



Kaipara te Oranganui  
**KAIPARA  
DISTRICT**  
Two Oceans Two Harbours

Dear Ratepayer

Enclosed with this letter is the third of four rating invoices that you will receive for Kaipara District Council's financial year ending 30 June 2015.

When I last wrote to you three months ago, the Council's Annual Accounts for the year ending 30 June 2014 had just been released. I advised that for the second year in a row the Council had met the financial goals that the Commissioners had set the Chief Executive of running a small operating surplus, containing costs, and lowering debt levels. I am pleased to report that this progress continues. At our half year stage for our financial year ending 30 June 2015, we are on course to report a third year of similar financial performance.

That is not to say that pressures on Council's finances do not remain. The largest pressures come from the continuing litigation against the Council that the leadership of the Mangawhai Ratepayers and Residents Association is embarked upon.

The first case they took was heard earlier this year in the High Court. The High Court did not grant the Association any of the remedies it sought. Commissioner Booth and I then met with the leadership of the Association to urge them to accept the judgement and bring an end to litigation. They refused to do so, and promptly lodged an appeal in the Court of Appeal. The appeal is likely to be heard later this calendar year.

The costs to ratepayers of this litigation are not just those of six figure legal fees. There is also the cost of:

- Commissioner, Chief Executive and staff time. Litigation is a huge distraction and consumer of management and governance time.
- The risk premium applied by our lenders to Council debt. While litigation continues, Council is paying a higher rate of interest than it would otherwise need to.

We are in the middle of preparing the budgets for the next financial year, and preparing a new ten year plan for the Council through to 2025. We will be coming out to you around mid-February asking for your feedback on what we are proposing so keep a lookout for further information on [www.council.govt.nz](http://www.council.govt.nz).

We are focussed on tightly controlling expenditure and holding down the revenue that we need to generate from rates. Those who fund the Mangawhai Ratepayers and Residents Association need to understand that the litigious approach of its leadership is costing the Council hundreds of thousands of dollars, a cost that ends up being borne by all ratepayers.

The other pressures on Council finances that exist are around infrastructure maintenance.

Many of Kaipara's rural constituency would like us to invest in a higher level of service on our un-sealed roads. In the winter in particular these roads suffer badly in the wet weather, and damage from logging trucks is severe on some roads.

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Secondly, in some of our older towns, like Dargaville, we are concerned about the state of the underground infrastructure – of water and wastewater pipes. In this current year, and over the next two years, we are investing to get a clear picture of where maintenance has been deferred and therefore has left risks of pipe failure. Once we know this picture, we will be better able to implement improved asset management plans.

If you have any questions of Commissioners, please feel free to contact us through my email address, [jrobertson@kaipara.govt.nz](mailto:jrobertson@kaipara.govt.nz).

May I take this opportunity to wish you a happy and healthy New Year.

John Robertson

**On behalf of the Commissioners**

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