



ALL ABOUT YOU
We're meeting
the needs of
our communities

ANNUAL REPORT 2017/2018



Kaipara te Orangahui • Two Oceans Two Harbours

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PART ONE
Introduction

Kaipara District



Stretching from coast to coast, Kaipara 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 contrasting spectacular scenery.

Kaipara is the first land Māori set foot on in New Zealand and has our nation's largest harbour and longest drivable beach along with pre-historic rock formations and crystal-clear freshwater lakes.

The west coast of Northland is home to ancient kauri forests, wild windswept harbours, giant sand dunes, historic country towns and an impressive 153 shipwreck sites.

The east coast combines sun, sea and sand with great food, vibrant art, and its rich history and incredible scenery. The east coast is an increasingly popular location for permanent and visiting residents and is Kaipara's fastest growing area.

Mayor's Foreword



Kia ora

Exceptional times for Kaipara District Council make this Annual Report 2017/2018 a document the likes of which you'll never see again; after the longest local Council commission period in New Zealand's history this is the first normal Annual Report from a full year of an elected Kaipara District Council since 2011. The Kaipara Commissioners started in 2012 and concluded in late 2016, part-way into the 2016/2017 year.

So this Annual Report now marks a clear moment and a return to business-as-usual, though one highlighted with some very unusual and extraordinary events.

Three chief executives and two mayors in one year, in addition to a restructuring of the senior executive team, make 2017/2018 truly exceptional for its multiple leadership changes at the centre of Kaipara District Council. Rather than a period of damaging turbulence, paralysing instability or stuttering negativity, these changes have energised the organisation and successfully set it up for stability ahead.

Kaipara District Council arrived at 30 June 2018 in better shape than it had been for years having, among other achievements, completed its first Long Term Plan overseen by Elected Members and adopted within statutory timeframes since 2009. Elected Members together in April selected a new Chief Executive to lead the Council forward, due to start in September 2018.

With full awareness of the deficiencies in our roading network, new targets were set for Kaipara roads, Council's largest asset, with the highest capital works spend for six years. We will continue to drive hard for a safe, efficient and resilient road network in Kaipara district. Our foundations are becoming stronger.

After nearly a decade of a rocking boat, it seems now that things are more plain sailing and rapidly progressing towards being shipshape. That's what you should see in the pages of this Annual Report 2017/2018 for Kaipara District Council. It charts the end of a turnaround in fortunes for Kaipara District Council. It also signals the start of a new, more stable and healthy time filled with all the abundant well-being promise of 'Kaipara te oranganui'. This is how you chart our fresh start.

Nga mihi nui

A handwritten signature in black ink, appearing to read 'Dr Jason Smith'. The signature is fluid and cursive, written over a white background.

Dr Jason Smith

Mayor

Your Elected Members



Dr. Jason Smith
Mayor



Peter Wethey
Deputy Mayor



Julie
Geange



Karen
Joyce-Paki



Anna
Curnow



Libby
Jones



Jonathan
Larsen



Victoria del la
Varis-Woodcock



Andrew
Wade

Chief Executive's Overview



The end of the 2017/2018 year for Kaipara District Council brought forth a cohesive and aligned direction for the future. New members to the senior leadership team, along with a new Mayor and the adoption of the Long Term Plan through to 2028 has afforded us the ability to keep Kaipara District on track and meeting the needs of our communities.

A highlight around our roads was achieving budgeted capital and operational spends on the network, and our success in maximising the uptake of the NZ Transport Agency's approved subsidy of 61% for the majority of Council's roading programme.

This year presented Council with a few opportunities such as the Aranga rock fall event, involving an agile cross-departmental response from Council staff along with central government liaison, seeing the rock fall hazard removed and homeowners reinstated back into their homes in time for Christmas. This process took several months to work through and without the involvement and support of EQC, Civil Defence and Council's understanding of our residents and ratepayers, it would not have been completed as effectively and efficiently as it was with minimal disruption experienced.

Investment into IT and frontline customer service staff and technology was a focus in 2017/2018 that will improve efficiencies right across the business. While some of these changes aren't visual, as the business of Council becomes more and more digital, we need to meet those step changes.

Council's debt position is lower than budgeted as a result of sticking to our plan and remaining resolute towards a goal of decreasing the debt level while maintaining our existing infrastructure.

This year was the third of the Long Term Plan 2015/2025 meaning it was also time to consult on our plan for 2018 to 2028, A Bright Future, the consultation document that fed into the decision-making of the Long Term Plan for the Kaipara District. Our consultation document started out with a projected 5.45% average rates increase, which post consultation was worked down to an average increase of 4.97%. This adopted increase will set us in strong stead for the future.

Kaipara District Council has strived to meet community expectations and end the year in a positive position. Some of these changes can be seen in lifts in the quarterly residents' survey, some highlights below:

- An increase in residents' satisfaction on the previous year with local parks, sports fields and public conveniences, as well as the cleanliness and lack of litter and graffiti;
- Improved response times to service requests highlighting the improving communication both Council and our contractors have with members of the public;
- Residents' perception of receiving value for money through Council services has increased by 66% on the previous year's result; and
- The level of confidence in Council to plan for our future has increased by 20% compared to the previous year.

Internally there is a desire for improvement, to better our relationship with customers, and to provide the things our communities need to thrive. The change we have gone through in the last year has reinforced our commitment to the district, and we look forward to the year ahead.

A handwritten signature in black ink, appearing to read 'Curt Martin'.

Curt Martin

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



Dr Jason Smith
Mayor

27 September 2018



Louise Miller
Chief Executive

27 September 2018



INDEPENDENT AUDITOR'S REPORT

TO THE READERS OF KAIPARA DISTRICT COUNCIL'S ANNUAL REPORT FOR THE YEAR ENDED 30 JUNE 2018

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 Limited, to report on the information in the District Council's annual report that we are required to audit under the Local Government Act 2002 (the Act). We refer to this information as "the audited information" in our report.

We are also required to report on:

- whether the District Council has complied with the requirements of Schedule 10 of the Act that apply to the annual report; and
- the completeness and accuracy of the District Council's disclosures about its performance against benchmarks that are required by the Local Government (Financial Reporting and Prudence) Regulations 2014.

We refer to this information as "the disclosure requirements" in our report.

We completed our work on 27 September 2018. This is the date on which we give our report.

Opinion on the audited information

In our opinion:

- the financial statements on pages 16 to 19 and pages 25 to 68:
 - present fairly, in all material respects:
 - the District Council's financial position as at 30 June 2018;
 - 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 Public Benefit Entity Reporting Standards;
- the funding impact statement on pages 69 and 70 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 72 to 138:
 - present fairly, in all material respects, the District Council's levels of service for each group of activities for the year ended 30 June 2018, 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
 - comply with generally accepted accounting practice in New Zealand; and
- the statement about capital expenditure for each group of activities on pages 72 to 138 presents fairly, in all material respects, actual capital expenditure as compared to the budgeted capital expenditure included in the District Council's annual plan; and
- the funding impact statement for each group of activities on pages 72 to 138, 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 Long-term plan.

Report on the disclosure requirements

We report that the District Council has:

- complied with the requirements of Schedule 10 of the Act that apply to the annual report; and
- made the disclosures required by the Local Government (Financial Reporting and Prudence Regulations 2014) on pages 20 to 24, which represent a complete list of required disclosures and accurately reflects the information drawn from the District Council's audited information and, where applicable, the District Council's long-term plan and annual plans.

Basis for opinion on the audited information

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. We describe our responsibilities under those standards further in the "*Responsibilities of the auditor for the audited information*" section of this report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the audited information.

Responsibilities of the Council for the audited information

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 enable it to prepare the information we audit that is free from material misstatement, whether due to fraud or error.

In preparing the information we audit the Council is responsible for assessing its ability to continue as a going concern. The Council is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless there is an intention to amalgamate or cease all of the functions of the District Council or there is no realistic alternative but to do so.

Responsibilities of the auditor for the audited information

Our objectives are to obtain reasonable assurance about whether the audited information, as a whole, is free from material misstatement, whether due to fraud or error, and to issue an audit report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit carried out in accordance with the Auditor General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers taken on the basis of this audited information.

For the budget information reported in the audited information, our procedures were limited to checking that the budget information agreed to the District Council's annual plan.

We did not evaluate the security and controls over the electronic publication of the audited information.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the audited information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit 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.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Council.
- We determine the appropriateness of the reported intended levels of service in the performance measures, as a reasonable basis for assessing the levels of service achieved and reported by the District Council.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Council and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast a significant doubt on the District Council's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit report to the related disclosures in the audited information or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our audit report. However, future events or conditions may cause the District Council to cease to continue as a going concern.

- We evaluate the overall presentation, structure and content of the audited information, including the disclosures, and whether the audited information represents, where applicable, the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Council regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Other Information

The Council is responsible for the other information included in the annual report. The other information comprises the information included on pages 2 to 6 and 11 to 14, but does not include the audited information and the disclosure requirements.

Our opinion on the audited information and our report on the disclosure requirements do not cover the other information.

Our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the audited information and the disclosure requirements, or our knowledge obtained during our work, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independence

We are independent of the District Council in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1 (Revised): *Code of Ethics for Assurance Practitioners* issued by the New Zealand Auditing and Assurance Standards Board.

In addition to our audit and our report on the disclosure requirements, we have carried out engagements in the areas of providing a whistle blower hotline service to Council and have undertaken the audit of Council's 2018-28 Long Term Plan, which are compatible with those independence requirements. Other than these engagements we have no relationship with or interests in the District Council.



Peter Gulliver
for Deloitte Limited

On behalf of the Auditor-General
Auckland, New Zealand

A year in review

Finances at glance

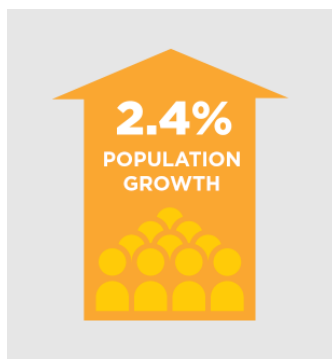


We have improved in several ways since the start of the Long Term Plan 2015/2025, with 2017/2018 being the third year under this plan; we are pleased to report our debt has steadily reduced to what is considered an acceptable level for local government. Our continued prudent spending, receipt of development contributions and sale of property has enabled us to pay down debt to almost half of what it was at the beginning of the Long Term Plan in 2015. In the last year specifically we have seen a reduction from \$62 million to \$46 million, well below the \$58 million planned, with a positive flow-on in reducing interest costs and further improving the bottom line. This progress enables Council to catch up on projects that have been on hold and increases our confidence in embarking on new ones.

The district undertook its legislated revaluation of property in September 2017 and in November it was announced the district had a 33.3% increase from its 2014 level of value with Kaipara now totalling \$5.0 billion. This growth in the property market is most likely attributed to the shift in population from Auckland to our towns and communities.

Under the Local Government financial reporting regulations in this annual report we have met our benchmarks that include rates increases and income affordability, debt affordability, a balanced budget, essential services provision and the control and servicing of our debt level. This kind of benchmark result combined with a 66% improvement in resident's perception of the value for money they are receiving through Council services is a great indication we are heading in the right direction.

Responding to growth



Kaipara has had consistently high numbers of building development over the last three years which is showing no signs of slowing down. Specifically, in 2017/2018 there were 787 building consents issued and 339 new dwellings built. There is a growing trend to move north with the Northland region growing at 2.4% over the past year, just behind Auckland at 2.6% and among the highest in the country. This growth brings with it new challenges, but also new opportunities for Kaipara to develop.

Any population increase impacts how we provide services, where they are provided and how we plan for the future. A great deal of consideration and planning has been carried out to inform the Long Term Plan 2018/2028 (LTP) adopted in June 2018. A key decision made under the LTP is to undertake a comprehensive review of the District Plan by allocating \$2.5 million in the first three years and \$4.82 million in the following seven years. A focus on growth areas as a priority will cater to new developments.

The Mangawhai Community Plan (MCP) is a fantastic example of Council and community collaborating to make things happen. The plan sets a vision for how Council and community can work together to facilitate and manage growth in the east, through infrastructure and planning. Mangawhai has been proactive in identifying their growth needs, consulting with the community and providing recommended options to Council. In the last year Council has investigated the community proposal, further resulting in formal consultation on options and decisions being reached on how to roll out a range of infrastructure builds and improvements.



Capital works highlights

Capital works projects continued throughout the 2017/2018 year. The Roding Team had a successful year spending \$21.6 million of the \$23.1 million budget. The weather provided some challenges and re-juggling of priorities resulting in resealing work delays, however 41 km of the network was completed and an increased focus on heavy metaling resulted in a really positive response from our communities.

A programme to upgrade pedestrian and vehicle category street lighting is on track with half of the work finished and the balance to be completed in 2018/2019. Funding of \$1.2 million dollars (85% from central government) has enabled Council to replace most of Kaipara's streetlights with a more energy efficient alternative providing a clear bright light instead of the yellow glow from high pressure sodium lamps.

Other large capital projects included:

- A watermain renewal on Beach Road through to Baylys Coast Road to secure water supply for Dargaville and Baylys Beach;
- Some wastewater reticulation extensions in various areas of Mangawhai, Maungaturoto and Dargaville completed;
- Stage Two of the irrigation extension to the Mangawhai Community Wastewater Scheme completed;
- New floodgates were installed during the year in the Raupo district;
- Stormwater Catchment Plans were designed for Mangawhai, along with construction designs for Quail Way Stormwater Improvements;
- Dargaville Placemaking, which is the new path from the rotunda to the wharf along Victoria Street; and
- Work on parks across the district from removing pest plants in Lincoln Street, Mangawhai, to picnic tables in Tinopai and installing shade sails at Selwyn Park.



Community highlights

In the last year we have enabled our communities with a variety of funding, project support and facilitation assistance. Over the last year we awarded:

- Community Grants to the value of \$59,040; and
- Mangawhai Endowment Lands Account Grants of \$129,940.

Council also facilitated access to Rural Sport Travel and Creative Communities funding.

The community team worked with the NZ Transport Agency and the community of Kaiwaka to improve their public spaces and provide safer pedestrian options as part of the Kaiwaka Improvement Plan.

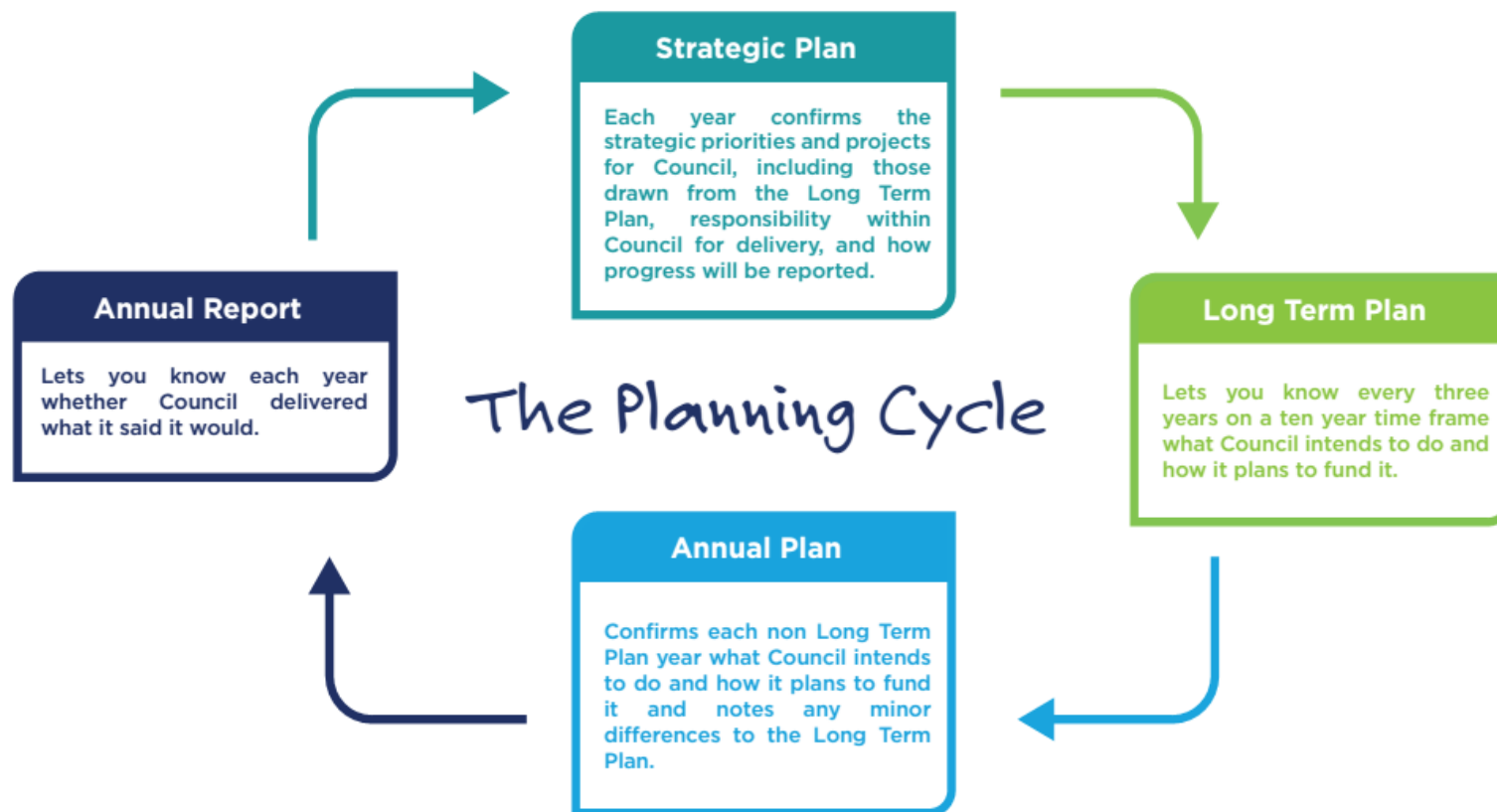
There were meetings with groups to develop heritage walks, town signage along with enhancement of local recreation areas that included planting at a number of parks and open spaces.

Setting the Scene



The purpose of this Annual Report is to tell you whether we did what we said we would do in the 2017/2018 financial year. This is the third year of the Kaipara District Councils Long Term Plan for 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 Māori

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

The importance of relationships with both Te Uri o Hau and Te Iwi O Te Roroa cannot be underestimated as we look for ways to advance how we work together for the benefit of our communities and Kaipara.

Council and Te Uri o Hau have been reviewing a Memorandum of Understanding which hopes to strengthen our collaboration and way of working together. Council is in negotiations with Te Roroa regarding a Mana Enhancing Agreement with the goal of better aligning ourselves toward shared goals and how we operate together.

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 in approach across the organisations. Council's commitment to partnership with Iwi on matters of importance to Māori is further illustrated by:

- Further investment into relationships with Māori through the appointment of an Iwi Relations Manager who joined Council this year. This role will focus on educating Council staff about positive engagement with Māori and evolve Council's relationships with Iwi.
- Council's contribution to the Integrated Kaipara Harbour Management Group (IKHMG) project which is led by Te Uri o Hau offered through staff representation and financial contributions;
- Council working with Iwi to gather input into LTPs and Annual Plans during the Mana Whenua Forum consultation process;
- Council and Te Iwi O Te Roroa/Te Kuihi joint management of the Kai Iwi Lakes (Taharoa Domain); and
- Council and Te Uri o Hau joint management of Pou Tu Te Rangi Harding Park in Dargaville.
- Council and Te Roroa working together on initial investigations into a Kaihu Valley Rail Trail as part of Council's Walking and Cycling Strategy.

The opportunities afforded to Council by proactive and positive engagement and dialogue with iwi, hapu and joint management group will only improve overall well-being of the Kaipara. Further work in this space will be ongoing.



Kaipara te Orangatahi

**Kaipara
District**

Two Oceans Two Harbours

PART TWO

Financials



Statement of Comprehensive Revenue and Expense for the Year Ended 30 June 2018

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			2017-2018 \$'000	2017-2018 \$'000	2016-2017 \$'000
Revenue					
	Note				
	Rates	2a	33,394	33,421	32,230
	Subsidies and grants	2c	13,547	14,182	9,721
	Activity income		6,072	4,799	5,193
	Contributions		3,453	1,188	3,219
	Investments and other income	2c	1,489	391	6,441
	Total revenue	2a	57,955	53,979	56,804
Expenses					
	Activity costs		23,687	23,338	22,309
	Employee benefits		9,890	9,466	8,833
	Finance costs		2,736	3,169	3,067
	Depreciation	10a,11	10,704	9,771	10,274
	Total expenses	3	47,017	45,744	44,483
Surplus/(deficit) for the period			10,938	8,235	12,321
Other comprehensive revenue and expense					
<i>(Items that will not be reclassified subsequently to surplus or deficit)</i>					
	Gain/(loss) on revaluation	4a	12,982	14,922	6,255
Total comprehensive revenue and expense for the period			23,920	23,157	18,577

The accompanying notes form part of these financial statements.

Explanation of major revenue and expenditure variances against Annual Plan

Revenue

Subsidies and grants: Council met its maintenance and capital works schedules for roading and therefore subsidies met what was delivered.

Activity income: This is ahead of budget primarily due to resource consent and building consent income.

Contributions: Financial and development contributions are ahead of budget reflecting increased activity in the district.

Investments and other income: The main income was from the sale of forestry.

Expenses

Employee benefits: Additional resource was required in Regulatory to meet increased building and resource consent activity. IT staff were hired in-house replacing previous contractors. A restructure of the leadership team occurred during the year which also added to increased cost.

Finance costs: These were less due to the decrease in loans.

Depreciation: The depreciation is higher than budget due to significant revaluation in the last year.

Statement of Financial Position as at 30 June 2018

As at		Actual	Annual Plan	Annual Report
30 June		2017-2018 \$'000	2017-2018 \$'000	2016-2017 \$'000
Net assets/equity	Note			
Accumulated comprehensive revenue and expense	4a	390,533	403,732	381,972
Asset revaluation reserves	4a	218,736	212,860	205,754
Restricted reserves	4b	5,190	5,673	5,325
Council created reserves	4b	-12,892	-18,096	-15,405
Total net assets/equity		601,568	604,169	577,647
represented by				
Current assets				
Cash and cash equivalents		3,641	583	11,874
Trade and other receivables	6	6,092	8,448	5,057
Accrued revenue		3,438	1,875	1,963
Other financial assets	5a	115	115	115
Non current assets held for sale		186	186	186
LGFA Borrower notes		32	0	0
Total current assets		13,504	11,207	19,195
<i>less</i>				
Current liabilities				
Trade and other payables	7	12,752	9,886	9,751
Provisions	8a	148	139	145
Employee entitlements		666	449	614
Public debt	9a	8,000	19,127	17,127
Total current liabilities		21,566	29,601	27,637
Working capital/(deficit)		-8,062	-18,394	-8,442
<i>plus</i>				
Non current assets				
Property, plant, equipment	10a	654,847	668,138	635,584
LGFA Borrower notes		608	688	688
Biological assets	13	1,017	3,644	3,531
Other financial assets	5a	278	276	278
Total non current assets		656,750	672,746	640,081
<i>less</i>				
Non current liabilities				
Public debt	9a	38,000	39,168	45,000
Provisions	8a	4,693	4,567	4,796
Derivative financial liabilities	18a	4,427	6,448	4,196
Total non current liabilities		47,120	50,183	53,992
Net assets		601,568	604,169	577,647

Explanation of major variances against Annual Plan

Cash and cash equivalents: Cash and cash equivalents are higher than planned as a result of higher development contributions.

