





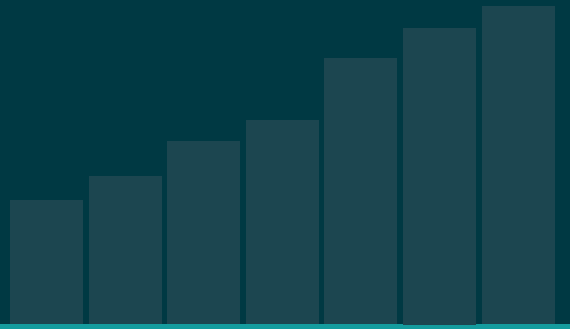
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# PART ONE

## Introduction



*Photo courtesy of Northland Inc. Photo Location: Maungaraho Reserve*



## Kaipara District Elected Members



**Mayor**  
Dr Jason Smith



**Deputy Mayor**  
Anna Curnow



**Dargaville Ward**  
Karen Joyce-Paki



**Kaiwaka-Mangawhai Ward**  
Jonathan Larsen



**Kaiwaka-Mangawhai Ward**  
Peter Wethey



**West Coast-Central Ward**  
Victoria del la Varis-Woodcock



**Otamatea Ward**  
Mark Vincent



**Dargaville Ward**  
Eryn Wilson-Collins



**West Coast-Central Ward**  
David Wills

## A word from the Mayor and Chief Executive



A handwritten signature in blue ink, appearing to read 'J Smith'.

**Dr Jason Smith**  
Kaipara Mayor



A handwritten signature in blue ink, appearing to read 'Louise Miller'.

**Louise Miller**  
Chief Executive

Off the back of a year of COVID, Council has done incredibly well to continue delivering services, embracing the opportunities provided by an exceptional amount of Government funding, and the demands of growth across Kaipara. Our teams across council have worked well in what can be challenging times, due to border restrictions and rolling lockdowns, our Consents teams have worked well to manage growth, and the wider Council organisation has been resilient in the face of change and difficult circumstance.

We delivered on some large scale capital projects which will bring benefit to the community and improve the regular maintenance and renewals across our infrastructure networks. This year also provided a chance to plan for the next 10 years of Kaipara, through our Long Term Plan 2021-2031 – delivering on Council’s vision of “Growing a Better Kaipara”. There were some aspirational projects, and several important directions were chosen for the future of the District. Highlights among them were our approach to Climate Change, embracing more waste minimisation efforts and providing better community services for future growth, like libraries and community meeting areas. The Plan also addresses our infrastructure needs that will come more into focus in the next decade, with many of our assets (roads, bridges, pipes) needing renewal, maintenance and upgrading.

The year also brought about the start of what could be a period of significant change, with reform led by Central Government looking to change the Resource Management Act, a proposed centralisation of our Three Water assets (stormwater, drinking water and wastewater), and even a review into what Local Government will look like in the future. This is a great deal of change to be proposed in one short period, and some of the impacts are still unknown, but we will continue to work towards what is best for the people and communities of Kaipara.

The Kaipara District Council Annual Report 2021 shows what great shape we are in for what’s next. Together we are in a good place to be facing the challenges and the opportunities ahead.

***Ehara taku toa, he takitahi, he toa takitini – “My success should not be bestowed onto me alone, as it was not individual success but success of a collective.”***



Photo Location: Dargaville

## 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*

29 September 2021

**Louise Miller**

*Chief Executive*

29 September 2021

## INDEPENDENT AUDITOR'S REPORT

### TO THE READERS OF KAIPARA DISTRICT COUNCIL'S ANNUAL REPORT FOR THE YEAR ENDED 30 JUNE 2021

The Auditor-General is the auditor of Kaipara District Council (the District Council). The Auditor-General has appointed me, Bryce Henderson, 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 29 September 2021. This is the date on which we give our report.

### Opinion on the audited information

In our opinion:

- the financial statements on pages 20 to 24 and pages 30 to 72:
  - present fairly, in all material respects:
    - the District Council's financial position as at 30 June 2021;
    - 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 page 73 and 75 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 77 to 120:
  - present fairly, in all material respects, the District Council's levels of service for each group of activities for the year ended 30 June 2021, 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
  - complies with generally accepted accounting practice in New Zealand; and
- the statement about capital expenditure for each group of activities on pages 77 to 120 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 77 to 120, 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 about performance against benchmarks as required by the Local Government (Financial Reporting and Prudence Regulations 2014) on pages 25 to 29, 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 5 to 7 and 12 to 17, 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: *International 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 limited assurance report in our capacity as auditor pursuant to the Trust Deed and an audit on the Council's maintenance of the Register in accordance with the Trust Deed. We also provided a whistle blower hotline service to Council (discontinued in the year), fraud awareness training and undertaken the audit of the Council's 2021-31 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.



Bryce Henderson  
for Deloitte Limited  
On behalf of the Auditor-General  
Auckland, New Zealand



*Photo Location: Kai Iwi Lakes*



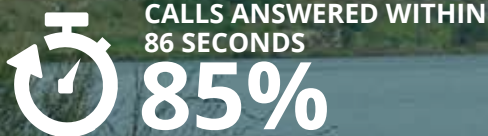
## RESIDENT SATISFACTION



## COMMUNITY PROJECTS



## CUSTOMER SERVICE CENTRE



## FUNDS AWARDED TO THE COMMUNITY

**\$441,000\***

NEW GOVERNMENT FUNDED PROJECTS  
**\$19.21M<sup>^</sup>**

## REGULATORY NUMBERS



**272**  
RESOURCE CONSENTS PROCESSED



**182**  
NEW DWELLINGS CONSENTED



**777**  
BUILDING CONSENTS PROCESSED

**\$166.89M**  
TOTAL VALUE OF BUILDING CONSENTS PROCESSED

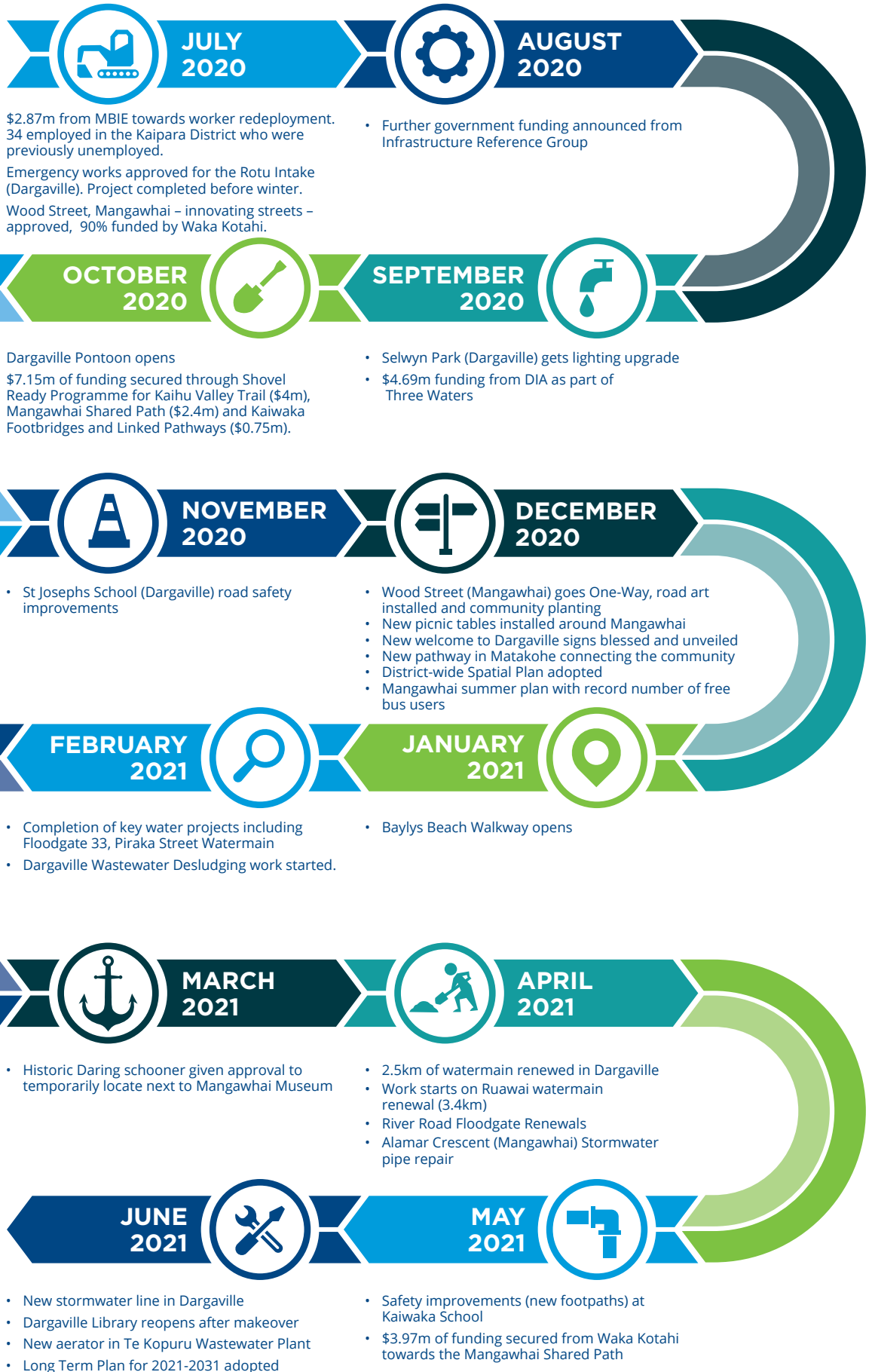
*All figures are from 1 July 2020 to 30 June 2021*

*\* Rounded*

*<sup>^</sup> Detailed on page 12*



# A Year in Review – What we completed



## A Year in Review

While the major impacts of COVID-19 were in the previous year, there are still lingering effects in the 2020-2021 year. Lockdowns at the border due to our proximity to Auckland, shortages of raw materials and resource issues in terms of people and demand for work are all examples. While there are benefits in terms of Government funding, of which Kaipara has received a significant amount, there are pressures that need to be managed.

Kaipara was well positioned to attract external funding which would support our recovery from COVID-19, and also allow us to progress projects while minimising the impact on ratepayers

- Shovel Ready Programme \$7.15m - Kaihu Valley Trail (\$4m), Mangawhai Shared Path (\$2.4m) and Kaiwaka Footbridges and Linked Pathways (\$0.75m).
- Worker Redeployment Package \$2.87m - Park vegetation clearance, roadside clearance and footpaths
- Three Waters Package - \$4.69m

In addition to the Covid response packages, Council worked closely with Waka Kotahi to unlock funding for key projects including the Mangawhai Shared Path (\$3.97m) and Wood Street (\$530k).

That's nearly \$20m of investment that doesn't have to be funded through rates and will allow us to make a real difference for communities across the Kaipara. This has been an exceptional year for Government funding, and it's unlikely we will see this level of external investment again.

Overall, Kaipara is a district still in growth mode, with 839 building consents received within the 2020-2021 year, the highest in the last six years. Our total new and relocated dwellings was 232, with a total value of \$78m of work.

