates; and
- Monitors floodbank settlement rates.

Why we do it

Council has a long history of involvement in this activity. It was historically done through drainage boards. Only the Raupo Drainage District continues under a similar model in Kaipara. Responsibilities are also mixed between Council and Northland Regional Council (NRC). Council has chosen to continue with drainage districts across parts of the district, in addition to the Raupo area and areas managed by the regional council. The rationale for this was the importance to the district that people and property, especially productive land and infrastructure, are protected from flooding and tidal flows.

What we did this year

Raupo Drainage District

Programmed maintenance consisting of drain spraying, machine cleaning and stopbank maintenance has been completed on time and within budget.

Following the condition assessments of floodgates, two floodgates were identified as needing replacement. Replacement of Floodgate N°2 was completed in January 2016 to a very high standard and to the satisfaction of the Raupo Drainage Committee. The other identified floodgate is N°38, this replacement has been delayed until the summer months. The pre-cast concrete panels have already been constructed.

Stopbank improvements have been completed along the main tidal bank from Simpson Road to the Awaroa Outlet, a total of 280 metres.

The Raupo Drainage Committee met quarterly.

Other Drainage Districts

Programmed maintenance was completed on time and within budget to maintain the current capacity of the land drainage network consisting of:

- Weed spraying;
- Drain cleaning; and
- Floodbank and stopbank inspections and maintenance.

The drainage network was inspected twice to ensure it was working well.

For improvement of the Land Drainage GIS information, it was decided that in this year we will capture information about drain lines and floodgates. Of the 29 catchments 28 have now been captured into the GIS system.

The contribution of this activity to community outcomes

| Community outcome | How this activity or service contributes |
|---------------------------------|---|
| Sustainable economy | Provides safe and efficient management in times of flood protection and effective response times so as to minimise impact on local economy. |
| Strong communities | Provides for community participation in flood protection management planning and response. |
| Safety and good quality of life | Communities can feel safe in any emergency event. |

Flood Protection and Control Works – Funding Impact Statement – Operating and Capital

| For the year ended: | Actual | Annual Plan | Annual Plan | For the year ended: | Actual | Annual Plan | Annual Plan |
|---|---------------------|---------------------|---------------------|---|---------------------|---------------------|---------------------|
| 30 June | 2015-2016 \$'000 | 2015-2016 \$'000 | 2014-2015 \$'000 | 30 June | 2015-2016 \$'000 | 2015-2016 \$'000 | 2014-2015 \$'000 |
| Operating funding | | | | Capital funding | | | |
| Sources of operating funding | | | | Sources of capital funding | | | |
| General rates, uniform annual general charges, rate penalties | 14 | 14 | 7 | Subsidies and grants for capital expenditure | 0 | 0 | 0 |
| Targeted rates | 602 | 601 | 595 | Development and financial contributions | 0 | 0 | 0 |
| Subsidies and grants for operating purposes | 0 | 0 | 0 | Increase (decrease) in debt | 0 | -57 | -69 |
| Fees and charges | 9 | 8 | 0 | Gross proceeds from sale of assets | 0 | 0 | 0 |
| Internal charges and overheads recovered | 0 | 4 | 0 | Lump sum contributions | 0 | 0 | 0 |
| Local authorities fuel tax, fines, infringement fees and other receipts | 0 | 0 | 0 | Other dedicated capital funding | 0 | 0 | 0 |
| Total operating funding | 625 | 627 | 602 | Total sources of capital funding | 0 | -57 | -69 |
| Application of operating funding | | | | Applications of capital funding | | | |
| Payments to staff and suppliers | 333 | 405 | 433 | Capital expenditure - to meet additional demand | 0 | 0 | 0 |
| Finance costs | 0 | 0 | 0 | Capital expenditure - to improve the level of service | 0 | 0 | 0 |
| Internal charges and overheads applied | 63 | 63 | 100 | Capital expenditure - to replace existing assets | 130 | 0 | 0 |
| Other operating funding applications | 0 | 0 | 0 | Increase (decrease) in reserves | 98 | 101 | 0 |
| Total applications of operating funding | 397 | 468 | 533 | Increase (decrease) of investments | 0 | 0 | 0 |
| Surplus (deficit) of operating funding | 228 | 158 | 69 | Total applications of capital funding | 228 | 101 | 0 |
| | | | | Surplus (deficit) of capital funding | -228 | -158 | -69 |
| | | | | Funding Balance | 0 | 0 | 0 |

Flood Protection and Control Works - Performance Measures

| Performance indicator/service level | LTP Year 1 Target 2015/2016 | Actual 2014/2015 | Actual 2015/2016 | Comments |
|---|---|----------------------------|--|--|
| Reliability | | | | |
| <i>Monitor drainage of rivers and streams. Ensure minimal flood risk and coastal erosion to the community.</i> | | | | |
| Measured by | | | | |
| The number of schemes maintained to their full service potential. | 100% of schemes maintained to ensure that they provide protection to the agreed standard and the scheme assets are maintained as established in the adopted Asset Management Plans. | New measure from 2015/2016 | 100% | Achieved |
| Non-performance of drainage network due to poor monitoring or maintenance causing an inability to contain a 1 in 5 year flood as measured by public feedback i.e. service requests that result in additional cleaning to drains needed. | < 5 service requests per year | New measure from 2015/2016 | 0 | Achieved Managed through the Drainage Committees. |
| Council inspection of drainage network to ensure that a 1 in 5 year flood is contained by the network. | Minimum yearly inspections and targeted maintenance completed. | New measure from 2015/2016 | Minimum yearly inspections and targeted maintenance completed. | Achieved |

| Performance indicator/service level | LTP Year 1 Target 2015/2016 | Actual 2014/2015 | Actual 2015/2016 | Comments |
|--|---|----------------------------|---|----------|
| Targeted maintenance of the stopbank system in the Raupo Drainage District to prevent tidal flows from inundating private property during high tide and/or when the river is in flood. | Minimum yearly inspections and targeted maintenance completed | New measure from 2015/2016 | Minimum yearly inspections and targeted maintenance completed | Achieved |

Flood Protection and Control Works – Significant Negative Effects

- A lack of drainage networks or a lack of maintenance on the existing network could result in increased flooding of farming and cropping communities in low-lying land near rivers, streams and canals; and
- The frequency of significant storm events and rainfall intensities are expected to increase steadily along with sea levels in the future.

District Leadership

What we do

Governance

Through its governance activities, Council plans, makes decisions and takes action for and on behalf of communities to promote the well-being of the Kaipara district now and for the future.

A key part of Council's representation work is to ensure that Council and Committee meetings are well-run and managed. Council staff provide advice, information and administration support to enable these functions to occur. They make sure that meetings follow correct processes and comply with legislation, record decisions and subsequently communicate these decisions to the community and other stakeholders.

Officers involved with District Leadership support and enable Council (and Commissioners) to make plans that are in line with strategic goals and to make appropriate decisions.

Community planning

There continues to be population growth in the eastern areas, while other communities experience a static population growth.

The community planning area of activity deals with managing and providing Council's strategic policy development, assisting resource and district planners in their roles, community planning programme across the district and the development of the District Plan.

Council no longer has a direct provision of economic development services, however has incorporated local economic development outcomes into community planning work.

Corporate planning

This includes the organisation's internal documents such as business plans, as well as external documents like Council's Long Term Plan, Annual Plan and Annual Report.

Why we do it

This activity is largely driven by statutory requirements.

Council is required to work in compliance with multiple Acts of Parliament including:

- Local Government Act 2002;
- Local Government (Rating) Act 2002;
- Resource Management Act 2007;
- Local Government Official Information and Meetings and Act 1987;
- Public Records Act 2005;
- Local Authorities (Members' Interests) Act 1968; and
- Kaipara District Council (Validation of Rates and Other Matters) Act 2013.

What we did this year

Overall, Council delivered the current levels of service within this Activity.

Governance

Commissioners appointed by the Minister of Local Government continue to govern the district, replacing the elected representatives until the triennial election scheduled for October 2016 (after a year's extension was made in April 2015). Governance activities outlined in the Annual Plans give the Commissioners the support required to enable them to fulfil the various roles which they undertake. Governance arrangements continue to be open and transparent.

Significant milestones were achieved during the year addressing past issues:

- Reaching a mediated settlement with the Office of the Auditor-General and continuing to pursue legal actions and recovery against MRRA and the former Chief Executive; and
- Working through the actions and outcomes recommended by the Mangawhai Community Wastewater Scheme Advisory Panel.

The Commissioners have had many engagements with communities, public interest groups and key stakeholders to identify their priorities and preferences, and keep people informed of Council activities. This helps to ensure that decisions are made that take into consideration the preferences of the wide range of communities across the district.

Community planning

Council has:

- Held community planning meetings and developed community action plans for Pouto Peninsula, Baylys, Mangawhai Village and Tangiteroria. For Dargaville and Kaiwaka, placemaking and improvement initiatives have been the focus in partnership with the community;
- Completed a private plan change for land in Tinopai; and
- Continued with a plan change to reduce the water storage requirements for firefighting. A fresh approach is being considered.

Corporate planning

The Annual Report 2014/2015 was adopted in September 2015, a month early. Preparation for this Annual Report also commenced in the latter half of the 2015/2016 financial year.

The Annual Plan 2016/2017 was adopted on 28 June 2016. The Plan was prepared under new provisions of the Local Government Act which required the use of the same year for the Long Term Plan 2015/2025 as a reference point. The final Plan was a streamlined version of previous annual plans. Prior to adoption of the Plan, community feedback was sought using a Consultation Document prepared for that purpose.

A comprehensive business improvement programme is continuing including business-wide customer service training. Significant investment in the IT system has improved reliability and capacity at all the sites from which we operate.

Capital expenditure for this activity related to vehicles, information systems and Council buildings.