Trade and other receivables: Trade and other receivables were less than planned due to increased provision for doubtful debts.

Accrued revenue: This has increased due to a higher amount accrued from the NZ Transport Agency.

Trade and other payables: These have increased at year end due to the large amount of capital works undertaken in the last months of the year.

Public debt: This has been reduced by utilising the cash surplus and funds from financial contributions and the sale of properties. External Debt has reduced from \$62.13 million to \$46.0 million.

Plant, property and equipment: This has decreased due to decreased capital expenditure.

Biological assets: The value of forestry has reduced as some of the Council forestry blocks have been sold.

Derivative financial liabilities: Council uses interest rate derivatives to assist in achieving a long term stable interest rate on debt. Lower than budget derivative liabilities of \$2.0 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 market to market at each balance date.

Statement of Changes in Net Assets/Equity for the Year Ended 30 June 2018

For the year ended:	Actual	Annual Plan	Annual Report
30 June	2017-2018 \$'000	2017-2018 \$'000	2016-2017 \$'000
Balance at 1 July	577,647	581,013	559,070
Comprehensive revenue and expense for the period			
Surplus/(deficit) for the period	10,938	8,235	12,321
Other comprehensive revenue and expense for the period			
Surplus on Revaluation of Infrastructure	12,982	14,922	6,255
Total comprehensive revenue and expense for the period	23,920	23,157	18,577
Balance at 30 June	<u>601,568</u>	<u>604,170</u>	<u>577,647</u>

The accompanying notes form part of these financial statements. (p.25-70)

Statement of Cash Flows for the Year Ended 30 June 2018

For the year ended:	Actual	Annual Plan	Annual Report
30 June	2017-2018	2017-2018	2016-2017
	\$'000	\$'000	\$'000
Cash Flow from Operating Activities			
<i>Receipts:</i>			
Rates	32,465	33,421	32,282
Fees, charges and other	9,810	6,268	9,837
Grants and subsidies	13,547	14,182	9,721
Interest received	142	20	16
<i>sub total</i>	55,964	53,891	51,856
<i>Payments:</i>			
Suppliers and employees	32,070	32,697	28,732
Taxes (including the net effect of GST)	-173	0	-315
Interest expense	2,736	3,167	3,067
<i>sub total</i>	34,634	35,864	31,485
Net Cash Flow from/(to) Operating Activities	21,329	18,027	20,371
Cash Flow from Investing Activities			
<i>Receipts:</i>			
Sale of property, plant and equipment and forestry	4,629	150	577
LGFA Borrower notes	48	0	0
<i>sub total</i>	4,677	150	577
<i>Payments:</i>			
Property, plant and equipment purchases	18,112	20,128	13,397
LGFA Borrower notes	0	0	128
<i>sub total</i>	18,112	20,128	13,525
Net Cash Flow from/(to) Investing Activities	-13,435	-19,978	-12,948
Cash Flow from Financing Activities			
<i>Receipts:</i>			
Loans raised (Net)	0	0	0
<i>Payments:</i>			
Loan repayment (Net)	-16,127	-3,832	-2,834
Net Cash Flow from/(to) Financing Activities	-16,127	-3,832	-2,834
Net Increase/(Decrease) in cash and cash equivalents	-8,233	-5,783	4,589
Cash and cash equivalents at beginning of period	11,874	6,366	7,285
Cash and cash equivalents at end of period	3,641	583	11,874

The accompanying notes form part of these financial statements. (p.25-70)

Annual Report Disclosure Statement for the year ending 30 June 2018

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.

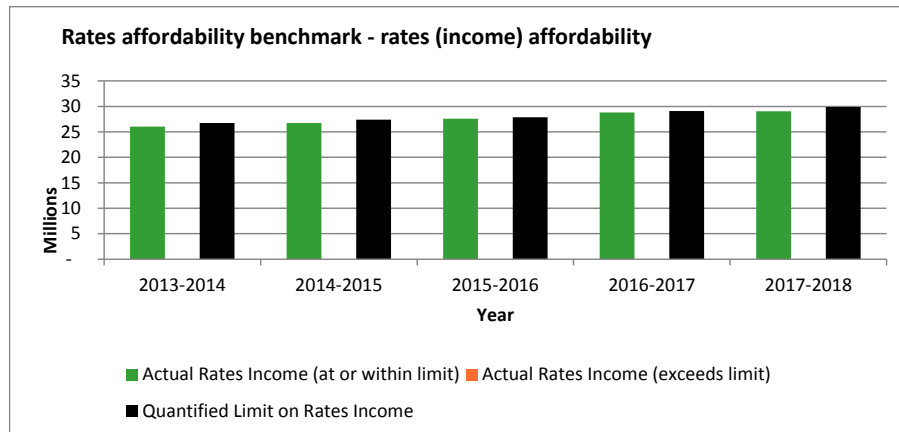
Rates affordability benchmark

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

Rates (income) affordability

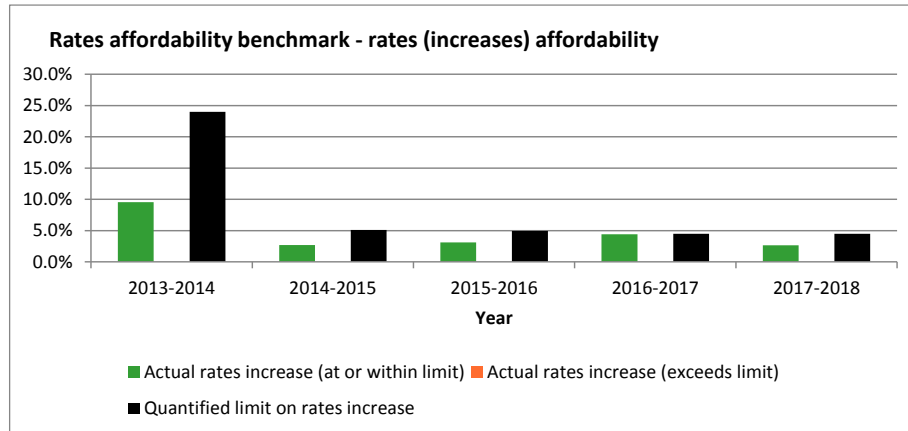
The following graph compares the Council's actual rates income with a quantified limit on rates contained in the Financial Strategy included in the Council's Long Term Plan. The quantified limit for 2017/2018 was set in the Long Term Plan at \$29.9 million excluding water meter billing.



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Rates (increases) affordability

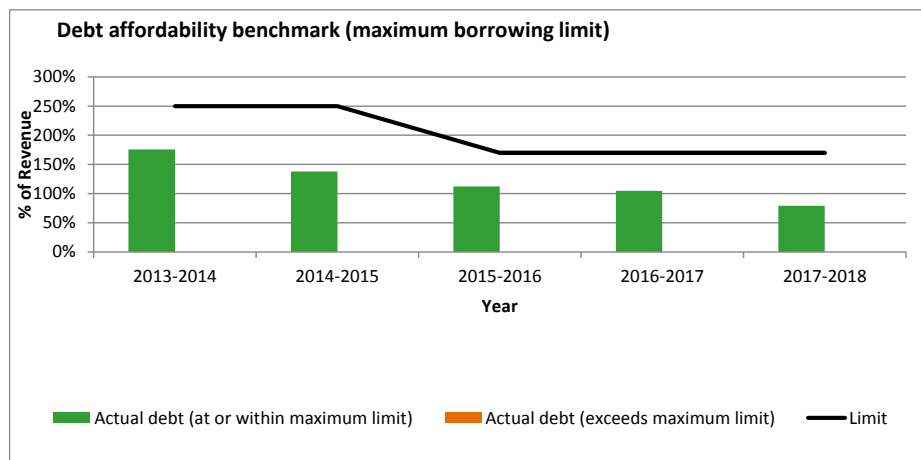
The following graph compares the Council's actual rates increases with a quantified limit on rates increase included in the Financial Strategy included in the Council's Long Term Plan. The quantified limit for 2017/2018 was 4.5% above the previous year's rates excluding water meter billing.



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.

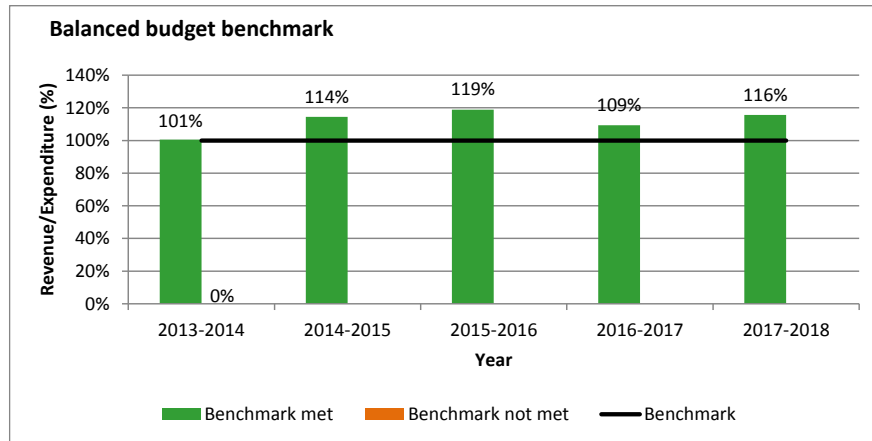


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Balanced budget benchmark

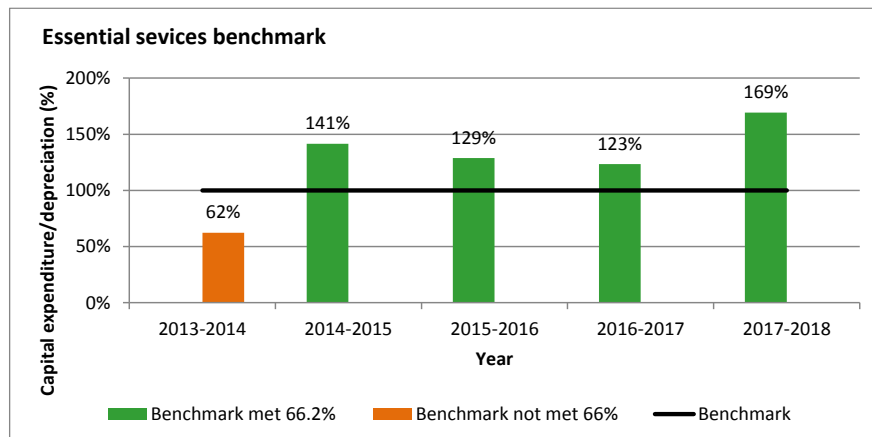
The following graph displays the Council's revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant, or equipment) as a proportion of operating expenses (excluding losses on derivative financial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

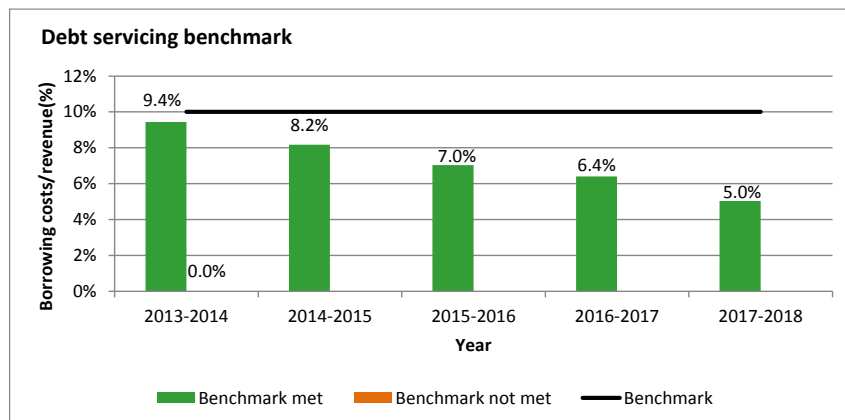


PART TWO - FINANCIALS

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.

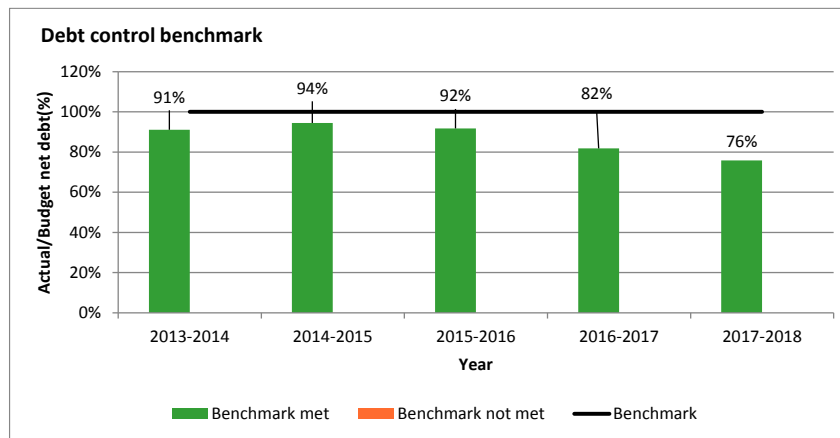


Debt control benchmark

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.

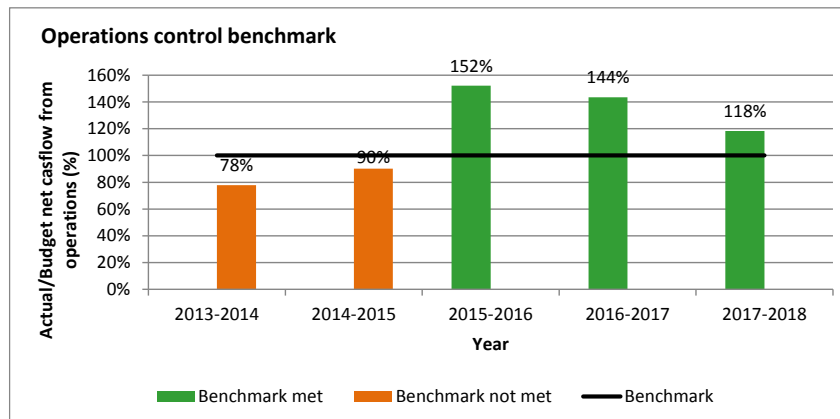
PART TWO - FINANCIALS



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 2017/2018.

Notes to Financial Statements

1 Statement of Accounting Policies for the year ended 30 June 2018

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 2018. The financial statements were authorised for issue by Council on 27 September 2018.

Basis of preparation

These financial statements have been prepared in accordance with the requirements of the Local Government Act 2002 and in accordance with generally accepted accounting practice (GAAP). For the purposes of complying with GAAP Council is a Tier 1 Public Benefit Equity.

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.

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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 Northland Regional Council (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 and financial 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 or 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.

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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.

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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	10-100	0%-10%
Rural sealed	40-80	1.25%-2.5%	Halls	50	2%
Unsealed	20-60	1.67%-5%	Community housing	50	2%
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%

¹Not depreciated

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	Expected life years	Depreciation straight line		Expected life years	Depreciation straight line
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.

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 45 local authority guarantors of 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 2018, LGFA had borrowings totalling \$8.3 billion (2017: \$7.9 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 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.

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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 assets 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 2018:

- ***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.

PART TWO - FINANCIALS

2 Income and Expenditure Summary

2(a) Non-exchange revenue summary

For the year ended:	Actual	Annual Report
30 June	2017-2018	2016-2017
	\$'000	\$'000
Non exchange revenue		
Rates	33,394	32,230
Resource consents	1,511	1,359
Solid waste recoveries	57	40
Total Non exchange revenue	34,963	33,628
Exchange revenue	22,993	23,176
Total revenue	57,955	56,804

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 2017	As at 30 June 2016
Number of rating units within the Kaipara District	15,038 units of which 14,163 are rateable	15,298 units of which 14,437 are rateable
Total capital value of rating units within the Kaipara District	\$6,601,162,525 of which \$6,429,713,150 is rateable	\$6,488,928,925 of which \$6,315,056,550 is rateable
Total land value of rating units within the Kaipara District	\$3,761,943,125 of which \$3,693,729,750 is rateable	\$3,748,625,825 of which \$3,680,231,450 is rateable

The units have decreased from 2016 as farms have been amalgamated.

2(c) Revenue Summary - analysis

For the year ended:	Actual	Annual Report
30 June	2017-2018	2016-2017
	\$'000	\$'000
Subsidies and grants		
NZTA Rooding Subsidies	13,547	9,721
Total Subsidies and grants	13,547	9,721
Investments and Other Income		
Petrol tax	209	206
Gain on disposal of property, plant, equipment and forests	754	115
Unrealised gain on forestry revaluation	274	65
Unrealised gain on assets revaluation	0	3,159
Swaps revaluation through revenue and expense	-231	2,254
Finance income	142	16
Vested assets	115	261
Sundry income	226	365
Total Investment and Other Income	1,489	6,441

2(d) Targeted rates for metered water supply

For the year ended:	Actual	Annual Report
30 June	2017-2018	2016-2017
	\$'000	\$'000
Targeted Rates for metered water supply		
Water Supply	3,177	2,744
Total Targeted Rates for metered water supply	3,177	2,744

The Local Government (Financial Reporting and Prudent) Regulations 2014 require, from 1 July 2015, Water by Meter charges to be classified in rating income.

PART TWO - FINANCIALS

3 Cost of service summary - analysis

For the year ended:	Actual	Annual Report
30 June	2017-2018	2016-2017
	\$'000	\$'000
Analysis of expenditure		
Depreciation and amortisation	10,704	10,274
Land asset write off	0	634
Other expenses	23,343	21,482
Employee benefit expenses		
Salaries and wages	9,890	8,833
Finance costs		
Interest on loans	1,378	1,854
Interest on Local Government Stock	1,358	1,213
Fees paid to Principal Auditor		
Fees for audit of the Long Term Plan	148	0
Fees for audit of the Annual Report	179	188
Fees for other assurance services	9	6
Fees for other services	8	0
Total expenditure	47,017	44,483

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

Other assurance services relate to reports provided pursuant to Council's Trust Deed. Other services relate to the provision of a whistle blower hotline.

Salaries and wages also includes employer contributions to KiwiSaver which is a Defined Contribution Plan. Employer contributions totalled 2018: \$242,748 (2017: \$217,827).

Interest on loans includes hedge costs.

4(a) Ratepayers Equity

For the year ended:	Actual	Annual Report
30 June	2017-2018	2016-2017
	\$'000	\$'000
Accumulated Comprehensive Revenue and Expense Balance at 1 July	381,972	370,863
plus Surplus/(deficit) for the period	10,938	12,321
Transfers from Accumulated Revenue and Expense to:		
Restricted reserves	16	83
Council created reserves	8,652	8,126
Total Transfers from Accumulated Comprehensive Revenue and Expense	8,669	8,209
Transfers to Accumulated Funds from:		
Restricted reserves	152	430
Council created reserves	6,139	6,567
Total Transfers to Accumulated Comprehensive Revenue and Expense	6,291	6,997
Closing balance as at 30 June	390,533	381,972
Asset Revaluation Reserves Balance at 1 July	205,754	199,499
Gain/(loss) on revaluation	12,982	6,255
Closing balance as at 30 June	218,736	205,754
Asset Revaluation Reserves		
Operational assets:		
Land	302	302
Buildings	0	0
Total Operational assets	302	302
Infrastructural assets:		
The Provision of Roads and Footpaths	177,270	174,271
Water Supply	10,554	8,494
Sewerage and the treatment and disposal of sewage	5,630	4,023
Stormwater Drainage	21,730	16,371
Flood Protection and control works	3,250	2,292
Total Infrastructural assets	218,434	205,452
Total Asset Revaluation Reserves	218,736	205,754

4(b) Statement of reserve fund activities

For the year ended:	Community Activities	Regulatory Management	Emergency Management	Flood Protection and Control Works	District Leadership, Finance and Internal Services	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	2017-2018 \$'000	2017-2018 \$'000	2017-2018 \$'000	2017-2018 \$'000	2017-2018 \$'000	2017-2018 \$'000	2017-2018 \$'000	2017-2018 \$'000	2017-2018 \$'000	2017-2018 \$'000	2017-2018 \$'000
Restricted Council Reserves											
Restricted Reserve											
Mangawhai Endowment Lands Account											
<i>Opening Balance</i>	0	0	0	0	5,325	0	0	0	0	0	5,325
Deposited	0	0	0	0	16	0	0	0	0	0	17
Withdrawn	0	0	0	0	-152	0	0	0	0	0	-152
Closing Balance	0	0	0	0	5,190	0	0	0	0	0	5,190
Council Created Reserves											
Depreciation Reserve											
<i>Opening Balance</i>	39	2	26	58	229	0	2,052	685	-44	847	3,894
Deposited	176	14	0	105	411	6	2,431	570	312	878	4,903
Withdrawn	-34	0	0	-3	-189	0	-1,872	-518	-37	-1,203	-3,855
Closing Balance	181	17	26	160	452	6	2,611	737	231	522	4,941
Development Contribution Reserve											
<i>Opening Balance</i>	0	0	0	0	-12	0	222	-25,556	27	29	-25,289
Deposited	0	0	0	0	12	0	236	1,356	13	0	1,617
Withdrawn	0	0	0	0	0	0	-423	-480	-72	0	-975
Closing Balance	0	0	0	0	0	0	35	-24,680	-31	29	-24,648
Financial Contribution Reserve											
<i>Opening Balance</i>	4,759	0	0	0	0	0	673	0	0	0	5,433
Deposited	1,764	0	0	0	0	0	83	0	0	0	1,849
Withdrawn	-952	0	0	0	0	0	0	0	0	0	-952
Closing Balance	5,572	0	0	0	0	0	757	0	0	0	6,330
Provision Expenditure Reserve											
<i>Opening Balance</i>	0	0	0	0	0	500	0	58	0	0	558
Deposited	0	0	0	0	0	250	0	34	0	0	284
Withdrawn	0	0	0	0	0	-62	0	-295	0	0	-357
Closing Balance	0	0	0	0	0	688	0	-203	0	0	485

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Council has set aside reserves funds for the purposes of asset renewal (Depreciation Reserve), Development Contributions, Financial Contributions and Provision Expenditure. 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 Mangawai 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 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.

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5(a) Other financial assets

Other financial assets are valued at fair value

For the year ended:	Actual	Annual Report
30 June	2017-2018 \$'000	2016-2017 \$'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
Civic Financial Services Limited	21	21
Total Non-current financial assets	278	278

5(b) Emissions Trading Scheme (ETS)

Council has 184 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

Civic Financial Services 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 the Council's share of the net assets.

6 Trade and other receivables

For the year ended:	Actual	Annual Report
30 June	2017-2018	2016-2017
	\$'000	\$'000
Trade and other receivables		
Sundry debtors	801	800
Land rates and penalties	6,069	5,006
Water rates and charges	631	625
Dog licences and dog infringements	276	212
Prepayments	1,405	861
Gross Trade and other receivables	9,181	7,503
less Provision for impairment- Land rates	-2,466	-2,238
less Provision for impairment - Other debtors	-624	-208
Total Trade and other receivables	6,092	5,057

As at 30 June 2018 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 Māori land with multiple owners, impairment of which is included in Council's doubtful debt provision.