The hearings panel appointed to hear Private Plan Change 78 reported back to Council, with Council adopting the panel's recommendations at the 28 April Council meeting. Two appeals have been received and the Environment Court process will continue in to the next financial year.

New residents bring new opportunities and new ideas to their communities. An integral part of our mahi is what we do in our communities, through

funding, community-led programmes, liaison with groups and interested parties. In the last year we facilitated just over \$441k in funds back to our communities through Community Grants, Mangawhai Endowment Land Account and Reserve Contributions Fund, we also deliver the Rural Travel Fund and Creative Community Grants.

In October 2020, Council voted to incorporate a Māori Ward as part of their Representation Review, which is scheduled for late August 2021.

A big part of 2020-2021 was developing the Council's Long Term Plan for 2021 - 2031. In November 2020 Council was out and about in the district listening to what our communities wanted to see us focus on. What came through clearly was the desire for us to focus on building our infrastructure, addressing issues of the future, such as climate change, waste and recycling, and also dealing with the aging buildings in Dargaville. These things form the backbone of the Plan.

The Long Term Plan is a collection of long form planning documents, including a new 30 year Infrastructure Strategy with a focus on supporting sustainable growth, a new Development Contributions Policy ensuring fairer distributions of funding for growth projects across Kaipara, and a Financial Strategy that balances the demands of managing debt, while also ensuring we're being fiscally responsible to future ratepayers and not stifling growth.

The Long Term Plan overall delivers on Council's vision of Growing a Better Kaipara, through ensuring our social, economic, cultural, and environmental wellbeing enable our district and our communities to thrive. You can read more at [www.kaipara.govt.nz/ltp](http://www.kaipara.govt.nz/ltp)

## Financial position

The key objective of Kaipara District Council in the last two Long Term Plans was to repay debt, which had climbed to \$83m at its peak in 2011. This was being paid for by a population of 18,700 (rateable properties totalled 12,310) so the key challenge was to reduce risk by reducing debt. Service levels were kept at a base level and depreciation was not able to be funded for most assets. This resulted in a backlog of renewals, as the Council had not accumulated

sufficient funds to ensure its aging infrastructure could be repaired and renewed as necessary.

From a finance perspective our debt is \$44m as at 30 June 2021. This level will rise due to the nature of capital works forecast in the Long Term Plan 2021 – 2031. Using debt to fund capital works spreads the cost of the asset over generations, which is a fairer approach. While the overall debt will increase the amount owed per ratepayer has decreased, with long term plan forecasting showing this is set to decrease over the coming years even further.

Property valuations have also been carried out by Quotable Value (QV) for rating purposes (this happens triennially, once every three years). On average, the increase in land value across the district is 17.5%. The value of residential housing has increased 24.2% since 2017 with the average house value now sitting at \$625,600, while the corresponding average land value increased by 24.4% to an average of \$297,000. There are large percentage value increases in the central and western side of the district. Overall change in capital values for pastoral farms is 6.4% and dairy farms 1.8%.

## Navigating a changing environment

The last year has been one of announcements.

The Three Waters Review, the Resource Management Act reform, a panel looking at local government and the changes we're likely to see in the world of waste minimisation, recycling and climate change are all factors that influence our work in Local Government.

### Three Waters Review

Council signed a Memorandum of Understanding in 2020 to participate in the process of defining future service delivery options through the government-led Three Waters Review. The review has announced proposed new entities be established to manage the delivery and quality of our drinking water, wastewater, and stormwater services commencing in 2024.

In the interim, we prepared our Long Term Plan 2021-2031 on the basis that services would continue, regardless of who owned the physical assets.

At the end of July, Central Government made an offer to Councils of financial support, part of which was a "no worse off" component. This component is intended to address the costs and financial impacts on Council directly as a result of the three waters reform programme and the associated transfer of assets, liabilities and revenues to the new water services entity.

The other component of the offered support to Council is the "better off" package of \$16,141,395. If the reforms continue, Council would be required to demonstrate that the use of this funding supports the three waters service delivery reform objectives and other local well-being outcomes and aligns with the priorities of central and local government.

At time of writing, Central Government provided an eight-week hiatus period leading up to 1 October 2021 to allow local government to assess the information provided to date. Central government also committed to making no further decisions during this period. As a result, Council expects further decisions regarding these reforms will be made post October 2021 and so we anticipate that any council decision-making on future steps won't be until late 2021.

The Government has announced a repeal and replacement of the current Resource Management Act. It will be replaced by three new Acts. Natural and Built Environments Act (NBA) to provide for land use and environmental regulation, Strategic Planning Act (SPA) to integrate with other legislation relevant to development and require long term regional spatial strategies, and the Climate Change Adaptation Act. To ensure the District has an up to date, useable District Plan which covers the transition period between the old and new legislation, we have now accelerated the review of our District Plan. We are scheduled to provide a Draft District Plan for public consultation in mid 2022.

In April 2020 it was announced a review of Local Government had started which is due to be completed by 2023. The initial focus is "how local government will be a contributor to the wellbeing and prosperity of New Zealand". A report is due to the Minister for Local Government by September 2021, and will signal the likely direction of the review, and key steps. Council is taking part at any opportunity to ensure that local voices are heard in any changes.

## Delivering our externally funded projects

We've been fortunate to secure government funding for many projects in the last few years, the updates on these projects are below.

### Redeployment Package

The Tai Tokerau Redeployment Package was negotiated with MBIE who anticipated job losses as a result of COVID-19. The work included lower risk activities including roadside clearance, footpaths (Matakohe) and sight rail improvements. Kaipara also secured a significant (\$1.6m) allocation to clear vegetation and make improvements at premier parks. At the peak of Kaipara's vegetation clearance and clean ups element of the redeployment package in September 2020, 43 people were actively involved in the works, with 23 of these being previously unemployed. A notable example of new working relationships at an individual level, stemmed from Turf Tamer Ltd and Te Roroa Group working together to deliver an element of the works at Taharoa Domain. The relationships developed at an individual level provided an opportunity for an employee from Te Roroa Group to purchase a lawn mowing operation and start his own venture, providing works opportunities for both himself and his whānau.

### Wharves

June 2019, MBIE allocated \$4.95m of funding from the Provincial Growth Fund (PGF) to begin the redevelopment of the Kaipara Harbour. The funding was divided into two tranches, \$950,000 for the investigation and analysis of the financial and economic benefits of a network of wharves and \$4m for the subsequent construction and implementation of the identified opportunities. The Dargaville pontoon was opened in October 2020 and procurement is underway for both Pouto and Pahi wharf, both of which will be constructed by the end of 2021.

### Kai Water

In April 2020, Council secured funding of \$740,000 from MBIE, enabling the establishment of two practical working examples of irrigating high value horticultural crops in the Kaipara. These demonstration sites are intended to be used to

inform landowners and external investors about high value land and water use and the application of innovative technologies. Access to practical working examples, expert advice and local knowledge will provide decision support and confidence in transforming land usage towards horticulture in the Kaipara. While work is currently ongoing, the sites are planned to be operational by October 2021.

### Pouto Road

The PGF allocated funding to seal 9.8km of Pouto Road (Phase 1) from the end of the current sealed section to Ari Ari Road. As part of the works, Council worked with Ripia Marae to reopen the Greenhill quarry near the northern end of the peninsula. The Council intends to work with the marae to re-establish the mana of Motu Whetiki and create a recreational space. It's planned for this part of the project to be completed by April 2022.

Although funding from MBIE was no longer available to complete the sealing (Phase 2), design work has been completed and the Council will work with Iwi and Government to secure funding in the future.

### Waipoua River Road

In September 2019 MBIE allocated \$1.61m from the PGF to Te Roroa to seal approximately 1.5km of Waipoua River Road from State Highway 12 to the proposed visitor centre. The Waipoua River Road sealing project is part of Te Roroa's objectives to enable the delivery of the Rakau Rangitira project by creating an enhanced single-entry point for the kauri walks and Tane Mahuta experience. The design was completed this year and the construction is planned to be completed by July 2022.

### Unsealed Roding network improvements

The implementation of the 'Unsealed Roding Improvements' project commenced with ~37km of unsealed road having been reconstructed to date using the approved \$3.15m PGF funding included in Roding Package Funding Agreement 2 and \$4.91m of approved Infrastructure Reference Group (IRG) funding. The Programme is on track to be completed in May 2022.



## Mangawhai Shared Path

In October 2020, MBIE allocated \$2.4m of funding from the IRG fund for the construction of approximately 3.8km of shared pathway on Molesworth Drive and improvements to the Insley Street/Moir Street intersection and Molesworth Drive/Moir Street intersection. Waka Kotahi has agreed to fund \$4m and by the end of the year we had procured United Civil as our contractors to deliver the work.

The intersections will be completed by early 2022 with all other construction planned for completion by October 2022.

## Kaiwaka Footbridges

In November 2020, MBIE approved \$750,000 funding from the IRG fund for the construction of two bridges in Kaiwaka. By implementing these pedestrian bridges, we align to the Walking and Cycling Strategy, and will eventually link to the Ancient Kauri Trail, supporting growth and economic development for the township. Construction is expected to be completed by March 2022.

## Kaihu Valley Trail

In October 2020, MBIE allocated \$4m of funding from the IRG fund to construct sections of the Kaihu Valley Trail. The allocated funding will deliver a 36km walking and cycle trail, providing a higher quality journey between Dargaville and Donnelly's Crossing. The track will eventually form part of the Ancient Kauri Trail. It's planned for construction to be completed in late 2022.

## Kaipara Stopbank Enhancement

MBIE has allocated funding of \$6m through their Climate Resilience programme towards stopbank improvements in Kaipara. Two projects were announced by the Minister in October 2020 which are critical to the success of the North Kaipara Agricultural Delta. Te Kopuru to Dargaville section works will be undertaken to upgrade the stopbanks to a specified level and allow for future increase in protection heights and Raupo which will include the install of a dual sluice gate coupled with a single floodgate assembly on Canal G (Ruawai).

## Three Waters Programme

The Department of Internal Affairs also awarded a total of \$4.691m for nine projects as part of the Three Waters Programme. These projects are planned to be completed by March 2022.

They include:

- Watermain renewals in Dargaville, Maungatūroto (both treated and raw water) and Ruawai
- Wastewater renewals in Dargaville
- Kaiwaka Water reservoir Truck filler
- Main upgrade at Maungatūroto
- Wastewater Treatment Plant.

**NB:** *On 27 May 2021 the Minister for Economic and Regional Development announced the Regional Strategic Partnership Fund that has a renewed focus on strategic investment. This announcement also signalled the official closure of the former Provincial Growth Fund. The formerly funded projects now come under the Kānoa – Regional Economic Development & Investment Unit (Kānoa – REDIU).*



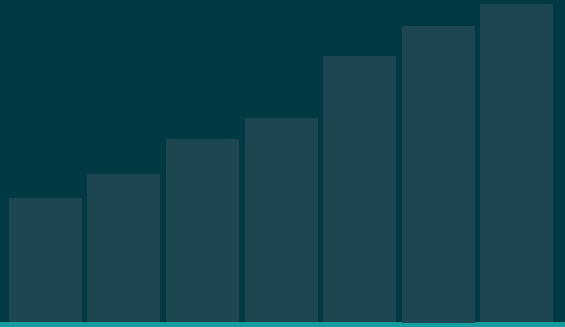
Photo location: Whakapirau





# PART TWO

## Financials



*Photo Location: Mangawhai Heads*

## Statement of Comprehensive Revenue and Expense

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.