The contribution of this activity to community outcomes

| Community outcome | How this activity or service contributes |
|---|--|
| Sustainable economy | <p>Provides regular, timely, transparent and accessible communication along with clear and simple procedures.</p> <p>Enables commercial and industrial development to occur without undue restrictions.</p> |
| Strong communities | <p>Encourages communities to work together in moving forward by actively providing various methods of support.</p> <p>Provides the community with the opportunity to be involved in decisions which affect them.</p> <p>Provides support to the business community to develop.</p> |
| Special character and healthy environment | <p>Reflects the Kaipara culture with a small, friendly, approachable organisation which tailors services to cater for Kaipara's unique needs.</p> <p>Provides a development framework while safeguarding the environment.</p> <p>Economic growth enables improved social conditions.</p> |

District Leadership – Funding Impact Statement – Operating and Capital

| For the year ended: | Actual | Annual Plan | Annual Plan | For the year ended: | Actual | Annual Plan | Annual Plan |
|---|---------------|--------------|---------------|---|---------------|-------------|---------------|
| 30 June | 2015-2016 | 2015-2016 | 2014-2015 | 30 June | 2015-2016 | 2015-2016 | 2014-2015 |
| | \$'000 | \$'000 | \$'000 | | \$'000 | \$'000 | \$'000 |
| Operating funding | | | | Capital funding | | | |
| Sources of operating funding | | | | Sources of capital funding | | | |
| General rates, uniform annual general charges, rate penalties | 4,030 | 4,065 | 3,850 | Subsidies and grants for capital expenditure | 0 | 0 | 0 |
| Targeted rates | 0 | 0 | 0 | Development and financial contributions | 0 | 0 | 0 |
| Subsidies and grants for operating purposes | 46 | 0 | 0 | Increase (decrease) in debt | -10,907 | -338 | -1,477 |
| Fees and charges | 4,857 | 65 | 611 | Gross proceeds from sale of assets | 1,209 | 150 | 15 |
| Internal charges and overheads recovered | 5,145 | 5,147 | 5,279 | Lump sum contributions | 0 | 0 | 0 |
| Local authorities fuel tax, fines, infringement fees and other receipts | 290 | 351 | 328 | Other dedicated capital funding | 0 | 0 | 0 |
| Total operating funding | 14,369 | 9,628 | 10,068 | Total sources of capital funding | -9,698 | -188 | -1,462 |
| Application of operating funding | | | | Applications of capital funding | | | |
| Payments to staff and suppliers | 9,247 | 8,916 | 7,925 | Capital expenditure - to meet additional demand | 0 | 0 | 0 |
| Finance costs | -831 | -152 | 241 | Capital expenditure - to improve the level of service | 195 | 227 | 0 |
| Internal charges and overheads applied | 219 | 219 | 149 | Capital expenditure - to replace existing assets | 156 | 230 | 173 |
| Other operating funding applications | 0 | 0 | 0 | Increase (decrease) in reserves | -4,315 | 0 | 118 |
| Total applications of operating funding | 8,635 | 8,983 | 8,315 | Increase (decrease) of investments | 0 | 0 | 0 |
| Surplus (deficit) of operating funding | 5,734 | 645 | 1,753 | Total applications of capital funding | -3,964 | 457 | 291 |
| | | | | Surplus (deficit) of capital funding | -5,734 | -644 | -1,753 |
| | | | | Funding Balance | 0 | 0 | 0 |

Financial comment:

- Fees and charges includes receipt of a settlement with the OAG of \$4.7 million excluding GST.
- Finance Costs are \$0.7 million lower than budget due to lower than budget public debt levels during the year.
- Decrease in debt reflects the additional debt retired during the year.

District Leadership - Performance Measures

| Performance indicator/service level | LTP Year 1 Target 2015/2016 | Actual 2014/2015 | Actual 2015/2016 | Comments |
|--|-----------------------------|----------------------------|------------------|--|
| Governance | | | | |
| <i>Compliance with legal requirements (as stipulated in the Local Government Act 2002 and Local Government Official Information and Meetings Act 1978) around formal meetings of Council and its Committees.</i> | | | | |
| Measured by | | | | |
| Meetings of Council and Committees are correctly convened and legislatively compliant. | All | New measure from 2015/2016 | All | Achieved |
| <i>Elected Members/Commissioners are provided with detailed, accurate and relevant information.</i> | | | | |
| Measured by | | | | |
| Comprehensive reporting to Council and Committee meetings uses approved systems and processes. | All | New measure from 2015/2016 | All | Achieved |
| Commissioners/Elected Members are satisfied with the level of support and service provided by officers. | Increasing trend | 75% | 100% | Achieved |
| Percentage of residents that are very/fairly satisfied with how rates are spent on services and facilities provided by Council. | 60% | 56% | 43% | Not achieved Options to improve this percentage to be reviewed with annual plan and long term plan feedback/consultation. |

| Performance indicator/service level | LTP Year 1 Target 2015/2016 | Actual 2014/2015 | Actual 2015/2016 | Comments |
|---|-----------------------------|----------------------------|-------------------------|---|
| <i>That the Elected Members/Commissioners identify and respond to external risks to reduce or mitigate effects on the community.</i> | | | | |
| Measured by | | | | |
| Percentage of residents that are very/fairly satisfied with the way Council involves the public in decision-making. | 35% | 47% | 46% | Achieved |
| <i>A proactive programme to develop good relationships with the community and mana whenua.</i> | | | | |
| Measured by | | | | |
| Of those residents which have a view, the percentage of residents and non-resident ratepayers who have some level of confidence in the Council to make plans for the future that are in the best interests of the District. | Increasing trend | 51% | 40% | Not achieved Unclear what has driven this. |
| Percentage of residents who rate the performance of Commissioners/Elected Members as very good/fairly good. | 45% | 43% | 60% | Achieved |
| That the Mana Whenua Forum meets regularly. | 4 times per year | New measure from 2015/2016 | 2 times during the year | Not achieved Forum met twice during the year and plans to meet 3 times a year in the coming year |

| Performance indicator/service level | LTP Year 1 Target 2015/2016 | Actual 2014/2015 | Actual 2015/2016 | Comments |
|--|--|----------------------------|------------------|--|
| <i>The transition from Commissioners back to Elected Members is successful.</i> | | | | |
| Measured by | | | | |
| Committees' Governance Structures are reviewed and adopted by a new Council. | | New measure from 2015/2016 | Not measured | Delayed for the 2016/2017 year as per delayed election. |
| Good levels of participation in elections. | | New measure from 2015/2016 | Not measured | No elections were held in this current financial year. This measure will come into effect during the next financial year. |
| <i>Processes established and maintained that provide opportunities for Maori to participated in decision-making (Section 81 LGA 2002)</i> | | | | |
| Measured by | | | | |
| Iwi Relationship Plan is developed and used. | Iwi Relationship Plan is implemented | New measure from 2015/2016 | Achieved. | Achieved The Iwi Relationship Plan states that Mana Whenua Forums should be held, two of which have been held. We have also been working with two iwi on relationship agreements. |
| Participation in Iwi Chief Executive's Forum. | Chief Executive attends at least 2 meetings per year | New measure from 2015/2016 | Achieved | Achieved Attended a meeting in August 2015 and in February 2016. |
| Maori Staff Advisory Group. | Meets 4 times per year | New measure from 2015/2016 | Achieved | Achieved The Maori Advisory Group has meet on average once a month over the last year. |

| Performance indicator/service level | LTP Year 1 Target 2015/2016 | Actual 2014/2015 | Actual 2015/2016 | Comments |
|---|-----------------------------|----------------------------|------------------|--|
| Community Planning | | | | |
| <i>Community Action Plans produced to build community trust in Council.</i> | | | | |
| Measured by | | | | |
| Number of Community Planning meetings held and Community Action Plans developed. | 4 per year | New measure from 2015/2016 | 4 | Achieved Plans developed for four communities. Community planning meetings were held with Mangawhai Village, Baylys and Tangiteroria. In addition, telephone surveys and Action Plans were undertaken with Glinks Gully, Pouto and Kelly's Bay. |
| <i>All statutory required plans and documents are produced in accordance with legislative processes and requirements e.g. District Plan, Reserve Management Plans, Gambling Policy.</i> | | | | |
| Measured by | | | | |
| District Plan: Percentage of Building Consents that do not require a Resource Consent. | 30% | New measure from 2015/2016 | 28% | Not achieved The percentage has had a small margin under or over the 30% target. |
| Reserve Management Plans for all reserves in the District. | 30% | New measure from 2015/2016 | 0% | Not achieved The development of the omnibus (RMP) (that groups all reserves based on their use or character) has been deferred until after the Kai Iwi Lakes (Taharoa Domain) RMP has been made final. |

| Performance indicator/service level | LTP Year 1 Target 2015/2016 | Actual 2014/2015 | Actual 2015/2016 | Comments |
|--|--|----------------------------|------------------|---|
| Community Development Fund distributed through Community Planning, recorded, reported and within budget. | | | | |
| Measured by | | | | |
| Percentage of Community Development Fund distributed. | 100% | New measure from 2015/2016 | 100% | Achieved |
| Corporate Planning | | | | |
| Legal compliance of all statutory plans in accordance with the Local Government, with unqualified audit opinions. | | | | |
| Measured by | | | | |
| Council has adopted Long Term Plan/Annual Plan at 30 June of each year. | Achieved | New measure from 2015/2016 | Achieved | Council's Annual Plan 2016/2017 was adopted on 28 June 2016. |
| Organisation has a Business Plan to implement Annual Plan/Long Term Plan by October each year. | Achieved | New measure from 2015/2016 | Achieved | The new 2015/2017 Business Plan was developed in July 2015, implemented in August and began monthly status reporting in September 2015. |
| Council is a 'going concern'. | Council has an adopted Annual Report at 31 October of each year with a clean audit report. | New measure from 2015/2016 | Achieved | Council's Annual Report 2014/2015 was adopted on 29 September 2015. |

District Leadership – Significant Negative Effects

- Delays in amending and updating the District Plan affects the Plan's effective implementation and can result in a Plan that is not current and responsive;
- By its very nature, future planning needs to balance the desires of some citizens with the desires of the wider community. This often takes the form of influencing or controlling development activity so that the development of a property does not unreasonably distract from the quality of life of their neighbours or the wider community. In other cases development can impose unacceptable costs on community facilities and infrastructure, or on the environment;
- Growth, if not carefully managed, can have significant negative effects on the district's community, environment, economy and cultural well-being. The aim is to enable growth to take place while successfully managing its impacts; and
- Economic activity without regard to environmental values in ecologically sensitive areas could result in adverse economic as well as environmental outcomes.

Solid Waste

What we do

Solid waste activities include:

- Kerbside refuse bag collection;
- Recycling collection in key urban areas;
- Two transfer stations for residential and residual waste disposal;
- Public litterbins;
- Collection of illegally dumped rubbish (often referred to as “fly tipping”);
- Removing abandoned vehicles;
- Supporting waste minimisation initiatives; and
- Monitoring, maintaining and management of a number of closed landfills in the district.

The aims and objectives of the solid waste activity are outlined in the Refuse AMP for the district.

Why we do it

We said we would deliver affordable, hygienic refuse collection and disposal that is environmentally sustainable, meets our statutory requirements and meets the needs of our communities, at the current levels of service.

The statutory requirements are defined in the following Acts:

- Local Government Act 2002;
- Waste Minimisation Act 2008;
- Resource Management Act 1991;
- Hazardous Substances and New Organisms Act 1996; and
- Litter Act 1979.

What we did this year

Private operators are responsible for all waste collection, recycling and disposal services for Council. In May 2016 the current contract for Eastern and Western Waste and Recyclables Collection Disposal and Transfer Station Operation was rolled for a further three year period commencing 01 November 2016.

An investigation of options for the cost-effective management and disposal of the Hakaru Closed Landfill leachate has commenced and this investigation is expected to be completed in the 2016/2017 financial year.

Council is working to gain a retrospective consent for a recently uncovered illegal landfill on Bickerstaff Road, Maungaturoto. The majority of the work, including Assessment of Environmental Effects (AEE) has been completed, and consent application and capping proposed to be completed in 2016/2017.

Both Glinks Gully and Mangawhai Closed Landfills were re-consented.

Funding received from the Waste Minimisation Levy was used to fund a pilot programme to increase public awareness around recycling. This was mostly focused on Pouto Peninsula and Kaipara Schools.

Refuse cages at Oneriri, Topuni, Petley Road, Pouto and Hoanga Roads were removed and kerbside collections extended in these areas. The removal of these cages has seen a decrease in illegal bags and other rubbish being left at these sites.

Recycling was expanded at Dargaville Transfer Station, this allows users to drop off their sorted recycling for free during opening hours.

Litterbins have been reviewed and upgraded where needed throughout the year.