For the year ended:	Actual	Annual Report
30 June	2017-2018	2016-2017
	\$'000	\$'000
Exchange/ Non exchange receivables		
Exchange	1,879	1,495
Non exchange	4,213	3,562
Total Exchange/ Non exchange Receivables	6,092	5,057
Movement in Impairment Provision		
Opening balance - Impairment provision	-2,446	-2,238
Estimated (increase)/decrease in doubtful debts	-643	-208
Total Non-current financial assets	-3,089	-2,446

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

For the year ended:	Actual	Annual Report
30 June	2017-2018	2016-2017
	\$'000	\$'000
Analysis of Total Trade and Other Receivables Ageing		
Not past due	2,008	1,519
Past due 1-30 days	1,003	712
Past due 31-60 days	98	63
Past due 60 days	2,983	2,762
Total trade and receivables ageing	6,092	5,057

7 Trade and other payables

For the year ended:	Actual	Annual Report
30 June	2017-2018 \$'000	2016-2017 \$'000
Trade and Other Payables		
Trade creditors	6,401	2,466
Accrued expenses	2,566	3,932
Deposits held	2,425	2,091
Receipts held in advance	744	677
Income in advance	616	585
Total Trade and other payables	12,752	9,751

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	2017-2018 \$'000	2016-2017 \$'000
Current provisions		
Landfill closure and aftercare	131	128
Building repairs	17	17
Total Current provisions	148	145
Non-current provisions		
Landfill closure and aftercare	4,563	4,666
Provision for future expenditure	130	130
Total Non-current provisions	4,693	4,796
Total Provisions	4,841	4,941

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8(b) Provisions - movement in provisions

	Landfill closure & aftercare	Building repair	Provision for future expenditure	Total
	\$'000	\$'000	\$'000	\$'000
The movement in the provisions are represented by:				
2018				
<i>Balance as at 1 July 2017</i>	4,794	17	130	4,941
Passage of time adjustment	99	0	0	102
Amounts used	-127	0	0	-127
Discount rate adjustment	-75	0	0	-75
Funding increase	0	0	0	0
<i>Balance at 30 June 2018</i>	<u>4,691</u>	<u>17</u>	<u>130</u>	<u>4,841</u>
2017				
<i>Balance as at 1 July 2016</i>	4,692	17	0	4,709
Passage of time adjustment	298	0	0	298
Amounts used	-125	0	0	-125
Discount rate adjustment	-71	0	0	-71
Unused amount reversed	0	0	130	130
<i>Balance at 30 June 2017</i>	<u>4,794</u>	<u>17</u>	<u>130</u>	<u>4,941</u>

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 costs 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. Investigations into the feasibility to apply for consent to manage and treat the leachate on site commenced in 2017/2018 financial year and an implementation project is proposed for 2018/2019. 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 undertaken in the next two to three years.

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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;
- Groundwater 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 5.06% (2017: 5.23%).

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

- The cost of monitoring of surface/groundwater 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.

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9(a) Public debt

For the year ended:		Actual	Annual Report
30 June		2017-2018	2016-2017
		\$'000	\$'000
Opening balance		62,127	64,961
	add Funds raised	21,700	77,477
	Total Funds	83,827	142,438
	less Repayments	-37,827	-80,311
	Closing balance	46,000	62,127
	Current portion	8,000	17,127
	Non-current portion	38,000	45,000
	Total Public debt	46,000	62,127
Balances are represented by:			
	Bank Loans	1,000	10,127
	Local Government Funding Agency (LGFA)	45,000	52,000
		46,000	62,127

All term liabilities are secured under a Debenture Trust Deed.

For the year ended:		Maturity	Interest Rates	Actual	Annual Report
30 June				2017-2018	2016-2017
				\$'000	\$'000
Maturity and Interest Rates for Public Debt					
	ANZ	April 2018	2.80% to 3.34%	0	5,127
	BNZ	July 2018	2.61% to 3.94%	0	5,000
	BNZ	July 2020	2.6%	1,000	0
	Local Government Funding Agency (LGFA)	2017 to 2019	2.17% to 2.45%	0	12,000
	Local Government Funding Agency (LGFA)	2021 to 2025	2.60% to 2.98%	0	40,000
	Local Government Funding Agency (LGFA)	2018 to 2019	2.32% to 2.58%	7,000	0
	Local Government Funding Agency (LGFA)	2021 to 2025	2.76% to 3.04%	38,000	0
	Total			46,000	62,127

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Undrawn facilities

Undrawn facilities of \$24 million were available at 30 June 2018 (2017: \$19.9 million).

Loan Covenant

Council has loans that amount to \$46 million at 30 June 2018 (2017: \$62.13 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.

Council anticipates that debt scheduled to expire within twelve months of the balance date will be refinanced using existing facilities or through obtaining additional funding through the LGFA.

9(b) Compliance with Liability Management Policy

	Target	Achievement	Policy Compliance	Comment
	%	%	Y/N	
Overall Fixed Liquidity (per Treasury policy)	min 60% - max 90%	102.0%	No	Out of Policy Position as at 30 June 2018. Approved by Council at meeting on 26 April 2018.
Net Debt as a percentage of Total Revenue	>110%	145%	Yes	Achieved
Net Interest as a percentage of Total Revenue	<170%	79%	Yes	Achieved
Net Interest as a percentage of Annual Rates Income	<15%	4%	Yes	Achieved
	<20%	8%	Yes	Achieved
Fixed Rate Debt Maturity Profile:				
1 - 3 years	15% - 60%	19%	Yes	Achieved
3 - 5 years	15% - 60%	21%	Yes	Achieved
5 - 10 years	0% - 60%	60%	Yes	Achieved
Debt Maturity Profile:				
0 - 3 years	15% - 60%	80%	No	Not achieved
3 - 5 years	15% - 60%	15%	Yes	Achieved
5 years plus	10% - 40%	5%	No	Not achieved

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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-17	1-Jul-17	1-Jul-17								30-Jun-18	30-Jun-18	30-Jun-18
Property, Plant and Equipment: 2018													
Infrastructural assets													
Roads and Footpaths	471,305	0	471,305	9,776	182	0	0	0	-6,931	2,998	477,330	0	477,330
Stormwater Drainage	27,567	0	27,567	166	0	0	0	0	-432	5,359	32,660	0	32,660
Flood Protection and Control Works	14,177	-164	14,012	291	66	0	0	0	-165	958	15,162	0	15,162
Sewerage and the Treatment and Disposal of Sewage	57,647	0	57,647	1,356	0	0	0	0	-1,370	1,607	59,241	0	59,241
Water Supply	29,377	-1,009	28,368	1,206	0	0	0	0	-1,007	2,060	30,627	0	30,627
Solid Waste	1,318	-1,194	123	0	0	0	0	0	0	0	1,317	-1,195	122
Work in Progress	728	-123	605	3,888	-248	0	0	-186	0	0	4,368	-309	4,060
Total Infrastructural assets	602,118	-2,491	599,628	16,682	0	0	0	-186	-9,905	12,982	620,704	-1,504	619,202
Restricted assets													
Reserves	18,206	-21	18,184	846	0	0	0	0	-35	0	19,052	-57	18,995
Community Housing	2,320	-439	1,881	0	0	0	0	0	-46	0	2,320	-485	1,834
MEF Property	387	0	387	0	0	0	0	0	0	0	387	0	387
Halls	1,763	-485	1,278	0	0	0	0	0	-35	0	1,763	-519	1,244
Total Restricted assets	22,675	-945	21,730	846	0	0	0	0	-117	0	23,521	-1,060	22,460
Operational assets													
Land	7,034	0	7,034	0	0	-1,173	0	0	0	0	5,861	0	5,861
Buildings	7,265	-1,590	5,675	127	0	0	0	0	-146	0	7,392	-1,736	5,655
Building Contents	1,500	-1,197	302	4	0	0	0	0	-45	0	1,507	-1,242	265
Mobile Plant (incl MV's)	1,070	-659	412	105	0	-24	0	0	-126	0	1,152	-785	367
Static Plant	106	-106	0	0	0	0	0	0	0	0	106	-106	0
Library Books	363	-199	164	72	0	0	0	0	-79	0	434	-278	156
Office Equipment	3,994	-3,354	640	507	0	0	0	0	-285	0	4,503	-3,622	881
Total Operational assets	21,331	-7,104	14,227	814	0	-1,197	0	0	-682	0	20,954	-7,770	13,185
Total Property, plant and equipment	646,123	-10,540	635,584	18,343	0	-1,196	0	-186	-10,704	12,982	665,179	-10,334	654,847

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	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-16	1-Jul-16	1-Jul-16								30-Jun-17	30-Jun-17	30-Jun-17
Property, Plant and Equipment: 2017													
Infrastructural assets													
Roads and Footpaths	469,827	0	469,827	8,075	732	0	0	0	-6,617	-712	471,305	0	471,305
Stormwater Drainage	24,075	0	24,075	982	0	0	0	0	-434	2,944	27,567	0	27,567
Flood Protection and Control Works	14,031	0	14,031	120	25	0	0	0	-164	0	14,177	-164	14,012
Sewerage and the Treatment and Disposal of Sewage	53,542	-2,689	50,853	977	0	0	0	0	-1,366	7,182	57,647	0	57,647
Water Supply	28,215	0	28,215	1,162	0	0	0	0	-1,009	0	29,377	-1,009	28,368
Solid Waste	1,318	-1,194	124	0	0	0	0	0	0	0	1,318	-1,194	123
Work in Progress	826	0	826	512	-610	0	0	-123	0	0	728	-123	605
Total Infrastructural assets	591,834	-3,883	587,951	11,829	147	0	0	-123	-9,591	9,415	602,118	-2,491	599,627
Restricted assets													
Reserves	18,450	0	18,450	686	-296	-634	0	0	-21	0	18,206	-21	18,184
Community Housing	2,314	-392	1,922	5	0	0	0	0	-46	0	2,320	-439	1,881
MEF Property	613	0	613	0	0	-226	0	0	0	0	387	0	387
Halls	2,108	-559	1,549	0	0	-234	0	0	-37	0	1,763	-485	1,278
Total Restricted assets	23,485	-951	22,535	691	-296	-1,094	0	0	-105	0	22,675	-945	21,730
Operational assets													
Land	6,738	0	6,738	146	149	0	0	0	0	0	7,034	0	7,034
Buildings	6,866	-1,448	5,417	399	0	0	0	0	-141	0	7,265	-1,590	5,675
Building Contents	1,418	-1,157	261	82	0	0	0	0	-40	0	1,500	-1,197	302
Mobile Plant (incl MV's)	979	-522	457	92	0	0	0	0	-137	0	1,070	-659	412
Static Plant	106	-106	0	0	0	0	0	0	0	0	106	-106	0
Library Books	296	-133	163	67	0	0	0	0	-66	0	363	-199	164
Office Equipment	3,641	-3,160	481	352	0	0	0	0	-194	0	3,994	-3,354	640
Total Operational assets	20,044	-6,526	13,518	1,138	149	0	0	0	-578	0	21,331	-7,104	14,227
Total Property, Plant and Equipment	635,363	-11,360	624,004	13,657	0	-1,094	0	-123	-10,274	9,415	646,123	-10,540	635,584

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.

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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.

Accounting for revaluations

The most recent valuations were effective as at 30 June 2018. The names, and asset responsibility, of the Valuers engaged are as follows:

Valuer	Asset Responsibility
Opus International Consultants Limited (Independent external professional engineers and valuers)	Valuations and cost escalation adjustments were made to the following asset classes in the 2017/2018 year: <ul style="list-style-type: none">• Roads and footpaths;• Sewerage and the treatment and disposal of sewage;• Stormwater drainage;• Water supply; and• Flood protection and control works.
Quotable Value	Land associated with and included within sewerage and the treatment and disposal of sewage were valued in 2016/2017.

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 is 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.

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.

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- 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 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"> Unit costs are sourced from recent contract costs. Where not available, previous valuation unit rates were updated using an overall indicator of sector escalation developed by combining the movements of the underlying labour, other current costs and capital expenditure components. 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 where an asset's age is unknown, both engineering judgement and local knowledge have been used to assign a remaining life.
Water assets (Sewerage and the treatment and disposal of sewage, Water Supply, Stormwater Drainage) and Flood Protection and Control Works	<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 Council, and either updating to reflect significant changes or previous valuation unit rates were updated using an overall indicator of sector escalation developed by combining the movements of the underlying labour, other current costs and capital expenditure components. 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 where an asset's age is unknown, both engineering judgement and local knowledge have been used to assign a remaining life.

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: 2018	30-Jun-18	30-Jun-18	30-Jun-18	30-Jun-18
<i>Infrastructural assets</i>				
Roads and Footpaths	477,330	9,849	109	628,004
Stormwater Drainage	32,660	160	6	46,487
Flood Protection and Control Works	15,162	357	0	20,729
<i>Sewerage and the Treatment and Disposal of Sewage</i>				
Treatment plants and facilities	27,933	813	0	48,173
Other assets	31,308	543	0	34,277
<i>Water Supply</i>				
Treatment plants and facilities	11,718	1,196	0	19,313
Other assets	18,909	10	0	46,204
Property, Plant and Equipment: 2017	30-Jun-17	30-Jun-17	30-Jun-17	30-Jun-17
<i>Infrastructural assets</i>				
Roads and Footpaths	471,305	7,986	89	608,392
Stormwater Drainage	27,567	810	172	38,948
Flood Protection and Control Works	14,011	119	0	20,729
<i>Sewerage and the Treatment and Disposal of Sewage</i>				
Treatment plants and facilities	28,040	546	0	48,173
Other assets	29,607	431	0	34,277
<i>Water Supply</i>				
Treatment plants and facilities	10,030	297	0	19,313
Other assets	18,338	865	0	46,204

10(c) Capital expenditure and disposals for year

	Actual	Annual Report
	2017-2018	2016-2017
	\$'000	\$'000
For the year ended:		
30 June		
<i>Capital expenditure</i>		
Community Activities	1,045	1,306
Regulatory Management	0	0
Emergency Management	0	0
District Leadership, Finance and Internal Services	615	521
Solid Waste	0	0
The Provision of Roads and Footpaths	13,664	8,523
Stormwater Drainage	166	982
Flood protection and control works	291	186
Sewerage and the treatment and disposal of sewage	1,356	977
Water supply	1,206	1,162
Total Capital expenditure	18,343	13,657
<i>Disposals</i>		
Community Development	0	-234
MELA Property	0	-226
Other	-1,197	-634
Total Disposals	-1,197	-1,094

11 Depreciation summary

For the year ended:	Actual	Annual Report
30 June	2017-2018	2016-2017
	\$'000	\$'000
<i>by Groups of activities</i>		
Community Activities	267	251
Regulatory Management	56	56
Emergency Management	0	0
District Leadership, Finance and Internal Services	476	375
Solid Waste	0	0
The Provision of Roads and Footpaths	6,931	6,617
Stormwater Drainage	432	434
Flood protection and control works	165	164
Sewerage and the treatment and disposal of sewage	1,370	1,366
Water supply	1,007	1,009
Total Groups of activities depreciation	10,704	10,274

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.

	2018 \$000's	2017 \$000's
A Total value of assets that are covered by insurance contracts	130,605	128,251
Maximum amount to which these assets are insured	83,511	90,536
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	571,336	545,058
Value of any fund maintained by Council for that purpose	Nil	Nil

13 Biological Assets

Council's accounting policy requires annual revaluations of Biological Assets. Woodlands Pacific International Forestry Consultants performed an independent Desktop valuation of the forests as at 30 June 2018. 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 9.5% (2017:10.5%) 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	2017-2018	2016-2017
	\$'000	\$'000
Forestry assets movements		
Opening balance	3,531	3,466
Sold Forest Estate	-2,788	0
Annual revaluation movement	274	145
Harvesting removals	0	-80
Closing balance	1,017	3,531

Council acquired the Hobson County Council forestry estate as a consequence of the 1989 Local Government amalgamation process which formed Kaipara District Council.

Council owned and leased nine small forest blocks of radiata pine (631 productive hectares) which were strongly biased toward young replanted strands (2-15 years) and an area of 22-24 year strands. The overall weighted average is 14.6 years.

Council sold 447 hectares in November 2017 and still holds 184 hectares (all excluding Taharoa Domain estate).

Valuation assumptions for the remaining holding:

- A discount rate of 9.5% (2017: 10.5%) has been used in discounting the present value of future cash flows;
- 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; and
- 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).

Financial risk management strategies

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 (2017: \$nil)

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14 Reconciliation of surplus/(deficit) to net cash flow from operating activities

For the year ended:	Actual	Annual Report
30 June	2017-2018	2016-2017
	\$'000	\$'000
Surplus/(deficit) for the period		
Surplus/(deficit) for the period	10,938	12,321
add/(deduct) Non-cash movements		
Property, Plant and Equipment vested to Council	-115	-261
(Gain)/Loss on sale of assets	-754	-115
Forestry revaluation gain	-274	-65
Land assets write off	0	634
Work in progress written off	157	123
Asset revaluation through Profit and Loss	0	-3,159
Increase/(decrease) in Provisions	-101	232
Depreciation	10,704	10,274
Unrealised (gain)/loss on interest rate swaps	231	-2,253
Other Financial Assets	0	-1
Total Non-cash movements	9,848	5,409
add/(deduct) Movements in working capital Items		
Trade and other receivables	-1,035	1,124
Accrued Revenue	-1,475	-80
Employee Entitlements	52	102
Trade and other payables (net of capital accruals)	3,001	1,497
Total Movement in working capital Items	543	2,641
Net Cash Inflow from Operating Activities	21,329	20,371

Note

15 Capital commitments and operating leases

For the year ended:	Actual	Annual Report
30 June	2017-2018	2016-2017
	\$'000	\$'000
Capital commitments		
Property, Plant and Equipment	1,951	522
Total Capital commitments	1,951	522
Operational non-cancellable contracts		
Not later than one year	3,338	9,719
Later than one year and not later than five years	5,189	3,692
Later than five years	227	239
Total Operational non-cancellable contracts	8,753	13,651
Operating leases as lessee		
Not later than one year	112	86
Later than one year and not later than five years	248	20
Total Operating leases as lessee	360	106
Operating leases as lessor		
Not later than one year	29	39
Later than one year and not later than five years	84	90
Later than five years	21	31
Total Operating leases as lessor	134	160

The operating leases are in relation to Council properties.

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16 Contingent liabilities

For the year ended:	Actual	Annual Report
30 June	2017-2018	2016-2017
	\$'000	\$'000
Contingent Liabilities		
Guarantees to other organisations	903	903
Total Contingent Liabilities	903	903

Guarantees

New Zealand Local Government Funding Agency

Council is a guarantor of the New Zealand Local Government Funding Agency Limited (LGFA). 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 45 local authority guarantors of 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 2018, LGFA had borrowings totalling \$8.3 billion (2017: \$7.9 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

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 2018 was \$132,758.

In 1998 a \$108,000 letter of credit was issued in favour of the Northland Regional Council (NRC), being a performance bond in respect of the future capping of district landfills.

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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.

RB & HE Rogan

The Court of Appeal upheld the Northland Regional Council (NRC) appeal in most respects, overturning the High Court decision and made an order validating the NRC rates for 2011/2012, 2012/2013 and 2013/2014 and the NRC penalty resolutions for the years 2011/2012, 2012/2013, 2014/2015 and 2015/2016. Kaipara District Council's penalty resolution for 2013/2014 was also confirmed as valid.

This has allowed Council to now pursue outstanding rates.

RB and HE Rogan

This case has been appealed by Rogan's to the Court of Appeal which is to be heard on 11 September 2018. Council does not consider this to be a material issue.

Building Weather tightness claims

Council has one potential claim which to date has not been lodged, however, may be at any time as Council is aware of a report commissioned by MBIE on the dwelling that identified the building as requiring a full re-clad. The value of this potential claim has been estimated in the report at \$250,000.

Other legal claims

Council has in progress a claim that has been lodged with the High Court for foundation failure. Council was originally named as the fifth of six defendants, however, the owners withdrew their claim against certain parties and now Council is the second of two defendants. Council is in a strong position due to the admission of fault by the first defendant a Chartered Professional Geotechnical Engineer upon which Council based its decision to issue the consent.

Community housing caveat

Council undertook the modernisation of 34 of its community housing units, the works programme being 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 community 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 community 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 (NBS). 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.

Council is in the process of re writing it's EQPB policy as a result of the EQPB Amendment Act 2016. The policy will detail a strategy to identify EQPB's within Kaipara in accordance with the legal timeframes specified in the Act.

17 Statutory disclosures and remuneration and related party transactions

For the year ended:	Actual	Annual Report
30 June	2017-2018	2016-2017
Chief Executive Remuneration:		
Outgoing Chief Executive		
1 July 2017 to 1 September 2017		
Salary	241,866	259,615
Lump sum payment	0	0
Vehicle	0	0
Other Benefits	8,539	7,788
Severance Payment	47,769	0
Total Outgoing Chief Executive Remuneration	298,174	267,404
Acting Chief Executive		
4 September 2017 to 1 June 2018		
Salary	193,800	0
Other Benefits	0	0
Total Acting Chief Executive Remuneration	193,800	0
Acting Chief Executive		
4 June 2018 to 30 June 2018		
Salary	20,769	0
Other Benefits	623	0
Total Acting Chief Executive Remuneration	21,392	0
Commissioners Remuneration		
Chairperson of Commissioners:		
John Robertson (2016-2017: 1 July 2016 to 15 October 2016)	0	66,303
Commissioners:		
Richard Booth (2017-2018: 1 July 2017 to 31 Oct 2017)	0	15,615
Peter Winder (2016-2017: 1 July 2016 to 15 October 2016)	0	22,348
Total Commissioners Remuneration	0	104,266

For the year ended:	Actual	Annual Report
30 June	2017-2018	2016-2017
	\$'000	\$'000
Key management personnel compensation		
Salaries and other short term employee benefits	1,987	1,634
Total Key management personnel compensation	1,987	1,634

Key management personnel include the Chief Executive, senior management, and the Mayor and Councillors who replaced the Commissioners after the October 2016 elections. 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 Mayor, Councillors and senior management, as part of a normal customer relationship, were involved in minor transactions with Council (such as payment of rates etcetera).

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

For the year ended:	Actual	Annual Report
30 June	2017-2018	2016-2017
	\$'000	\$'000
Severance Pay		
Number of Employees	7	1

Severance Pay was paid in the following amounts: \$26,203, \$11,030, \$13,500, \$16,525, \$10,830, \$16,246, \$27,142 (2017: \$15,000).