Statement of Comprehensive Revenue and Expense	Note	Annual Report	Annual Plan	Annual Report
For the year ended: 30 June		2020-2021 \$'000	2020-2021 \$'000	2019-2020 \$'000
<b>Revenue</b>				
Rates	2a	38,819	38,780	37,688
Subsidies and grants	2c	25,139	19,890	13,098
Activity income		7,200	6,113	6,283
Contributions		4,181	3,046	2,395
Investments and other income	2c	3,969	339	2,008
<b>Total revenue</b>	<b>2a</b>	<b>79,308</b>	<b>68,168</b>	<b>61,472</b>
<b>Expenses</b>				
Activity costs		31,354	24,021	26,624
Employee benefits		13,479	13,152	12,912
Finance costs		2,199	2,860	2,284
Depreciation	10a,11	13,043	10,825	11,790
<b>Total expenses</b>	<b>3</b>	<b>60,075</b>	<b>50,858</b>	<b>53,610</b>
<b>Surplus for the period</b>		<b>19,233</b>	<b>17,310</b>	<b>7,862</b>
<b>Other comprehensive revenue and expense</b> (Items that will not be reclassified subsequently to surplus)				
Gain/(loss) on revaluation	4a	24,798	13,268	83,644
<b>Total comprehensive revenue and expense for the period</b>		<b>44,031</b>	<b>30,578</b>	<b>91,506</b>

The accompanying notes form part of these financial statements. (p.30-72)

### Explanation of major revenue and expenditure variances against Annual Plan

#### Revenue:

**Subsidies and grants:** Roading and Ministry of Business, Innovation & Employment (MBIE) projects temporarily paused or slowed in the 2019/2020 year due to COVID-19. These projects were restarted again this year resulting in significantly more subsidies being recognised than projected for the 2020/2021 year, being Waka Kotahi (NZTA) local share subsidy (\$13 million), MBIE (under what was the provincial growth fund \$7.5 million and the shovel ready scheme \$3.4 million) and the Department of Internal Affairs (DIA) for 3 Waters (\$1.2 million).

**Activity income:** Includes fees charged for the Private Plan Change 78 not planned for and reflects an overall increase in fees and charges across multiple activities. The additional revenue reflects the overall increase in economic activity across the district with fees from the Kai Iwi Lakes campground up significantly due to an increase in domestic tourism.

**Contributions:** Financial contributions higher than planned from increased development across the district.

**Investments and other income:** Includes \$641,000 of infrastructure assets vested in Council by developers from recently completed subdivision developments and \$2.87 million favourable movement in the value of Council's interest rate swaps.



**Expenses:****Activity costs: Includes:**

- \$0.8 million for Kaipara Kickstart work not included in the annual plan but funded by Government subsidies
- \$1.6 million for the Te Tai Tokerau Redeployment Package “Shovel Ready” projects for the removal of trees at Mangawhai Community Park and design, build and construction of five mountain bike tracks at Pou Tu o Te Rangi/ Harding Park not included in the annual plan
- \$2.7 million for additional Waka Kotahi (NZTA) roading funded work for the completion of the unsealed roads maintenance programme
- \$0.7 million roading network improvements funded through the “Shovel Ready” scheme for the removal of hazardous trees, spot spraying noxious weeds, litter collection and clean-up across the district not included in the annual plan
- \$0.6 million for emergency slip repair work at the Rotu water intake not included in the annual plan.

**Employee benefits:** Employment benefits of \$13.479m is net of \$0.403 million of salaries and wages cost that have been transferred to and capitalised within fixed assets. Therefore the gross employee benefits in the year is \$13.882m vs. the annual plan of \$13.2m and a prior year gross amount of \$12.912m. The variance includes a number of fixed term roles employed to manage parts of the capital expenditure programme funded by DIA and MBIE. The capital works projects and the fixed term roles were over and above what had been planned for.

**Finance costs:** This was due to lower interest rates and Council’s external debt being able to be held \$5 million lower than planned.

**Depreciation:** The annual charge is higher than planned due to the significant increase in asset values in the prior year and new works undertaken in the year.

# Statement of Financial Position

Statement of Financial Position	Note	Annual Report	Annual Plan	Annual Report
As at 30 June		2020-2021 \$'000	2020-2021 \$'000	2019-2020 \$'000
<b>Net assets/equity</b>				
Accumulated comprehensive revenue and expense	4a	426,867	480,913	408,868
Asset revaluation reserves	4a	377,043	239,769	352,245
Restricted reserves	4b	5,646	5,772	5,612
Council created reserves	4b	(11,185)	(18,167)	(12,385)
<b>Total net assets/equity</b>		<b>798,371</b>	<b>708,287</b>	<b>754,340</b>
<b>represented by Current assets</b>				
Cash and cash equivalents		12,194	1,926	4,398
Trade and other receivables	6	6,998	8,317	7,681
Accrued revenue		4,084	1,641	1,679
Other financial assets	5a	121	115	115
Non current assets held for sale		0	186	127
LGFA Borrower notes		0	0	400
<b>Total current assets</b>		<b>23,397</b>	<b>12,185</b>	<b>14,400</b>
<b>less Current liabilities</b>				
Trade and other payables	7	15,948	11,219	11,265
Provisions	8a	357	135	747
Employee entitlements		999	905	845
Public debt	9a	0	1,973	25,000
Derivative financial liabilities	18a	205	0	64
<b>Total current liabilities</b>		<b>17,509</b>	<b>14,232</b>	<b>37,921</b>
<b>Working capital/(deficit)</b>		<b>5,888</b>	<b>(2,047)</b>	<b>(23,521)</b>
<b>plus Non current assets</b>				
Property, plant, equipment	10a	839,864	768,354	803,887
LGFA Borrower notes		929	704	304
Biological assets	13	947	1,045	815
Other financial assets	5a	270	279	270
<b>Total non current assets</b>		<b>842,010</b>	<b>770,382</b>	<b>805,276</b>
<b>less Non current liabilities</b>				
Public debt	9a	44,000	49,194	19,000
Provisions	8a	1,507	4,859	1,514
Derivative financial liabilities	18a	4,020	5,995	6,901
<b>Total non current liabilities</b>		<b>49,527</b>	<b>60,048</b>	<b>27,415</b>
<b>Net assets</b>		<b>798,371</b>	<b>708,287</b>	<b>754,340</b>

The accompanying notes form part of these financial statements. (p.30-72)

## Explanation of major variances against Annual Plan

**Equity:** The favourable variance relates to the higher revaluation of infrastructure assets.

**Cash and cash equivalents:** Cash has built up as capital projects were not completed as planned in the 2020/2021 year. These will be completed, and borrowings taken up in 2021/2022. Cash also includes funds received in advance of significant projects, i.e., 3 Waters infrastructure renewals from the Department of Internal Affairs.

**Trade and other receivables:** Rates revenue collection is better than expected for the current year however the doubtful debt provision has been increased by \$380,000 to reflect the lower than expected collection for prior years rates debt. The provision for doubtful debts was also increased by \$87,000 for all other receivables.

**Accrued Revenue:** This includes the final Waka Kotahi (NZTA) local share subsidy claim for roading works (planned maintenance and special projects) the year of \$3.6 million.

**Trade and other payables:** Higher than budget reflecting the increased capital works expenditure in the later part of 2020/2021 and includes an additional \$2.1 million for income in advance from the DIA under the 3 Waters improvements scheme.

**Property, plant and equipment:** Higher than budgeted due to revaluation of infrastructure assets and the increased investment in infrastructure.

**Biological assets:** Biological assets reflects the increase in fair value of Council's forestry.

**Derivative financial liabilities:** The derivatives are revalued to market value at each balance date. The lower liability in 2022 reflects a small movement in actual interest rates and the expiry of \$5 million of swaps in June 2021. Council uses interest rate derivatives to assist in achieving a long term stable interest rate on debt along with minimising debt.

**Public debt:** \$25 million of the public debt was refinanced during the year so this portion of the public debt has moved from the current liabilities to non current liabilities.

## Statement of Changes in Net Assets/Equity

Statement of Changes in Net Assets/Equity	Note	Annual Report	Annual Plan	Annual Report
For the year ended: 30 June		2020-2021 \$'000	2020-2021 \$'000	2019-2020 \$'000
<i>Balance at 1 July</i>		754,340	677,708	662,835
Surplus for the period		19,233	17,311	7,862
Other comprehensive revenue and expense for the period				
Surplus on Revaluation of Infrastructure		24,798	13,268	83,643
<i>Total comprehensive revenue and expense for the period</i>		44,031	30,579	91,505
<i>Balance at 30 June</i>		798,371	708,287	754,340

The accompanying notes form part of these financial statements. (p.30-72)

## Statement of Cash Flows

Statement of Cash Flows	Annual Report	Annual Plan	Annual Report
For year ended: 30 June	2020-2021 \$'000	2020-2021 \$'000	2019-2020 \$'000
<b>Cash Flow from Operating Activities</b>			
<b>Receipts:</b>			
Rates	38,904	38,780	37,998
Fees, charges and other	14,380	9,480	9,022
Grants and subsidies	22,734	19,890	13,060
Taxes (including the net effect of GST)	639	0	19
Interest received	0	20	0
<i>sub total</i>	<b>76,657</b>	<b>68,170</b>	<b>60,099</b>
<b>Less Payments:</b>			
Suppliers and employees	42,798	40,792	38,565
Interest expense	2,199	2,860	2,284
<i>sub total</i>	<b>44,997</b>	<b>43,652</b>	<b>40,811</b>
<i>Net Cash Flow from/(to) Operating Activities</i>	<b>31,660</b>	<b>24,518</b>	<b>19,250</b>
<b>Cash Flow from Investing Activities</b>			
<b>Receipts:</b>			
Sale of property, plant and equipment	93	0	21
Harvesting removals	0	0	151
<i>sub total</i>	<b>93</b>	<b>0</b>	<b>172</b>
<b>Less Payments:</b>			
Property, plant and equipment purchases	23,732	27,822	15,950
<i>sub total</i>	<b>23,732</b>	<b>27,822</b>	<b>15,950</b>
<i>Net Cash Flow from/(to) Investing Activities</i>	<b>(23,639)</b>	<b>(27,822)</b>	<b>(15,778)</b>
<b>Cash Flow from Financing Activities</b>			
<b>Receipts:</b>			
Loans raised	25,000	0	6,800
<b>Less Payments:</b>			
Loan repayment	25,000	(454)	7,800
LGFA Borrower notes	225	0	0
<i>Net Cash Flow from/(to) Financing Activities</i>	<b>(225)</b>	<b>(454)</b>	<b>(1,000)</b>
<i>Net Increase/(Decrease) in cash and cash equivalents</i>	<b>7,796</b>	<b>(3,758)</b>	<b>2,472</b>
<i>Cash and cash equivalents at beginning of period</i>	<b>4,398</b>	<b>5,684</b>	<b>1,926</b>
<i>Cash and cash equivalents at end of period</i>	<b>12,194</b>	<b>1,926</b>	<b>4,398</b>