The contribution of this activity to community outcomes

| Community outcome | How this activity or service contributes |
|---|--|
| Safety and good quality of life | Communities are able to dispose of refuse in a hygienic and sustainable manner. |
| Special character and healthy environment | Transfer stations, litterbins, closed landfills and removal of illegally dumped rubbish minimise possible environmental impacts. |

Solid Waste – Funding Impact Statements – Operating and Capital

| For the year ended: | Actual | Annual Plan | Annual Plan | For the year ended: | Actual | Annual Plan | Annual Plan |
|---|---------------------|---------------------|---------------------|---|---------------------|---------------------|---------------------|
| 30 June | 2015-2016 \$'000 | 2015-2016 \$'000 | 2014-2015 \$'000 | 30 June | 2015-2016 \$'000 | 2015-2016 \$'000 | 2014-2015 \$'000 |
| Operating funding | | | | Capital funding | | | |
| Sources of operating funding | | | | Sources of capital funding | | | |
| General rates, uniform annual general charges, rate penalties | 1,003 | 1,003 | 859 | Subsidies and grants for capital expenditure | 0 | 0 | 0 |
| Targeted rates | 0 | 0 | 0 | Development and financial contributions | 0 | 0 | 0 |
| Subsidies and grants for operating purposes | 0 | 0 | 0 | Increase (decrease) in debt | 0 | -31 | -47 |
| Fees and charges | 74 | 64 | 61 | Gross proceeds from sale of assets | 0 | 0 | 0 |
| Internal charges and overheads recovered | 509 | 509 | 0 | Lump sum contributions | 0 | 0 | 0 |
| Local authorities fuel tax, fines, infringement fees and other receipts | 0 | 0 | 2 | Other dedicated capital funding | 0 | 0 | 0 |
| | | | | Total sources of capital funding | 0 | -31 | -47 |
| Total operating funding | 1,586 | 1,576 | 922 | | | | |
| Application of operating funding | | | | Applications of capital funding | | | |
| Payments to staff and suppliers | 1,119 | 1,140 | 718 | Capital expenditure - to meet additional demand | 0 | 0 | 0 |
| Finance costs | 29 | 29 | 43 | Capital expenditure - to improve the level of service | 0 | 0 | 0 |
| Internal charges and overheads applied | 126 | 126 | 108 | Capital expenditure - to replace existing assets | 0 | 0 | 6 |
| Other operating funding applications | 0 | 0 | 0 | Increase (decrease) in reserves | 312 | 250 | 0 |
| | | | | Increase (decrease) of investments | 0 | 0 | 0 |
| Total applications of operating funding | 1,274 | 1,296 | 869 | Total applications of capital funding | 312 | 250 | 6 |
| Surplus (deficit) of operating funding | 312 | 280 | 53 | Surplus (deficit) of capital funding | -312 | -281 | -53 |
| | | | | Funding Balance | 0 | 0 | 0 |

Solid Waste - Performance Measures

| Performance indicator/service level | LTP Year 1 Target 2015/2016 | Actual 2014/2015 | Actual 2015/2016 | Comments |
|---|-----------------------------|----------------------------|------------------|---|
| Reliability | | | | |
| <i>To provide regular community kerbside collections.</i> | | | | |
| Measured by | | | | |
| Percentage of residents who are satisfied with rubbish collection measured by the number of complaints received per calendar year regarding collection as a percentage of the total service requests. | 73% satisfied | New measure from 2015/2016 | 99.5% | Achieved 46 requests received in 2015/2016 year (182 in total including illegal dumping) from a total of 13,320 requests to Council. |
| <i>To ensure that closed landfill activities meet legislative compliance.</i> | | | | |
| Measured by | | | | |
| Percentage of compliance with our Resource Consents. | 100% | New measure from 2015/2016 | 100% | Achieved Annual Reports for closed landfills are due 31 July 2016, this ensures compliance. No abatement notices were received. |
| <i>To encourage recycling and reduction of waste to landfill.</i> | | | | |
| Measured by | | | | |
| Reduction in amount of waste to landfill from recycling activities with a percentage drop from year to year being a total of 3% less in three years. | 1% less than previous year | New measure from 2015/2016 | 22% | Not applicable 22% (521 tonnes) of the total refuse taken to Awakino Road Transfer Station (2,339 tonnes) was diverted to recycling. |

| Performance indicator/service level | LTP Year 1 Target 2015/2016 | Actual 2014/2015 | Actual 2015/2016 | Comments |
|---|-----------------------------|----------------------------|------------------|---|
| NB: Baseline measurement for recycling in 2014/2015 is 450 tonnes of recycling diverted from landfill. | | | | Note 1: Hakaru Transfer Station data not included in this report. The 2016/2017 report will include Hakaru. Note 2: Scrap metal including whiteware also not accounted for, this will be estimated and included in 2016/2017 report. |
| Percentage of residents who are very/fairly satisfied with recycling collection in the annual Communitrak Survey. | 52% | New measure from 2015/2016 | 59% | Achieved Taken from Key Research Survey. |

Solid Waste – Significant Negative Effects

- Should the solid waste activity not be conducted correctly, this can result in odours, pests and loose refuse from uncollected rubbish;
- Leachate production is a significant negative effect of the solid waste activity which can pollute the natural environment if left unmanaged;
- Kaipara has a dispersed population and the significant negative effect of the solid waste activity in rural areas is household rubbish not being placed in approved collection bags (referred to as illegal dumping). Where possible this is mitigated by the enforcement of appropriate bylaws and issuing of infringement notices; and
- Risk that with the upgrading and extension of collection points that illegal dumping is happening/shifting to more remote areas of Kaipara district.

The Provision of Roads and Footpaths

What we do

The Council's Roads and Footpaths network consists of 1,573km of mainly rural roads and includes the following assets (excludes State Highways):

- 448 km Sealed roads (28.5%)
- 1,127 km Unsealed roads (71.5%)
- 139 km Roadside drainage
- 13,985 Drainage structures
- 88 km of Footpaths
- 351 Bridge Assets
- 7,845 Signage
- 1,168 Streetlights.

Council's Roads and Footpaths activity consists of:

- Managing and maintaining all the district's roads and footpaths except State Highway/carriageways;
- Promoting road safety;
- Advocating on Kaipara's behalf to central government on transport matters, especially in response to the reduction in the NZ Transport Agency (NZTA) subsidy;
- Extending seal where there is local (residents or developers) and/or NZTA funding;
- Resealing approximately 30kms of road annually;
- Responding to damage from storm events;
- Heavy metalling on forestry impacted roads;
- Improving road signage; and
- Upgrading footpaths as funding allows.

Why we do it

Roading is a Council core business. It is the service most used by people of the district and is essential for communication, social connection and doing business. The majority of Council's capital expenditure is spent on roads.

What we did this year

The Roding and Footpath capex programme was largely completed. A few projects that were delayed were carried forward to the next financial year for completion during favourable weather conditions.

The status of the capital works programme at the end of the financial year was as follows:

| Description of project | Stage | Budget from Annual Plan | Progress description |
|--|--------------|-------------------------|---|
| Pavement rehabilitation | Completed | \$2,599,000 | All rehabilitation projects are completed. |
| Minor improvements | 80% complete | \$1,128,000 | Pouto Road culvert work in progress, Mangawhai widening deferred. |
| Minor improvements carried forward | | \$810,000 | Other works completed. |
| Heavy unsealed road re-metalling – various sites | Completed | \$2,005,000 | Heavy metalling works are completed including forestry related roads. |
| Resurfacing | Completed | \$1,164,000 | 30.314kms of resurfacing was completed. |
| Thin asphalt resurfacing | Completed | \$0 | Although there was no budget for thin asphalt resurfacing 51m was completed through the resurfacing allocation. |
| Development contribution works | Completed | \$145,000 | Associated with Estuary Drive and Moir Point Road seal extension, completed. |
| Drainage renewals | Completed | \$410,000 | Works completed. |
| Structural components replacement | Completed | \$436,000 | Contract 788 is complete. Some minor repairs were completed by the maintenance contractor. |

| Description of project | Stage | Budget from Annual Plan | Progress description |
|---------------------------------------|---------------------|-------------------------|---|
| Signs and markings | Completed | \$190,000 | This work was undertaken under the maintenance contract. |
| New footpaths | Completed | \$60,000 | New footpath completed - associated with the seal extension on Estuary Drive and Moir Point Road. |
| Resilience (preventative maintenance) | Design/construction | \$305,000 | Projects have been designed for Pukehuia and Arapohue Roads. As at 30 June no physical works have been completed. |
| Seal extension | Completed | \$250,000 | Estuary Drive completed. |
| Safety | Completed | \$125,000 | Programme completed. |
| Total | | \$9,627,000 | |

The MWH professional services contract expired on 30 June 2016. Council decided to set up its own in-house business unit and also join the NTA (Northland Transportation Alliance) to deliver their roading projects. The NTA will formally commence on 01 July 2016. The contract for road maintenance with Broadspectrum (formerly Transfield Services (NZ) LTD) was also rolled over for a further year until June 2017. A review of Broadspectrum's performance is carried out on a monthly basis through their KPI measurements, however an overall assessment was completed to determine whether it was appropriate to roll over the contract for another year.

An unsealed road trial is underway, with six sites currently being treated to measure road performance from blending aggregates. This will determine whether there is an advantage over the current regime of using the closest quarry source material versus mixing materials. The outcome improvements hoped for are improved longevity after maintenance grading, reduced pothole repairs and reduced cost to maintain roads at current levels.

Kaipara District Council and New Zealand Cycle Trail (NZCT) have been working together for some years to develop an on-road cycleway connecting Pouto in the Kaipara to Rawene in the Far North. These routes (the Kauri Coast and Kaipara Missing Link Cycleway) have been officially opened and promoted for some years and this year, have been sign-posted.

Councils are assessing the new levels of service driven by the Roads Efficiency Group (combination of local government and the NZTA) to determine whether there are efficiency gains to maintaining roads. The outcomes of this assessment will be announced during the coming year.

The contribution of this activity to community outcomes

| Community outcome | How this activity or service contributes |
|---|---|
| Sustainable economy | Provides for safe and efficient transport of people, goods and materials. This is achieved by maintaining pavement surfaces, replacing one lane and weight restricted bridges and removing road hazards. |
| Strong communities | Appropriate transportation links between and within communities and access to properties. This is achieved by maintaining all-weather surfaces, providing adequate directional signage and by repairing road instabilities. |
| Safety and good quality of life | Safe road network that is well-delineated and minimises road hazards. This is achieved by providing skid resistant surfaces, improving warning signage and markings, and by removing roadside hazards. |
| Special character and healthy environment | Provides access and directional signage to key areas of natural, cultural and historic significance. |