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For the year ended:	Actual	Annual Report
30 June	2017-2018	2016-2017
		*(15 Oct 2016 to 30 Jun 2017)
Elected Representatives Remuneration		
Mayor:		
Greg Gent (2017-2018: 1 July 2017 to 19 November 2017)	40,051	63,105
Jason Smith (2017-2018: 19 November 2017 to 30 June 2018)	29,901	
Deputy Mayor:		
Peter Wethey	65,716	36,357
Councillors:		
Libby Jones	31,082	18,179
Jonathan Larsen	27,294	18,179
Karen Joyce-Paki	27,294	18,179
Andrew Wade	32,753	18,179
Anna Curnow	32,753	18,179
Victoria del La Varis-Woodcock	27,294	18,179
Julie Geange	32,753	18,179
	346,891	226,714
Crown Observer Remuneration:		
Barry Harris	1,500	3,498
	1,500	3,498
Crown Manager Remuneration:		
Peter Winder	18,019	20,644
	18,019	20,644
Audit, Risk and Finance Committee Chair Remuneration:		
Richard Booth	3,362	0
Stana Pezic	3,000	0
	6,362	0

*Elected members took office 15 October 2016

As at:	Actual	Annual Report
30 June	2017-2018	2016-2017
Council Employees remuneration:		
Annual remuneration by band:		
\$0 - \$60,000	45	43
\$60,001 - \$80,000	37	38
\$80,001 - \$100,000	21	14
\$100,001 - \$120,000	8	10
\$120,001 - \$140,000	5	3
\$140,001 - \$160,000	0	3
\$160,001 - \$200,000	4	3
\$200,001 - \$300,000	1	1
	121	115
Total Employees by remuneration band		
Number of Employees:		
Full time employees	112	105
Part time employees (FTE)	6.4	6.0
	118.4	111.0
Total Employees (FTE)		

Kaipara District Council receives a Waste Minimisation Levy of \$11,500 for Love Kaipara Limited, of which Victoria del la Varis-Woodcock is a Director and Shareholder.

18(a) Categories of financial assets and liabilities

For the year ended:	Actual	Annual Report
30 June	2017-2018 \$'000	2016-2017 \$'000
Loans and Receivables		
Cash and cash equivalents	3,641	11,874
Trade and other receivables	6,092	5,057
LGFA Borrower notes	640	688
Emission Trading Scheme - NZU's	257	257
Loan	115	115
Total Loans and Receivables	10,745	17,991
Financial assets:		
Fair value through revenue and expense		
NZLG Insurance Corporation Shares	21	21
Total Fair value through revenue and expense	21	21
Financial liabilities measured at amortised cost		
Trade and other payables	12,752	9,751
Public debt	46,000	62,127
Total Financial liabilities measured at amortised cost	58,752	71,878
Financial liabilities measured at fair value through revenue and expense		
Interest rate swaps	4,427	4,196
Total Financial liabilities at fair value through revenue and expense	4,427	4,196

Fair Value Hierarchy

	Actual	Level
	2017-2018 \$'000	2017-2018
Interest rate swaps	4,427	Level 2
NZLG Insurance Corporation Shares	21	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 of \$78 million (2017: \$86 million). Included in these totals are forward start interest rate swaps with notional principal of \$26 million (2017: \$29 million).

Financial instruments

Liquidity risk

Council is exposed to liquidity risk as a guarantor of all LGFA's borrowings. This guarantee becomes callable in the event of 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 & 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	2017-2018 \$'000	2016-2017 \$'000
Council's maximum credit exposure by class <small>Note</small>		
Cash and cash equivalents	3,641	11,874
Trade and other receivables <small>6</small>	6,092	5,057
LGFA Borrower notes	640	688
Loan	115	115
Total Council's maximum credit exposure by class	10,488	17,734

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	2017-2018 \$'000	2016-2017 \$'000
Counterparties with Credit Ratings		
Cash and cash equivalents and LGFA borrower notes:		
AA	0	0
AA-	4,281	12,562
Total cash and cash equivalents and LGFA borrower notes	4,281	12,562

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.

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Credit Risk

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 2018							
Trade and Other Payables	7	12,752	12,752	12,752	0	0	0
Public Debt	9a	46,000	50,175	9,209	1,093	36,712	3,161
Total Council 2018		58,752	62,927	21,961	1,093	36,712	3,161
Council 2017							
Trade and Other Payables	7	9,751	9,751	9,751	0	0	0
Public Debt	9a	62,127	67,651	18,635	8,094	27,448	13,474
Total Council 2017		71,878	77,402	28,386	8,094	27,448	13,474

Note: Contractual cash flows includes principal and interest.

18(d) Contractual maturity of derivative financial 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 2018						
<i>Derivative financial liabilities</i>						
Interest rate swaps	78,000	4,427	161	315	821	3,130
Total Derivative financial liabilities	78,000	4,427	161	315	821	3,130
Maturity analysis - Council 2017						
<i>Derivative financial liabilities</i>						
Interest rate swaps	86,000	4,196	208	342	1,135	2,511
Total Derivative financial liabilities	86,000	4,196	208	342	1,135	2,511

The fair value of forward start interest rate swaps is \$0.68 million (2017: \$1.68 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.

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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 2017-2018 \$'000 -100bps Profit	Actual 2017-2018 \$'000 -100bps Equity	Actual 2017-2018 \$'000 +100bps Profit	Actual 2017-2018 \$'000 +100bps Equity	Actual 2016-2017 \$'000 -100bps Profit	Actual 2016-2017 \$'000 -100bps Equity	Actual 2016-2017 \$'000 +100bps Profit	Actual 2016-2017 \$'000 +100bps Equity
Interest rate risk								
Financial assets								
Cash and deposits	-36	-36	36	36	-119	-119	119	119
Total financial assets	-36	-36	36	36	-119	-119	119	119
Financial liabilities								
Public debt	-60	-60	60	60	51	51	-51	-51
Swaps interest rate	-2,479	-2,479	2,295	2,295	-2,566	-2,566	2,393	2,393
Total financial liabilities	-2,575	-2,575	2,391	2,391	-2,634	-2,634	2,461	2,461
Total sensitivity to interest rate risk	-2,575	-2,575	2,391	2,391	-2,634	-2,634	2,461	2,461

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 Asset Management Plans 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.

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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 1 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 \$1,106,454 booked as wastewater operating expenses for 2017/2018 (2017: \$1,104,643).

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	2017-2018 \$'000	2017-2018 \$'000	2016-2017 \$'000	2016-2017 \$'000	30 June	2017-2018 \$'000	2017-2018 \$'000	2016-2017 \$'000	2016-2017 \$'000
Operating funding					Capital funding				
Sources of operating funding					Sources of capital funding				
General rates, uniform annual general charges, rate penalties	22,041	22,041	21,898	21,839	Subsidies and grants for capital expenditure	8,773	8,287	5,221	6,356
Targeted rates	11,353	11,380	10,332	10,448	Development and financial contributions	3,453	1,188	3,219	1,190
Subsidies and grants for operating purposes	4,774	5,895	4,500	5,302	Increase (decrease) in debt	-16,127	-3,832	-2,834	-564
Fees and charges	6,072	4,799	5,193	4,043	Gross proceeds from sale of assets	4,629	150	577	150
Interest and dividends from investments	142	20	130	25	Lump sum contributions	0	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	1,095	282	572	278	Other dedicated capital funding	0	0	0	0
Total operating funding	45,477	44,416	42,625	41,934	Total sources of capital funding	729	5,792	6,183	7,132
Application of operating funding					Applications of capital funding				
Payments to staff and suppliers	33,172	34,064	30,195	31,601	Capital expenditure - to meet additional demand	357	1,610	145	1,167
Finance costs	2,736	3,169	3,067	3,440	Capital expenditure - to improve the level of service	4,754	5,505	3,942	2,789
Other operating funding applications	0	0	0	0	Capital expenditure - to replace existing assets	13,095	11,749	9,175	11,908
Total applications of operating funding	35,908	37,232	33,262	35,041	Increase (decrease) in reserves	-7,908	-5,888	2,283	-1,838
Surplus (deficit) of operating funding	9,569	7,184	9,363	6,894	Increase (decrease) of investments	0	0	0	0
					Total applications of capital funding	10,297	12,976	15,545	14,026
					Surplus (deficit) of capital funding	-9,568	-7,183	-9,363	-6,894
					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	2017-2018 \$'000	2017-2018 \$'000	2016-2017 \$'000
Revenue			
Statement of Comprehensive Revenue and Expense			
Total revenue	<u>57,955</u>	<u>53,979</u>	<u>56,804</u>
Funding Impact Statement			
Total operating funding	45,477	44,416	42,625
Total sources of capital funding	12,227	9,475	8,440
add Provisions	252	89	5,739
Total revenue	<u>57,955</u>	<u>53,979</u>	<u>56,804</u>
Expenses			
Statement of Comprehensive Revenue and Expense			
Total expenses	<u>47,017</u>	<u>45,744</u>	<u>44,483</u>
Funding Impact Statement			
Total applications of operating funding	35,908	35,968	33,262
less Internal professional services	-137	0	-126
add Depreciation expense	10,704	9,771	10,274
add Provisions	543	5	1,074
Total expenses	<u>47,017</u>	<u>45,744</u>	<u>44,483</u>



Kaipara te Orangahau

**KAIPARA
DISTRICT**

Two Oceans Two Harbours

PART THREE
**Activity
Statements**

How to read this section

What is an Activity?

An Activity is an area of focus for Council. Below is a list of the activities under the Long Term Plan 2015/2025.

- ❖ Community Activities
- ❖ District Leadership
- ❖ Stormwater Drainage
- ❖ Regulatory Management
- ❖ Solid Waste
- ❖ Water Supply
- ❖ Emergency Management
- ❖ The provision of Roads and Footpaths
- ❖ Flood Protection and Control Works
- ❖ Sewerage and the Treatment and Disposal of Sewage

Under each activity, we share what we set out to achieve for the last financial year and our progress against those goals. The headings we use, along with information provided are below:

What we planned and what we achieved against our plan	Capital Works Programme	Other things we did
This section highlights what we set out to achieve in the year linked to both the Long Term Plan and Annual Plan. A description of what we achieved against our plan over the last financial year is explained here.	Where appropriate a capital works programme table is included which details the progress of each of our planned projects.	This information is work that has been done in the last financial year which may not have been planned or was a response to something unexpected. It may also highlight some important focuses for Council that were not identified at the annual planning stage.

Performance Measures

Performance measures are set once every three at the long term planning stage. This is an agreement Council make for the measures that will ensure we are delivering what we said we would. The measures are a combination of important community feedback on our level of service that is gathered from an annual survey, as well as our hard measures using number and percentage targets e.g. zero road fatalities.

Community Activities

- Oversee Community Housing in Dargaville, Ruawai and Mangawhai;
- Manage our open spaces protecting and enhancing our natural assets;
- Provide Community Assistance and planning for community-led initiatives;
- Form partnerships to achieve community development goals; and
- Co-operatively provide library services alongside our communities.

Community Outcomes

- Sustainable economy;
- Strong communities;
- Safety and good quality of life; and
- Special character and health environment.



What we planned	What we achieved
Community Activities	
Complete enhancements that enliven the main street and waterfront in Dargaville.	The Band Rotunda Reserve and wharf in Dargaville have had a makeover to create a hub for the town centre. Through additional paths, seating and planting we have created a space that people enjoy. We continue to work on placemaking solutions in and around this location.
Progress the Kaiwaka Town Improvement Plan.	This year we completed planting, improved public spaces, increased path connections and worked with the NZ Transport Agency (NZTA) to provide safer pedestrian options. Work continues under this plan.
Develop a Walkway Strategy.	<p>The Kaipara Walking and Cycling Strategy was completed in 2017.</p> <p>Council continues to work with the strategy to provide connections across the district. An example of this:</p> <ul style="list-style-type: none"> • Working with NZTA, Te Uri o Hau and the community on the walkway and cycleway at the new road alignment in Matakohe.
Work with regional organisations ensuring a collaboration for Northland projects.	We work with Northland Regional Council (NRC), Northland Inc., Whangarei District Council, Far North District Council and Iwi to achieve our combined goals.
Work with community groups across the district supporting our goal of thriving communities working together.	<p>The Community Team met with community groups across the district supporting them with community-led projects, such as heritage walks, town signage and enhancing local recreation areas.</p> <p>Community planting days were held in Pou Tu Te Rangi Harding Park and Te Kopuru Domain.</p>
Implement the asset renewal programme	This programme is ongoing. The Tinopai playground replacement was completed this year. The Jaycee Park (Dargaville) and toilet renewal projects were carried over into 2018/2019 (awaiting library location confirmation).
Implement the asset maintenance programme	Our new maintenance contractor (Downer) took over on 01 March 2018. The focus this year has been on levels of service adjustments to better meet demands.
Undertake asset condition survey and revise asset renewal programme (improvement plan)	Work has continued this year to get all parks/reserves asset information on a shared database that can be used across all groups in Council.

What we planned	What we achieved
Reserves and Open Spaces	
An emphasis on maintenance and development on the park land that abuts our coastline.	Ongoing development of coastal areas and linkages continued this year with Levels of Service adjusted to maintain coastal links/walkways through the new Parks, Reserves, Cemeteries, Public Toilets, Buildings and Dargaville Gardens Contract 860.
Increased investment in parks and reserves with goal of lifting the Levels of Service required to meet growth/popularity demands.	A new maintenance contract was developed and tendered with a change in Levels of Service in areas that will better meet growth demands.
Develop a Streetscape Plan for town centres and main roads.	This has been considered as part of the Dargaville Placemaking Plan and a range of trees and other landscaping has been incorporated into this plan. Dargaville Placemaking is progressing well.
<p>Progress the projects identified in the Reserve Management Plans for:</p> <ul style="list-style-type: none"> • Mangawhai Community Park (MCP); • Pou Tu Te Rangi Harding Park (PTTRHP); and • Taharoa Domain. 	<p>MCP projects were progressed with the continued landscaping around the Pioneer Village and walking track formation throughout the wider Park.</p> <p>PTTRHP has continued with tree removal and replanting this year as per the Reserve Management Plan.</p> <p>Track formation continued around the Taharoa Domain. A new office and accommodation facilities were installed. A tractor shed was purchased and construction has started on a new public toilet facility and campervan dump station, with funding support from MBIE.</p>
Library	
Planned to review options for creating a better space and improved service for Dargaville Library users and our Library+ concept.	This year the concept of a Library+ has changed to a Community Hub. The feasibility study has commenced and funding options is being investigated.
Our support for community libraries will continue.	We enhanced our ongoing relationships with community-run libraries through a Contract for Service. This was to better align the service, opportunities and resources that are available to you at all the libraries in the district.
Implement the improvement plan identified in the Library Asset Management Plan.	With the potential for a bigger, larger space for the library facility this work has been suspended.

What we planned	What we achieved
Implement community engagement programmes.	Summer and winter reading programmes for children are offered to all libraries. School holiday programmes provided in Dargaville. Additional groups have been planned this year to roll out in spring/summer.
Migrate all libraries to new library management system	All Kaipara libraries were successfully migrated to Kotui Library Management System this year allowing libraries to more efficiently share resources and offer a uniform experience to our customers.

Additional information

- We were unable to progress with the toilet and playground replacements planned for Jaycee Park (Dargaville) due to a pending decision for the new library location;
- The new Sportsville building and courts being constructed at Memorial Park have required additional funding of \$64,000 to help upgrade the existing pump station and install more carparks;
- Myrtle Rust continued to hold up planting at Taharoa Domain and Pou Tu Te Rangi Harding Park. We tendered and awarded the Parks, Reserves, Cemeteries, Public Toilets, Building and Dargaville Gardens Contract 860 and transitioned to working with Downer on maintaining our parks and open spaces;
- Council is awaiting the outcome of a funding application made to the Provincial Growth Fund to progress the Landscape Plan for Pou Tu Te Rangi Harding Park.

Capital Works Programme

Location	Cost
Kaiwaka Hall - concreted around the new water tanks	\$6,245
Eveline Street, Mangawhai - a new walkway ramp	\$4,686
Memorial Park, Dargaville - remove trees, landscaping improvements	\$2,520
Lincoln Reserve, Mangawhai - pest plant removal	\$3,508
View Street, Maungaturoto - concrete pad for community picnic table	\$2,130
Hakaru Domain - new entrance way to reserve	\$14,401
Tinopai - picnic table	\$2,395
Selwyn Park, Dargaville - shade sails and kete canopy	\$35,971
Refresh of park signage across the district	\$9,228

Location	Cost
Settlement Road, Kaiwaka - new path, landscaping and picnic tables	\$30,182
Lincoln Street, Mangawhai - development of parking area	\$23,112
Bickerstaffe Road, Maungaturoto - footpath, linking through to View Street	\$8,663
Ruawai - install footpath to the community-funded gazebo	\$6,355
Taharoa Domain - bollards, and protection of new plantings	\$17,000
Taharoa Domain - campervan waste dump site	\$12,332
Taharoa Domain - tracks creation, maintenance and improvement	\$65,850
Memorial Park, Dargaville - carpark	\$29,909
Kainui Walkway, Mangawhai - development of walkway	\$18,313
Mangawhai Community Park - landscaping, walking tracks, service lanes and building upgrades	\$ 82,720
Pou Tu Te Rangi Harding Park- signage improvements, traffic management, Pou, storyboards, landscaping	\$ 89,755

Community Grants

Organisation	Amount
Arapohue Tennis Club	\$ 2,550
Dargaville Community Development Board	\$31,995
Northern Wairoa A&P Show Association (Inc.)	\$ 1,587
Northland Field Days	\$ 7,283
Northern Wairoa Māori, Maritime and Pioneer Museum Society Inc.	\$10,488
Taipuha Hall Society (Inc.)	\$ 5,134

Contracts for Service

Organisation	Amount
Mangawhai Cemetery	\$ 1,000 pa
Maungaturoto Residents Association	\$ 3,500 pa
Paparoa Library	\$15,571 pa
Maungaturoto Library	\$15,278 pa
Kaiwaka Library	\$ 9,000 pa
Mangawhai Library	\$18,000 pa
Sport Northland	\$26,000 pa

Mangawhai Endowment Lands Account (MELA) Grant

Organisation	Amount
Friends of Mangawhai	\$20,000
Mangawhai Domain	\$ 9,775
Mangawhai Heads Surf Lifesaving Club	\$11,600
Mangawhai Library Hall	\$ 9,085
Mangawhai Museum and Historical Society	\$ 7,134
Mangawhai Tennis Club	\$19,000
Mangawhai Tracks Charitable Trust	\$10,000
Mangawhai Activity Zone	\$23,336
Mangawhai Recreational Charitable Trust	\$20,010

Rural Sports Travel Grant

Organisation	Amount
Dargaville Amateur Swimming Club	\$ 500
Dargaville High School	\$ 3,300
Dargaville Primary School	\$ 1,900
Hikuai O Kaipara Waka Ama Club	\$ 500
Kaiwaka Primary School	\$ 500
Northern Wairoa Cricket Club	\$ 1,400
Otamatea High School	\$ 3,300
Ruawai College	\$ 2,300
Ruawai Primary School	\$ 700
Te Kopuru Swimming Club	\$ 500
Aranga School	\$ 500
Dargaville Rugby & Sports Inc. Western Sharks Hockey	\$ 200
Dargaville Rugby & Sports Inc. Junior Hockey	\$ 100

Organisation	Amount
Kaipara Basketball	\$ 400
Mangawhai Beach School	\$ 250
Maungaturoto Amateur Swimming Club	\$ 600
Northern Wairoa Bulls Association Football	\$ 1,000
Northern Wairoa Bulls Rugby League & Sports Club	\$ 1,000
Otamatea Hawks IMB	\$ 500
Otamatea Hawks Junior	\$ 500
Pouto School	\$ 500

Creative Communities Grant

Organisation	Amount
Kaiwaka School	\$ 1,000
Christmas in the Gardens	\$ 900
Cool Bananas	\$ 500
1st Dargaville Girls Brigade	\$ 939
Andrew Griffiths	\$ 496
Oliver Knox	\$ 832
Kumarani Productions Trust	\$ 1,956
Mangawhai Arts Associations	\$ 4,245
Arty Farties	\$ 1,764
Beth Stone – Kaipara District Arts Fair	\$ 798
Dargaville Community Cinema Charitable Trust	\$ 1,114
Rachel Sutton	\$ 2,000
Lynn Middleton, Wendy Clifford, Nicola Everett	\$ 1,058
Marijke Valenburg	\$ 900
The Kauri Museum	\$ 1,740

Community Activities	TARGET (YEAR 3)	RESULT 2017/2018		RESULT 2016/2017	
MEASURED BY					
Performance Measures					
Community Halls					
Provision: Publicly available hall in every urban settlement with a resident population exceeding 1,000.					
<i>Annual count.</i>	A public hall is available in Dargaville, Mangawhai Village and Mangawhai Heads	ACHIEVED		ACHIEVED	
Community Housing					
Quality: Affordability to provide housing suitable for members of the community who have difficulty providing it themselves.					
<i>Annual Tenant Survey - percentage of tenants satisfied with standard of accommodation and services.</i>	95%	NOT ACHIEVED	78%	NOT ACHIEVED	76%
<i>Annual Tenant Survey - percentage of tenants who rate Council response to request for service as excellent/good.</i>	90%	NOT ACHIEVED	82%	NOT ACHIEVED	80%
COMMENT: Slight improvement from last year. 31 tenants from the 51 units undertook the satisfaction survey.					
<i>Net cost to ratepayers for Council's community housing services.</i>	Zero	ACHIEVED	Zero	ACHIEVED	Zero
<i>Annual occupancy rate.</i>	90%	ACHIEVED	99%	ACHIEVED	98%
<i>Compliance with Memorandum of Understanding with Housing New Zealand for the management (not necessarily by Council) of Dargaville, Ruawai and Mangawhai Community Housing.</i>	100%	ACHIEVED	100%	ACHIEVED	100%

Community Activities	TARGET (YEAR 3)	RESULT 2017/2018		RESULT 2016/2017	
MEASURED BY					
Performance Measures					
Reserves and Open Space					
Open spaces, linkages and facilities to promote community well-being and enjoyment.					
<i>Percentage of residents who are very/fairly satisfied with their local parks and sports fields.</i>	85%	ACHIEVED	92%	ACHIEVED	86%
<i>Percentage of residents who are very/fairly satisfied with their public conveniences.</i>	65%	ACHIEVED	84%	ACHIEVED	79%
<i>User satisfaction with cleanliness and lack of litter and graffiti.</i>	70%	ACHIEVED	74%	NOT ACHIEVED	69%
<i>Parks maintenance contract measures met.</i>	ACHIEVED	ACHIEVED		ACHIEVED	
<i>An activity sports park within a 40 minute drive of all residents (not all belonging to Council) with toilet and changing facilities.</i>	ACHIEVED	NOT ACHIEVED		NOT ACHIEVED	
COMMENT: The opening of Sportsville (Dargaville) has been delayed until September 2018.					
<i>Coastal access and esplanade reserves in urban areas already developed or zoned for residential development in the District Plan, with car parking areas.</i>	ACHIEVED	ACHIEVED		ACHIEVED	
COMMENT: We continue to develop spaces that are vested in Council and areas that have been identified as high use.					
<i>A local purpose reserve within a 15 minute walk of residents in urban areas already developed or zoned for residential development in the District Plan.</i>	ACHIEVED	ACHIEVED		ACHIEVED	
<i>A public toilet in shopping areas servicing an urban population over 2,000.</i>	ACHIEVED	ACHIEVED		ACHIEVED	

Community Activities	TARGET (YEAR 3)	RESULT 2017/2018		RESULT 2016/2017	
MEASURED BY					
Performance Measures					
Community Assistance					
Implement the Community Assistance Policy including grants, Contracts for Services, Licences to Occupy and the Mangawhai Endowment Land Accounts.					
<i>Contracts for Service, Community Grants and Mangawhai Endowment Lands Account applications called for and processed within timeframes.</i>	ACHIEVED	ACHIEVED		ACHIEVED	
COMMENT: The Community Assistance and Mangawhai Endowment Lands Account policies and processes have both been reviewed and updated making the application process easier for the public.					
Libraries					
Accessibility: Provide accessible library services in Kaipara.					
<i>Percentage of household that have used the district's libraries in the past 12 months.</i>	60%	NOT ACHIEVED		32%	NOT ACHIEVED
COMMENT: The decreasing trend highlights that residents are accessing information in alternative ways.					
Quality: To provide a range of quality resources and material relevant to the residents of Kaipara.					
<i>Percentage of library users who are very/fairly satisfied with Kaipara district's library services.</i>	81%	ACHIEVED		92%	ACHIEVED
COMMENT: The increasing trend confirms the libraries are on track, providing services and materials to meet the needs of residents.					
<i>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.</i>	ACHIEVED	ACHIEVED		ACHIEVED	

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	2017-2018	2017-2018	2016-2017	30 June	2017-2018	2017-2018	2016-2017
	\$'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	3,450	3,450	3,492	Subsidies and grants for capital expenditure	0	0	0
Targeted rates	284	282	282	Development and financial contributions	1,764	500	500
Subsidies and grants for operating purposes	40	50	50	Increase (decrease) in debt	0	-105	6
Fees and charges	1,008	852	753	Gross proceeds from sale of assets	0	0	0
Internal charges and overheads recovered	312	313	298	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	5,094	4,947	4,875	Total sources of capital funding	1,764	395	506
Application of operating funding				Applications of capital funding			
Payments to staff and suppliers	3,557	3,822	3,773	Capital expenditure - to meet additional demand	285	437	230
Finance costs	55	55	62	Capital expenditure - to improve the level of service	566	1,065	815
Internal charges and overheads applied	788	788	755	Capital expenditure - to replace existing assets	194	333	313
Other operating funding applications	0	0	0	Increase (decrease) in reserves	1,413	-1,159	-566
Total applications of operating funding	4,400	4,665	4,590	Increase (decrease) of investments	0	0	0
Surplus (deficit) of operating funding	694	281	285	Total applications of capital funding	2,458	676	791
				Surplus (deficit) of capital funding	-693	-281	-285
				Funding Balance	0	0	0

Financial comments:

- Higher fees received due to increased patronage at Kai Iwi Lakes Campground. This also increased the associated costs; and
- Financial contributions are well ahead of plan due to high levels of activity.

