



Kaipara te Oranganui

**KAIPARA  
DISTRICT**

Two Oceans Two Harbours

**October 2016**

Dear Ratepayer

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Enclosed with this letter is the second of four rates invoices from the Kaipara District Council for its financial year ending 30 June 2017, and a series of graphs highlighting aspects of the Council's financials.

This is the last letter that you will receive from the Council under the governance of the Commissioners. Elected members will be sworn in late October - November 2016, completing the process of returning the Council to a democratically elected governance body.

The issues facing the Council when Commissioners were appointed in 2012 were serious. Our task as Commissioners was to restore the Council to good condition. That has been achieved. It took four years.

In a financial sense the journey is best described by comparing the annual accounts for the year ending 30 June 2011 to those for the year ending 30 June 2016.

- The 2011 accounts had six audit "tags". The 2016 accounts have a completely clean audit opinion.
- The 2011 accounts reported public debt at \$83 million. The 2016 accounts report public debt at \$65 million.
- The 2011 accounts reported an operating deficit of \$5.736 million. The 2016 accounts report an operating surplus of \$9.981 million.
- The 2011 accounts were adopted nearly a year later than required by law. The 2016 accounts have been adopted a month earlier than required by law.

In an organisational sense, in 2011, your Council was known for having little expertise in-house for its key functions. That has been reversed. Council today manages its core business directly. Chief Executive, Graham Sibery, is providing leadership to a competent and proud team.

Your Council manages significant infrastructure, including roads, stormwater, rural drainage structures, wastewater networks and drinking water systems. There were many questions over the resilience of this infrastructure in 2011. Commissioners are pleased to report that Council knows a lot more about the condition of these assets and their risk profile today than it did four years ago. Council is maintaining its infrastructure more effectively, though as those of you who live on unsealed roads might note, it would be good to lift service levels further.

Commissioners wish the elected Council well as it picks up its governance responsibilities. Elected members will inherit a robust ten year financial plan to guide them in the first few years. There are new policy frameworks in place to assist them with decision-making, and there are sub-committee structures and protocols in place to assist them with their governance responsibilities.

Finally, on behalf of my fellow Commissioners, thank you for your support. We were tested and challenged throughout our four years as we negotiated a way through the many issues confronting the Council. The support provided district-wide was much appreciated.