The Provision of Roads and Footpaths – Funding Impact Statement – Operating and Capital

| For the year ended: | Actual | Annual Plan | Annual Plan | For the year ended: | Actual | Annual Plan | Annual Plan |
|---|---------------------|---------------------|---------------------|---|---------------------|---------------------|---------------------|
| 30 June | 2015-2016 \$'000 | 2015-2016 \$'000 | 2014-2015 \$'000 | 30 June | 2015-2016 \$'000 | 2015-2016 \$'000 | 2014-2015 \$'000 |
| Operating funding | | | | Capital funding | | | |
| Sources of operating funding | | | | Sources of capital funding | | | |
| General rates, uniform annual general charges, rate penalties | 9,305 | 9,300 | 9,853 | Subsidies and grants for capital expenditure | 4,685 | 5,483 | 10,544 |
| Targeted rates | 399 | 390 | 0 | Development and financial contributions | 481 | 34 | 217 |
| Subsidies and grants for operating purposes | 5,424 | 4,621 | 3,834 | Increase (decrease) in debt | 0 | -71 | 3,062 |
| Fees and charges | 103 | 0 | 0 | Gross proceeds from sale of assets | 0 | 0 | 0 |
| Internal charges and overheads recovered | 0 | 0 | 399 | Lump sum contributions | 0 | 0 | 0 |
| Local authorities fuel tax, fines, infringement fees and other receipts | 0 | 0 | 4 | Other dedicated capital funding | 0 | 0 | 0 |
| Total operating funding | 15,231 | 14,311 | 14,090 | Total sources of capital funding | 5,166 | 5,446 | 13,823 |
| Application of operating funding | | | | Applications of capital funding | | | |
| Payments to staff and suppliers | 8,614 | 7,802 | 6,621 | Capital expenditure - to meet additional demand | 555 | 179 | 0 |
| Finance costs | 70 | 70 | 86 | Capital expenditure - to improve the level of service | 3,039 | 1,529 | 3,350 |
| Internal charges and overheads applied | 2,710 | 2,711 | 3,630 | Capital expenditure - to replace existing assets | 5,680 | 7,919 | 14,226 |
| Other operating funding applications | 0 | 0 | 0 | Increase (decrease) in reserves | -270 | -452 | 0 |
| Total applications of operating funding | 11,394 | 10,583 | 10,337 | Increase (decrease) of investments | 0 | 0 | 0 |
| Surplus (deficit) of operating funding | 3,837 | 3,729 | 3,753 | Total applications of capital funding | 9,003 | 9,175 | 17,576 |
| | | | | Surplus (deficit) of capital funding | -3,837 | -3,729 | -3,753 |
| | | | | Funding Balance | 0 | 0 | 0 |

Financial comment

- Total operating funding is higher than budget due to more maintenance work completed during the year which resulted in higher operating subsidies from NZTA. Payments to staff and suppliers are higher to reflect the work undertaken.
- Capital expenditure is lower than budget as is the resulting NZTA funding. Works are planned to be carried forward to next year.
- Development contributions are well ahead of plan due to high levels of activity.

The Provision of Roads and Footpaths - Performance Measures (Measures 1-5 are statutory requirements)

| Performance indicator/service level | LTP Year 1 Target 2015/2016 | Actual 2014/2015 | Actual 2015/2016 | Comments |
|--|-----------------------------|----------------------------|------------------|--|
| 1 Safety | | | | |
| <i>The transportation network is designed and managed for safe use with low crash and injury rates.</i> | | | | |
| Measured by | | | | |
| Number of road fatalities and serious injuries caused by road factors. | 13 | New measure from 2015/2016 | Nil | Achieved There were 4 fatal crashes during 2015/2016, 3 recorded in January 2016 and 1 recorded in June 2016, however none of the fatalities were caused by road factors. |
| 2.1 Road Condition (Smoothness) | | | | |
| <i>The average quality of ride on a sealed local road network, measured by smooth travel exposure.</i> | | | | |
| Measured by | | | | |
| Smoothness within average range as below: <90 smooth 90-110 average <110 rough. | 90-110 | 95 | 94.5 | Achieved The latest smoothness results were taken from the RAMM database after the 2016 High Speed data survey. |
| 2.2 Road Condition (Pavement Integrity Index) | | | | |
| <i>The Pavement Integrity Index (PII) is a combined index of the pavement faults in sealed road surfaces. It is a 'weighted sum' of the pavement defects divided by total lane length.</i> | | | | |
| Measured by | | | | |
| PII within average range as below: <90 poor >90 good >95 very good. | 90-95 | New measure from 2015/2016 | 90.1 | Achieved The latest figures were taken from NZTA website. This shows the result fits the 'good' performance range for sealed roads. |

| Performance indicator/service level | LTP Year 1 Target 2015/2016 | Actual 2014/2015 | Actual 2015/2016 | Comments |
|--|-----------------------------|----------------------------|------------------|---|
| 3 Road Maintenance | | | | |
| <i>The percentage of the sealed local road network that is resurfaced. (This is based on a design life of 15 years).</i> | | | | |
| Measured by | | | | |
| Minimum reseal percentage of the total sealed length of the network that will be undertaken each year to keep up with surface determination rates. | 6.8% | New measure from 2015/2016 | 6.8% | Achieved The current length of sealed network resurfaced (chipseal and AC) is 30.314kms. Sealed network length = 448kms. |
| 4 Footpaths | | | | |
| <i>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').</i> | | | | |
| Measured by | | | | |
| Percentage of residents who are satisfied with footpaths. | 73% | 52% | 54% | Not achieved This measure is the latest received as part of the KeyResearch report. |
| 5 Response to service requests | | | | |
| Measured by | | | | |
| Percentage of customer service requests, approved for action, closed (customer informed of intended work schedule) within the target day timeframes set. | 90% | New measure from 2015/2016 | 93.3% | Achieved We have received 2,082 service requests in total for roads and footpaths. Of these 1,962 have been completed, 93.3% of these within the timeframes set. |

| Performance indicator/service level | LTP Year 1 Target 2015/2016 | Actual 2014/2015 | Actual 2015/2016 | Comments |
|---|-----------------------------|----------------------------|------------------|--|
| Road Maintenance | | | | |
| The length of the unsealed* local road network that is graded. | | | | |
| Measured by | | | | |
| The length of the unsealed local road network that is graded per annum for Secondary Collector. | 140km minimum | New measure from 2015/2016 | 118.6kms | Not achieved Grading of secondary collector roads below minimum target. |
| The length of the unsealed local road network that is graded per annum for Access. | 1,200km minimum | New measure from 2015/2016 | 1,537.7kms | Achieved Grading of access roads above minimum target. |
| The length of the unsealed local road network that is graded per annum for Access (Low Volume). | 750km minimum | New measure from 2015/2016 | 1,090.7kms | Achieved Grading of Access (Low Volume) above minimum target. |

*One Network Road Classification (ONRC)

The Provisions of Roads and Footpaths – Significant Negative Effects

- Significant negative effects from vehicles using the roads and roading network itself include traffic hazards and accidents, dust, noise, emissions and other amenity effects and environmental effects;
- Council's Roding AMP describes its roading assets and details the practices used to manage those assets which helps to reduce possible negative effects and risks; and
- Storms, greater than average size weather events, will require a restructure of the annual budgets to accommodate the costs to repair district roads.

Sewerage and the Treatment and Disposal of Sewage

What we do

Council provides wastewater collection and treatment systems in:

- Dargaville – servicing the urban area except part of the Beach Road industrial area. The system includes around 46kms of pipeline, 15 pump stations and a treatment plant (oxidation pond, maturation pond and wetland) with a continuous discharge to the Northern Wairoa River;
- Glinks Gully – servicing 24 houses. The system includes approximately 494m of pipeline and 1 pump station discharging to a disposal area;
- Kaiwaka – servicing 163 houses. The system includes approximately 5.3kms of pipeline, 1 pump station and a treatment plant (oxidation pond and wetland) discharging to the Kaiwaka Stream;
- Maungaturoto – servicing approximately 369 sites. The system includes approximately 12kms of pipeline, 3 pump stations and a treatment plant (oxidation pond and membrane plant) discharging into the Wairoa River on each outgoing tide;
- Te Kopuru – servicing the urban area. The system includes approximately 6.6kms of pipeline and a treatment plant (oxidation pond and wetland) discharging to the Northern Wairoa River;
- Mangawhai – servicing or able to service approximately 1,833 users in the Mangawhai Village and Heads areas. The system includes approximately 69.3kms of pipeline and 18 pump stations, a water reclamation plant, and a transfer main to Lincoln Downs where the treated water is stored awaiting irrigation to pasture; and
- Council also regulates trade waste discharges to the wastewater system.

Council's Wastewater AMP defines wastewater standards, levels of service, and funding levels to maintain sustainable and affordable services in the above communities.

Why we do it

We provide services to ensure that the district's wastewater is collected, treated and disposed of in a cost-effective, sustainable and environmentally friendly manner. The provision also protects public and environmental health through economic and environmentally sustainable treatment and disposal of wastewater.

What we did this year

General operations: Since 2007, Downer has been the Three Waters operation and maintenance contractor. The operation and maintenance contract was updated and went to tender. Council received three tenders and the operation and maintenance contract was awarded to Broadspectrum who was due to commence as the new contractor on 01 July 2016.

Health and Safety

Risk registers to identify risks and hazards for all activities and areas and how these can be managed through a risk elimination or minimisation strategy, have been developed. Regular audits of these sites will identify any non-compliances, which Council will have a process to manage.

Safety grates have been installed at all pump stations in the district this year, to reduce the risk of any persons falling into pump station wet wells.

Resource consents: There have been no major issues regarding the resource consents apart from minor transgressions of some parameters, the same have been investigated and managed with the help of NRC. Ongoing monitoring to identify any seasonal trends is also in place.

The capital works programme was largely completed with some projects carried forward to the next financial year as follows:

| Description of project | Stage | Budget from Annual Plan | Progress description |
|---|-----------|-------------------------|---|
| Dargaville - Increase pump station capacity | Awarded | \$100,000 | Balance of work will carry forward to 2016/2017. |
| Dargaville - Renewal of reticulation areas | Completed | \$425,000 | |
| Dargaville - Safety grills at pump stations | Completed | \$4,000 | |
| Dargaville - Renewal of reticulation areas to reduce inflow infiltration | Completed | \$150,000 | |
| Kaiwaka - Environmental compliance | Completed | \$2,000 | |
| Mangawhai - Effluent discharge options | Deferred | \$445,000 | Carry forward to 2016/2017. |
| Mangawhai - Additional capacity for growth | Completed | \$40,000 | |
| Mangawhai - MCWWS scheme and disposal system capacity - options for improving disposal system performance and expansion | Completed | \$280,000 | \$73,862 has been utilised on options for the MCWWS. The balance will be carried forward to complete the Estuary Drive pump station upgrade in 2016/2017. |

| Description of project | Stage | Budget from Annual Plan | Progress description |
|---|-----------|-------------------------|----------------------------|
| Maungaturoto - Pump stations and rising mains renewal | Completed | \$20,000 | |
| Maungaturoto - Safety grills at pump stations | Completed | \$3,500 | |
| Maungaturoto - Environmental compliance | Deferred | \$2,500 | Carry forward to 2016/2017 |
| Te Kopuru - Environmental compliance | Completed | \$2,000 | |
| Total | | \$1,474,000 | |

Mangawhai Community Wastewater Scheme

A Community Advisory Panel was appointed to recommend to Council how the scheme might be extended to cater for more connections in the future.

The Panel provided a report to Council. In response to the Panel's report, and specifically the 22 recommendations given, Council clustered the responses under six theme headings being:

- 1 Maintaining good Mangawhai Harbour water quality;
- 2 Ensuring disposal quality and capacity is sufficient;
- 3 Ensuring there is capacity for future growth in Mangawhai;
- 4 Ensuring all properties that can be connected to the scheme are connected;
- 5 Applying a 'user pays' principle; and
- 6 Ensuring long term financial affordability.

Resolution of some issues have commenced, e.g. review of Council's Wastewater Bylaw. Funding to work through the remaining responses has been included in the 2016/2017 Annual Plan, and will also be included as part of the Long Term Plan 2018/2028.