The provision of Roads and Footpaths

This activity manages an efficient transportation network and supports a thriving and sustainable regional economy.

It aims to improve road safety across the network and ensures our communities have easy access in and around Kaipara.

This activity is provided by Kaipara District Council's Roding Team as part of the Northland Transportation Alliance (NTA).

Community Outcomes

- Council wants to work with the people of Kaipara to make it a place where it's easy to live, easy to do business, easy to join in and to enjoy nature;
- Passable roads connect people to each other, to services and allow businesses to operate; and
- Prioritisation of work programmes are influenced through best meeting the needs of Kaipara communities, and alignment with the NZTA and the Government Policy Statement for Transport.



What we planned	What we achieved
Complete work under a budget of \$23.1 million, the highest budget under this LTP.	With 2017/2018, being the final year under the LTP 2015/2025, the budget has increased to support a larger work programme as a result of the varying spends of the years previous. With an increased budget this year of \$23.1 million, the team met an impressive 94% of this in a challenging environment where weather prevented the possibility of all sealing work being completed; the remaining budget was swiftly re-allocated to grading maintenance.
Reseal 67 kilometres of the road network.	41 kilometres were resealed as an unusually wet summer prevented the balance of reseal work being completed. The budget remaining was redirected into the unsealed network where additional heavy metalling was achieved.
Have the Forestry Strategy aligned with the Unsealed Road Strategy improving the balance of maintenance and renewal works in these areas.	Alignment was achieved and resulted in \$1.0 million of additional spend on Forestry Roads this financial year. The Forestry Targeted Rate collected \$390,000 and NZTA's subsidy was 61%. The total spend was \$1.9 million with an additional \$455,000 spent on peripheral improvements around the heavy metalling locations, this could include water table, culvert and drain maintenance.
Review the bridge renewal programme and better understand Kaipara's bridge assets prioritising repair or replacement to meet demands.	Six priority bridges were identified through the review and funding applications submitted to the Provincial Growth Fund (PGF) to fund this work.
Complete investigation and confirm design requirements for LED streetlight upgrades ensuring Kaipara meets NZTA's specifications and guidelines for Road Lighting Design.	Investigation and design requirements completed for P(pedestrian) Category lights, the physical work was also completed. The V(vehicle) category design and installation has commenced with a targeted finish of 2019.
As part of the Northland Transportation Alliance (NTA), we are working towards growing this working relationship.	Systems have been developed that fit into the NTA, alongside networking and relationship growth improving what can be achieved having the four Northland councils and the NZTA under one roof.
Improve the performance of our aggregate, producing cost savings and increasing efficiencies.	The result of a blended aggregate trial has been concluded and implemented as part of Kaipara District Council's new maintenance contract improving the performance of our heavy metaling.
Investigate and design seal extensions and seal widening projects and complete one project.	The Settlement Road (Kaiwaka) project was approved and completed this year. This involved 1.18 kilometres of seal extension work.
Bridge rating.	The repair and replacement programme was completed and will inform prioritisation of bridge renewals in the future supporting a growing demand in heavy vehicle and higher traffic flows.

Additional information

- The aftermath of Cyclone Debbie and Cyclone Cook that occurred in previous financial year resulted in 19 new slips, currently only two of the 19 remain to be completed. Applications were made to the PGF to support work in two important areas; bridge replacements and Pouto Road sealing. We anticipate the outcome of this application before the end of 2018;
- A new road contractor was confirmed under a 4 (+2+1+1) year contract who will look after the maintenance of Kaipara's road network. This was a joint procurement under the NTA in which three Northland councils have combined their procurement needs and gone to market. The outcome is cost savings and performance efficiencies for Kaipara and Northland;
- The NTA is establishing a new Delivery Model to enhance Kaipara and Northland roading operations further. Kaipara continues to support this initiative; and
- Design work was completed for 2018/2019 road projects increasing the chance of a positive response from the market relating to price/time and resource having longer lead times.

Capital Works Programme

Description of project	Stage	Budget from Annual Plan	Progress description
Bridges and structures	71 % completed	\$1,120,266	Was highlighted and forecasted lower.
Emergency works and preventative maintenance	In Progress	\$571,329	17 of the 19 slips, as a result of Cyclone Debbie and Cyclone Cook, have been completed and the remaining two slips are under construction.
Footpaths and berms	Completed	\$60,000	Completed under minor improvements.
Drainage renewals	91% completed	\$409,852	All planned works were carried out and funds reallocated to maintenance.
Minor improvements	Completed	\$6,099,393	All the planned projects have been completed. The LED upgrade project has been included in this budget and the replacement of all the P-Cat lights have been completed. The remainder of the design and installation of the V-Cat lights will continue in 2018/2019.
Sealed pavement rehabilitation	In Progress	\$2,898,090	Projects completed however, due to the wet summer, there was budget reallocations to the re-metalling budget below.
Sealed resurfacing	Completed	\$1,164,253	Completed to budget.

Description of project	Stage	Budget from Annual Plan	Progress description
Unsealed heavy road re-metalling various sites	Completed	\$2,124,510	Budget spent and exceeded due to wet summer weather and optimisation of the favourable conditions to do this type of work.
Community programmes and road safety	Not completed	\$145,560	Due to third party funding reallocations, there were uncompleted projects and under-delivery. This will be focused on to improve for the next funding cycle.
Infrastructure - unsubsidised	Completed	\$774,244	Settlement Road (Kaiwaka) seal extension completed.
Traffic services	74% completed	\$189,571	Was highlighted and forecasted lower.

The provision of Roads and Footpaths	TARGET (YEAR 3)	RESULT 2017/2018	RESULT 2016/2017		
MEASURED BY					
Performance Measures					
Safety					
The transportation network is designed and managed for safe use with low crash and injury rates.					
Number of road fatalities and serious injuries cause by road factors.	11	ACHIEVED	1	ACHIEVED	0
Road Condition (Smoothness)					
The average quality of ride on a sealed local road network, measured by smooth travel exposure.					
<i>Smoothness within average range as below:</i> <90 smooth 90-110 average <110 rough.	90-110	ACHIEVED	93	ACHIEVED	93
Road Condition (Pavement Integrity Index)					
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 land length.					
<i>PII within average range as below:</i> <90 poor >90 good >95 very good.	90-95	NOT ACHIEVED	88.4	ACHIEVED	108
COMMENTS: The Not Achieved result can be attributed to wet weather resulting in lost time to deliver on the planned reseal work.					
Road Maintenance					
The percentage of the sealed local road network that is resurfaced. (This is based on a design life of 15 years).					
<i>Minimum reseal percentage of the total sealed length of the network that will be undertaken each year to keep up with the surface determination rates.</i>	6.8%	ACHIEVED	9.7%	NOT ACHIEVED	6.4%

The provision of Roads and Footpaths	TARGET (YEAR 3)	RESULT 2017/2018	RESULT 2016/2017		
MEASURED BY					
Performance Measures					
Footpaths					
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>Percentage of residents who are satisfied with footpaths.</i>	73%	NOT ACHIEVED	63%	NOT ACHIEVED	56%
COMMENT: A condition assessment of all our footpaths has been completed and will prioritise our future work programme.					
Response to service requests					
<i>Percentage of customer service requests, approved for action, closed (customer informed of intended work schedule) within the day timeframes set.</i>	90%	ACHIEVED	96%	ACHIEVED	92%
Road Maintenance					
The length of the unsealed* local road network that is graded.					
<i>The length of the unsealed local road network that is graded per annum for Secondary Collector.</i>	140 km	NOT ACHIEVED	129km	ACHIEVED	146km
<i>The length of the unsealed local road network that is graded per annum for Access.</i>	1,200 km minimum	NOT ACHIEVED	1,166km	ACHIEVED	1,313km
<i>The length of the unsealed local road network that is graded per annum for Access (Low Volume).</i>	750 km minimum	NOT ACHIEVED	617.7km	ACHIEVED	859km
COMMENT: The road length targets set no longer reflect the maintenance contract expectations or key performance measures. Grading as an activity occurs based on network need, suitable conditions and seasonal opportunity. Grading focus has changed significantly from grading regularly (grading for the sake of grading) to only grading when conditions are suitable and weather allows.					

*One Network Road Classification (ONRC)

The provision of Roads and Footpaths - 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	2017-2018 \$'000	2017-2018 \$'000	2016-2017 \$'000	30 June	2017-2018 \$'000	2017-2018 \$'000	2016-2017 \$'000
Operating funding				Capital funding			
Sources of operating funding				Sources of capital funding			
General rates, uniform annual general charges, rate penalties	8,997	8,997	9,450	Subsidies and grants for capital expenditure	8,773	8,287	6,241
Targeted rates	385	390	390	Development and financial contributions	319	325	324
Subsidies and grants for operating purposes	4,734	5,845	5,226	Increase (decrease) in debt	0	-82	-78
Fees and charges	74	0	0	Gross proceeds from sale of assets	6	0	0
Internal charges and overheads recovered	1,736	2,528	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 sources of capital funding	9,099	8,530	6,487
Total operating funding	15,926	17,759	15,066	Applications of capital funding			
Application of operating funding				Capital expenditure			
Payments to staff and suppliers	9,227	10,158	8,939	- to meet additional demand	0	562	310
Finance costs	55	55	60	Capital expenditure			
Internal charges and overheads applied	4,193	3,755	2,948	- to improve the level of service	3,414	3,013	1,186
Other operating funding applications	0	0	0	Capital expenditure			
				- to replace existing assets	6,544	10,603	9,125
Total applications of operating funding	13,475	13,968	11,946	Increase (decrease) in reserves	1,591	-1,857	-1,014
Surplus (deficit) of operating funding	2,451	3,792	3,119	Increase (decrease) of investments	0	0	0
				Total applications of capital funding	11,549	12,321	9,607
				Surplus (deficit) of capital funding	-2,450	-3,792	-3,119
				Funding Balance	0	0	0

Financial comments:

- Subsidies and grants are below budget due to lower maintenance work completed during the year. The same is also for payments to staff and suppliers.
- Internal charges recovered and applied reflect the change to direct charging with the creation of the Northland Transportation Alliance this year.
- Capital expenditure is lower than budget as is the resulting NZTA funding. Works are planned to be carried forward to next year.

Regulatory Management

The regulatory management activity includes Building, Environmental Planning, Environmental Health and Animal Management.

The building service ensures that new and existing buildings are developed in a safe and compliant manner and facilitate resource and building consent.

Environmental monitoring ensures public spaces are used appropriately by all positively contributing to the health, safety and well-being of our community.

The animal management activity contributes to having a safe and enjoyable environment in which animals, animal owners and the wider community live together without incident.

Community Outcomes

- Council wants to work with the people in Kaipara to make it a place where it's easy to live. When it's easy, it will be easy to do business, easy to join in and to enjoy nature; and
- Council's regulation has traditionally been made to be as enabling as possible.



What we planned	What we achieved
Building Control	
Inspection booking software application for customers.	This app is available and being used by members of the public, however there are some refinements being worked on prior to roll out.
Rebuilding better taxonomy, spreadsheets and processes for better efficiencies and in preparation for the IANZ accreditation audit.	Major improvements have been made this year through quality assurance and maximising Microsoft tools.
Regulatory Services - Environmental Health	
Improvement of potable water quality and recreational.	This year we have carried out water surveys in the Kaihu and Maungaturoto districts to improve potable water supplies. Council is working with residents to provide a satisfactory and safe water supply. This work is ongoing.
Transition of food hygiene regulations to the Food Act.	This is a three year programme that requires all food premises to complete a food control plan under the new Food Act. We are approximately 95% transferred with a deadline of February 2019 for the balance.
The implementation of the new Wastewater Bylaw.	This bylaw has been in force for over a year now and Council is finding more issues than anticipated with domestic wastewater i.e. defective domestic septic tank systems causing pollution. Council is working with homeowners to bring these up to the new standard.
Regulatory Services - Animal Management	
Section 17A Review of Animal Management Services	Council has started its review of the Animal Management Shared Services Contract under Section 17A of the Local Government Act. This involves testing the market whilst also placing consideration on bringing the service in-house.
Regulatory Services - Resource Consents	
A number of changes to the Resource Management Act (RMA) became operative in October 2017, requiring updated processes and procedures to be implemented.	A significant change has been a new notification process under the RMA. New reporting and decision templates have been developed and used. A key stakeholder workshop was held to educate the development community on the changes.

What we planned	What we achieved
A 'Duty Planner' system has been created to formalise the management of customer planning enquiries.	Planning staff are now alternating days to ensure that coverage is provided every day for customer enquiries, including meetings on planning matters.
Investigate online shared services.	This happened, however, an initiative with Northland councils (Whangarei and Far North District Councils) has not eventuated other than occasional joint training. The system Kaipara uses (AlphaOne) is well-regarded as the national system of choice and a number of councils around the country are adopting this system. Kaipara has increased its collaboration with national Building Consent Authorities since moving to AlphaOne.
Review customer knowledgebase information.	The entire public information about building has been reviewed this year, updated as well as FAQ's created to assist our Customer Service Centre frontline information accuracy.
Review fees and charges	Fees and charges amended and updated for 2017/2018.

Additional information

- The water survey required more effort than anticipated from the Regulatory Team. This will be ongoing through the next financial year due to balancing cultural sensitivities and meeting the legislative requirements;
- Continued growth and development within the district has created challenges for meeting workload demands and has resulted in a continuing reliance on external planning and engineering consultants for assistance. There appears to be a national skill shortage of experienced senior planners.
- In addition to resource consent volume, there has been an increasing number of complex applications and increasing number of consents requiring a hearing.
- Adoption and drive of Building Consents Authority use of Office 365 tools to build reporting and smart functioning computer systems. This is to be rolled out across the departments and potentially organisation-wide;
- The Regulatory, Planning and Policy Teams have had to balance their workload taking into account central government legislation changes, treaty settlement negotiations and climate change science to name a few. This will have a future impact on potential workloads and budgets;
- The Provincial Growth Fund has become an important consideration for Council and the project opportunities this encourages us to identify. The team has been working alongside Council groups to plan options and support funding applications; and
- Coastal hazard mapping has been finalised by the NRC in early 2018 for some parts of the District having implications for consenting and policy decisions within the district. Work in this area is anticipated to be ongoing for the next 12 - 24 months.

Regulatory Management	TARGET (YEAR 3)	RESULT 2017/2018		RESULT 2016/2017	
MEASURED BY					
Performance Measures					
Building Control Inspections, Compliance and Enforcement					
Ensure effective response to customer enquiries about building standards.					
<i>Percentage of customers who rate request for service responses as excellent/good.</i>	85%	NOT ACHIEVED	78%	NOT ACHIEVED	80%
COMMENT: Survey results indicate a high margin of error due to low sample numbers (37 people).					
Responsiveness					
To process applications within statutory timeframes.					
<i>Percentage of building consents (BC) processed within 19 working days.</i>	95% (18 day measure)	NOT ACHIEVED	90%	ACHIEVED	98%
COMMENT: In 2018, it was established that the date of receipt of a complete application is the date the application was received. It is not the date after which the application has been checked, vetted, assessed, entered into the system or allocated for processing. The revised calculation had an impact on the different result between the financial years.					
<i>Percentage of Project Information Memoranda (PIM) processed within 19 working days.</i>	95% (18 day measure)	ACHIEVED	98%	ACHIEVED	99%
<i>Percentage of Code Compliance Certificates (CCC) issued within 20 working days.</i>	100%	NOT ACHIEVED	96%	ACHIEVED	100%
COMMENT: A process failure was discovered causing delays in issuing CCC's. This has been rectified.					

Regulatory Management	TARGET (YEAR 3)	RESULT 2017/2018		RESULT 2016/2017	
MEASURED BY					
Performance Measures					
Quality					
Monitoring of BC applications and inspections to ensure projects comply with New Zealand Building Code.					
<i>Advise building owners/occupiers of the expiry of their Warrant of Fitness one month before the expiry date.</i>	95%	NOT ACHIEVED	87%	ACHIEVED	95%
COMMENT: Quarterly results were tracking at 100% however, a software issue identified in the last quarter resulted in failed reporting.					
<i>All new buildings in the Kaipara district for which a BC has been issued comply with the New Zealand Building Code (includes approval of building plan, as well as confirmation that the resulting building matches the approved plans.</i>	99%	ACHIEVED	100%	ACHIEVED	100%
<i>Buildings under construction inspected to ensure that code of compliance achieved.</i>	90%	ACHIEVED	100%	ACHIEVED	100%
<i>Illegal activity/unauthorised work complaints investigated within three working days.</i>	94%	NOT ACHIEVED	93%	NOT ACHIEVED	90%
COMMENT: This result is the total performance of all investigations into illegal/unauthorised activity alongside minor nuisance complaints and queries on projects that meet legislative compliance					
Resource Consents, Monitoring and Enforcement					
Ensure effective response to customer enquiries about District Plan/resource consent requirements.					
<i>Percentage of customers who rate Request for Service responses as excellent/good.</i>	85%	NOT ACHIEVED	57%	NOT ACHIEVED	84%
COMMENT: Survey results have a margin of error due to low sample numbers this year (35 people).					

Regulatory Management	TARGET (YEAR 3)	RESULT 2017/2018		RESULT 2016/2017	
MEASURED BY					
Performance Measures					
Responsiveness: To process applications in accordance with statutory timeframes.					
<i>Percentage of non-notified resource consents processed within 18 working days.</i>	95%	NOT ACHIEVED	54%	ACHIEVED	95%
COMMENT: 88.1% (319 out of 362) were processed within the 20 working day statutory timeframe.					
<i>Percentage of resource consents notified by Council that is subject to objections/appeals against consent conditions.</i>	1%	NOT ACHIEVED	1.9%	NOT ACHIEVED	2.5%
COMMENT: Seven objections/appeals were received out of a total of 369 non-notified and notified decisions.					
<i>Percentage of Land Information Memoranda (LIM) processed within 10 working days.</i>	100%	ACHIEVED	100%	ACHIEVED	100%
Resolving of complaints concerning breaches of conditions of resource consent and other non-compliance with the District Plan.					
<i>Percentage of complaints concerning breach of resource consent conditions relating to earthworks and/or sediment control that are resolved to ensure compliance within five working days.</i>	95%	ACHIEVED	100%	ACHIEVED	100%
<i>Percentage of complaints regarding unconsented works and non-compliance with the District Plan and resource consent investigated within five working days.</i>	95%	ACHIEVED	100%	ACHIEVED	100%
<i>Percentage of all new granted resource consents are audited each year to ensure they comply with relevant conditions.</i>	20%	ACHIEVED	23%	ACHIEVED	75%
COMMENT: Result reported is the percentage of resource consents that have received an inspection as a result of monitoring follow up					

Regulatory Management

MEASURED BY

TARGET (YEAR
3)

RESULT 2017/2018

RESULT 2016/2017

Performance Measures

Environmental Health

Health and Safety Customer Service: Regulate commercial operations to protect public health.

Percentage of food premises inspected at least once per year.

100%

NOT ACHIEVED

77%

ACHIEVED

100%

COMMENT: Staffing this area has been challenging in the last year

Percentage of alcohol premises inspected at least once per year.

100%

ACHIEVED

100%

NOT ACHIEVED

76%

Reliability: Respond to environmental health issues in the interest of protecting public health.

Percentage of customers who rate Request for Service responses as excellent/good.

85%

NOT ACHIEVED

73%

NOT ACHIEVED

81%

COMMENT: Survey resulted in a low sample of responses which may have impacted the result

Animal Management

Reliability: Respond to animal management issues.

Percentage of priority response times being met.

87%

ACHIEVED

100%

ACHIEVED

100%

Percentage of customers who rate Request for Service responses as excellent/good.

85%

NOT ACHIEVED

51%

NOT ACHIEVED

48%

COMMENT: This year we increased school education, house-to-house visits and patrols in troubled areas. We will continue to work on lifting the animal management area of Council.

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	2017-2018	2017-2018	2016-2017	30 June	2017-2018	2017-2018	2016-2017
	\$'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	1,072	1,072	857	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	4,118	3,675	2,893	Gross proceeds from sale of assets	0	0	0
Internal charges and overheads recovered	389	389	623	Lump sum contributions	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	9	5	5	Other dedicated capital funding	0	0	0
Total operating funding	5,588	5,141	4,378	Total sources of capital funding	0	0	0
Application of operating funding				Applications of capital funding			
Payments to staff and suppliers	4,397	4,140	3,369	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	987	987	1,007	Capital expenditure - to replace existing assets	0	0	0
Other operating funding applications	0	0	0	Increase (decrease) in reserves	203	14	2
Total applications of operating funding	5,385	5,127	4,376	Increase (decrease) of investments	0	0	0
Surplus (deficit) of operating funding	203	14	2	Total applications of capital funding	203	14	2
				Surplus (deficit) of capital funding	-203	-14	-2
				Funding Balance	0	0	0

Financial comment:

- Total fees and charges and payments to staff and suppliers are both above budget due to the ongoing levels of activity in the district.

District Leadership

Governance

District Leadership is the activity of running the business of Council. It involves democratic support to Elected Members, Council, its committees and other bodies in local decision-making and governance processes, and ensures governance structures and processes are effective, open and transparent.