The accompanying notes form part of these financial statements. (p.30-72)



# Annual Report Disclosure Statement

## FOR THE YEAR ENDED 30 JUNE 2021

### 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.

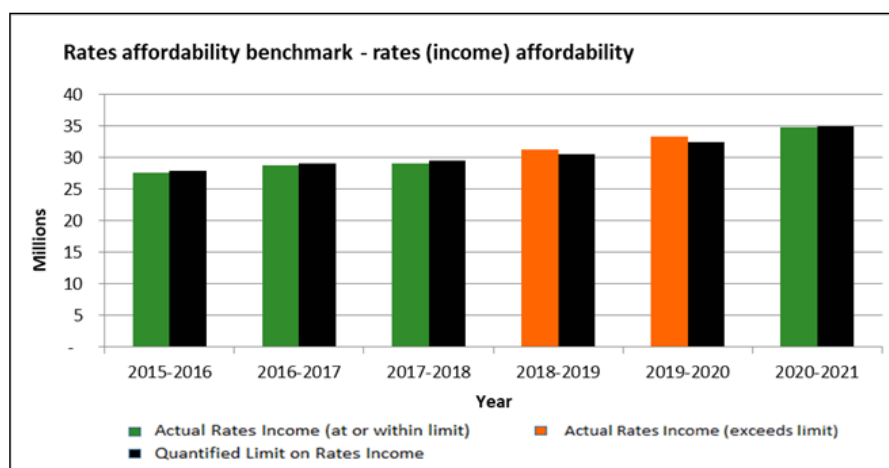
### Rates affordability benchmark

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

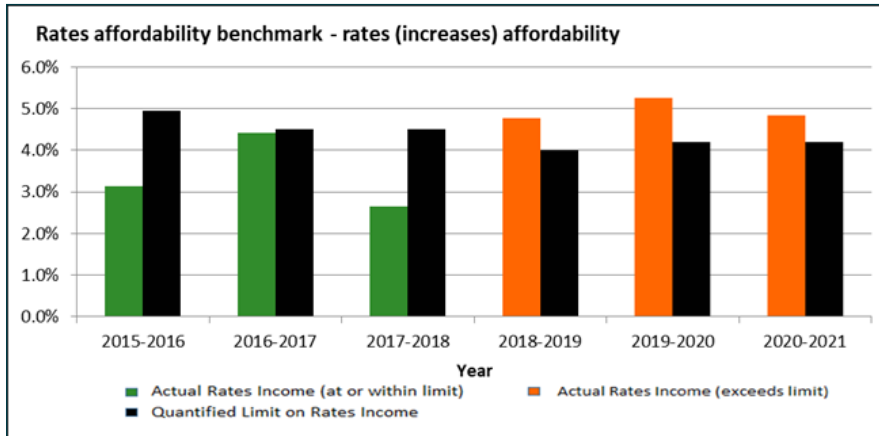
The following graph compares the Council's actual rates income with a quantified limit on rates contained in the Financial Strategy included in the Council's Long Term Plan. The quantified limit for 2020/2021 was set in the Long Term Plan at \$33.9 million excluding water meter billing (2020: \$33.1 million).

The Long Term Plan 2018/2028 predicted the ceiling to be exceeded in each of the first three years. The Long Term Plan 2018-2028 forecast cumulative increases will be less than the ceiling.



## Rates (increases) affordability

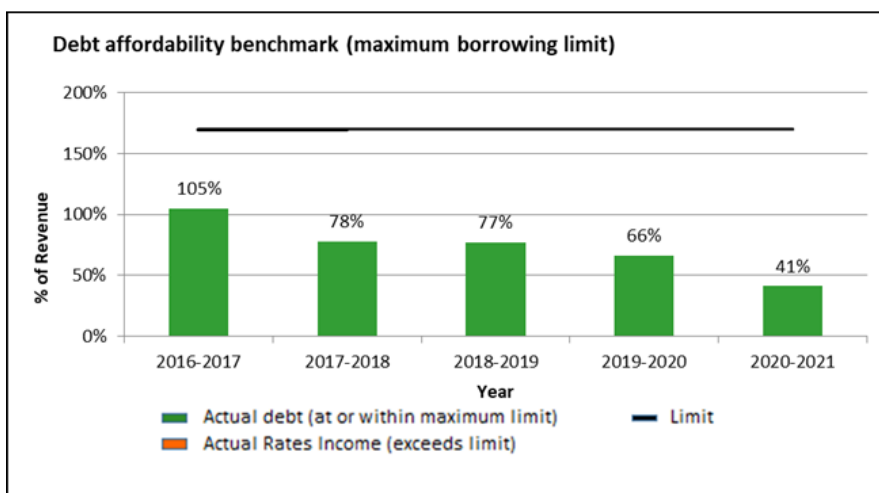
The following graph compares the Council's actual rates increases with its quantified limit on rates as stated included in the Financial Strategy, included in the Council's Long Term Plan. Quantified limit for was 2021:4.2% (2020: 4.2%).



## Debt affordability benchmark

The Council meets the debt affordability benchmark if its actual borrowing is within each quantified limit on borrowing.

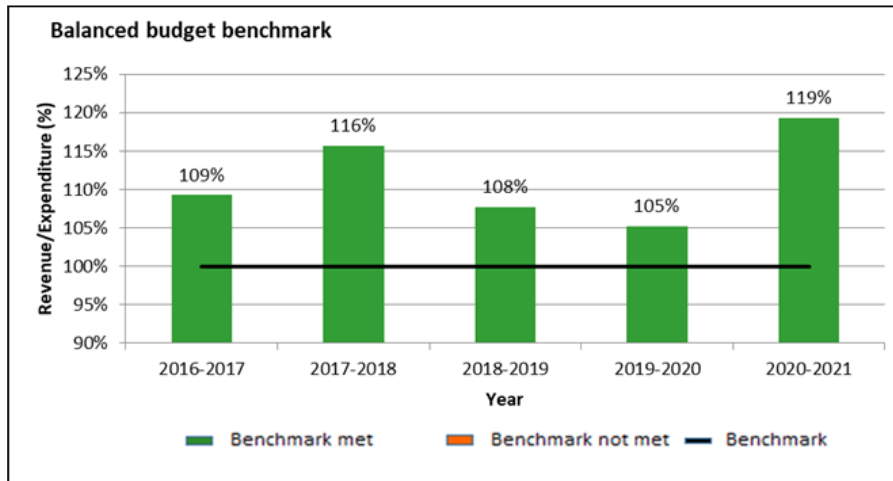
The following graph compares the Council's actual borrowing with a quantified limit on borrowing stated in the Financial Strategy included in the Council's Long Term Plan. The quantified limit for 2021 is 170%. In the 2020-2021 year Council's net debt remained unchanged at \$44 million and revenue from subsidies increased significantly.



## Balanced budget benchmark

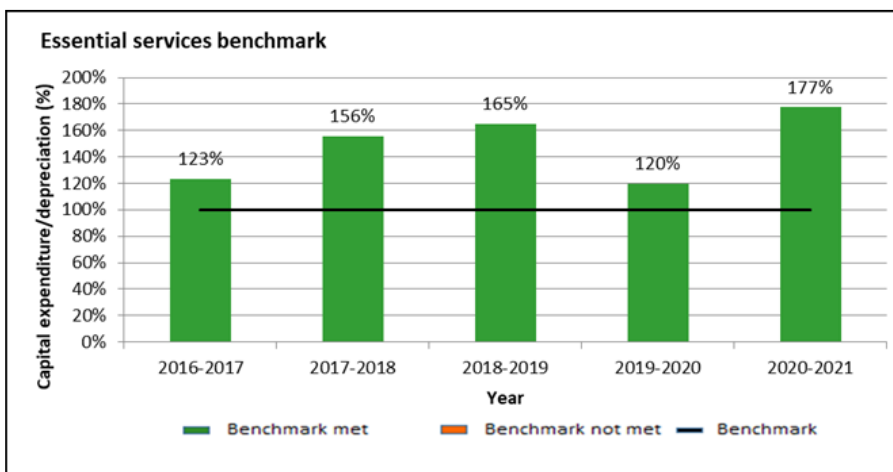
The following graph displays the Council's revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant, or equipment) as a proportion of operating expenses (excluding losses on derivative financial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

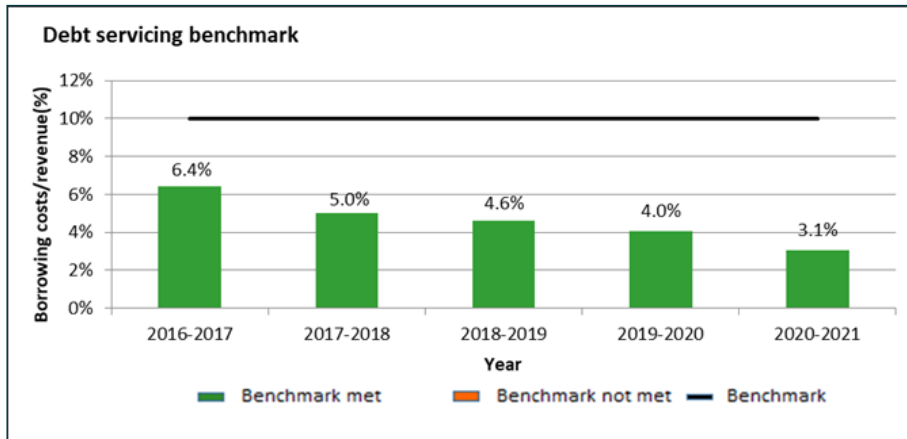
The following graph displays the Council's capital expenditure on network services as a proportion of depreciation on network services. The Council meets this benchmark if its capital expenditure on network services equals or is greater than depreciation on network services.



## 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).

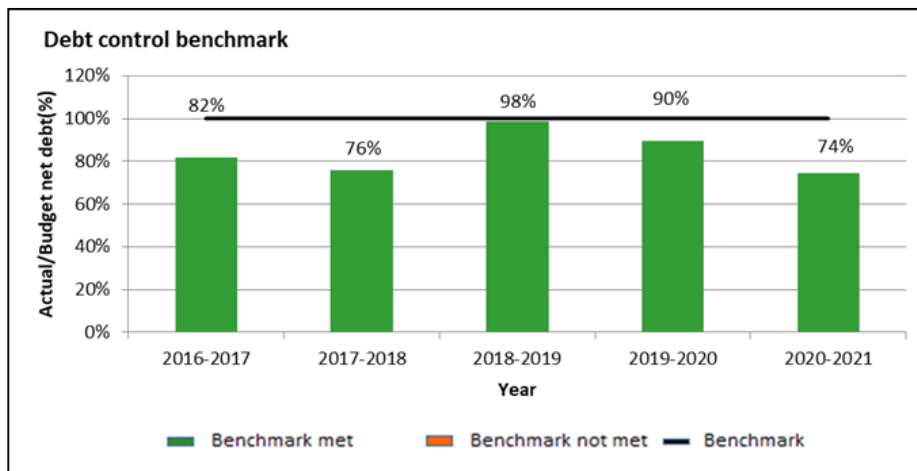
Council meets the debt servicing benchmark if its borrowing costs equal or are less than 10% of its actual revenue.