The contribution of this activity to community outcomes

| Community outcome | How this activity or service contributes |
|---|--|
| Sustainable economy | To process the wastewater generated from industry and commercial activities. |
| Safety and good quality of life | To maintain a good standard of public health. |
| Special character and healthy environment | Treatment of pollutants to reduce the impact on the environment. |

Sewerage and the Treatment and Disposal of Sewage – Funding Impact Statement – Operating and Capital

| For the year ended: | Actual | Annual Plan | Annual Plan | For the year ended: | Actual | Annual Plan | Annual Plan |
|---|---------------------|---------------------|---------------------|---|---------------------|---------------------|---------------------|
| 30 June | 2015-2016 \$'000 | 2015-2016 \$'000 | 2014-2015 \$'000 | 30 June | 2015-2016 \$'000 | 2015-2016 \$'000 | 2014-2015 \$'000 |
| Operating funding | | | | Capital funding | | | |
| Sources of operating funding | | | | Sources of capital funding | | | |
| General rates, uniform annual general charges, rate penalties | 2,729 | 2,729 | 1,891 | Subsidies and grants for capital expenditure | 0 | 0 | 0 |
| Targeted rates | 4,579 | 4,804 | 4,901 | Development and financial contributions | 2,024 | 349 | 645 |
| Subsidies and grants for operating purposes | 0 | 0 | 0 | Increase (decrease) in debt | 0 | 573 | 194 |
| Fees and charges | 41 | 9 | 9 | Gross proceeds from sale of assets | 0 | 0 | 0 |
| Internal charges and overheads recovered | 0 | 0 | 0 | Lump sum contributions | 0 | 0 | 0 |
| Local authorities fuel tax, fines, infringement fees and other receipts | 0 | 0 | 8 | Other dedicated capital funding | 0 | 0 | 0 |
| | | | | Total sources of capital funding | 2,024 | 922 | 839 |
| Total operating funding | 7,349 | 7,542 | 6,809 | | | | |
| Application of operating funding | | | | Applications of capital funding | | | |
| Payments to staff and suppliers | 2,099 | 2,649 | 2,591 | Capital expenditure - to meet additional demand | 202 | 429 | 173 |
| Finance costs | 3,705 | 3,705 | 3,375 | Capital expenditure - to improve the level of service | 90 | 350 | 412 |
| Internal charges and overheads applied | 936 | 936 | 612 | Capital expenditure - to replace existing assets | 424 | 695 | 485 |
| Other operating funding applications | 0 | 0 | 0 | Increase (decrease) in reserves | 1,917 | -301 | 0 |
| | | | | Increase (decrease) of investments | 0 | 0 | 0 |
| Total applications of operating funding | 6,740 | 7,290 | 6,578 | Total applications of capital funding | 2,632 | 1,174 | 1,070 |
| Surplus (deficit) of operating funding | 608 | 251 | 231 | Surplus (deficit) of capital funding | -608 | -251 | -231 |
| | | | | Funding Balance | 0 | 0 | 0 |

Financial comment

- Payments to staff and suppliers are \$0.5 million lower than budget due to lower desludging costs from a change in process and the carry forward of other planned desludging to next year. Engineering consultancy, plant running costs and maintenance costs are also lower than budget.
- Development contributions are well ahead of plan due to high levels of activity.

- Capital expenditure is \$0.7 million lower than budget primarily due to the deferral of the Mangawhai irrigation extension while Council considers alternative effluent disposal options.

Sewerage and Treatment and Disposal of Sewage - Performance Measures (Measures 1-4 are statutory requirements)

| Performance indicator/service level | LTP Year 1 Target 2015/2016 | Actual 2014/2015 | Actual 2015/2016 | Comments |
|---|-----------------------------|----------------------------|------------------|--|
| 1 System and adequacy <i>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.</i> | | | | |
| Measured by | | | | |
| The number of dry weather sewage overflows from Council's <i>sewerage systems</i> , expressed per 1,000 sewerage connections to that sewerage system. The resource consent provides for severe weather events and power failure exceptions. | 2 | New measure from 2015/2016 | 2 | Achieved |
| 2 Discharge compliance <i>Compliance with the Council's Resource Consents for discharge from its sewerage system.</i> | | | | |
| Measured by | | | | |
| The number of abatement notices received by the Council in relation to its resource consents for discharge from its sewerage system. | 0 | New measure from 2015/2016 | 0 | Achieved One abatement notice was received on 03 June, however this abatement was appealed and discussed with NRC staff. As a result of appropriate measures taken, NRC cancelled the abatement notice. |

| Performance indicator/service level | LTP Year 1 Target 2015/2016 | Actual 2014/2015 | Actual 2015/2016 | Comments |
|--|---|----------------------------|-----------------------|--------------------------------|
| The number of infringement notices received by the Council in relation to its Resource Consents for discharge from its sewerage system. | 0 | New measure from 2015/2016 | 0 | Achieved |
| The number of enforcement orders received by the Council in relation to its Resource Consents for discharge from its sewerage system. | 0 | New measure from 2015/2016 | 0 | Achieved |
| The number of convictions received by the Council in relation to its Resource Consents for discharge from its sewerage system. | 0 | New measure from 2015/2016 | 0 | Achieved |
| 3 Fault response times | | | | |
| <i>Where the Council attends to sewerage overflows resulting from a blockage or other fault in the Council's sewerage system.</i> | | | | |
| Measured by | | | | |
| <i>Attendance time:</i> from the time that the Council receives notification to the time that service personnel reach the site. | 1 hour | New measure from 2015/2016 | 34 mins | Achieved (12 month average) |
| <i>Resolution time:</i> from the time that the Council receives notification to the time that service personnel confirm resolution of the blockage or other fault. | 4 hours for minor blockages 3 days for significant blockages | New measure from 2015/2016 | 2 hours 33 minutes | Achieved (12 month average) |

| Performance indicator/service level | LTP Year 1 Target 2015/2016 | Actual 2014/2015 | Actual 2015/2016 | Comments |
|--|-----------------------------|-----------------------------|------------------|--------------------------------|
| 4 Customer satisfaction | | | | |
| <i>The total number of sewerage system complaints received by the Council.</i> | | | | |
| Measured by | | | | |
| The total number of complaints received by the Council about sewage odour. <i>Expressed</i> per 1,000 sewerage connections to that sewerage system. | 16 | New measures from 2015/2016 | 2.3 | Achieved |
| The total number of complaints received by the Council about sewerage system faults. <i>Expressed</i> per 1,000 sewerage connections to that sewerage system. | 16 | New measures from 2015/2016 | 3.4 | Achieved |
| The total number of complaints received by the Council about sewerage system blockages. <i>Expressed</i> per 1,000 sewerage connections to that sewerage system. | 15 | New measures from 2015/2016 | 6.2 | Achieved |
| Council's response time to complaints regarding its sewerage system. | 1 hour | New measures from 2015/2016 | 34 minutes | Achieved (12 month average) |

Sewerage and the Treatment and Disposal of Sewage – Significant Negative Effects

- Possible negative effects of this activity could include system failure or pipeline breakages that result in contamination of public waterways which results in an environmental or public health risk. Overflows of sewerage to waterways during heavy rainfall events may also be a negative effect. Council's Wastewater AMP describes its wastewater assets and details the practices used to manage those assets which helps to reduce possible negative effects and risks;
- Overflows from the wastewater pumping stations to river/water bodies may result in NRC issuing an infringement notice;
- Council has installed a warning system at critical wastewater pumping stations to warn its operations staff before they overflow;
- Failure of wastewater treatment plant in meeting the resource consent parameters may result in NRC issuing an infringement notice. Council measures performance of its wastewater treatment plants on a regular basis to monitor the treatment processes and ensuring compliance with the resource consents;
- The aging membranes at the Maungaturoto Membrane Filtration Plant requires higher maintenance which means higher costs; and
- It has been identified there is a need to desludge the Maungaturoto Wastewater Pond to improve the quality and capacity of the Maungaturoto Wastewater Treatment Plant. This is planned for 2016/2017.

Stormwater Drainage

What we do

The primary stormwater system consists of pipes, drains, swales, sumps and channels.

The secondary stormwater system comes into effect during significant heavy rain events, and carries excess stormwater which the primary system cannot contain. This consists of stormwater overland flowpaths through reserves, private properties and along road corridors.

Stormwater is managed differently across the district:

- Council provides a piped stormwater system in the Dargaville urban area with some open drains;
- Stormwater control in Mangawhai is provided by a combination of soakage, stormwater reticulation and open drains;
- Stormwater systems in Baylys, Te Kopuru, Kaiwaka, Pahi, Whakapirau, Tinopai, Paparoa and Maungaturoto are predominantly related to the road network;
- Road culverts are provided in Tinopai, Kelly's Bay and Glinks Gully; and
- Stormwater management in Ruawai is integrated into the Raupo Drainage District works.

The Stormwater Asset Management Plan (AMP) has been developed alongside Council's Engineering Standards 2011 to determine priorities and maintenance activities. Investment is balanced against a community's ability to pay. The stormwater quality is regularly monitored across the district.

Planning and building controls are used to reduce harm to property in flood-prone areas by, for example, imposing minimum floor levels and other building restrictions.

Why we do it

Stormwater is managed to protect people and property from flooding and to ensure roads remain safe in most weather events. Stormwater is piped in most urban areas.

What we did this year

Council continued to deliver the current levels of service for stormwater drainage, to ensure that stormwater flooding and discharge to the environment is contained and managed to minimise the impact on people, property and the environment.

High tides coinciding with high sea levels resulting in high winds in May this year put stopbanks to the test, however no failures occurred.

Health and Safety

Risk registers to identify risks and hazards for all activities and areas and how these can be managed through a risk elimination or minimisation strategy, have been developed. Regular audits of these sites will identify any non-compliances, which Council will have a process to manage.

The capital works programme has been delivered as follows:

| Description of project | Stage | Budget from Annual Plan | Progress description |
|---|--------------|-------------------------|--|
| Dargaville - Pipeline renewal – Murdoch and Liverpool Streets | Completed | \$299,000 | |
| Baylys – All asset group renewals | Deferred | \$20,000 | |
| Mangawhai - All asset groups renewal and consent related projects | Deferred | \$25,000 | Carry forward to 2016/2017 for resolving flooding issues at Pohutukawa Place |
| Mangawhai – Estuary Drive pond | Deferred | \$35,000 | Carry forward to 2016/2017 for resolving flooding issues at Pohutukawa Place |
| Mangawhai – Additional capacity for growth | Deferred | \$38,000 | Carry forward to 2016/2017 for resolving flooding issues at Pohutukawa Place |
| Mangawhai – Estuary Drive stormwater improvements | Deferred | \$169,000 | Carry forward to 2016/2017 for resolving flooding issues at Pohutukawa Place |
| Mangawhai - Project generated from Mangawhai resources consent | Deferred | \$100,000 | Carry forward to 2016/2017 for resolving flooding issues at Pohutukawa Place |
| | Total | \$686,000 | |

General operations: It was business as usual for most of the stormwater operations.

Detailed Stormwater Catchment Management Plans will be prepared with the help of consultants in the 2016/2017 year.

A renewal application to discharge stormwater at Mangawhai has been submitted to NRC. As part of the same, we have sent letters to the affected parties to inform them before they receive the notification from NRC. The draft consent conditions have been discussed with NRC and we are now awaiting formal approval.