It involves planning the delivery of community-led initiatives and ideas, and the corporate planning of Council, delivering strategic documents such as LTPs, Annual Plans and Annual Reports ensuring that Council plans deliver on what we say we will while meeting our statutory responsibilities.

Emergency Management

Council will, in an emergency event, operate an Emergency Operations Centre at the Dargaville Office or other location if necessary. Council ensures that it has ongoing capability by

conducting training sessions and having relationships with a number of agencies such as the Police and New Zealand Fire Service.

Community Outcomes

- Provides regular, timely, transparent and accessible communication along with clear and simple procedures;
- Enables commercial and industrial development to occur without undue restrictions;
- Encourages communities to work together in moving forward by actively providing various methods of support;
- Provides the community with the opportunity to be involved in decisions which affect them;
- Provides support to the business community to develop;
- Reflects the Kaipara culture with a small, friendly, approachable organisation which tailor's services to cater for Kaipara's unique needs;
- Provides a development framework while safeguarding the environment; and
- Economic growth enables improved social conditions.

What we planned	What we achieved
Governance	
<p>Planned changes in governance in year three of the LTP 2015/2025 was to:</p> <ul style="list-style-type: none"> • Continue to implement Elected Members training plan; • Create plan for the October 2019 local body election; and • LTP 2018/2028 review and adoption. 	<p>Some development for Elected Members has continued where a need has been identified. Preliminary project planning has started to prepare for the 2019 elections.</p> <p>The LTP 2018/2028 was adopted in June 2018 after significant consultation with our community.</p>
Community Planning	
Reserves and Open Space Strategy review.	Work continues on the preparation of a new strategy. Over the year this has included identifying the issues facing the management of assets. Stakeholder engagement will commence shortly followed by a draft strategy for full public consultation.
Continue with Community Action Plans.	Action plans have been developed as a way for communities to partner with Council to make their ideas a reality. This has led to strengthened relationships across the district and opened up the lines of communication.
District Plan monitoring and state of the environment reporting.	This work has been ongoing this year. Our District Planner and team have been assessing anomalies, KDC policy strategies and community priorities in order to assist this efficiency and effectiveness review and identify priorities for the future work programme.
Council-initiated plan change processed.	This is Plan Change 4 which is Fire Rules. This was progressed to mediation and is due for conclusion by September 2018 if there is no hearing.
District Plan rolling review.	The rolling review was replaced with a comprehensive review plan that will provide value for money and better meet community expectations.
Reserve Planning.	RMPs are in place for the district's premier reserves and open spaces including Kai Iwi Lakes (Taharoa Domain), Pou Tu Te Rangi Harding Park and Mangawhai Community Park. Other current RMPs include the Northern Wairoa War Memorial Park Reserve and Mangawhai Coastal and Harbour.

What we planned	What we achieved
	<p>Work has commenced on a Reserves and Open Space Strategy with a framework being considered that will categorise RMPs into passive, active recreation and conservational.</p> <p>The Reserves and Open Space Strategy will involve a 'have our say' process for our communities.</p>
Bylaw review programme implemented.	<p>Work is underway to review Council's General Bylaws including the Dog, Wastewater and Taharoa Domain bylaws.</p> <p>Policy analysis has been completed to better understand the issues which have arisen with dog control under the current policy and bylaw. Review of this area will continue over the coming financial year and will include full community consultation.</p>
Policy review programme implemented.	<p>Council has implemented a programme that looks at legislative and regional planning requirements balanced with Council's directive.</p> <p>Over the last year the Reserve Contributions Policy has been a big focus leading to changes where funds will be distributed across Kaipara.</p> <p>Research has been completed about the possibility of including vaping in the review of the Smokefree Kaipara Policy.</p> <p>Gathering Police evidence and undertaking research on alcohol banned areas and whether new alcohol-free areas need to be established.</p> <p>Research on Totaliser Agency Board (TAB) Venues Policy and how this applies to Kaipara (legislative review).</p> <p>Developing relationships in the last year with Mana Whenua and participation in policy processes and development.</p> <p>Looking at climate change and the impacts on our coast and natural environments. Understand national and regional policy and how this impacts on Kaipara's District Plan.</p>
Investigate options for online resource consent processing.	Council has been working with suppliers to investigate options for developing an online resource consent system. This also relates to the options for moving to an e-District Plan (an online service).

What we planned	What we achieved
Corporate Planning	
Financial Management: <ul style="list-style-type: none"> • Repayment of debt increasing financial resilience and capacity; and • Operational expenditure - budgeted \$5.4 million. 	External Debt has been reduced from \$62.1 million to \$46 million ahead of the budgeted target of \$56 million. This healthy reduction was the result of meeting planned repayments, development contributions, and proceeds of property sales of \$5.4 million. The operational expenditure was on budget.
Reinvest interest cost and other savings to: <ul style="list-style-type: none"> • Advance backlog of work; • Increase our capability; • Reduce debt; and • Preserve funding levels for the future. 	Council reinvested interest costs and other savings and the additional monies were used to ensure resource was available to deliver on outcomes.
To produce plans that feed into the next LTP 2018/2028 plus policy management including rates policy.	As part of the LTP process Council consulted on a number of policies which were adopted in June 2018.
Progress organisation efficiencies under the performance framework ensuring ongoing business movement across Council.	During this reporting period, Council underwent a significant staff restructure. The aim of this was to ensure the organisation was operating efficiently and structurally able to deliver what is needed. Development plans have been put in place for staff and training provided where appropriate.
Ongoing monitoring of technology environment to identify system and process improvements.	An IT Strategy and Framework has been created off the back of a busy year investigating technology options. This will allow prioritisation of IT infrastructure and improved service delivery.
Emergency Management	
To increase community awareness, understanding and preparedness for emergencies.	Our Civil Defence Officer continued working with communities to develop and review Community Response Plans and assist the community to prepare for Civil Defence and emergency events.
Reduce the risk from natural hazards.	Council is managing the risk by ensuring preparedness. Regular review of Community Response Plans and annual Civil Defence exercises assist in reducing this risk.
Enhance the district's ability to manage and recover from emergencies.	Planners continue to enforce the minimum floor level requirements contained with the District Plan. Council has continued with Civil Defence practice exercises.

What we planned	What we achieved
Continue to train staff in emergency management systems e.g. EMIS, welfare training and CIMS training.	Staff attended a number of training courses during the year including CIMS, Emergency Operations Centre Training and other exercises.
Rural Fire	
Safeguard life, property and the environment through firstly prevention and secondly control of fires.	FENZ responsibility since 01 July 2017.
Improved mapping functionality for emergency services	FENZ responsibility since 01 July 2017.
Computers and printers for established rural fire depots.	FENZ responsibility since 01 July 2017.

Additional information

- The Provincial Growth Fund aims to lift productivity in the provinces. Its priorities are to enhance economic development opportunities, create sustainable jobs, enable Māori to reach full potential, boost social inclusion and participation, build resilient communities and help meet New Zealand's climate change targets. Council continues to see additional funding through the Provincial Growth Fund. Four applications have been lodged for the 2017/2018 year. These are the Kaihu Valley Rail Trail, Dargaville Digital Hub, Pouto Road resealing, and water storage project.

District Leadership	TARGET (YEAR 3)	RESULT 2017/2018	RESULT 2016/2017		
MEASURED BY					
Performance Measures					
Governance					
Compliance with legal requirements around formal meetings of Council and its Committees.					
<i>Meetings of Council and Committees are correctly convened and legislatively compliant.</i>	All	ACHIEVED	All	ACHIEVED	All
Elected Members are provided with detailed, accurate and relevant information.					
<i>Comprehensive reporting to Council and Committee meetings uses approved systems and processes.</i>	All	ACHIEVED	All	ACHIEVED	All
<i>Elected Members are satisfied with the level of support and service provided by officers.</i>		Not measured		Not measured	
COMMENT: Elected Members felt that this question was too non-specific to get a meaningful outcome.					
<i>Percentage of residents that are very/fairly satisfied with how rates are spent on services and facilities provided by Council</i>	70%	ACHIEVED	73%	NOT ACHIEVED	44%
COMMENT: The population of this survey is based on residents that are very dissatisfied with value for money.					
That Elected Members identify and respond to external risks to reduce or mitigate effects on the community.					
<i>Percentage of residents that are very/fairly satisfied with the way Council involves the public in decision-making.</i>	40%	ACHIEVED	61%	ACHIEVED	56%
A proactive programme to develop good relationship with the community and mana whenua.					
<i>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.</i>	Increasing trend	ACHIEVED	61%	ACHIEVED	51%

District Leadership	TARGET (YEAR 3)	RESULT 2017/2018		RESULT 2016/2017	
MEASURED BY					
Performance Measures					
<i>Percentage of residents who rate the performance of Elected Members as very good/fairly good.</i>	50%	ACHIEVED	66%	ACHIEVED	68%
<i>That the Mana Whenua Forum meets regularly.</i>	Four times per year	NOT ACHIEVED	2	NOT ACHIEVED	1
COMMENT: Two Mana Whenua Forums were held as part of the LTP process.					
The transition from Commissioners back to Elected Members is successful.					
<i>Committees Governance structures are reviewed and adopted by the new Council.</i>	Yes	ACHIEVED		ACHIEVED	
COMMENT: While not a new Council, the Governance structure continues to be adapted and Terms of Reference for all committees were reviewed during the third quarter.					
<i>Good levels of participation in elections.</i>	Not measured this year	-	-	ACHIEVED	48%
COMMENT: There was no territorial authority election this year therefore the measure is not applied, however a Mayoral by-election during February resulted in a good percentage of participation.					
Processes established and maintained that provide opportunities for Māori to participate in decision-making.					
<i>Iwi Relationship Plan is developed and used.</i>	Mana Whenua Forum meetings four times per year	NOT ACHIEVED	2	NOT ACHIEVED	1
COMMENT: This measure follows an Iwi Relationship Plan being developed in year one of the LTP 2015/2025. Two Mana Whenua forums were held as part of the LTP process this year.					
<i>Participation in Iwi Chief Executives Forum.</i>	Chief Executive attends at least	ACHIEVED	2	ACHIEVED	2

District Leadership	TARGET (YEAR 3)	RESULT 2017/2018		RESULT 2016/2017	
MEASURED BY					
Performance Measures					
	two meetings per year				
<i>Māori Staff Advisory Group.</i>	Meets four times per year	ACHIEVED	4	ACHIEVED	4
COMMENT: The Māori Advisory Group meets on an 'as required' basis.					
Community Planning					
Community Action Plans produced to build community trust in Council.					
<i>Number of community planning meetings held and Community Action Plans developed.</i>	Four times per year	ACHIEVED	7	ACHIEVED	7
COMMENT: Two community conversations were held in Whakapirau and Pahi. Supported community-led initiatives in Tangiteroria, Te Kopuru and Baylys Beach. Work continues with communities that already have plans in place such as Dargaville and Kaiwaka.					
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>District Plan: Percentage of building consents that do not require a resource consent.</i>	50%	ACHIEVED	51%	NOT ACHIEVED	39%
<i>Reserve Management Plans for all reserves in the district.</i>	50%	NOT ACHIEVED	20%	NOT ACHIEVED	20%
COMMENT: Council is working on a Reserves and Open Space Strategy which will set out how the district's remaining reserves will be captured under RMPs.					
Community Development Fund distributed through community planning, recorded, reported and within budget.					
<i>Percentage of Community Development Fund distributed.</i>	100%	ACHIEVED	100%	ACHIEVED	100%

District Leadership	TARGET (YEAR 3)	RESULT 2017/2018		RESULT 2016/2017	
MEASURED BY					
Performance Measures					
Corporate Planning					
Legal compliance of all statutory plans in accordance with the Local Government Act, with unqualified audit opinions.					
<i>Council has adopted LTP/Annual Plan at 30 June each year.</i>	ACHIEVED	ACHIEVED	ACHIEVED		
COMMENT: Council's LTP 2018/2028 was adopted on 26 June 2018.					
<i>Organisation has a Business Plan to implement LTP/Annual Plan by October each year</i>	ACHIEVED	ACHIEVED	ACHIEVED		
<i>Council is a 'going concern'.</i>	Council has an adopted Annual Report at 31 October of each year with a clean audit report.	ACHIEVED	ACHIEVED		
COMMENT: The Annual Report 2016/2017 was adopted on 26 September 2017.					
Civil Defence					
To build a resilient and safer Kaipara district and enhance our communities understanding of managing hazards and risks.					
<i>Number of Civil Defence training exercises conducted per annum.</i>	1	ACHIEVED	1	ACHIEVED	1
<i>Time taken to activate the Emergency Operations Centre after the notification of a local Civil Defence emergency.</i>	<1 hour	Not formally measured		Not formally measured	
COMMENT: No events occurred that required the activation of the Emergency Operations Centre.					

District Leadership	TARGET (YEAR 3)	RESULT 2017/2018		RESULT 2016/2017	
MEASURED BY					
Performance Measures					
<i>Three yearly updating and reviewing of Kaipara Community Response Plans. Plans will be displayed on Regional Council's website and a link from Kaipara.</i>	4 plans updated and reviewed per year	ACHIEVED	4	ACHIEVED	4
COMMENT: New plans for Tinopai and Pouto and a review of two more plans were undertaken this year.					

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	2017-2018	2017-2018	2016-2017	30 June	2017-2018	2017-2018	2016-2017
	\$'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	5,096	5,096	4,928	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	26	Increase (decrease) in debt	-16,127	-2,500	236
Fees and charges	668	159	159	Gross proceeds from sale of assets	4,623	150	150
Internal charges and overheads recovered	5,931	5,931	5,220	Lump sum contributions	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	1,227	297	298	Other dedicated capital funding	0	0	0
Total operating funding	12,922	11,483	10,631	Total sources of capital funding	-11,504	-2,350	386
Application of operating funding				Applications of capital funding			
Payments to staff and suppliers	11,148	11,024	10,195	Capital expenditure - to meet additional demand	0	0	0
Finance costs	-722	-291	-54	Capital expenditure - to improve the level of service	433	170	401
Internal charges and overheads applied	271	271	219	Capital expenditure - to replace existing assets	182	226	241
Other operating funding applications	0	0	0	Increase (decrease) in reserves	-9,882	-2,267	15
Total applications of operating funding	10,697	11,003	10,361	Increase (decrease) of investments	0	0	0
Surplus (deficit) of operating funding	2,225	479	271	Total applications of capital funding	-9,266	-1,871	657
				Surplus (deficit) of capital funding	-2,237	-479	-271
				Funding Balance	-12	0	0

Financial comments:

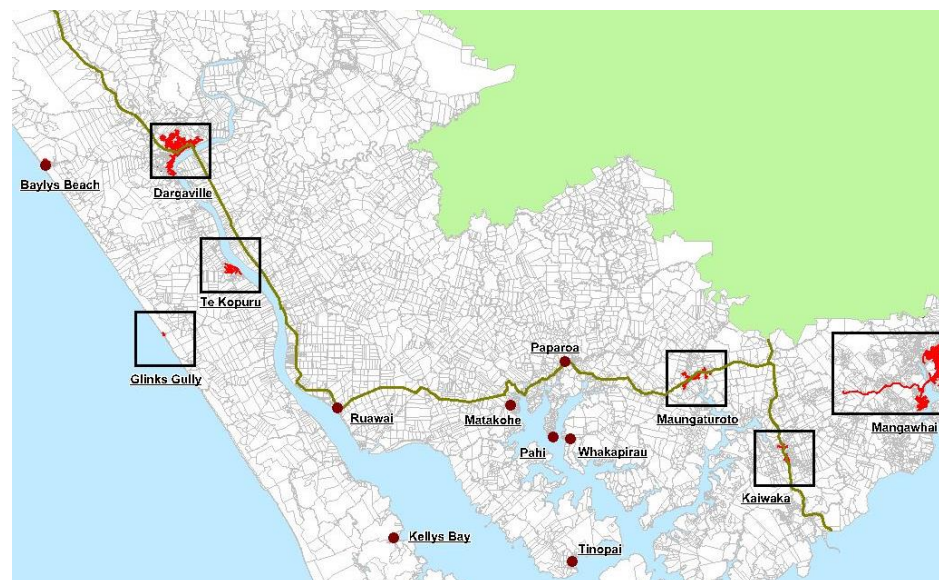
- Finance costs show as a negative expense which is actually income. The value is higher due to lower overall costs incurred with lower debt levels during the year; and
- Decrease in debt reflects the additional debt retired during the year.

Sewerage and the Treatment and Disposal of Sewage

Council provides wastewater schemes for communities throughout the district which collect, treat and dispose of wastewater from residential properties, businesses and public facilities.

This service also includes the collection, treatment and disposal of industrial liquid wastes (commonly known as trade wastes) from industrial premises across the district. We provide wastewater collection and treatment systems in:

- Dargaville;
- Glinks Gully;
- Kaiwaka;
- Maungaturoto;
- Te Kopuru and Mangawhai



Community Outcomes

- To collect and treat wastewater in a cost-effective manner;
- To dispose of treated effluent in an environmentally sustainable manner; and
- To prevent wastewater spills.

What we planned	What we achieved
To collect the district's wastewater and treat and dispose of it in a cost-effective, sustainable and environmentally friendly manner.	Council continued to collect the district's wastewater and treat and dispose of it in the most cost-effective, sustainable and environmental friendly manner.
Legal compliance with all resource consents for discharges into the environment from Council systems.	Council's wastewater discharges were compliant in all but two locations. These two sites are experiencing one issue each resulting in non-compliance with their resource consent.
Connections and disconnections are supported with business cases that demonstrate value for money.	Council considered each application on its merits when considering the Council's Rating Policy.
Continue with asset renewals programme.	All renewals as part of the 2017/2018 capital works programme were completed during the year. Planning towards the renewals as part of the 2018/2019 capital works programme has commenced.
Continue with the asset condition assessment programme.	Council continues to engage contractors who are skilled in CCTV inspections of wastewater networks to identify the criticality of our wastewater networks.
<p>Mangawhai Community Wastewater Scheme (MCWWS):</p> <ul style="list-style-type: none"> • Continue assessment of environment effects and apply to vary resource resources authorising discharge of treated effluent to land maximising capacity of Council land and treatment plant; and • Undertake upgrades to enable scheme growth. 	<p>An assessment of options to vary the resource consents was undertaken.</p> <p>To keep up with the increased growth in Mangawhai and to provide reticulation to enable connection to the MCWWS. Reticulation upgrades on Moir Point Road, Moir Street and Old Waipu Road as well as an upgrade to the pump station on Estuary Drive were completed during 2017/2018.</p> <p>An upgrade to the village pump station will form part of the 2018/2019 capital works programme. Reticulation extensions will be identified throughout the year.</p>
Dargaville asset renewals.	The wastewater renewals in various areas around Dargaville being Victoria Street, Beach Road, Second Avenue, Rimu Street, Clyde Street, Charlotte Street, River Road and Logan Street were completed this year.
Kaiwaka environmental compliance.	Ongoing liaison with NRC regarding the increased faecal coliforms and suspended solids entering the Kaiwaka wastewater pond has been progressing, as a combined investigation approach is needed to reach a solution to ensure we do not exceed the set resource consent conditions.
Maungaturoto renewal, pump station and environmental compliance.	CCTV inspection of the Maungaturoto wastewater line from Gorge Road was completed to determine the condition of the network for future planning and renewal programmes.

Additional Information

- Dargaville Pump Station 9 pump failure. This required locating the fault to determine a pump or pipeline failure with no replacement pump within the country.
- Maintenance contractor performance. Additional effort was required to ensure improvement of the maintenance contractor's performance outcomes (time, cost and quality); and
- Maungaturoto pond desludging. The physical desludging of the pond was completed; however, we are still awaiting the post-sludge survey.

Capital Works Programme

Project Description	Stage	Budget from Annual Plan	Progress description
Dargaville - P1: AC 150mm renewal – Victoria and Onslow Streets	Design	\$23,000	This budget is also utilised towards the construction of the Dargaville wastewater renewals.
Dargaville - P3: AC 150mm renewal – Pirika; Haimona and Lorne Streets and Hokianga Road	Design	\$46,000	This budget is also utilised towards the construction of the Dargaville wastewater renewals.
Dargaville - P8: AC 150mm renewal – Gordon; Bowen; Churchill; Jervois; Onslow and Grey Streets – 1,500m	Post construction documentation	\$235,000	The Dargaville wastewater renewals are completed, however we are awaiting post-construction documentation prior to completion.
Dargaville - P9a: AC 150mm renewal – Montgomery Avenue; Huia and Tui Crescents– 1,000m	Post construction documentation	\$120,000	This budget was also utilised towards the construction of the Dargaville wastewater renewals above.
Dargaville – pump stations renewal – pumps; electrical and mechanical	Design	\$75,000	This budget is also utilised towards the design for the upgrade of PS 2 and rising main as above.
Kaiwaka - environmental compliance		\$2,500	Insufficient budget to carry out the project identified.
Kaiwaka - pond curtain	Deferred	\$40,000	Deferred to 2018/2019 pending NRC investigations.
Mangawhai - additional capacity for growth - Council contribution	Completed	\$40,000	This budget covered the wastewater reticulation extensions in various areas of Mangawhai.
Mangawhai - Effluent Discharge options	Completed	\$150,000	Utilised to complete Stage 2 of the irrigation extension.
Mangawhai - Upgrade PS-VA	Design/Deferred	\$350,000	The design of this upgrade was started last year, however due to a change in designer the remaining budget was deferred to 2018/2019.
Maungaturoto - Environmental compliance	Completed	\$2,500	Completed as per schedule.
Maungaturoto - Pump Station Storage	Deferred	\$30,000	Deferred to 2018/2019.
Maungaturoto - Reticulation renewal	Completed	\$20,000	Completed as per schedule.

Sewerage and the treatment and disposal of sewage	TARGET (YEAR 3)	RESULT 2017/2018		RESULT 2016/2017	
MEASURED BY					
Performance Measures					
System and adequacy					
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>The number of dry weather sewage overflows from Council's sewerage system, expressed per 1,000 sewerage connections to that sewerage system.</i>	0	NOT ACHIEVED	2	NOT ACHIEVED	2
COMMENT: Two dry weather overflows at Montgomery Avenue, Dargaville as result of pump failure at the pump station which supports 2016 Wastewater connections in Dargaville.					
Discharge compliance					
Compliance with the Council's resource consents for discharge from its sewerage system					
<i>The number of abatement notices received by Council in relation to its resource consents for discharge from its sewerage system.</i>	0	NOT ACHIEVED	1	ACHIEVED	0
COMMENT: An overflow at the Maungaturoto WTP due to a combination of heavy rain and failing filters (old age) resulted in an abatement notice being issued.					
<i>The number of infringement notices received by Council in relation to its resource consents for discharge from its sewerage system.</i>	0	ACHIEVED	0	NOT ACHIEVED	1
<i>The number of enforcement orders received by Council in relation to its resource consents for discharge from its sewerage system.</i>	0	ACHIEVED	0	ACHIEVED	0
<i>The number of convictions received by Council in relation to its resource consents for discharge from its sewerage system.</i>	0	ACHIEVED	0	ACHIEVED	0

Sewerage and the treatment and disposal of sewage	TARGET (YEAR 3)	RESULT 2017/2018	RESULT 2016/2017
MEASURED BY			
Performance Measures			
Fault response times			
Where Council attends to sewage overflows resulting from a blockage or other fault in Council's sewerage system.			
<i>Attendance time: from the time that Council receives notification to the time that service personnel reach the site.</i>	1 hour	ACHIEVED	45 mins ACHIEVED 50 mins
<i>Resolution time: from the time that Council receives notification to the time that service personnel confirm resolution of the blockage or other fault.</i>	4 hours for minor blockages 3 days for significant blockages	NOT ACHIEVED	4 hours 10 mins NOT ACHIEVED 30 hours 29 mins
COMMENT: Resolution time data was not distinguished between minor blockages/significant blockages. Therefore a median of the total resolution time has been calculated.			
Customer satisfaction			
The total number of sewerage system complaints received by Council.			
<i>The total number of complaints received by Council about sewage odour. Expressed per 1,000 sewerage connections to that sewerage system.</i>	16	ACHIEVED	1.1 ACHIEVED 3.7
COMMENT: Based on five complaints for the year and 4,740 sewerage connections.			
<i>The total number of complaints received by Council about sewerage system faults. Expressed per 1,000 sewerage connections to that sewerage system.</i>	16	ACHIEVED	13.1 ACHIEVED 9.8
COMMENT: Based on 62 complaints for the year and 4,740 sewerage connections.			