## 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.

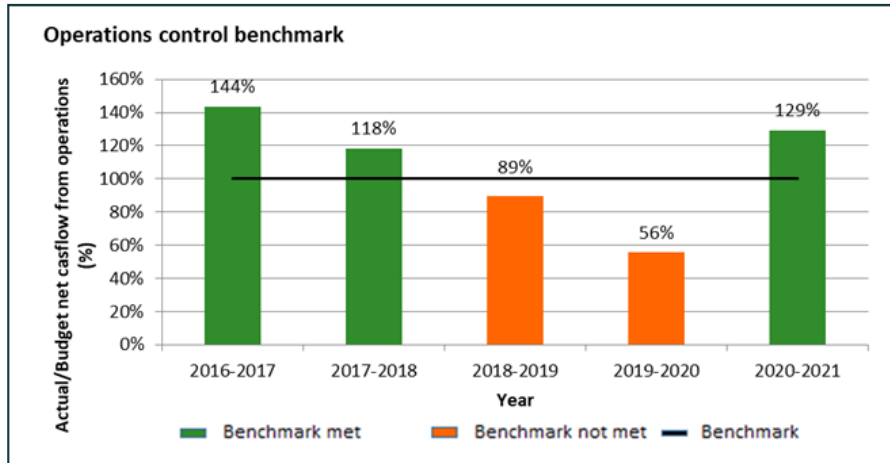




## Operations control benchmark

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.



## STATEMENT OF ACCOUNTING POLICIES FOR THE YEAR ENDED 30 JUNE 2021

### 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).

The financial statements of Kaipara District Council are for the year ended 30 June 2021. The financial statements were authorised for issue by Council on 29 September 2021.

### 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 Entity.

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.

### 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 as rates revenue as Council is acting as an agent.

### Subsidies & Grants revenue

Council receives Government grants from Waka Kotahi (NZTA), which subsidises part of Council's costs in maintaining the local roading infrastructure. It also receives subsidies from other government agencies

to fund some capital projects. The subsidies are recognised as revenue upon entitlement as conditions pertaining to eligible expenditure have been fulfilled.

## **Other revenue**

Other revenue comprises amounts received and receivable from water revenue at balance date for water supplied to customers in the ordinary course of business. As meter reading is cyclical, management must apply judgement when estimating the water consumption of customers between meter readings. Unbilled revenues 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 the product is sold to the customer. Sales are all in cash. The recorded revenue is the gross amount of the sale.

## **Consents**

Building consents provide approval for specific building works on a specific site, and resource consents provide approval for projects that impact the environment or others. Building consent revenue is recognised in part when the consents are issued and then at each stage of completion. Resource consent revenue is recognised when consents are provided at the fair value of the amount receivable.

## **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.

## **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 on 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 Statement of Comprehensive Revenue and Expense.

### 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 asset's 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.

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.

## **Accounting Treatment of cloud computing arrangements (PBE IPSAS 31 Intangible Assets)**

In April 2021, the International Financial Reporting Standards Interpretations Committee (IFRIC) issued a final agenda decision, Configuration or customisation costs in a cloud computing arrangement. The IFRIC concluded that costs incurred in configuring or customising software in a cloud computing arrangement can only be recognised as intangible assets if the activities create an intangible asset that the entity controls and the intangible asset meets the recognition criteria. The amount of capitalised configuration and customisation costs incurred in previous years are not material and as a result there is no adjustment made to prior year balances. All configuration and customization costs incurred in the current year has been expensed.

## **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.

## **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 that 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 and 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 (NZLGFA). The NZLGFA was incorporated in December 2011 with the purpose of providing debt funding to local authorities in New Zealand. NZLGFA has a local currency rating from Standard and Poor's of AAA and a foreign currency rating of AA. NZLGFA has a local currency rating from Fitch of AA+ and a foreign currency rating of AA.

As at 30 June 2021 Council is one of 30 local authority shareholders and 23 authority guarantors of the NZLGFA. 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 NZLGFA's borrowings. At 30 June 2021, LGFA had borrowings totalling \$13,610 billion (2020: \$11.908 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.

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 Mangawai 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.

## 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 2021.

The Council is required to make judgements, estimates and assumptions about carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and judgements are based on historical experience and other relevant factors. Actual results may differ from the estimates. The estimates and underlying assumptions are review on an ongoing basis.

Revisions to estimates are recognised in the period in which the estimate is revised or in the current and/or future period(s) which the revisions affect. Refer to the notes below for a discussion of estimates and judgements in applying the accounting policies.

## **Revaluation of infrastructure assets - Note 10(a), page 51**

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 underestimating 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.

## **Closure and post-closure provisions - Note 8(a), page 46**

All Council landfills are now closed. Provision has been made for the future costs of closing the Awakino, Glinks Gully 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 recorded in the Statement of Comprehensive Revenue and Expense. 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.

## **Covid 19 Impact on Council**

Covid lockdowns occurred March-May 2020 for the whole of New Zealand, August 2020 and February 2021 for Auckland. A further lockdown occurred post 30 June 2021 in August 2021 for the whole of New Zealand with only Auckland remaining in lockdown into September 2021.

Due to the makeup of Kaipara's ratepayer base and less reliance on international tourists Kaipara has been less affected than other areas of New Zealand. Capital projects are delayed as a result of each lockdown with a large number of projects having to be carried over to be completed later in the 2021 -2022 year than planned.

Outstanding debt increased as ratepayers found it difficult to pay their rates. Because of this the Council deferred following up and enforcing payment for those that had mortgages until later in 2021, or where possible negotiated lower regular repayments without penalties occurring.



## 2a. Income and Expenditure Summary

2a. Non-exchange Revenue Summary	Annual Report	Annual Report
For the year ended: 30 June	2020-2021 \$'000	2019-2020 \$'000
Non exchange revenue		
Rates	38,819	37,688
Resource consents	1,117	1,568
Solid waste recoveries	82	82
Subsidies and Grants	25,139	13,098
<i>Total Non exchange revenue</i>	<b>65,157</b>	<b>52,436</b>
Exchange revenue	14,151	9,036
<i>Total revenue</i>	<b>79,308</b>	<b>61,472</b>

**Resource consents:** In accordance with Council's accounting policies \$452k of consent fees charged during the year for consents lodged has not yet been recognised as revenue and those consents were still being processed at 30 June 2021.

## 2b. Income and Expenditure Summary

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 2020	As at 30 June 2019
Number of rating units within the Kaipara District	15,735 units of which 14,788 are rateable	15,532 units of which 14,632 are rateable
Total capital value of rating units within the Kaipara District	\$9,149,773,600 of which \$8,952,148,300 is rateable	\$9,007,678,600 of which \$8,806,247,800 is rateable
Total land value of rating units within the Kaipara District	\$5,165,600,000 of which \$5,075,315,000 is rateable	\$5,136,244,500 of which \$5,044,477,500 is rateable

## 2c. Revenue Summary - Analysis

2c. Revenue Summary - Analysis	Annual Report	Annual Report
For the year ended: 30 June	2020-2021 \$'000	2019-2020 \$'000
<b>Subsidies and grants</b>		
Subsidies and grants - to fund operations	10,694	6,870
Subsidies and grants - to fund capital projects	14,445	6,228
<b><i>Total Subsidies and grants</i></b>	<b>25,139</b>	<b>13,098</b>
<b>Investments and Other Income</b>		
Petrol tax	291	238
Gain on disposal of property, plant and equipment	25	18
Unrealised gain on forestry revaluation	132	(79)
Finance income	54	18
Vested assets	584	1,685
Derivative Financial Instruments (Swaps)	2,741	0
Sundry income	142	128
<b><i>Total Investment and Other Income</i></b>	<b>3,969</b>	<b>2,008</b>

**Derivative Financial Instruments:** Last year Council recognised a revaluation loss from its swaps which was recorded as part of expenditure hence the zero value noted above.

## 2d. Targeted rates for metered water supply

2d. Targeted Rates for metered water supply	Annual Report	Annual Report
For the year ended: 30 June	2020-2021 \$'000	2019-2020 \$'000
<b>Targeted Rates for metered water supply</b>		
Water Supply	3,147	3,256
<b><i>Total Targeted Rates for metered water supply</i></b>	<b>3,147</b>	<b>3,256</b>

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

### 3. Cost of service summary – analysis

3. Cost of Service Summary - Analysis	Annual Report	Annual Report
For the year ended: 30 June	2020-2021 \$'000	2019-2020 \$'000
<b>Analysis of expenditure</b>		
Depreciation and amortisation	13,043	11,790
Swaps revaluation through revenue and expense	0	970
Other expenses	30,975	25,448
<b>Employee benefit expenses</b>		
Salaries and wages	13,479	12,912
<b>Finance costs</b>		
Interest on loans	1,685	1,391
Interest on Local Government Stock	514	893
<b>Fees paid to Principal Auditor</b>		
Fees for audit of the Annual Report	195	157
Fees for audit of the Long Term Plan	168	0
Fees for other assurance services	11	11
Fees for other services	5	38
<b><i>Total expenditure</i></b>	<b>60,075</b>	<b>53,610</b>

The auditor of Council is Deloitte Limited who is acting for and on behalf of the Auditor General. The fees paid to Deloitte Limited for the other services for the year ending 30 June 2021 are for the audit of the Council's 2021-2032 Long Term plan, the audit compliance report prepared in respect to Council's debenture trust deed and an audit on the Council's maintenance on the Council's maintenance of the Register in accordance with the Trust. Deloitte also provides a 'tip off' whistleblower service. The whistleblower service was discontinued in September 2020 and this service is now provided by PwC. Fraud training was also provided by Deloitte in the year, and these are continued in the next year.

Salaries and wages also include employer contributions to KiwiSaver which is a Defined Contribution Plan. Employer contributions totaled 2021: \$345,155 (2020: \$331,766).

