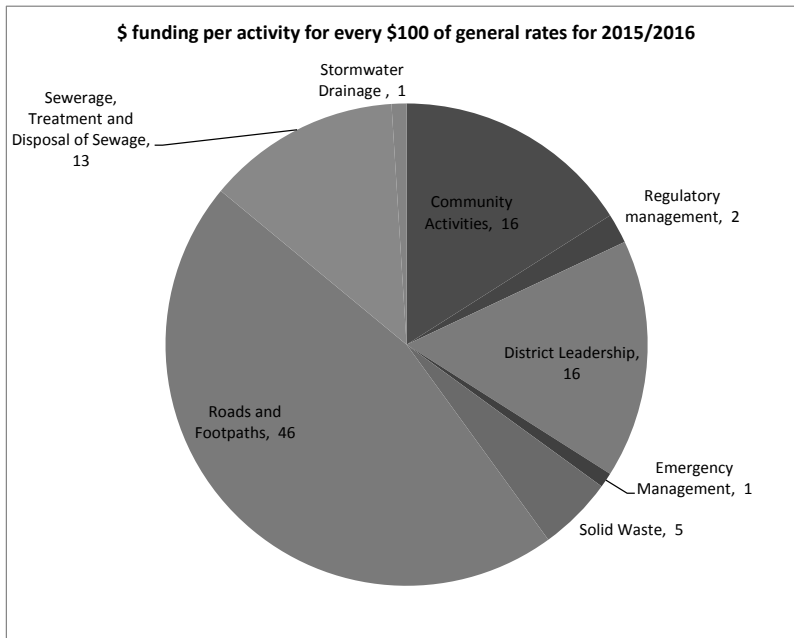




Dear Ratepayer

Enclosed with this letter is the first of four rates invoices that you will receive for Kaipara District Council's financial year ending 30 June 2016.

Income generated from general rates in this financial year will be \$20.6 million. General rates are applied to support the Council's operations as detailed in the graph below.



42 Hokianga Road,
Private Bag 1001,
Dargaville 0340, Northland,
New Zealand

p 09 439 3123
p 0800 727 059
f 09 439 6756
e council@kaipara.govt.nz
www.kaipara.govt.nz

Additionally, on top of general rates, \$7.3 million of targeted rates have been struck - covering stormwater, wastewater, land drainage, Mangawhai Harbour restoration, Ruawai Tokatoka Hall, and forestry roading.

The forestry roading targeted rate is a new rate. We now have a picture of where harvesting will take place over the next six years. This targeted rate will generate funds that will be applied to maintain the roads impacted by the trucks taking the logs out.

The Council has completed its 10 year Long Term Plan 2015/2025. This Plan anticipates the need for revenue generated from rates to increase at approximately 3.5% per annum throughout the Plan.

We are continuing to control expenditure tightly.

The rate increases proposed do not provide Kaipara with additional cash to support any noticeable lift in the standard of the maintenance on our roads. However we are continuing to seek improvement in contract management and efficiencies from our road maintenance contractors so that your rates are applied to this part of Council's core business appropriately.

The rate increases do provide us increased revenue to attend to some of the long deferred maintenance on our underground wastewater and stormwater networks. This is important, as some of our underground pipes are very old and in poor condition.

As a property owner you will also be pleased to know that Kaipara's debt, which peaked in 2012 at \$80 million, continues to drop. We forecast debt to be down to \$60 million by 2025. This level of debt is within prudent levels for a Council of our size.

Dr Jill McPherson leads the Council as its Acting Chief Executive. She has restructured the organisation, and recently filled all senior positions. We welcome the latest management appointees, Sue Hodge as Parks and Community Manager, and Curt Martin as General Manager Infrastructure. They bring experience in local government from the Far North and Whangarei District Councils respectively.

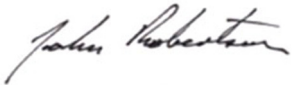
There are two other matters that I should advise you of.

Three months ago our Minister, Hon. Louise Upston, asked the Commissioners to extend their term of appointment for one further year. All three Commissioners agreed to her request. Our term of appointment will now expire in October 2016, when local government elections will be held across the country.

Secondly, last month the Local Government Commission advised that it would not be proceeding with its draft proposals for reorganising the four Northland councils into one. Thus Kaipara District Council is your unit of local government into the foreseeable future.

The Commissioners look forward to continuing to work with you as a Kaipara ratepayer through to October 2016. If you have any questions of Commissioners, please feel free to contact us through my email address, jrobertson@kaipara.govt.nz.

Sincerely



John Robertson, Chair

On behalf of the Commissioners