Sewerage and the treatment and disposal of sewage	TARGET (YEAR 3)	RESULT 2017/2018		RESULT 2016/2017	
MEASURED BY					
Performance Measures					
<i>The total number of complaints received by Council about sewerage system blockages. Expressed per 1,000 sewerage connections to that sewerage system.</i>	15	NOT ACHIEVED	16	ACHIEVED	15
COMMENT: Based on 75 complaints for the year and 4,740 sewerage connections.					
<i>Council's response time to complaints regarding its sewerage system.</i>	1 hour	ACHIEVED	58 mins	NOT ACHIEVED	6 hours
COMMENT: Based on the total response time to the 142 complaints about odour, system faults and blockages received during the year.					

Sewerage and the treatment and disposal of sewage - 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	2017-2018	2017-2018	2016-2017	30 June	2017-2018	2017-2018	2016-2017
	\$'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	2,050	2,050	1,925	Subsidies and grants for capital expenditure	0	0	0
Targeted rates	5,493	5,463	5,208	Development and financial contributions	1,356	350	350
Subsidies and grants for operating purposes	0	0	0	Increase (decrease) in debt	0	-720	-26
Fees and charges	60	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	0	Other dedicated capital funding	0	0	0
				Total sources of capital funding	1,356	-370	323
Total operating funding	7,603	7,522	7,142	Applications of capital funding			
Application of operating funding				Capital expenditure			
Payments to staff and suppliers	2,198	2,237	2,430	- to meet additional demand	0	521	579
Finance costs	2,858	2,860	2,816	Capital expenditure			
Internal charges and overheads applied	961	961	889	- to improve the level of service	281	94	174
Other operating funding applications	0	0	0	Capital expenditure			
				- to replace existing assets	1,075	519	493
Total applications of operating funding	6,018	6,058	6,135	Increase (decrease) in reserves	1,585	-41	84
Surplus (deficit) of operating funding	1,586	1,464	1,007	Increase (decrease) of investments	0	0	0
				Total applications of capital funding	2,941	1,094	1,330
				Surplus (deficit) of capital funding	-1,585	-1,464	-1,007
				Funding Balance	0	0	0

Financial comments:

- Development contributions are well ahead of plan due to high levels of activity.

Water Supply

Operate four moderately large and one small community water supply schemes that provide constant, adequate and sustainable drinkable water:

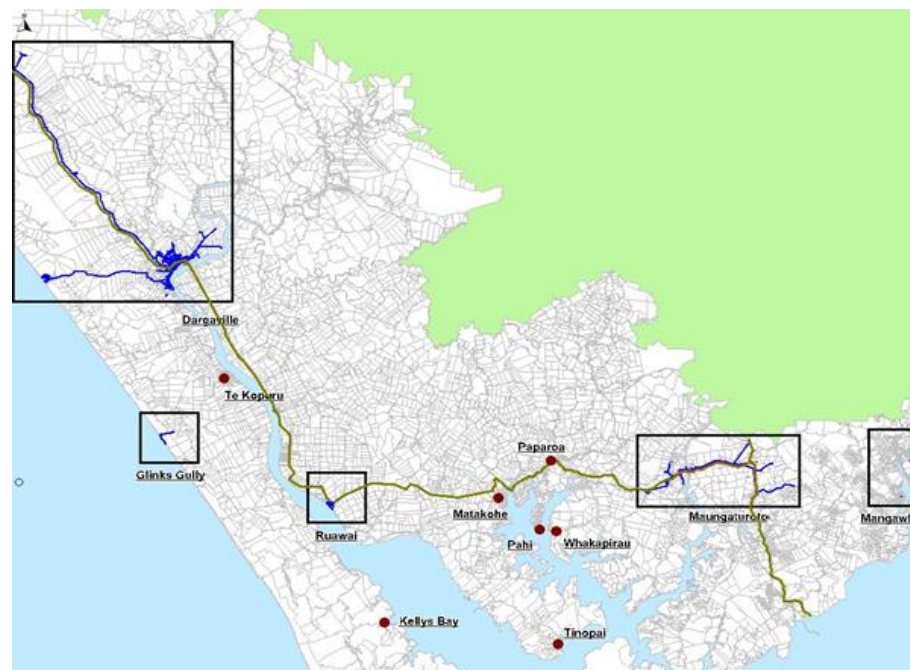
- Dargaville (including Baylys);
- Glinks Gully;
- Ruawai;
- Maungaturoto; and
- Mangawhai (small scheme).

We collect, treat and distribute treated water to the point of supply. Council undertakes the following:

- Asset Management;
- Treatment Plant Operation and Maintenance;
- Network Operations and Maintenance;
- Capital and Refurbishment Programme;
- Water Billing; and
- Consent Monitoring and Compliance.

Community Outcomes

- To provide a constant, adequate, sustainable and high quality Water Supply to Kaipara's reticulated areas;
- Clean, safe water is essential for communities and local economic development; and
- Public water supplies ensure communities receive water at the cost of production.



What we planned	What we achieved
Continue with the renewals programme.	The watermain renewal on Beach Road and Baylys Coast Road (Dargaville) was completed during the year.
Continue with minor upgrades of the water treatment plants (WTPs).	An upgrade at the Maungaturoto WTP to gain HAZNO compliance was completed.
Continue with the asset condition assessment programme to find out more about the stage of our pipes and other assets	Continued condition assessments of the network to assist us in identifying our critical assets are progressing well.
Capex Improvements	
Dargaville: Renewals and water take consent compliance and New Zealand Drinking Water Standards (NZDWS) compliance.	Utilising the Compliance DWS budget we purchased a replacement pump for the Dargaville Water Treatment Plant due to the plant shutting down after the pump failed. This did not affect compliance with the DWS. There were no issues with any of the water take consents for Dargaville so the Take Consent budget did not need to be used.
Maungaturoto: Renewals and NZDWS compliance and water take consent compliance.	Due to issues with the transducer at the Piroa water take the compliance budgets were utilised to replace the transducer. The transducer measures the stream flow which forms part of the resource consent conditions. The Piroa watertake is a raw water supply so does not relate to Drinking Water Standards.
Ruawai: Renewals plus NZDWS compliance.	In regards to the renewals budget, the 4 th stage of the Ruawai Watermain renewal was deferred to 2018/2019 to combine both years' budgets to complete the necessary length of renewal. There were no issues in regards to DWS in Ruawai therefore the NZDWS compliance budget did not need to be used.
Mangawhai: Water take consent compliance.	This is managed with internal monitoring to identify any works required to ensure compliant. No issues arose in 2017/2018 and budget is in place should it be required.
Note: We have budgeted in NZDWS and Water take consent compliance budgets each year in case issues arise that could affect our compliance.	
Glinks Gully: Water take consent compliance.	An application for a variation to the Glinks Gully resource consent was submitted to NRC. This will allow for weekly flow readings as daily readings are not possible. This variation will ensure we do not breach any conditions.

Additional information

- Dargaville and Maungaturoto raw water supplies - properties connected to the raw water supply in Kaihu (Dargaville) and Maungaturoto have been issued with insanitary building notices due to residents using the water for non-agricultural purposes. Council agreed to distribute bottled water to the residents while assisting them to get alternative supply;
- Baylys watermain renewal - the Baylys watermain renewal went over budget due to rock encountered creating additional cost. A variation to the contract was approved to fund the additional budget and complete the necessary works. This did not affect the contract works timing; and
- Due to the number of staff changes within Council's maintenance contractor (Broadspectrum) during 2017/2018 it resulted in time, cost and quality issues for Council.

Capital Works Programme

Description of project	Stage	Budget from Annual Plan	Progress description
Dargaville – Backwash Discharge WTP	Deferred	\$96,000	Deferred to 2018/2019. Currently on hold as the plant is on a current chemical trial for optimisation. Preliminary results indicate we may not go ahead with this investigation.
Dargaville – Baylys trunk main Stage 2: Replace 3km of balance 5km 150mm AC	Asbuilts	\$520,000	Construction completed on time, however there has been a delay in receiving the asbuilts from the contractor.
Dargaville - P5: AC 300mm renewal – Beach Road – 406m	Asbuilts	\$218,000	This budget was combined with the above project budget to complete the watermain renewal on Beach Road and Baylys Coast Road.
Dargaville - Gated weir across Kaihu River or Waitua Stream and pipeline	Cancelled	\$98,000	This project is not required, as the temporary structure is working efficiently. We can reallocate this budget to other projects.
Dargaville – NZDWS compliance	Completed	\$2,500	A replacement pump for the Dargaville WTP was purchased using this budget.
Dargaville – Water take consent compliance		\$2,500	No compliance works were identified during the year.
Glinks Gully – Water take consent compliance	Completed	\$1,500	Used towards the Glinks Gully consent variation.
Mangawhai – Water take consent compliance		\$1,500	No compliance works were identified during the year.

Description of project	Stage	Budget from Annual Plan	Progress description
Maungaturoto – Backwash discharge WTP	Deferred	\$190,000	Deferred to 2018/2019. Currently on hold as the plant is on a current chemical trial for optimisation. Preliminary results mean we may not need to go ahead with this project.
Maungaturoto – NZDWS compliance	Completed	\$1,500	Transducer replacement for the Piroa water take completed.
Maungaturoto – Water take consent compliance	Completed	\$1,500	Transducer replacement for the Piroa water take completed.
Ruawai – NZDWS compliance		\$1,500	No compliance works were identified during the year.
Ruawai – Replace balance (Stage 4) of 2.3km reticulation of 100-150mm diameter to meet fire flow	Deferred	\$40,000	Deferred to 2018/2019. By combining this work, with the budget provided in the new LTP 2018/2028, we get economies of scale.

Water Supply MEASURED BY	TARGET (YEAR 3)	RESULT 2017/2018	RESULT 2016/2017
Performance Measures			
Safety of drinking water in accordance with NZDWS 2005 (2008)			
<i>The extent to which Council's drinking water supply complies with part 4 of the NZDWS (bacteria compliance criteria).</i>	Dargaville Maungaturoto Ruawai	ACHIEVED ACHIEVED ACHIEVED	Dargaville Maungaturoto Ruawai ACHIEVED ACHIEVED ACHIEVED
COMMENT: Results are based on the Annual Report 2016/2017 from the Northland District Health Board. Results for the 2017/2018 year will be received in October 2018.			
<i>The extent to which Council's drinking water supplies complies with part 5 of the NZDWS (protozoal compliance criteria).</i>	Dargaville Maungaturoto Ruawai	ACHIEVED NOT ACHIEVED ACHIEVED	Dargaville Maungaturoto Ruawai ACHIEVED NOT ACHIEVED ACHIEVED
COMMENT: Results are based on the Annual Report 2016/2017 from the Northland District Health Board. Results for the 2017/2018 year will be received in October 2018. Maungaturoto failed only on a continuous monitoring standard as technical issues in the reporting of water quality were not automatic. This is now being rectified and managed. At no time was the water supply compromised.			
Maintenance of the reticulation network.			
<i>The percentage of real water loss from Council's networked reticulation system.</i> Source: Water Balance and Review for Kaipara District Council.	Dargaville (20%) Maungaturoto (25%) Ruawai (25%) Mangawhai (25%)	NOT ACHIEVED NOT ACHIEVED NOT ACHIEVED NOT ACHIEVED	Dargaville 23.6% Maungaturoto 41.8% Ruawai 50.6% Mangawhai 33.2% NOT ACHIEVED NOT ACHIEVED NOT ACHIEVED NOT ACHIEVED Dargaville 27% Maungaturoto 41% Ruawai 41% Mangawhai 35%
COMMENT: Planned Improvement – water supply reticulation in the Kaipara is aging and we plan to continue with renewals, however, it will take a few years to see results. The contractors are working diligently to locate any leaks to repair.			

Water Supply	TARGET (YEAR 3)	RESULT 2017/2018		RESULT 2016/2017	
MEASURED BY					
Performance Measures					
Fault Response Times					
Where Council attends a callout in response to a fault or unplanned interruption to its networked reticulation system.					
<i>The median response time for resolution of urgent callouts: from the time that the local authority receives notification to the time that service personnel reach the site.</i>	1 hour	ACHIEVED	37 minutes	ACHIEVED	33 minutes
<i>The median response time for resolution of urgent callouts: from the time that the local authority receives notification to the time that service personnel confirm resolution of the fault or interruption.</i>	2 hours	ACHIEVED	76 minutes	NOT ACHIEVED	13 hours
<i>The median response time for resolution of non-urgent callouts: from the time that the local authority receives notification to the time that service personnel reach the site.</i>	2 hours	ACHIEVED	48 minutes	ACHIEVED	1 hour 42 minutes
<i>The median response time for resolution of non-urgent callouts: from the time that the local authority receives notification to the time that service personnel confirm resolution of the fault or interruption.</i>	3 days	ACHIEVED	2 hours 20 minutes	ACHIEVED	64 hours
Customer Satisfaction					
The total number of water supply complaints received by Council.					
<i>The total number of complaints for the district received by Council about drinking water clarity.</i>	5	ACHIEVED	4	NOT ACHIEVED	9
<i>The total number of complaints for the district received by Council about drinking water taste.</i>	6	ACHIEVED	2	ACHIEVED	0

Water Supply	TARGET (YEAR 3)	RESULT 2017/2018		RESULT 2016/2017	
MEASURED BY					
Performance Measures					
<i>The total number of complaints for the district received by Council about drinking water odour.</i>	4	ACHIEVED	0	ACHIEVED	2
<i>The total number of complaints for the district received by Council about drinking water pressure or flow.</i>	18	ACHIEVED	7	NOT ACHIEVED	21
<i>The total number of complaints for the district received by Council about continuity of supply.</i>	8	NOT ACHIEVED	35	NOT ACHIEVED	25
COMMENT: A large number of requests were due to third party damage to water lines on Baylys Coast Road during the watermain renewal and Blakey Road in Maungaturoto in June 2018.					
<i>Council's response time to complaints regarding Council's water supply clarity, taste, odour, pressure and continuity of supply.</i>	<24 hours	ACHIEVED	<24 hours	ACHIEVED	41 mins
COMMENT: Longest response time to quality complaints was 23 hours and 48 minutes.					
Demand Management					
<i>The average consumption of drinking water per day per resident within Kaipara District = Billed metered Consumption (m³) x 1,000. Number of connections x 365 x 2.5 (occupancy rate).</i>	Dargaville 275	NOT ACHIEVED	300	ACHIEVED	262
	Maungaturoto 340	ACHIEVED	302	ACHIEVED	263
	Ruawai 130	ACHIEVED	121	ACHIEVED	123
	Glinks Gully 52	NOT ACHIEVED	54	ACHIEVED	47
	Mangawhai 230	NOT ACHIEVED	487	NOT ACHIEVED	435
COMMENT: This may be due to a steady increase in population and residents staying more permanently in Mangawhai specifically.					
<i>Water take consents.</i>	100% compliance with NRC water take consents	ACHIEVED	100%	ACHIEVED	100%

Water Supply - 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	2017-2018 \$'000	2017-2018 \$'000	2016-2017 \$'000	30 June	2017-2018 \$'000	2017-2018 \$'000	2016-2017 \$'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	3,192	3,240	2,866	Development and financial contributions	0	0	0
Subsidies and grants for operating purposes	0	0	0	Increase (decrease) in debt	0	-77	-347
Fees and charges	91	15	23	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	3,283	3,255	2,890	Total sources of capital funding	0	-77	-347
Application of operating funding				Applications of capital funding			
Payments to staff and suppliers	1,256	1,125	830	Capital expenditure - to meet additional demand	0	0	10
Finance costs	278	278	305	Capital expenditure - to improve the level of service	3	394	33
Internal charges and overheads applied	600	600	465	Capital expenditure - to replace existing assets	1,203	781	940
Other operating funding applications	0	0	0	Increase (decrease) in reserves	-58	-1	-40
Total applications of operating funding	2,134	2,004	1,600	Increase (decrease) of investments	0	0	0
Surplus (deficit) of operating funding	1,148	1,251	1,289	Total applications of capital funding	1,148	1,174	943
				Surplus (deficit) of capital funding	-1,148	-1,251	-1,289
				Funding Balance	0	0	0

Financial comment:

- Payments to staff and suppliers are ahead of budget due to higher costs with the new water services contract.

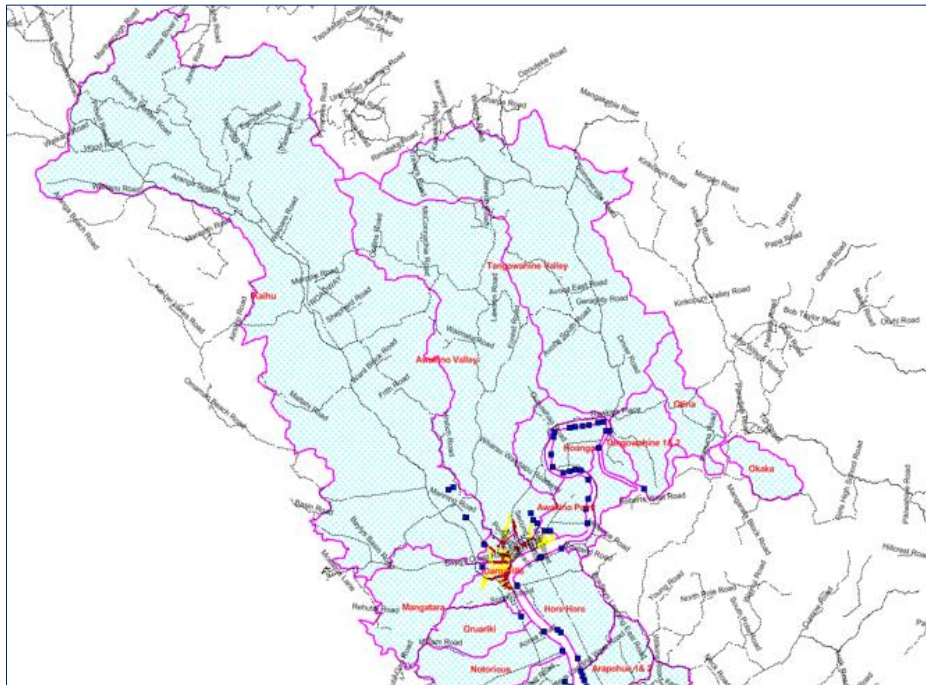
Flood Protection and Control Works

Protect people and property from flooding:

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

Community Outcomes

- Minimise flooding of property through efficient land drainage practices;
- Ensure drainage paths and floodgates that are registered remain clear and unobstructed as designed. Ensure that land drainage systems do not present a safety hazard;
- Minimise flood damage to properties by ensuring land drainage systems have adequate capacity; and
- Control flooding and flow of stormwater into the receiving environment, whilst protecting local interests.



What we planned	What we achieved
Continue with the renewal programme of floodgate structures: <ul style="list-style-type: none"> Renewals across the district with a greater focus on the Raupo land drainage schemes. 	Floodgates N°s 53 and 54 within the Raupo Drainage District were replaced during the year.
Develop asset management plans for the land drainage schemes: <ul style="list-style-type: none"> These will be developed taking into account the potential for rising sea levels, higher intensity and storms. 	The Raupo and Northern Area Land Drainage Asset Management Plans have been updated during the year. These plans are near finalisation.
Review of Bylaw - Part 17 Land Drainage: <ul style="list-style-type: none"> Understand if changes needed to be made to the bylaw. 	The Land Drainage Bylaw has been reviewed over the year and this work is nearing completion.
Review outcomes of engineering report on potential climate change effects.	In communication with Northland Regional Council and central government on this issue and a joint effort to address this will happen over the next Long Term Plan period 2018/2028.
Programme of consultation for Long Term Plan based on findings from water storage and irrigation report.	Council has involvement in this project but it has moved to a regionally-led programme and funding has been sought from the Provincial Growth Fund.

Additional Information

- Murphy Bowers stopbank - historical issue that Council has been working on over recent years has required engagement this year with private landowners and subsequent reports completed. This work has provided new design information and increased cost estimates which have needed further resolution from Council and Committees. Engineer's estimate and tenders received for the Murphy Bowers stopbank were much higher than the budget therefore consultation is required; and
- A floodgate in the Horehore Drainage District failed and needed urgent replacement during the year. This has been completed.

Capital works Programme

<i>Project Description</i>	<i>Stage</i>	<i>Budget from Annual Plan</i>	<i>Progress description</i>
Districtwide - Floodgate replacements	Part completed/part deferred	\$30,000	Fabricated and built for Laurie and Sunnynook floodgates.
Raupo - Floodgate No. 54 replacement	Completed	\$102,000	Completed as per schedule.
Raupo - Floodgate replacement 2017/2018	Completed	\$80,000	This went toward the replacement of Floodgate No. 53.
Raupo - Floodgate replacement 2017/2018 - rates funded	Completed	\$20,000	Minor headwall renewals of Floodgate No.1 and 33.
Raupo - Murphy/Bowers stopbank	Deferred	\$130,000	\$23,831 was spent on design investigations.
Raupo - Stopbank improvements	Deferred	\$80,000	Deferred to 2018/2019.