## 4a. Ratepayers Equity

4a. Ratepayers Equity	Note	Annual Report	Annual Report
For year ended: 30 June		2020-2021 \$'000	2019-2020 \$'000
Accumulated Comprehensive Revenue and Expense			
<i>Balance at 1 July</i>		408,868	403,437
plus Surplus/(deficit) for the period		19,233	7,862
Adjustment to Landfill provision	8b		
Transfers from Accumulated Revenue and Expense to:			
Restricted reserves		166	157
Council created reserves		10,490	6,523
<i>Total Transfers from Accumulated Comprehensive Revenue and Expense</i>		10,656	6,680
Transfers to Accumulated Funds from:			
Restricted reserves		132	119
Council created reserves		9,290	4,130
<i>Total Transfers to Accumulated Comprehensive Revenue and Expense</i>		9,422	4,249
<i>Closing balance as at 30 June</i>		426,867	408,868
Asset Revaluation Reserves			
Balance at 1 July		352,245	268,601
<i>Gain/(loss) on revaluation</i>		24,798	83,644
<i>Closing balance as at 30 June</i>		377,043	352,245
Asset Revaluation Reserves			
Operational assets:			
Land		302	302
Buildings		0	0
<i>Total Operational assets</i>		302	302
Infrastructural assets:			
The Provision of Roads and Footpaths		307,859	302,843
Water Supply		20,114	15,546
Sewerage and the treatment and disposal of sewage		10,956	7,019
Stormwater Drainage		33,008	21,730
Flood Protection and control works		4,805	4,805
<i>Total Infrastructural assets</i>		376,741	351,943
<i>Total Asset Revaluation Reserves</i>		377,043	352,245

## 4b. Statement of reserve fund activities

4b. Statement of reserve fund activities	Community Activities	Regulatory 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
For year ended: 30 June	2020-2021 \$'000	2020-2021 \$'000	2020-2021 \$'000	2020-2021 \$'000	2020-2021 \$'000	2020-2021 \$'000	2020-2021 \$'000	2020-2021 \$'000	2020-2021 \$'000	2020-2021 \$'000
<b>Restricted Council Reserves</b>										
Restricted Reserve										
Mangawhai Endowment Lands Account										
<b>Opening Balance</b>	0	0	0	5,612	0	0	0	0	0	5,612
Deposited	0	0	0	166	0	0	0	0	0	166
Withdrawn	0	0	0	(132)	0	0	0	0	0	(132)
<b>Closing Balance</b>	0	0	0	5,646	0	0	0	0	0	5,646
<b>Council Created Reserves Depreciation Reserve</b>										
<b>Opening Balance</b>	408	81	429	1,162	14	0	180	581	870	3,725
Deposited	327	49	173	494	7	2,660	901	392	981	5,984
Withdrawn	(120)	0	0	(32)	0	(2,738)	(335)	(25)	(791)	(4,041)
<b>Closing Balance</b>	615	130	602	1,624	21	(78)	746	948	1,060	5,668
<b>Development Contribution Reserve</b>										
<b>Opening Balance</b>	0	0	0	(0)	0	177	(24,867)	(41)	29	(24,702)
Deposited	0	0	0	0	0	99	1,400	12	0	1,511
Withdrawn	0	0	0	0	0	0	(4,016)	(1)	0	(4,017)
<b>Closing Balance</b>	0	0	0	0	0	276	(27,483)	(30)	29	(27,208)
<b>Financial Contribution Reserve</b>										
<b>Opening Balance</b>	7,172	0	0	0	0	849	0	0	0	8,021
Deposited	2,669	0	0	0	0	1	0	0	0	2,670
Withdrawn	(713)	0	0	0	0	(67)	0	0	0	(780)
<b>Closing Balance</b>	9,128	0	0	0	0	783	0	0	0	9,911
<b>Provision Expenditure Reserve</b>										
<b>Opening Balance</b>	0	0	0	0	669	0	(98)	0	0	571
Deposited	0	0	0	0	250	0	75	0	0	325
Withdrawn	0	0	0	0	(452)	0	0	0	0	(452)
<b>Closing Balance</b>	0	0	0	0	467	0	(23)	0	0	444



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 Reserves** are Council funds reserved for expenditure provisioned to be spent in future years.

## 5a. Other Financial Assets

5a. Other Financial Assets	Annual Report	Annual Report
For the year ended: 30 June	2020-2021 \$'000	2019-2020 \$'000
Current portion of investments		
Loan	121	115
<i>Total Current financial assets</i>	<i>121</i>	<i>115</i>
Non-current portion of investments		
Emission Trading Scheme - NZU's	257	257
Civic Financial Services Limited	13	13
<i>Total Non-current financial assets</i>	<i>270</i>	<i>270</i>

### 5(b) Emissions Trading Scheme (ETS)

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.

Council has 135.5 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

6. Trade and other receivables	Annual Report	Annual Report
For the year ended: 30 June	2020-2021 \$'000	2019-2020 \$'000
Trade and other receivables		
Sundry debtors	2,975	2,753
Land rates and penalties	6,838	6,937
Water rates and charges	899	899
Dog licences and dog infringements	300	261
Prepayments	754	1,132
<b>Gross Trade and other receivables</b>	<b>11,766</b>	<b>11,982</b>
less Provision for impairment- Land rates	(4,300)	(3,764)
less Provision for impairment - Other debtors	(468)	(537)
<b>Total Trade and other receivables</b>	<b>6,998</b>	<b>7,681</b>

As at 30 June 2021 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.

6. Exchange/Non exchange receivables	Annual Report	Annual Report
For the year ended: 30 June	2020-2021 \$'000	2019-2020 \$'000
Movement in Impairment Provision		
Opening balance - Impairment provision	(4,301)	(3,764)
Estimated (increase)/decrease in doubtful debts	(468)	(537)
<b>Total Non-current financial assets</b>	<b>(4,769)</b>	<b>(4,301)</b>

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

6. Analysis of Total	Annual Report	Annual Report
For the year ended: 30 June	2020-2021 \$'000	2019-2020 \$'000
Trade and Other Receivables Ageing		
Not past due	3,685	3,583
Past due 1-30 days	593	1,245
Past due 31-60 days	31	120
Past due 60 days	2,689	2,733
<b>Total trade and receivables ageing</b>	<b>6,998</b>	<b>7,681</b>

## 7. Trade and other payables

7. Trade and other payables	Annual Report	Annual Report
For the year ended: 30 June	2020-2021 \$'000	2019-2020 \$'000
Trade and Other Payables		
Trade creditors	3,190	4,861
Accrued expenses	6,146	2,395
Deposits held	2,034	2,313
Receipts held in advance	1,407	627
Income in advance	3,171	1,069
<i>Total Trade and other payables</i>	<b>15,948</b>	<b>11,265</b>

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. Income in advance includes \$2.1 million from the DIA under the 3 Waters improvements scheme.

## 8a. Provisions

8a. Provisions	Annual Report	Annual Report
For the year ended: 30 June	2020-2021 \$'000	2019-2020 \$'000
Current provisions		
Landfill closure and aftercare	357	747
<i>Total Current provisions</i>	<b>357</b>	<b>747</b>
Non-current provisions		
Landfill closure and aftercare	1,507	1,514
<i>Total Non-current provisions</i>	<b>1,507</b>	<b>1,514</b>
<i>Total Provisions</i>	<b>1,865</b>	<b>2,261</b>

## 8b. Provisions - movement in provisions

8b. Provisions - movement in provisions	Landfill closure & aftercare	Total
For the year ended: 30 June 2021	\$'000	\$'000
The movement in the provisions are represented by:		
Balance as at 1 July 2020	2,261	2,261
Amounts used	(453)	(453)
Release of provision	0	0
Funding increase	57	57
<b>Balance at 30 June 2021</b>	<b>1,865</b>	<b>1,865</b>

	Landfill closure & aftercare (before adjustment)	Total
For the year ended: 30 June 2020	\$'000	\$'000
The movement in the provisions are represented by:		
Balance as at 1 July 2019	2,661	2,661
Amounts used	(11)	(11)
Release of provision	(239)	(239)
Funding increase	(150)	(150)
<b>Balance at 30 June 2020</b>	<b>2,261</b>	<b>2,261</b>

### Landfill Aftercare Provisions

The Council has resource consents to operate landfills at Hakaru, Awakino and Bickerstaffe Road. These landfills are now closed. The Council has obligations under the Resource Management Act 1991 to provide ongoing maintenance and monitoring of the landfills after the sites are closed.

The **Hakaru closed landfill** remediation is in the final stages of completing the onsite leachate treatment system and wetland area before moving to the monitoring and maintenance phase. During 2020/2021 stage 1 of a 2 stage contract was completed, Monthly samples will be taken to confirm if this is sufficient treatment and discharged leachate meets consent standards, stage 2 will only be completed if consent standards are not met, this should occur if needed within 24 months. The treatment system being implemented is based upon an independent assessment performed by MWH, peer reviewed by Pattle Delamore Partners Limited and decided upon by Council during the year ended 30 June 2018. Resource consents relating to the leachate treatment being instated have been received from Northland Regional Council.

The **Awakino Road closed landfill** has now been capped with the only remaining works which may need completion is an upgrade of the wetland area, prior to the leachate discharge point. Sampling results of leachate will be monitored for signs of wetland non-performance i.e. heavy metals are not being removed. At this point a project will be planned for the upgrade which is expected to be 5 to 10 years into the future.

The **Glinks Gully closed landfill** is currently causing issues with higher than consented heavy metal sampling results. The current consent limits are set lower than other landfills due to the close proximity of a secondary water supply pump station. This has now been decommissioned and a variation to the consent is planned. Failing this it is likely that the landfill site will need further capping. At this point a project will be planned for the upgrade which is expected to be 5 to 10 years into the future.



The **Bickerstaffe Road closed landfill** has been fully remediated as at financial year 2019. Apart from ongoing monitoring costs Council does not expect any further costs.

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 5.27% (2020: 5.27%).

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
- Major remedial works being required at the Hakaru landfill site.

## 9a. Public debt

9a. Public debt	Annual Report	Annual Report
For the year ended: 30 June	2020-2021 \$'000	2019-2020 \$'000
Opening balance	44,000	45,000
add Funds raised	25,000	6,800
<b>Total Funds</b>	<b>69,000</b>	<b>51,800</b>
less Repayments	(25,000)	(7,800)
<b>Closing balance</b>	<b>44,000</b>	<b>44,000</b>
Current portion	0	25,000
Non-current portion	44,000	19,000
<b>Total Public debt</b>	<b>44,000</b>	<b>44,000</b>
Balances are represented by:		
Bank Loans	0	0
Local Government Funding Agency (LGFA)	44,000	44,000
	<b>44,000</b>	<b>44,000</b>

All term liabilities are secured under a Debenture Trust Deed. There is no current portion this year as the next loan maturity is not until the 2022-2023 year.

9a. Maturity interest rates for public debt	Maturity	Interest Rates	Actual	Annual Report
For the year ended: 30 June			2020-2021 \$'000	2019-2020 \$'000
Local Government Funding Agency (LGFA)	2021 to 2022	1.94% to 2.11%	0	0
Local Government Funding Agency (LGFA)	2023 to 2029	0.82% to 1.35%	44,000	0
Local Government Funding Agency (LGFA)	2020 to 2021	1.94% to 2.11%	0	25,000
Local Government Funding Agency (LGFA)	2022 to 2029	1.16% to 2.59%	0	19,000
<b>Total</b>			<b>44,000</b>	<b>44,000</b>

## Undrawn facilities

Undrawn facilities of \$10 million (\$5 million ANZ and \$5 million BNZ) were available at 30 June 2021 (2020: \$10 million).

## Loan Covenant

Council has loans that amount to \$44 million at 30 June 2021 (2020 \$44 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.