The contribution of this activity to community outcomes:

| Community outcome | How this activity or service contributes |
|---|--|
| Sustainable economy | Minimises flood damage to properties by ensuring stormwater systems have adequate capacity. |
| Safety and good quality of life | Minimises flooding of dwellings by ensuring stormwater overland flowpaths have adequate freeboard to buildings. Ensures that stormwater systems do not present a safety hazard. |
| Special character and healthy environment | Minimises scour from stormwater by controlling and discharging stormwater flows at protected outfalls. |

Stormwater Drainage – Funding Impact Statements – Operating and Capital

| For the year ended: | Actual | Annual Plan | Annual Plan | For the year ended: | Actual | Annual Plan | Annual Plan |
|---|---------------------|---------------------|---------------------|---|---------------------|---------------------|---------------------|
| 30 June | 2015-2016 \$'000 | 2015-2016 \$'000 | 2014-2015 \$'000 | 30 June | 2015-2016 \$'000 | 2015-2016 \$'000 | 2014-2015 \$'000 |
| Operating funding | | | | Capital funding | | | |
| Sources of operating funding | | | | Sources of capital funding | | | |
| General rates, uniform annual general charges, rate penalties | 171 | 171 | 124 | Subsidies and grants for capital expenditure | 0 | 0 | 0 |
| Targeted rates | 1,192 | 1,186 | 1,078 | Development and financial contributions | 12 | 14 | 13 |
| Subsidies and grants for operating purposes | 0 | 0 | 0 | Increase (decrease) in debt | 0 | 38 | 304 |
| Fees and charges | 0 | 0 | 0 | Gross proceeds from sale of assets | 0 | 0 | 0 |
| Internal charges and overheads recovered | 0 | 0 | 0 | Lump sum contributions | 0 | 0 | 0 |
| Local authorities fuel tax, fines, infringement fees and other receipts | 0 | 0 | 0 | Other dedicated capital funding | 0 | 0 | 0 |
| Total operating funding | 1,363 | 1,357 | 1,202 | Total sources of capital funding | 12 | 52 | 317 |
| Application of operating funding | | | | Applications of capital funding | | | |
| Payments to staff and suppliers | 299 | 417 | 538 | Capital expenditure - to meet additional demand | 0 | 82 | 51 |
| Finance costs | 246 | 246 | 276 | Capital expenditure - to improve the level of service | 6 | 259 | 406 |
| Internal charges and overheads applied | 175 | 179 | 161 | Capital expenditure - to replace existing assets | 185 | 345 | 87 |
| Other operating funding applications | 0 | 0 | 0 | Increase (decrease) in reserves | 464 | -118 | 0 |
| Total applications of operating funding | 720 | 841 | 975 | Increase (decrease) of investments | 0 | 0 | 0 |
| Surplus (deficit) of operating funding | 643 | 516 | 227 | Total applications of capital funding | 655 | 568 | 544 |
| | | | | Surplus (deficit) of capital funding | -644 | -516 | -227 |
| | | | | Funding Balance | 0 | 0 | 0 |

Financial comment

- Payments to staff and suppliers are \$0.1 million lower than budget due to lower maintenance costs.
- Capital expenditure is \$0.5 million lower than budget due to timing of planned capital works and \$0.3 million carried forward to next year.

Stormwater Drainage - Performance Measures

| Performance indicator/service level | LTP Year 1 Target 2015/2016 | Actual 2014/2015 | Actual 2015/2016 | Comments |
|--|-----------------------------|----------------------------|------------------|----------|
| System Adequacy | | | | |
| <i>To provide stormwater drainage systems in urban areas with the capacity to drain water from normal rainfall events and cope with a 1 in 10 year rain event.</i> | | | | |
| Measured by | | | | |
| The number of flooding events that occur in Kaipara District. | 2 | New measure from 2015/2016 | 0 | Achieved |
| For each flooding event, the number of habitable floors affected. (Expressed per 1,000 properties connected to the Council's stormwater system.) | 10 | New measure from 2015/2016 | 0 | Achieved |
| Discharge Compliance | | | | |
| <i>Compliance with the Council's resource consents for discharge from its stormwater system.</i> | | | | |
| Measured by | | | | |
| The number of abatement notices received by the Council in relation those Resource Consents. | 0 | New measure from 2015/2016 | 0 | Achieved |
| The number of infringement notices received by the Council in relation those Resource Consents. | 0 | New measure from 2015/2016 | 0 | Achieved |
| The number of enforcement orders received by the Council in relation those Resource Consents. | 0 | New measure from 2015/2016 | 0 | Achieved |
| The number of convictions received by the Council in relation those Resource Consents. | 0 | New measure from 2015/2016 | 0 | Achieved |

| Performance indicator/service level | LTP Year 1 Target 2015/2016 | Actual 2014/2015 | Actual 2015/2016 | Comments |
|--|-----------------------------|----------------------------|------------------|---|
| Response Times | | | | |
| <i>The median response time to attend to a flooding event.</i> | | | | |
| Measured by | | | | |
| The time from when Council receives notification to the time that service personnel reach the site. | 2 hours for urgent events | New measure from 2015/2016 | N/A | No significant flooding events |
| Customer Satisfaction | | | | |
| <i>The total number of stormwater system complaints received by the Council.</i> | | | | |
| Measured by | | | | |
| The number of complaints received by Council about the performance of its stormwater system, expressed per year. | 18 | New measure from 2015/2016 | 26 | Not achieved Most complaints are in regards to blocked drains, with rubbish or leaves. |

Stormwater Drainage – Significant Negative Effects

- The greatest significant negative effect occurs when high levels of stormwater enter the wastewater reticulation. When this happens the wastewater system can be overloaded, requiring wastewater to be directly discharged into the river to deal with the overload. To respond to this issue, parts of Dargaville have been investigated and a number of issues confirmed which need to be rectified to reduce the stormwater infiltration into the wastewater network. Repairs to both the public stormwater system and privately owned stormwater pipes and gully traps still need to be completed;
- Significant storm events overload the stormwater networks which may result in flooding of habitable dwellings and non-habitable buildings, and flooding of the low-lying portions of the road network causing temporary disruptions; and
- A further negative effect is the amount of gross pollutants (bottles, plastics, rubbish, hydrocarbons and various other pollutants) discharged into the natural receiving environment from the stormwater system.

Water Supply

What we do

Communities with water supplied are Dargaville (including Baylys), Maungaturoto, Ruawai and Glinks Gully. Fonterra receives untreated (raw) water from the Maungaturoto supply. A smaller scheme at Mangawhai services the Mangawhai Heads Camp Ground, Wood Street shops, public toilets, community houses and 17 other connections. Council's Water Supply AMP defines the levels of service and funding requirements, including an engineering standard to guide maintenance.

Why we do it

To ensure communities with public water reticulation have a reliable supply of potable water, Council is continuing to improve levels of service to implement the 2005 New Zealand Drinking Water Standards (Dargaville, Maungaturoto and Ruawai only). Those who receive this water pay the cost of its production.

What we did this year

The existing service levels were delivered for water supply. Knowledge of the condition of water infrastructure was improved again this year and a much improved AMP is being produced. All systems operated without major fault.

General operations: It was business as usual for most of the water operations. Supervisory Control and Data Acquisition (SCADA) has been implemented at Ruawai, and a further upgrade has been completed at the Maungaturoto water treatment plant (WTP) to continuously monitor the dosing of the Ultra Violet disinfection system. The Maungaturoto plant is now being continuously monitored via SCADA.

Council engaged a consultant in 2014/2015 to study and review water leakages for the water supply schemes and provide water loss percentages. Using that same method, an internal study was completed in May 2016. After comparing this year's data to last year's data, results show there has been an improvement in all schemes, with the percentage of water loss decreasing.

Flow meters have been installed and SCADA implemented at the Maungaturoto raw water takes which has improved the raw water take management.

Drought Management: Drought Management Plans for both Dargaville and Maungaturoto have been developed this year with the assistance of both contractors and the NRC. There was no drought this year due to sufficient rainfall over the summer period.

Health and Safety

Risk registers to identify risks and hazards for all activities and areas and how these can be managed through a risk elimination or minimisation strategy, have been developed. Regular audits of these sites will identify any non-compliances, which Council will have a process to manage.

The capital works programme was largely delivered with some budgets carried forward to the next financial year as follows:

| Description of project | Stage | Budget from Annual Plan | Progress description |
|---|-----------|-------------------------|---|
| Dargaville - Bowen and Victoria Streets, Finlayson Park Avenue pipe renewals | Completed | \$250,000 | |
| Dargaville - Normanby Street pipe renewal | Completed | \$53,000 | |
| Dargaville - Manage ex-water source and Ahikiwi – preliminary and project cost estimation | Completed | \$212,000 | Balance of \$101,000 will be carried forward to 2016/2017 for gated weir across Kaihu River |
| Dargaville - Gordon Street pipe renewal | Completed | \$320,000 | |
| Dargaville - Ranfurly Street pipe renewal | Completed | \$220,000 | |
| Dargaville - Waiatua Dam improvements - capacity estimation and bell-mouth raising | Completed | \$50,000 | |
| Gated weir across Kaihu River or Waiatua Stream and pipeline to better utilise dam water | Deferred | \$60,000 | Carry forward to 2016/2017 |
| Protection of raw water main under stormwater pipes and bridge at Rotu Stream | Completed | \$50,000 | |
| Mamaranui Pump VSD | Completed | \$20,000 | |
| Automate shut-off valve (250mm dia) at Dargaville Water Treatment Plant | Completed | \$30,000 | |
| Maungaturoto - New backflow prevention for water takes Install actuator | Completed | \$30,000 | |
| Maungaturoto - Install alarm for pump failures at water takes and generator interface | Completed | \$10,000 | |
| Maungaturoto - Whaka Street water main renewal | Completed | \$70,000 | |

| Description of project | Stage | Budget from Annual Plan | Progress description |
|---|--------------|-------------------------|----------------------------|
| Maungaturoto - Gorge Road renewal | Completed | \$90,000 | |
| Maungaturoto - Install meters at raw water takes - consent compliance | Completed | \$20,000 | |
| Maungaturoto - DWS and consent compliance | Completed | \$8,000 | |
| Ruawai - Reticulation renewal | Completed | \$40,000 | |
| Ruawai - NZDWS compliance | Completed | \$2,000 | |
| Mangawhai - Provisional sum to proceed with a preferred option of WTP Upgrade to meet DWS2005(08) | Deferred | \$30,000 | Carry forward to 2016/2017 |
| Mangawhai - Take consent compliance | Deferred | \$2,000 | Carry forward to 2016/2017 |
| Glinks - Take consent compliance | Deferred | \$1,000 | Carry forward to 2016/2017 |
| | Total | \$1,568,000 | |

The contribution of this activity to community outcomes

| Community outcome | How this activity or service contributes |
|---------------------------------|---|
| Sustainable economy | Reliable and regularly available potable water supplies for commercial and industrial activity. |
| Strong communities | Promotes community growth by providing a safe and reliable water supply. |
| Safety and good quality of life | Raw water is treated to a sustainable standard against waterborne diseases. |