Flood Protection and Control Works	TARGET (YEAR 3)	RESULT 2017/2018		RESULT 2016/2017	
MEASURED BY					
Performance Measures					
Monitor drainage of rivers and streams, ensure minimal flood risk and coast erosion to the community.					
<i>The number of schemes maintained to their full service potential.</i>	100% of schemes maintained in line with Asset Management Plan	ACHIEVED	100%	ACHIEVED	100%
<i>Non-performance of drainage network due to poor monitoring or maintenance causing an inability to contain a 1 in 5 year flood a measured by public feedback i.e. service requests that result in additional cleaning to drains needed.</i>	<5 requests per year	ACHIEVED	0	ACHIEVED	0
<i>Council inspection of drainage network to ensure that a 1 in 5 year flood is contained by the network.</i>	Twice yearly inspections	ACHIEVED	2	NOT ACHIEVED	1
<i>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.</i>	Minimum yearly inspections and targeted maintenance completed	ACHIEVED		ACHIEVED	

Flood Protection and Control Works - 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	2017-2018	2017-2018	2016-2017	30 June	2017-2018	2017-2018	2016-2017
	\$'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	15	15	14	Subsidies and grants for capital expenditure	0	0	0
Targeted rates	629	639	623	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	9	8	8	Gross proceeds from sale of assets	0	0	0
Internal charges and overheads recovered	4	4	4	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 sources of capital funding	0	0	0
Total operating funding	657	666	650				
Application of operating funding				Applications of capital funding			
Payments to staff and suppliers	322	367	339	Capital expenditure			
Finance costs	0	0	0	- to meet additional demand	0	0	0
Internal charges and overheads applied	74	74	59	Capital expenditure			
Other operating funding applications	0	0	0	- to improve the level of service	0	170	170
				Capital expenditure			
Total applications of operating funding	396	441	397	- to replace existing assets	291	232	434
Surplus (deficit) of operating funding	261	224	253	Increase (decrease) in reserves	-30	-178	-351
				Increase (decrease) of investments	0	0	0
				Total applications of capital funding	261	225	253
				Surplus (deficit) of capital funding	-261	-225	-253
				Funding Balance	0	0	0

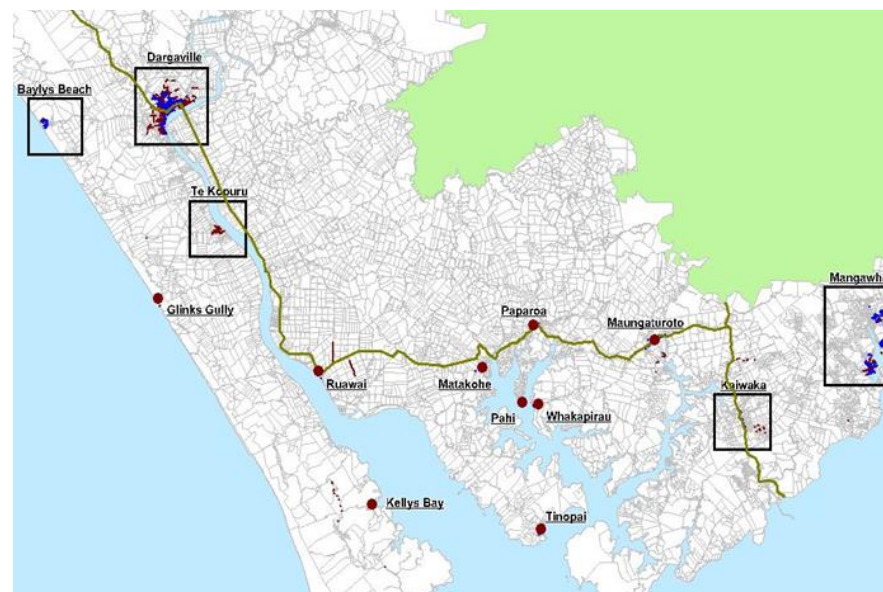
Stormwater Drainage

Council provides a stormwater system that is reliable, has adequate capacity and aims to protect people and their property from flooding. Council's stormwater network protects Kaipara's businesses, industrial areas and people's homes.

Stormwater is managed differently across the district:

- Dargaville, Baylys, Te Kopuru and Kaiwaka have a piped stormwater system with open drains;
- Mangawhai a combination of soakage, stormwater reticulation and open drains;
- Pahi, Whakapirau, Tinopai, Paparoa and Maungaturoto stormwater is predominantly related to the road network; and
- Tinopai, Kelly's Bay and Glinks Gully have road culverts; and

- Ruawai is integrated into the Raupo Drainage District works.



Community Outcomes

- Minimises flood damage to properties by ensuring stormwater systems have adequate capacity;
- Minimises flooding of dwellings by ensuring stormwater overland flowpaths have adequate freeboard to buildings. Ensures that stormwater systems do not present a safety hazard; and
- Minimises scour from stormwater by controlling and discharging stormwater flows at protected outfalls.

What we planned	What we achieved
Continue with the asset renewals programme.	Put on hold. The information this programme has been based on is not considered accurate enough to inform good decision-making. The focus has moved to investigating and understanding the assets better. Dargaville renewal budget was redirected into completing a project.
Continue with the asset condition assessment programme.	Utilised existing operational money to continue stormwater assessments in Dargaville and Mangawhai. The ongoing focus will be to increase the work in the asset investigation area.
Progress stormwater catchment management plans.	The Mangawhai Stormwater Catchment Management Plan has been completed during 2017/2018 as part of the Mangawhai Community Plan.
Capital expenditure (CAPEX) improvement.	Capex was reduced and budget was taken from year 2 and used in year 2 due to the focus moving to investigating assets.
Dargaville: all asset group renewals.	Operational maintenance renewals. Some stormwater floodgates were replaced and maintained.
Baylys: all asset group renewals.	No renewals were undertaken in Baylys. A Stormwater Catchment Plan was completed in 2015/2016. Projects need ongoing investigation and community engagement.
Mangawhai: renewals and growth.	Quail Way was not completed due to budget issues and the Stormwater Catchment Plan was completed.

Additional Information

- Pearl Street detention pond desludged. The community highlighted silt flows into the harbour at this location. Northland Regional Council, who is responsible for our waterways, brought forward the work to winter when it was planned for summer. This has been completed;
- Quail Way. Planned to be completed in the 2017/2018 year, however budget issues prevented this from happening and it will now be completed in the 2018/2019 year; and
- Lack of information, renewals, low resource, budget causing more issues on private properties and breakages and increasing number of requests for service.

Capital Works Programme

Project Description	Stage	Budget from Annual Plan	Progress description
Dargaville – P3: concrete pipe (no joint) renewal – Haimona Street – diameter 225; 375; 425mm; length 600m	Completed	\$250,000	Budget used during 2016/2017 to complete the Dargaville Stormwater Renewal on Parore Street due to the urgency of the work.
Baylys - Renewals	Completed	\$20,000	Used towards catchment analysis work.
Mangawhai – Additional capital growth – Council contribution 2017/2018	Completed	\$89,700	Used towards the newly developed Mangawhai Stormwater Catchment Management Plan.
Mangawhai – All asset groups renewal and consent related projects (renewal)	Completed	\$50,300	Used to complete the design for the construction of the Quail Way stormwater improvements project scheduled for 2018/2019.

Stormwater Drainage	TARGET (YEAR 3)	RESULT 2017/2018		RESULT 2016/2017	
MEASURED BY					
Performance Measures					
System adequacy					
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>The number of flooding events that occur in Kaipara district.</i>	2	ACHIEVED	0	ACHIEVED	1
<i>For the flooding event, the number of habitable floors affected. (Expressed per 1,000 properties connected to the Council's stormwater system).</i>	10	ACHIEVED	0	ACHIEVED	0
Discharge compliance					
Compliance with Council's resource consents for discharge from its stormwater system.					
<i>The number of abatement notices received by Council in relation to those resource consents.</i>	0	ACHIEVED	0	ACHIEVED	0
<i>The number of infringement notices received by Council in relation to those resource consents.</i>	0	ACHIEVED	0	ACHIEVED	0
<i>The number of enforcement orders received by Council in relation to those resource consents.</i>	0	ACHIEVED	0	ACHIEVED	0
<i>The number of convictions received by Council in relation to those resource consents.</i>	0	ACHIEVED	0	ACHIEVED	0

Stormwater Drainage	TARGET (YEAR 3)	RESULT 2017/2018	RESULT 2016/2017		
MEASURED BY					
Performance Measures					
Response times					
The median response time to attend to a flooding event.					
<i>The time from when Council receives notification to the time that service personnel reach the site.</i>	2 hours for urgent events	ACHIEVED	NOT ACHIEVED		
COMMENT: There were no urgent flooding complaints this year.					
Customer satisfaction					
The total number of stormwater system complaints received by Council.					
<i>The number of complaints received by Council about the performance of its stormwater system, expressed per year.</i>	18	ACHIEVED	11	NOT ACHIEVED	33
COMMENT: There were no urgent flooding complaints this year.					

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	2017-2018	2017-2018	2016-2017	30 June	2017-2018	2017-2018	2016-2017
	\$'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	207	207	162	Subsidies and grants for capital expenditure	0	0	0
Targeted rates	1,370	1,368	1,079	Development and financial contributions	13	14	16
Subsidies and grants for operating purposes	0	0	0	Increase (decrease) in debt	0	-314	-323
Fees and charges	1	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 sources of capital funding	13	-300	-307
Total operating funding	1,579	1,575	1,241				
Application of operating funding				Applications of capital funding			
Payments to staff and suppliers	404	508	445	Capital expenditure			
Finance costs	189	189	226	- to meet additional demand	72	90	38
Internal charges and overheads applied	225	226	186	Capital expenditure			
Other operating funding applications	0	0	0	- to improve the level of service	57	0	10
				Capital expenditure			
Total applications of operating funding	819	923	857	- to replace existing assets	37	320	210
Surplus (deficit) of operating funding	759	652	385	Increase (decrease) in reserves	607	-58	-180
				Increase (decrease) of investments	0	0	0
				Total applications of capital funding	773	352	78
				Surplus (deficit) of capital funding	-760	-652	-385
				Funding Balance	0	0	0

Financial comment:

- Capital expenditure was lower than budget due to work on Dargaville Pump Station being completed in previous year.

Solid Waste

The solid waste activity aims to maintain public health and reduce environmental harm to the district through rubbish collection and recycling. Rubbish and recycling options are available for households, business and industry. Council provides:

- Kerbside refuse collection;
- Recycling collection;
- Two transfer stations;
- Management of public litterbins;
- Collection of illegally dumped rubbish;
- Removal of abandoned vehicles;
- Support of waste minimisation initiatives; and
- Monitoring, maintaining and managing closed landfills.

Community Outcomes

- Communities are able to dispose of refuse in a hygienic and sustainable manner; and
- Transfer stations, litterbins, closed landfills and removal of illegally dumped rubbish minimise possible environmental impacts.



What we planned	What we achieved
Ensure that the district's residents and public refuse collection is undertaken in a manner that protects public health and is affordable and environmentally sustainable.	Litterbin servicing and kerbside collections were undertaken as per Contract 706. Where issues were identified at collection point solutions were implemented such as kerbside collection extensions or changing locations of collections points combined with kerbside collection extensions.
Development of zero waste initiatives through waste minimisation education/incentives.	Continued funding of Love Kaipara's project to educate the Kaipara community about recycling.
Resource consent renewals as they expire.	All resource consents with the exception of Te Maire Closed Landfill have been renewed. Council is waiting on a decision from the Northland Regional Council about Te Maire Closed Landfill and the need for consent renewal.
Improved data collection from Northland Waste.	Data is now available on request from Northland Waste. This is typically provided each quarter.

Capital Works Programme

Project Description	Stage	Budget from Annual Plan	Progress description
District Closed landfills – Awakino Consent	Partly completed/partly deferred	\$250,000	\$225,000 deferred to 2018/2019 to complete projects.
District Closed landfills - Hakaru leachate improvements	Partly completed/partly deferred	\$220,000	\$135,549 deferred to 2018/2019 to complete projects.

Solid Waste	TARGET (YEAR 3)	RESULT 2017/2018	RESULT 2016/2017		
MEASURED BY					
Performance Measures					
Reliability					
To provide regular community kerbside collections.					
<i>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.</i>	73%	ACHIEVED	99%	ACHIEVED	99%
To ensure that closed landfill activities meet legislative compliance.					
<i>Percentage of compliance with our resource consents.</i>	100%	NOT ACHIEVED	95%	NOT ACHIEVED	92%
COMMENT: The covering of exposed refuse at the Dargaville Closed Landfill was only partially completed due to a combination of the unavailability of Site Wise registered contractors and bad weather. Work will be completed in spring/summer 2018.					
To encourage recycling and reduction of waste to landfill.					
<i>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.</i>	1% less than previous year	NOT ACHIEVED	21%	ACHIEVED	21%
NB: Baseline measurement for recycling in 2014 is 530 tonnes of recycling diverted from landfill.					
COMMENT: The 3% target for the Long Term Plan 2015/2025 three-year period has been met. For the 2017/2018 year the result was just under 1%.					
<i>Percentage of residents that are very/fairly satisfied with recycling collection in the annual Communitrak Survey.</i>	52%	ACHIEVED	60%	ACHIEVED	59%
COMMENT: The annual Communitrak Survey has been replaced by a survey undertaken by Key Research.					

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	2017-2018 \$'000	2017-2018 \$'000	2016-2017 \$'000	30 June	2017-2018 \$'000	2017-2018 \$'000	2016-2017 \$'000
Operating funding				Capital funding			
Sources of operating funding				Sources of capital funding			
General rates, uniform annual general charges, rate penalties	1,154	1,154	828	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	-35	-33
Fees and charges	45	79	79	Gross proceeds from sale of assets	0	0	0
Internal charges and overheads recovered	0	0	552	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 sources of capital funding	0	-35	-33
Total operating funding	1,199	1,233	1,459				
Application of operating funding				Applications of capital funding			
Payments to staff and suppliers	660	680	1,021	Capital expenditure			
Finance costs	23	23	25	- to meet additional demand	0	0	0
Internal charges and overheads applied	136	239	130	Capital expenditure			
Other operating funding applications	0	0	0	- to improve the level of service	0	600	0
				Capital expenditure			
Total applications of operating funding	819	942	1,176	- to replace existing assets	0	0	0
Surplus (deficit) of operating funding	380	291	283	Increase (decrease) in reserves	380	-344	250
				Increase (decrease) of investments	0	0	0
				Total applications of capital funding	380	256	250
				Surplus (deficit) of capital funding	-380	-291	-283
				Funding Balance	0	0	0

Financial comments:

- Capital expenditure has been deferred to 2018/2019 to complete the projects.



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

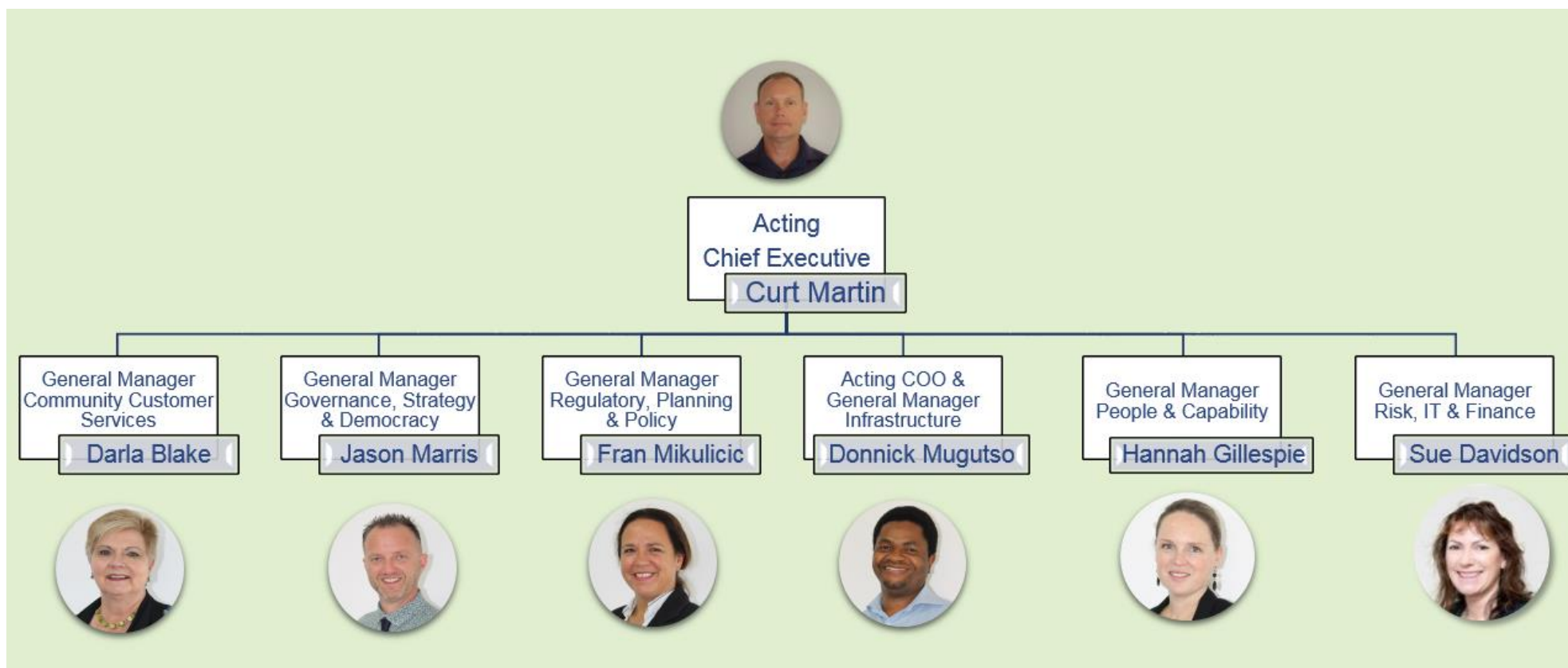
Appendix

Council Directory

Office	Main Office	Mangawhai Service Centre	Northland Transportation Alliance
Address	42 Hokianga Road Dargaville 0310	Unit 6 The Hub 6 Molesworth Drive Mangawhai 0505	5 Railway Road Walton Plaza Whangarei 0110
Postal Address	Private Bag 1001 Dargaville 0340		
Telephone	09 439 3123		
Email	council@kaipara.govt.nz		
Website	www.kaipara.govt.nz		
Bankers	Bank of New Zealand 69-71 Victoria Street Dargaville 0310 ANZ Bank Ltd Private Bag 92210 Victoria Street West Auckland 1010		
Auditors	Deloitte on behalf of the Auditor-General Private Bag 115033 Auckland 1140		

Organisational Structure

30 June 2018



Note: This financial year the Chief Executive left on 01 September 2017. An interim Chief Executive was employed from 04 September 2017 to 01 June 2018, prior to the current Acting Chief Executive.

Council/Committee Structures

30 June 2018

Committee	Members	Purpose
Audit, Risk and Finance Committee	Stana Pezic (Chair) Councillor Victoria del la Varis-Woodcock Councillor Julie Geange Councillor Jonathan Larsen Councillor Andrew Wade Councillor Peter Wethey	To oversee the risk management and internal control, audit functions, financial and other external corporate reporting and compliance with legislation. To monitor Council's financial performance against the Long Term Plan and Annual Plan.
Citizens Awards Committee	Mayor Jason Smith (Chair) Councillor Julie Geange Councillor Libby Jones Councillor Karen Joyce-Paki	To assess nominations in accordance with the Citizens Awards Policy and decide on recipients of Kaipara District Council's Citizens Awards.
Community Grants Committee	Councillor Anna Curnow (Chair) Councillor Jonathan Larsen Councillor Andrew Wade	To consider applications for Community Assistance Grants and Contract for Service and make recommendations to Council. To ensure the policy is fit for purpose and make recommendations to Council as necessary.
District Licensing Committee	Mark Farnsworth (Chair) Gordon Lambeth Mark Vincent	To administer Council's alcohol licensing framework as determined by the Sale and Supply of Alcohol Act 2012.
Funding Committee	<i>Creative Communities Scheme:</i> Allan Mortensen (Chair) Councillor Victoria del la Varis-Woodcock Nicola Everett Ollie Knox John Pickworth <i>Rural Travel Fund:</i> Chris Biddles (Chair)	<i>Creative Communities Scheme:</i> Allocate funding in accordance with the Creative New Zealand Creative Communities Scheme. <i>Rural Travel Fund:</i> Allocate funding in accordance with the Sport NZ Rural Travel Fund Scheme.

Committee	Members	Purpose
	Councillor Victoria del la Varis-Woodcock Roxanne Kelly Karen Smales Vern Stevens	
Pou Tu Te Rangi Harding Park Joint Committee	Rex Nathan (Chair) Councillor Victoria del la Varis-Woodcock Trish Harding Councillor Karen Joyce-Paki Matiu Wati Willie Wright	To work alongside the Pou Tu Te Rangi Harding Park Joint Management Committee as established by Te Uri o Hau Claims Settlement Act 2002 to manage the Pou Tu Te Rangi Harding Park and Old Mount Wesley Cemetery Reserve area.
Mangawhai Community Park Governance Committee	Councillor Anna Curnow (Chair) Maurice Langdon Councillor Peter Wethey Jim Wintle	To govern Mangawhai Community Park in accordance with the Master Plan and work programme.
Mangawhai Endowment Lands Account Committee	Councillor Peter Wethey (Chair) Councillor Libby Jones Councillor Jonathan Larsen	To consider applications for grants from the Mangawhai Endowment Lands Account (MELA).
Raupo Drainage Committee	Ian Beattie (Chair) Councillor Anna Curnow David Hart Greg Gent Brian Madsen Ross McKinley Mayor Jason Smith Ken Whitehead	Drainage, stopbanks and flood protection governance in the Raupo Drainage District.
Remuneration and Development Committee	Mayor Jason Smith (Chair) Councillor Anna Curnow Councillor Libby Jones Councillor Andrew Wade Councillor Peter Wethey	To oversee the Chief Executive's performance and to make recommendations on Councillor Development.

Committee	Members	Purpose
Reserve Contributions Committee	Councillor Jonathan Larsen (Chair) Councillor Victoria del la Varis-Woodcock Councillor Andrew Wade	To review Council's 'Reserve Contributions (use of) Policy' and consider reserve contributions contestable funding applications.
Taharoa Domain Governance Committee	Councillor Andrew Wade (Chair) Councillor Karen Joyce-Paki Alan Nesbitt Ric Parore	To govern Taharoa Domain in accordance with the Kai Iwi Lakes (Taharoa Domain) Reserve Management Plan (RMP) and any legislative framework.

Elected Members' Meeting Attendance 2017/2018

	Kaipara District Council	Extraordinary meeting of Kaipara District Council	Audit, Risk and Finance Committee	Citizens Awards Committee	Community Grants Committee	Extraordinary meeting of Community Grants Committee	Funding Committee	Pou Tu Te Rangī Harding Park Joint Management Committee	Mangawhai Community Park Governance Committee	Mangawhai Endowment Lands Account Committee	Extraordinary meeting of Mangawhai Endowment Lands Account Committee	Raupo Drainage Committee	Reserve Contributions Committee	Extraordinary meeting of Remuneration and Development Committee	Taharoa Domain Governance Committee
Meetings held:	12	1	4	1	3	1	4	4	4	3	1	5	3	1	4
Meetings attended:															
Mayor Jason Smith (Feb-Jun 2018)	6/6*	1/1*	1+									1/1*		1	
Mayor Greg Gent (July-Nov 2017)	4/4*		1+	1								1/2*	1+		1/1*
Anna Curnow	12	1		1					4			1/1*		1	
Victoria del la Varis-Woodcock	12	1	4				2/2*	4					3		
Julie Geange	11		3		3	1									
Libby Jones	12	1			3	1				3	1			1	
Karen Joyce-Paki	10	1			3	1		4							3/3*
Jonathan Larsen	12	1	0				1/2*			3	1	1/2*	3		
Andrew Wade	11	1	3										3	1	4
Peter Wethey	12	1	4	1					3	3	1		2+	1	2+

*

* The membership of some Committees changed in the 2017/2018 year. In these cases, the attendance is represented in a ratio of meetings attended to meetings invited.

+ The Mayor is a member of every Committee of the local authority. These meetings were attended in this capacity for Mayor Smith, Mayor Gent and Deputy Mayor Wethey.

Extraordinary meetings are meetings that are added to the adopted meetings schedule of Ordinary meetings due to urgent business.