## 9b. Compliance with Liability Management Policy

9b. Compliance with liability management policy	Target	Achievement	Policy Compliance	Comment
	%	%	Y/N	
<b>Debt ratios and limits:</b>				
Net Debt as a percentage of Total Revenue	<170%	43%	Yes	Achieved
Net Interest as a percentage of Total Revenue	<15%	4%	Yes	Achieved
Net Interest as a percentage of Annual Rates Income	<20%	6%	Yes	Achieved
Liquidity (per Treasury policy)	>110%	123%	Yes	Achieved
<b>Debt Interest Rate Policy Parameters (calculated on a rolling monthly basis):</b>				
0 -36 months	40% - 90%	61%	Yes	Achieved
37 - 60 months	30% - 75%	33%	Yes	Achieved
60 -84 months	0% - 60%	17%	Yes	Achieved
Greater than 84 months	0% - 50%	3%	Yes	Achieved
<b>Liquidity/funding Maturity Profile:</b>				
0 - 3 years	15% - 60%	50%	Yes	Achieved
3 - 5 years	25% - 85%	26%	Yes	Achieved
5 years plus	0% - 60%	24%	Yes	Achieved

Council primarily borrows from the LGFA who provides the cheapest debt financing and longest maturity terms for debt financing available.

## 10a. Property, plant and equipment

Property, plant and equipment: 2021	Opening Cost	Opening Accumulated Depreciation & Impairment Charges	Carrying Amount	Adjustment to Prior Year vested Assets	Additions Current Year	Adjustments/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 and Impairment Charges	Carrying Amount
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Property, plant and equipment: 2020	1-Jul-20	1-Jul-20	1-Jul-20									30-Jun-21	30-Jun-21	30-Jun-21
<b>Infrastructural assets</b>														
Roads and Footpaths	613,464	0	613,464	0	9,834	0	0	0	0	(7,534)	5,016	620,780	0	620,780
Stormwater Drainage	34,230	0	34,230	(1,315)	1,068	0	0	0	0	(656)	11,278	44,605	0	44,605
Flood Protection and Control Works	16,553	0	16,553	0	102	0	0	0	0	(68)	0	16,587	0	16,587
Sewerage and the Treatment and Disposal of Sewage	62,613	0	62,613	0	774	(1,929)	0	0	0	(1,826)	3,936	63,568	0	63,568
Water Supply	36,074	0	36,074	0	1,133	(274)	0	0	0	(1,671)	4,568	39,830	0	39,830
Solid Waste	119	0	119	0	5	0	0	0	0	(2)	0	122	0	122
Work in Progress	1,202	(309)	893	0	9,831	2,203	0	0	0	0	0	12,927	0	12,927
<b>Total Infrastructural assets</b>	<b>764,255</b>	<b>(309)</b>	<b>763,946</b>	<b>(1,315)</b>	<b>22,747</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(11,757)</b>	<b>24,798</b>	<b>798,419</b>	<b>0</b>	<b>798,419</b>
<b>Restricted assets</b>														
Reserves	20,657	(180)	20,477	0	187	0	0	0	0	(79)	0	20,844	(259)	20,585
Community Housing	2,320	(577)	1,742	0	0	0	0	0	0	(46)	0	2,320	(623)	1,697
MEF Property	387	0	387	0	0	0	0	0	0	0	0	387	0	387
Halls	1,775	(590)	1,185	0	0	0	0	0	0	(35)	0	1,775	(625)	1,150
Work in Progress	0	0	0	0	441	0	0	0	0	0	0	441	0	441
<b>Total Restricted assets</b>	<b>25,139</b>	<b>(1,348)</b>	<b>23,791</b>	<b>0</b>	<b>628</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(160)</b>	<b>0</b>	<b>25,767</b>	<b>(1,507)</b>	<b>24,260</b>
<b>Operational assets</b>														
Land	6,978	0	6,978	0	0	0	0	131	0	0	0	7,109	0	7,109
Buildings	7,758	(2,033)	5,724	0	0	0	(154)	0	0	(149)	0	7,528	(2,103)	5,425
Building Contents	1,906	(1,356)	550	0	131	0	0	0	0	(91)	0	2,037	(1,447)	590
Mobile Plant (incl MV's)	1,707	(1,165)	542	0	216	0	(68)	0	0	(181)	0	1,367	(859)	508
Static Plant	106	(106)	0	0	656	0	0	0	0	(8)	0	762	(114)	648
Library Books	574	(402)	172	0	72	0	0	0	0	(68)	0	645	(470)	175
Office Equipment	6,673	(4,488)	2,184	0	258	0	0	0	0	(629)	0	6,932	(5,117)	1,815
Work in Progress	0	0	0	0	915	0	0	0	0	0	0	915	0	915
<b>Total Operational assets</b>	<b>25,702</b>	<b>(9,550)</b>	<b>16,150</b>	<b>(1,315)</b>	<b>2,250</b>	<b>0</b>	<b>(222)</b>	<b>131</b>	<b>0</b>	<b>(1,127)</b>	<b>0</b>	<b>27,295</b>	<b>(10,110)</b>	<b>17,186</b>
<b>Total Property, plant and equipment</b>	<b>815,096</b>	<b>(11,207)</b>	<b>803,887</b>	<b>(1,315)</b>	<b>25,625</b>	<b>0</b>	<b>(222)</b>	<b>131</b>	<b>0</b>	<b>(13,043)</b>	<b>24,798</b>	<b>851,481</b>	<b>(11,617)</b>	<b>839,864</b>

<b>Property, plant and equipment: 2020</b>	<b>Opening Cost</b>	<b>Opening Accumulated Depreciation &amp; Impairment Charges</b>	<b>Carrying Amount</b>	<b>Additions Current Year</b>	<b>Reclass Current Year</b>	<b>Net Disposals Current Year</b>	<b>Transfer to Assets Held for Sale</b>	<b>Impairments Current Year</b>	<b>Depreciation Current Year</b>	<b>Revaluation Surplus/ (loss) Current Year</b>	<b>Closing Cost/ Revaluation</b>	<b>Closing Accumulated Depreciation and Impairment Charges</b>	<b>Carrying Amount</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Property, plant and equipment: 2019</b>	1-Jul-19	1-Jul-19	1-Jul-19								30-Jun-20	30-Jun-20	30-Jun-20
<b>Infrastructural assets</b>													
Roads and Footpaths	526,913	0	526,913	10,441	0	0	0	0	(7,534)	83,644	613,464	0	613,464
Stormwater Drainage	33,736	(514)	33,222	1,518	0	0	0	0	(510)	0	34,230	0	34,230
Flood Protection and Control Works	16,653	0	16,653	73	0	0	0	0	(173)	0	16,553	0	16,553
Sewerage and the Treatment and Disposal of Sewage	61,901	0	61,901	2,091	0	0	0	0	(1,379)	0	62,613	0	62,613
Water Supply	36,139	0	36,139	1,003	0	0	0	0	(1,068)	0	36,074	0	36,074
Solid Waste	1,628	(1,202)	426	0	0	(307)	0	0	0	0	119	0	119
Work in Progress	1,904	(309)	1,595	-703	0	0	0	0	0	0	1,202	(309)	893
<b>Total Infrastructural assets</b>	<b>678,874</b>	<b>(2,025)</b>	<b>676,849</b>	<b>14,423</b>	<b>0</b>	<b>(307)</b>	<b>0</b>	<b>0</b>	<b>(10,664)</b>	<b>83,644</b>	<b>764,255</b>	<b>(309)</b>	<b>763,946</b>
<b>Restricted assets</b>													
Reserves	19,938	(111)	19,827	719	0	0	0	0	(69)	0	20,657	(180)	20,477
Community Housing	2,320	(531)	1,789	0	0	0	0	0	(46)	0	2,320	(577)	1,742
MEF Property	387	0	387	0	0	0	0	0	0	0	387	0	387
Halls	1,775	(554)	1,221	0	0	0	0	0	(36)	0	1,775	(590)	1,184
<b>Total Restricted assets</b>	<b>24,420</b>	<b>(1,196)</b>	<b>23,224</b>	<b>719</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(151)</b>	<b>0</b>	<b>25,139</b>	<b>(1,348)</b>	<b>23,791</b>
<b>Operational assets</b>													
Land	6,809	0	6,809	169	0	0	0	0	0	0	6,978	0	6,978
Buildings	7,411	(1,882)	5,529	348	0	0	0	0	(151)	0	7,758	(2,033)	5,724
Building Contents	1,553	(1,289)	264	354	0	0	0	0	(67)	0	1,906	(1,356)	550
Mobile Plant (incl MV's)	1,301	(924)	377	325	0	3	0	0	(162)	0	1,707	(1,165)	542
Static Plant	106	(106)	0	0	0	0	0	0	0	0	106	(106)	0
Library Books	507	(336)	171	67	0	0	0	0	(66)	0	574	(402)	172
Office Equipment	5,138	(3,959)	1,179	1,534	0	0	0	0	(529)	0	6,673	(4,488)	2,184
<b>Total Operational assets</b>	<b>22,825</b>	<b>(8,496)</b>	<b>14,329</b>	<b>2,798</b>	<b>0</b>	<b>3</b>	<b>0</b>	<b>0</b>	<b>(975)</b>	<b>0</b>	<b>25,702</b>	<b>(9,550)</b>	<b>16,150</b>
<b>Total Property, plant and equipment</b>	<b>726,116</b>	<b>(11,717)</b>	<b>714,402</b>	<b>17,940</b>	<b>0</b>	<b>(304)</b>	<b>0</b>	<b>0</b>	<b>(11,790)</b>	<b>83,644</b>	<b>815,096</b>	<b>(11,207)</b>	<b>803,887</b>



## Property, plant and equipment (continued)

Council has applied the historical cost method under PBE IPSAS for buildings and land. This does not include land associated with infrastructure assets. Land associated with infrastructure assets like all other infrastructural assets, continue to be revalued periodically, but at least every three years. During the off-cycle years for revaluation, the carrying values of previously revalued assets are assessed to ensure that they do not differ materially from fair value. If there is evidence supporting a material difference, then the off-cycle assets are valued.

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 2021. The names, and asset responsibility, of the Valuers engaged are as follows:

Valuer	Asset Responsibility
WSP New Zealand Limited (Independent external professional engineers and valuers)	<p>Valuations and cost escalation adjustments were made to the following asset classes in the 2020/2021 year:</p> <ul style="list-style-type: none"> <li>Roads and footpaths</li> <li>Water supply</li> <li>Wastewater</li> <li>Stormwater</li> </ul>

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.

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 on 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.
- 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 underestimating the annual depreciation charge recognised as an expense in the Statement of Comprehensive Revenue and Expense. To minimise the risk, infrastructure asset useful lives have been determined with reference to the International Infrastructure Management Manual for roading assets and the Institute of Public Works Engineering Australasia (IPWEA) guidelines and have been adjusted for local conditions based on past experience.