John Robertson

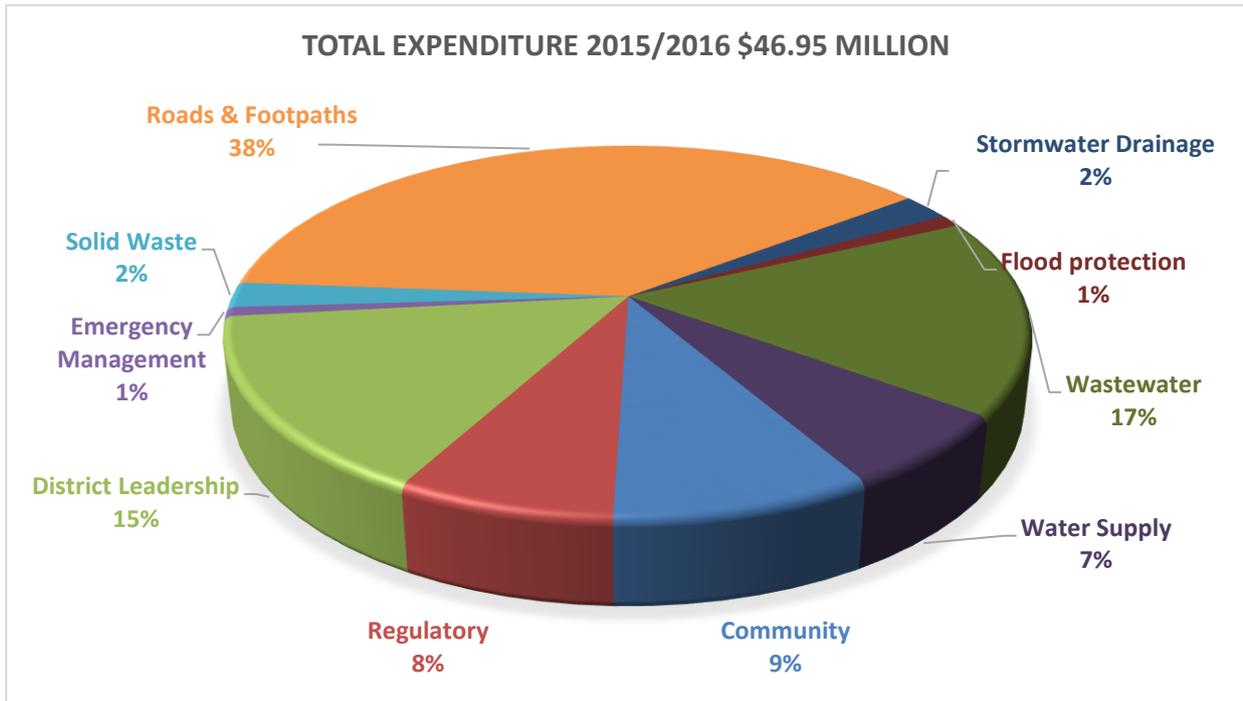
**Chair of Commissioners**

**Financial Highlights**

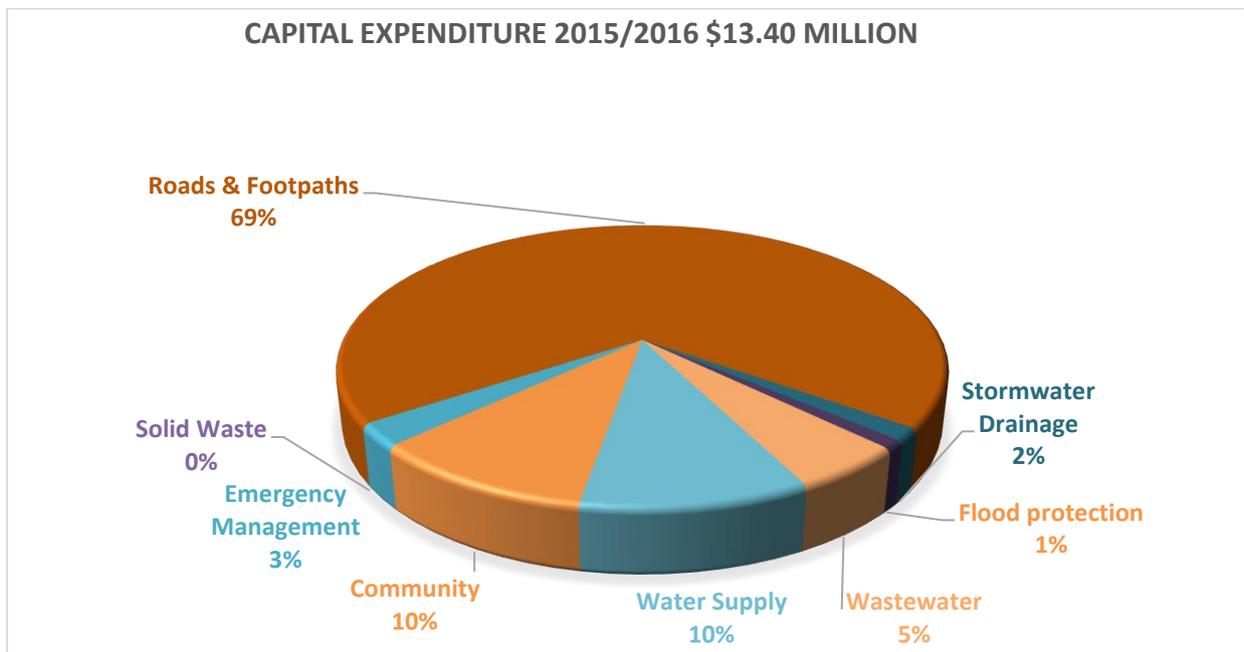
Council adopted its Annual Report 2015/2016 at its meeting on 26 September 2016. Council is running a balanced budget, spending within its means and repaying debt.

The surplus for 2015/2016 was \$9.98 million. All seven of the financial prudence benchmarks set by the New Zealand Government were met.

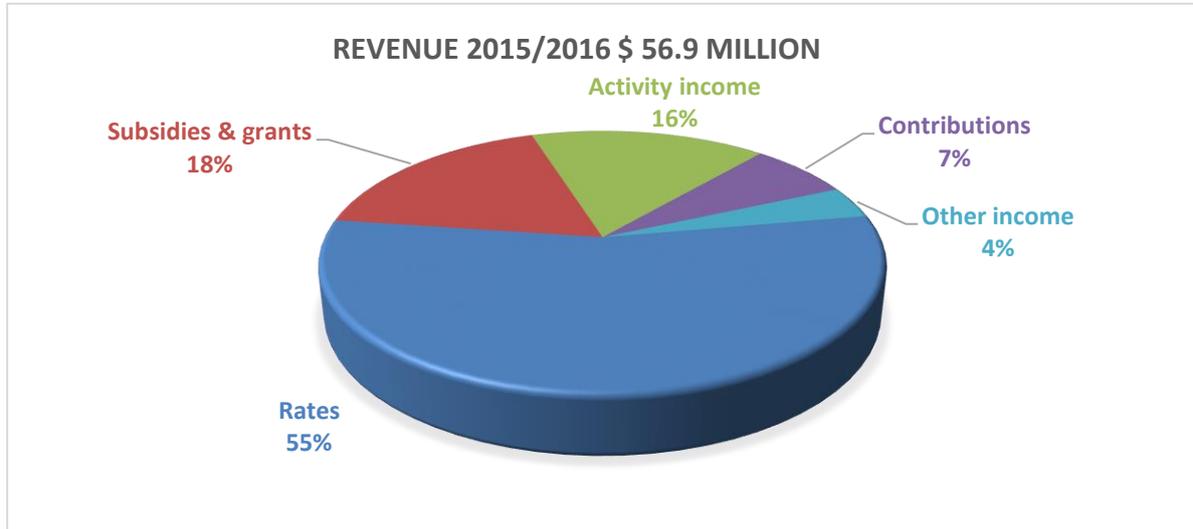
Total expenditure on activities was \$46.95 million last year. The following graph shows the spread of expenditure across each activity.



Capital spending was \$13.40 million in 2015/2016. The following graph shows how the renewal and improvement expenditure was spread across activities.



Revenue in 2015/2016 was \$56.9 million. Revenue has increased since 2010/2011 as economic growth has raised income from building and property development. Council has also increased rates over the years to cover costs and provide for debt repayment. Last year's revenue includes a \$4.7 million settlement with Office of the Auditor-General. The following graph shows the sources of Council's total revenue.



Council's financial prudence has reduced public debt from \$83 million in 2011 to \$65 million at 30 June 2016. This is shown in the following graph.