Water Supply – Funding Impact Statement – Operating and Capital

| For the year ended: | Actual | Annual Plan | Annual Plan | For the year ended: | Actual | Annual Plan | Annual Plan |
|---|---------------------|---------------------|---------------------|---|---------------------|---------------------|---------------------|
| 30 June | 2015-2016 \$'000 | 2015-2016 \$'000 | 2014-2015 \$'000 | 30 June | 2015-2016 \$'000 | 2015-2016 \$'000 | 2014-2015 \$'000 |
| Operating funding | | | | Capital funding | | | |
| Sources of operating funding | | | | Sources of capital funding | | | |
| General rates, uniform annual general charges, rate penalties | 0 | 0 | 0 | Subsidies and grants for capital expenditure | 0 | 0 | 0 |
| Targeted rates | 2,936 | 3,150 | 0 | Development and financial contributions | -1 | 0 | 37 |
| Subsidies and grants for operating purposes | 0 | 0 | 0 | Increase (decrease) in debt | 0 | 269 | 296 |
| Fees and charges | -5 | 23 | 2,851 | Gross proceeds from sale of assets | 0 | 0 | 0 |
| Internal charges and overheads recovered | 0 | 0 | 0 | Lump sum contributions | 0 | 0 | 0 |
| Local authorities fuel tax, fines, infringement fees and other receipts | 0 | 0 | 12 | Other dedicated capital funding | 0 | 0 | 0 |
| | | | | Total sources of capital funding | -1 | 269 | 333 |
| Total operating funding | 2,931 | 3,173 | 2,863 | | | | |
| Application of operating funding | | | | Applications of capital funding | | | |
| Payments to staff and suppliers | 1,089 | 1,059 | 1,120 | Capital expenditure - to meet additional demand | 0 | 9 | 148 |
| Finance costs | 320 | 320 | 332 | Capital expenditure - to improve the level of service | 297 | 495 | 0 |
| Internal charges and overheads applied | 516 | 516 | 369 | Capital expenditure - to replace existing assets | 1,097 | 1,064 | 1,227 |
| Other operating funding applications | 0 | 0 | 0 | Increase (decrease) in reserves | -388 | -21 | 0 |
| | | | | Increase (decrease) of investments | 0 | 0 | 0 |
| Total applications of operating funding | 1,925 | 1,895 | 1,821 | Total applications of capital funding | 1,006 | 1,547 | 1,375 |
| Surplus (deficit) of operating funding | 1,006 | 1,277 | 1,042 | Surplus (deficit) of capital funding | -1,007 | -1,277 | -1,042 |
| | | | | Funding Balance | 0 | 0 | 0 |

Financial Comment

- Targeted rates now include water by meter charges which were lower than budget for the year.

Water Supply - Performance Measures

| Performance indicator/service level | LTP Year 1 Target 2015/2016 | Actual 2014/2015 | Actual 2015/2016 | Comments |
|--|---|----------------------------|---|---|
| Safety of drinking water in accordance with NZDWS 2005 (2008) | | | | |
| Measured by | | | | |
| The extent to which Council's drinking water supply complies with part 4 of the NZDWS (bacteria compliance criteria). | Dargaville Maungaturoto Ruawai | New measure from 2015/2016 | Dargaville Maungaturoto Ruawai | Achieved Achieved Achieved |
| The extent to which Council's drinking water supplies complies part 5 of the NZDWS (protozoal compliance criteria). | Dargaville Maungaturoto Ruawai | New measure from 2015/2016 | Dargaville Ruawai Maungaturoto | Achieved Achieved Not achieved Maungaturoto will not achieve protozoal compliance because UV dose was not continuously monitored for the first 3-4 months. Council has upgraded current SCADA system for continuous monitoring of UV dose. |
| Maintenance of the reticulation network. | | | | |
| Measured by | | | | |
| The percentage of real water loss from Council's networked reticulation system. Source: Water Balance and Review for Kaipara District Council dated January 2013. Note: Nationally adopted practices for calculating a water balance (this includes the Infrastructure Leakage Index) have been used in this exercise. | Dargaville 28% Maungaturoto 33% Ruawai 33% Mangawhai 65% | New measure from 2015/2016 | Dargaville 26% Maungaturoto 35% Ruawai 25% Mangawhai 32% | Achieved Not achieved Real water loss was 2% higher than last year, this could be due to the large watermain leak detected at Gorge Road / Hurndall Street. Achieved Achieved |

| Performance indicator/service level | LTP Year 1 Target 2015/2016 | Actual 2014/2015 | Actual 2015/2016 | Comments |
|---|-----------------------------|----------------------------|--------------------|---|
| <i>Fault response times</i> | | | | |
| <i>Where Council attends a call-out in response to a fault or unplanned interruption to its networked reticulation system.</i> | | | | |
| Measured by | | | | |
| The median response time for attendance for urgent call-outs: from the time that the local authority receives notification to the time that service personnel reach the site. | 1 hour | New measure from 2015/2016 | 24 minutes | Achieved (12 month average) |
| The median response time for resolution of urgent call-outs: from the time that the local authority receives notification to the time that service personnel confirm resolution of the fault or interruption. | 2 hours | New measure from 2015/2016 | 2 hours 47 minutes | Not achieved The 12 month average was adversely affected due to a single failure that took 11 hours 20 minutes to resolve. |
| The median response time for attendance for non-urgent call-outs: from the time that the local authority receives notification to the time that service personnel reach the site. | 2 hours | New measure from 2015/2016 | 2 hours 18 minutes | Not achieved (12 month average) |
| The median response time for resolution of non-urgent call-outs: from the time that the local authority receives notification to the time that service personnel confirm resolution of the fault or interruption. | 3 days | New measure from 2015/2016 | 6 hours 40 minutes | Achieved (12 month average) |

| Performance indicator/service level | LTP Year 1 Target 2015/2016 | Actual 2014/2015 | Actual 2015/2016 | Comments |
|--|-----------------------------|----------------------------|------------------|-----------------------------|
| Customer Satisfaction | | | | |
| The total number of water supply complaints received by the Council. | | | | |
| Measured by | | | | |
| The total number of complaints for the district received by Council about drinking water clarity. | 5 | New measure from 2015/2016 | 13 | Not achieved |
| The total number of complaints for the district received by Council about drinking water taste. | 6 | New measure from 2015/2016 | 4 | Achieved |
| The total number of complaints for the district received by Council about drinking water odour. | 4 | New measure from 2015/2016 | 0 | Achieved |
| The total number of complaints for the district received by Council about drinking water pressure or flow. | 18 | New measure from 2015/2016 | 11 | Achieved |
| The total number of complaints for the district received by Council about continuity of supply. | 8 | New measure from 2015/2016 | 6 | Achieved |
| Council's response time to complaints regarding Council's water supply clarity, taste, odour, pressure and continuity of supply. | <24 hours | New measure from 2015/2016 | 24 mins | Achieved (12 month average) |

| Performance indicator/service level | LTP Year 1 Target 2015/2016 | Actual 2014/2015 | Actual 2015/2016 | Comments |
|--|---|----------------------------|--|--|
| <i>Demand Management</i> | | | | |
| Measured by | | | | |
| The average consumption of drinking water per day per resident within Kaipara District = Billed Metered Consumption (m ³) x 1,000 | Dargaville 275 Maungaturoto 340 Ruawai 130 | | Dargaville 285 Maungaturoto 293 Ruawai 134 | Not achieved Achieved Not achieved |
| Number of connections x 365 x 2.5 (occupancy rate). | Glinks Gully 52 Mangawhai 230 | | Glinks Gully 50 Mangawhai 264 | Achieved Not achieved |
| Water Take Consents | 100% compliance with Northland Regional Council Water Take Consents | New measure from 2015/2016 | 100% | Achieved |

Water Supply – Significant Negative Effects

- Possible negative effects of this activity could include water treatment system failure that could affect dialysis patients or the flooding of property due to a breakage in the pipeline. Council's contractors have a list of patients on dialysis and notify them immediately of any outages, supplying them with water if needed. Breaks in the lines are unpredictable, however Council has an alarm activation system that triggers any change to the plant and a 24 hour service to repair faults. Council's Water Supply AMP describes its water assets and details the practices used to manage those assets which helps to reduce possible negative effects and risks;
- A potential negative effect is the supply of non-compliance drinking water to the community. The non-compliance can occur at the water treatment plant or within the water network. Council has stringent water monitoring and testing regimes to control and supply community with compliant drinking water; and
- Council mitigates these potential negative effects by a mix of asset management planning activities including:
 - Asset development work;
 - Monitoring and testing;
 - Demand management initiatives; and
 - Public education, including water conservation programmes.
- A potential negative effect is that a drought could occur over the dry summer months. Council has developed Drought Management Plans to best manage a drought if it occurs, with stringent internal monitoring of river and dam levels. Consistent rainfall helps to reduce any potential drought situations.

Funding Impact Statement – Whole of Council – Operating and Capital

| For the year ended: | Actual | Annual Plan | Annual Report | Annual Plan | For the year ended: | Actual | Annual Plan | Annual Report | Annual Plan |
|---|---------------|---------------|---------------|---------------|---|----------------|---------------|---------------|---------------|
| 30 June | 2015-2016 | 2015-2016 | 2014-2015 | 2014-2015 | 30 June | 2015-2016 | 2015-2016 | 2014-2015 | 2014-2015 |
| | \$'000 | \$'000 | \$'000 | \$'000 | | \$'000 | \$'000 | \$'000 | \$'000 |
| Operating funding | | | | | Capital funding | | | | |
| Sources of operating funding | | | | | Sources of capital funding | | | | |
| General rates, uniform annual general charges, rate penalties | 21,306 | 21,339 | 20,903 | 20,255 | Subsidies and grants for capital expenditure | 4,685 | 5,598 | 6,770 | 10,544 |
| Targeted rates | 9,991 | 10,412 | 6,934 | 6,855 | Development and financial contributions | 3,984 | 897 | 1,595 | 1,423 |
| Subsidies and grants for operating purposes | 5,516 | 4,671 | 5,201 | 3,834 | Increase (decrease) in debt | -10,907 | -553 | -432 | 2,754 |
| Fees and charges | 9,216 | 3,914 | 7,066 | 6,723 | Gross proceeds from sale of assets | 1,209 | 150 | 219 | 15 |
| Interest and dividends from investments | 28 | 50 | 70 | 72 | Lump sum contributions | 0 | 0 | 0 | 0 |
| Local authorities fuel tax, fines, infringement fees and other receipts | 316 | 301 | 384 | 164 | Other dedicated capital funding | 0 | 0 | 0 | 0 |
| Total operating funding | 46,374 | 40,687 | 40,558 | 37,903 | Total sources of capital funding | -1,028 | 6,093 | 8,152 | 14,736 |
| Application of operating funding | | | | | Applications of capital funding | | | | |
| Payments to staff and suppliers | 29,682 | 29,161 | 28,205 | 25,944 | Capital expenditure - to meet additional demand | 1,131 | 699 | 351 | 372 |
| Finance costs | 3,613 | 4,294 | 4,119 | 4,504 | Capital expenditure - to improve the level of service | 4,451 | 3,706 | 2,066 | 5,291 |
| Other operating funding applications | 0 | 0 | 0 | 0 | Capital expenditure - to replace existing assets | 7,860 | 10,745 | 11,609 | 16,612 |
| Total applications of operating funding | 33,295 | 33,455 | 32,324 | 30,448 | Increase (decrease) in reserves | -1,392 | -1,826 | 2,360 | -84 |
| Surplus (deficit) of operating funding | 13,078 | 7,232 | 8,234 | 7,455 | Increase (decrease) of investments | 0 | 0 | 0 | 0 |
| | | | | | Total applications of capital funding | 12,050 | 13,325 | 16,386 | 22,191 |
| | | | | | Surplus (deficit) of capital funding | -13,078 | -7,232 | -8,234 | -7,455 |
| | | | | | Funding Balance | 0 | 0 | 0 | 0 |

