



Kaipara te Oranganui

**KAIPARA
DISTRICT**

Two Oceans Two Harbours

April 2016

Dear Ratepayer

Enclosed with this letter is the last of four rates invoices from the Kaipara District Council for its financial year ending 30 June 2016.

The term for the Commissioners ends in just over six months. We want to end our term with the organisation being led by a Chief Executive who is "fit for purpose"; with Council's finances, policies and procedures in good shape; and with much of the litigation that has its roots in history brought to an end.

Later this month we expect to appoint a Chief Executive to lead the Council from the middle of this year. This follows a recruitment process that began in January. The person will take over from Dr Jill McPherson who has served Kaipara well in an acting position since late 2014. The new Chief Executive will take over a well-functioning organisation, and will have the opportunity in October of helping a newly elected Council settle into its governance role.

Sound policies and processes are embedded in the Council. This will assist the new Council as it settles in. The new Council will no doubt amend these policies from time to time, but in the first nine months at least, most of the new Council's decision making processes will be guided by the policies that the Commissioners have left them with.

So too are Council's finances in good shape. Due to tight controls on expenditure and the recent settlement with the Auditor General, debt at under \$70 million is much lower than anticipated a year ago. The new Council will inherit a budget and plan that forecasts out for a further nine years. Elected members will have the opportunity to review this in 2017, and to amend it if they wish. The current budget is balanced and rate increases are modest for the remainder of the Long Term Plan.

Assisting the new Council's finances will be the fact that in February this year the Kaipara District Council was accepted into the Local Government Funding Agency. This A++ credit rated agency issues debt at very competitive rates to Councils that meet its strict terms. Kaipara District Council will reduce its cost of debt by shifting out of most of its bank sourced debt over time, and raising debt from this agency.

Getting out of the Courts has proved more difficult than Commissioners had anticipated. The Mangawhai Ratepayers and Residents Association has continued its campaign through the Courts, so far failing in the District Court, failing in the High Court, and failing in the Court of Appeal. At the time of writing, they are seeking leave to appeal the Court of Appeal's dismissal of their case in the Supreme Court.

While we have no control over the challenges by the Mangawhai Residents Association, we do have control over the legal actions that we have begun – actions to call two parties to account for past poor practice.

At the end of March we announced that one of these was settled. It was the claim filed by the Council in the High Court against the Auditor General in connection with historic audit issues. The settlement resulted in a payment to the Council of \$5.375 million (including GST if any). The settlement was facilitated by Hon Rodney Hansen QC, a retired High Court Judge, acting as a mediator. Commissioners are pleased with the outcome.

The case against the former Chief Executive continues before the Employment Authority.

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

We look forward to reporting to you in July.

Yours faithfully

John Robertson

On behalf of the Commissioners

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