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

| For period ended: | Actual | Annual Plan | Annual Report |
|---|---------------------|---------------------|---------------------|
| 30 June | 2015-2016 \$'000 | 2015-2016 \$'000 | 2014-2015 \$'000 |
| Revenue | | | |
| Statement of Comprehensive Revenue and Expense | | | |
| <i>Total revenue</i> | <u>56,928</u> | <u>47,271</u> | <u>49,432</u> |
| Funding Impact Statement | | | |
| Total operating funding | 46,753 | 40,687 | 40,559 |
| Total sources of capital funding | 8,670 | 6,495 | 8,365 |
| add Provisions | 1,505 | 89 | 508 |
| <i>Total revenue</i> | <u>56,928</u> | <u>47,271</u> | <u>49,432</u> |
| Expenses | | | |
| Statement of Comprehensive Revenue and Expense | | | |
| <i>Total expenses</i> | <u>46,946</u> | <u>42,916</u> | <u>45,856</u> |
| Funding Impact Statement | | | |
| Total applications of operating funding | 33,295 | 33,455 | 32,324 |
| Restatement - Land Write off | 0 | 0 | -501 |
| add Depreciation expense | 10,091 | 9,458 | 9,747 |
| add Provisions | 3,559 | 3 | 4,286 |
| <i>Total expenses</i> | <u>46,946</u> | <u>42,916</u> | <u>45,856</u> |



Appendix

Council Directory

Address: Main Office
42 Hokianga Road
Dargaville 0310

Mangawhai Service Centre
Unit 6 The Hub
6 Molesworth Drive
Mangawhai 0505

Postal address: Private Bag 1001
Dargaville 0340

Telephone: (09) 439 3123 or 0800 727 059

Facsimile: (09) 439 6756

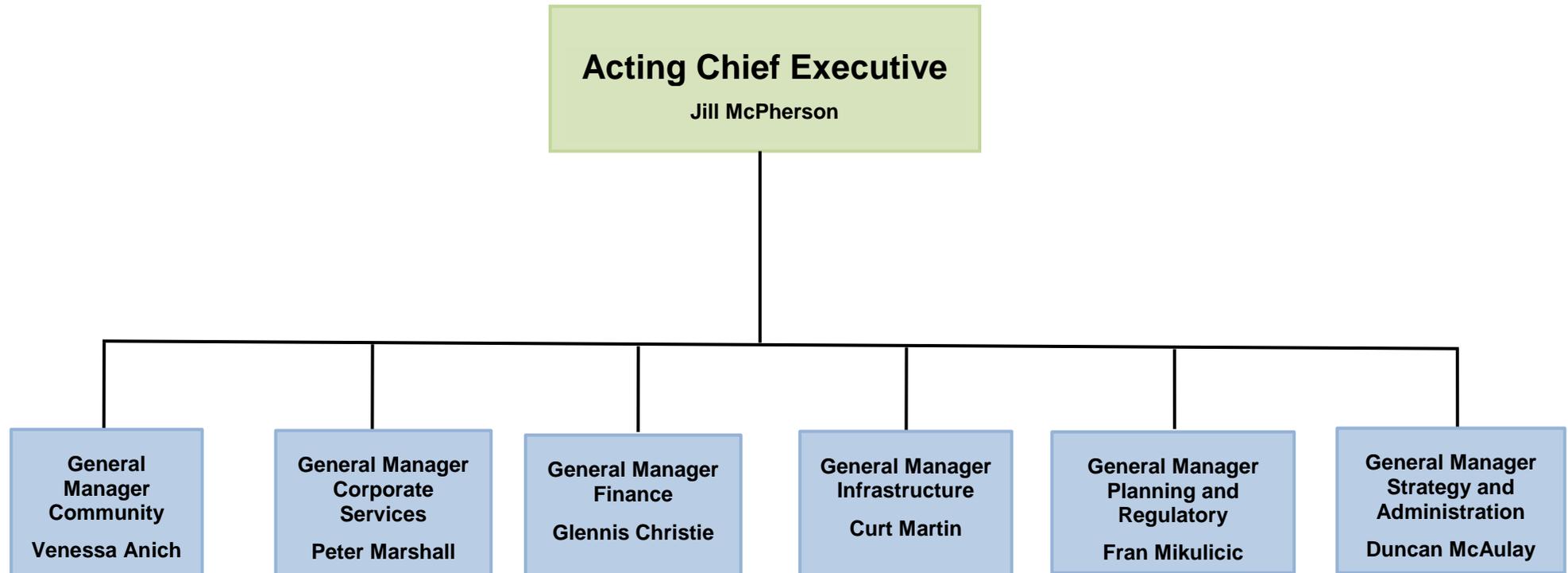
Email: council@kaipara.govt.nz

Website: www.kaipara.govt.nz

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

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

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

Organisational Structure 2015/2016

Council/Committee Structures

Each Commissioner cannot be expected to have an in-depth knowledge of all components of Council's business. The appointment to both internal and external Committees means that each Commissioner gains an in-depth knowledge of his/her committee(s) which they in turn impart to their fellow Commissioners. A Committee Holder is the champion of the subject(s) of his/her Committee. There should be a close relationship with the relevant Manager(s) with the Commissioner providing the governance and political input and the Manager providing the technical and operations input. Together they should work to advance solutions and successes.

The following is a list of the current Committees and Committee Holders. It should be noted that Commissioner Colin Dale resigned from his position as a Commissioner at Kaipara District Council on 26 February 2014. As the Minister for Local Government made the decision not to replace him his positions on Council Committees were filled by other Commissioners as shown below:

| Body | Meeting Frequency | Purpose | Members |
|--------------------------|---------------------|--|---|
| Council | Monthly | Overall governance body. | John Robertson (Chair) Richard Booth Peter Winder |
| Audit and Risk Committee | Four times per year | To ensure Council has appropriate financial, risk management and internal control systems in place to provide: <ul style="list-style-type: none"> • An overview of the financial performance of the organisation; • Effective management of potential opportunities and adverse effects; and • Reasonable assurance as to the integrity and reliability of Council's financial and non-financial reporting. | Richard Booth (Chair) Peter Winder John Robertson |

| Body | Meeting Frequency | Purpose | Members |
|--|--------------------------|--|---|
| Chief Executive Performance Review Committee | Twice per year | To comply with the provisions of local government and employment legislation and the requirements set out in the contract between the Chief Executive and Council. | John Robertson (Chair) Richard Booth Peter Winder |
| Taharoa Domain Governance Committee | Six times per year | Co-governance of Taharoa Domain on behalf of Council and Iwi in accordance with the Taharoa Domain Reserve Management Plan. | Peter Winder (Chair) John Robertson Ric Parore Alan Nesbit |
| Raupo Drainage Committee | Four times per year | To make recommendations to Council on the maintenance of drains, floodgates and stopbanks in the Raupo Drainage District. | Ian Beattie (Chair) David Hart Brian Madsen Ross McKinley Ken Whitehead Peter Wilson Richard Booth (Council representative) |
| Harding Park Committee and Pou Tu Te Rangi Joint Management Committee - Combined | Four times per year | Co-governance of Pou Tu Te Rangi Harding Park on behalf of Council and Iwi in accordance with the Pou Tu o Te Rangi and Harding Park Reserve Management Plan. | Mikaera Miru (Chair) Colleen Ulrich (to September 2015) Robbie Sarich Hal Harding Peter Winder Richard Booth Willie Wright (from December 2015) |
| Mangawhai Community Park | Four times per year | Governance of Mangawhai Community Park in accordance with the Mangawhai Community Park Master Plan. | Peter Winder (Chair) Maurice Langdon Jim Wintle Richard Booth |

| Body | Meeting Frequency | Purpose | Members |
|---|---|---|---|
| District Licensing Committee | As required but generally twice monthly | To deal with licensing matters for its district | Peter Winder (Chair) Members pool: <ul style="list-style-type: none"> Gordon Lambeth Mark Vincent Mark Farnsworth |
| Mangawhai Endowment Lands Account Committee | As required but generally twice yearly | Determining grants to be made from the Mangawhai Endowment Lands Account (MELA) in accordance with the provisions of the <i>Mangawai Lands Empowering Act 1966</i> (sic). | John Robertson (Chair) Richard Booth Joanna Roberts Alan Russek |
| Sport NZ Local Funding Allocation Committee | Four times per year | To administer the Sport NZ Rural Travel Fund to support and encourage participation in local sport competitions of young people aged between 5-19 years old. | Chris Biddles (Chair) Roxanne Kelly Karen Smales Richard Booth Iwi Representative (vacant) |
| Creative Communities Local Funding Allocation Committee | Four times per year | The administration of the Creative Communities Scheme to support and encourage local communities to create and present diverse opportunities for accessing and participating in arts activities within their defined geographical area. | Debbie Evans (Chair) Allan Mortensen Maura Flower Elena Nikolaeva Bernard Makoare Peter Winder |
| Local Government New Zealand Zone One | As required | | John Robertson (alternative: Peter Winder) |

| Body | Meeting Frequency | Purpose | Members |
|--|-------------------|---------|---|
| Local Government New Zealand Rural Sector | As required | | John Robertson (alternative: Richard Booth) |

The following is a list of the current external Committees that Council has representation on:

| Body | Purpose | Representative |
|--|--|---|
| Civil Defence Emergency Management Group (NRC) | To improve and promote the sustainable management of hazards in a way that contributes to the social, economic, cultural and environmental well-being and safety of the public and also to the protection of property. | Peter Winder (alternative: Richard Booth) |
| Regional Transport Committee (NRC) | Governance of the region's land transport matters including policies, procedures and the Regional Land Transport Plan. | Peter Winder |
| Environmental Management Committee (NRC) | To provide an advisory service and make recommendations to Northland Regional Council on environmental matters. | Richard Booth |
| Kaihu River Liaison Committee (NRC) | To advise and make recommendations to the NRC, via the Environmental Management Committee, on all matters pertaining to the development and implementation of the Kaihu River Management Plan. | Richard Booth |
| Kaipara Harbour Joint Political Committee | To promote effective integrated management of the Kaipara Harbour and its catchments by councils and Iwi for present and future generations until a formal governance structure is determined. | Richard Booth |
| Sport Northland Board of Trustees | Governance of Sport Northland. | Richard Booth |
| Pouto Catchment Group | To work collaboratively to maintain and improve the state and management of fresh water in the Pouto Catchment. | Richard Booth |

| Body | Purpose | Representative |
|--|---|----------------------------|
| Northland Chamber of Commerce | To positively influence the environment in which businesses operate and by providing “opportunities, products and services” that will improve the success and vitality of business. | Richard Booth |
| Northland Sport and Physical Activity Strategy Group | | Chief Executive or nominee |
| Mangawhai Community Trust | The objects of the Trust are for the benefit of sport and recreation in the Mangawhai district. | Chief Executive or nominee |
| Matakohe Church and Reserve Committee | To support the maintenance of Matakohe Church and reserve. | Chief Executive or nominee |
| Paparoa County Depot Trust | Charitable purposes. | Chief Executive or nominee |
| Road Safety Committee | To progress and complement actions identified in the regional Road Safety Action Plans and local Road Safety Action Plans. | Chief Executive or nominee |
| Hughes Trust | Charitable purposes. | Mayor/Chair |

Council’s decision-making function for resource consents requiring hearings

At its meeting dated 23 March 2011 the past Council resolved to appoint a panel of Independent Commissioners, any one of whom can act on Council’s behalf in determining resource consent applications which require a Hearing in terms of Council’s delegations. Having independent professionals involved produces consistent, high quality decisions, and ensures transparency in separating the Regulatory decision-making function from Council’s other roles.

Kaipara District Council
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