Category	Methods and key assumptions
Roading	<p>Unit costs are sourced from recent contract costs. Where no recently tendered rates were available, a sanity check was undertaken where they were compared against a neighbouring council to ensure they appeared reasonable.</p> <p>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.</p>
Water assets (Sewerage and the treatment and disposal of sewage, Water Supply, Stormwater Drainage) and Flood Protection and Control Works	<p>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.</p> <p>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. All water supply, waste water and stormwater assets have been revalued in the current year. The carrying value of land drainage assets was confirmed by a desktop valuation only.</p>

## 10b. Property, plant and equipment analysis

10b. Property, plant and equipment analysis	Closing Book Value	Acquisitions Constructed	Acquisitions Vested	Latest Estimate of Replacement Cost
	\$'000	\$'000	\$'000	\$'000
<b>Property, Plant and Equipment: 2021</b>	<b>30-Jun-21</b>	<b>30-Jun-21</b>	<b>30-Jun-21</b>	<b>30-Jun-21</b>
<b>Infrastructural assets</b>				
Roads and Footpaths	620,780	17,259	237	768,428
Stormwater Drainage	44,605	56	(287)	60,174
Flood Protection and Control Works	16,587	101	0	19,800
<i>Sewerage and the Treatment and Disposal of Sewage</i>				
Treatment plants and facilities	22,570	90	0	27,510
Other assets	40,998	991	623	65,516
<i>Water Supply</i>				
Treatment plants and facilities	32,698	0	0	16,790
Other assets	7,132	2,344	13	66,901
<b>Property, Plant and Equipment: 2020</b>	<b>30-Jun-20</b>	<b>30-Jun-20</b>	<b>30-Jun-20</b>	<b>30-Jun-20</b>
<b>Infrastructural assets</b>				
Roads and Footpaths	613,463	9	309	753,296
Stormwater Drainage	34,229	203	1,315	0
Flood Protection and Control Works	16,553	73	0	18,666
<i>Sewerage and the Treatment and Disposal of Sewage</i>				
Treatment plants and facilities	22,788	1,988	0	28,063
Other assets	39,826	103	0	59,526
<i>Water Supply</i>				
Treatment plants and facilities	9,181	219	0	16,060
Other assets	26,893	784	0	61,472

## 10c. Capital expenditure and disposals for year

10c. Capital Expenditure (Disposals) for Year	Annual Report	Annual Report
For the year ended: 30 June	2020-2021 \$'000	2019-2020 \$'000
<b>Capital expenditure</b>		
Community Activities	1,229	1,410
Regulatory Management	0	0
District Leadership, Finance and Internal Services	1,642	2,110
Solid Waste	0	0
The Provision of Roads and Footpaths	17,259	9,428
Stormwater Drainage	56	1,518
Flood protection and control works	101	73
Sewerage and the treatment and disposal of sewage	1,081	2,092
Water supply	2,344	1,003
<b>Total Capital expenditure</b>	<b>23,712</b>	<b>17,634</b>
<b>Disposals</b>		
Other	(222)	(3)
<b>Total Disposals</b>	<b>(222)</b>	<b>(3)</b>

## 11. Depreciation summary

11. Depreciation summary	Annual Report	Annual Report
For the year ended: 30 June	2020-2021 \$'000	2019-2020 \$'000
<b>by Groups of activities</b>		
Community Activities	399	371
Regulatory Management	0	52
District Leadership, Finance and Internal Services	867	704
Solid Waste	0	0
The Provision of Roads and Footpaths	7,537	7,534
Stormwater Drainage	656	510
Flood protection and control works	69	172
Sewerage and the treatment and disposal of sewage	1,843	1,379
Water supply	1,672	1,068
<b>Total Groups of activities depreciation</b>	<b>13,043</b>	<b>11,790</b>

## 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
<b>Roading</b>		
Top surface (seal)	5-100	5%-25%
<b>Pavement (basecourse)</b>		
Urban sealed	40-100	1.25%-2.5%
Rural sealed	40-100	1.25%-2.5%
Unsealed	20-60	1.67%-5%
Foundation and unsealed subgrade (land)	n/a <sup>1</sup>	-
Culverts	40-100	1%-4%
Kerb and channel	25-100	1.25%-4%
Bridges	40-100	1%-2.5%
Signs	12	8.3%
Lights	15-100	2.5%-6%
Footpaths	25-100	1.25%-4%
Drainage	20-100	1%-6%
Water Supply	60-70	1.25%-4%
Wastewater	25-80	1.25%-4%
Stormwater	40-80	0.50%-2%
Landfills and transfer stations	10-100	0%-10%
Halls	50	2%
Community housing	50	2%
Plant, equipment and motor vehicles	5-10	10%-20%
Buildings	50	2%
Building contents	10	10%
Other plant	5	20%
Computer and office equipment	5	20%
Library collection	5	20%

<sup>1</sup> Not depreciated

The residual value and useful life of an asset is reviewed, and adjusted if applicable, at each financial year end.

## 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.

		2021 \$000's	2020 \$000's
<b>A</b>	Total value of assets that are covered by insurance contracts	156,174	140,380
	Maximum amount to which these assets are insured	59,323	62,461
<b>B</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
<b>C</b>	Total value of all assets that are self-insured	780,541	741,383
	Value of any fund maintained by Council for that purpose	Nil	Nil

## 13. Biological assets

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

Council owns and lease three forest blocks with net stocked area of 128.3 hectares (all excluding Taharoa Domain estate). The 7.8 hectares within the Catchment forest was harvested in the 2020 financial year.

Council's accounting policy requires annual revaluations of Biological 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).

### Valuation

Woodlands Pacific International Forestry Consultants performed an independent valuation of the forests as at 30 June 2021. The calculation of the revaluation was fair value less estimated point of sale costs.

Valuation assumptions:

- A discount rate of 9.0% (2020: 9.5%) 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).



The movement in asset value is as follows:

13. Biological assets	Annual Report	Annual Report
For the year ended: 30 June	2020-2021 \$'000	2019-2020 \$'000
Forestry assets movements		
Opening balance	815	1,045
Annual revaluation movement	132	(79)
Harvesting removals	0	(151)
<i>Closing balance</i>	947	815

### 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's 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 \$0 (2020: \$118,000)

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

14. Reconciliation of Net Cash Flow from Operating Activities to Surplus/(Deficit)	Annual Report	Annual Report
For the year ended: 30 June	2020-2021 \$'000	2019-2020 \$'000
Surplus/(deficit) for the period		
Surplus/(deficit) for the period	19,233	7,862
add/(deduct) Non-cash movements		
Property, Plant and Equipment vested to Council	(585)	(1,684)
(Gain)/Loss on sale of assets	129	(18)
Forestry harvesting and revaluation (Gain)/Loss	(132)	79
Increase/(decrease) in Provisions	72	136
Depreciation	13,043	11,790
Unrealised (gain)/loss on interest rate swaps	(2,740)	970
Other Financial Assets	(20)	67
<b>Total Non-cash movements</b>	<b>9,767</b>	<b>11,340</b>
add/(deduct) Movements in working capital Items		
Trade and other receivables	215	100
Accrued Revenue	(2,406)	(38)
Employee Entitlements	154	(60)
Trade and other payables (net of capital accruals)	4,697	46
Provisions	0	0
<b>Total Movement in working capital Items</b>	<b>2,660</b>	<b>48</b>
<b>Net Cash Inflow from Operating Activities</b>	<b>31,660</b>	<b>19,250</b>

## 15. Capital commitments and operating leases

15. Capital commitments and operating leases	Annual Report	Annual Report
For the year ended: 30 June	2019-2020 \$'000	2018-2019 \$'000
Capital commitments		
Property, Plant and Equipment	21,645	23,169
<b>Total Capital commitments</b>	<b>21,645</b>	<b>23,169</b>
Operational non-cancellable contracts		
Not later than one year	2,997	1,269
Later than one year and not later than five years	50	1,226
Later than five years	227	227
<b>Total Operational non-cancellable contracts</b>	<b>3,274</b>	<b>2,722</b>
Operating leases as lessee		
Not later than one year	119	211
Later than one year and not later than five years	38	153
<b>Total Operating leases as lessee</b>	<b>157</b>	<b>364</b>
Operating leases as lessor		
Not later than one year	197	196
Later than one year and not later than five years	714	722
Later than five years	549	687
<b>Total Operating leases as lessor</b>	<b>1,460</b>	<b>1,605</b>

The operating leases are in relation to Council properties.

Greenhill Quarry Deed of Lease permits the quarrying for extraction of aggregate by Ventia NZ Operations Limited for use on Council's roading network. The lease payments are for the aggregate for use solely in connection with Council's Road seal extension projects (under tendered contract 961). The value of the payments is dependent on the quantum and grade of aggregate extracted from the Quarry, with the limit of 96,000m<sup>3</sup> during the Term for use. Therefore, the amount has not been included in the note above.

## 16. Contingent liabilities

16. Contingent liabilities	Annual Report	Annual Report
For the year ended: 30 June	2020-2021 \$'000	2019-2020 \$'000
Contingent Liabilities		
Guarantees to other organisations	903	903
<b>Total Contingent Liabilities</b>	<b>903</b>	<b>903</b>

## Guarantees

### New Zealand Local Government Funding Agency

Council is a guarantor of the New Zealand Local Government Funding Agency Limited (NZLGFA). The NZLGFA was incorporated in December 2011 with the purpose of providing debt funding to local authorities in New Zealand. NZLGFA has a local currency rating from Standard and Poor's of AAA and a foreign currency rating of AA. NZLGFA has a local currency rating from Fitch of AA+ and a foreign currency rating of AA.

As at 30 June 2021, Council is one of 30 local authority shareholders and 23 authority guarantors of the NZLGFA. 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 2021, LGFA had borrowings totalling \$13,605 billion (2020: \$11.908 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 2021 was \$80,459.

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.

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.

### Weathertightness Northern Wairoa War Memorial Hall

Council has determined that an appropriate course of action is to demolish the leaky Town Hall annex attached to the Northern Wairoa War Memorial Hall and re-clad and reinstate the Municipal Chambers and Northern Wairoa War Memorial Hall as separate buildings. While Council has no present obligation in terms of timing as at 30 June 2021 work may occur within the next five years. Estimates of future cost obligations are not available at this time.

### Council Building 42 Hokianga Road, Dargaville

Within the next year Council will no longer use the Council building at 42 Hokianga Road, Dargaville as its main office building but it will continue to be used in some capacity to support Council operations. At such time it is no longer required Council has determined that an appropriate course of action is to demolish the building and turn the site into a green space. This work is likely to take place within the next five years.

## **Replacement/reinstatement of Murphy/Bowers Stopbank**

Council needs to replace/reinstate a section of the existing stopbank on this property which was removed by a previous owner. A workable solution with the current owner has not been obtainable and Council has indicated it will proceed with reinstatement under the Public Works Act. Under this Act Council will be expected to pay fair and reasonable compensation to the owner for any relevant losses incurred through this process.

## **RB & HE Rogan**

RB and HE Rogan v KDC and NRC 9 CIV-2015-288-182), being an appeal by the ratepayers of a decision from the District Court awarding judgment to the KDC and NRC for unpaid rates. All appeals have been dismissed and the Supreme Court awarded costs were paid to the Council in December 2019. One remaining stayed proceeding is set for a short trial at the end of November 2021.

## **Other legal claims**

A claim has been issued in relation to construction and engineering issues involving a stand-alone dwelling. Council was named as one of three defendants. However, the owner has ended the claim against one defendant (the head franchisor of the building company) and the other (the builder) is playing no part in the Court proceedings. Council has also joined the project engineer to the proceedings. It is considered that the engineer bears significant responsibility for engineering issues at the property. The owners, Council and engineer have agreed to attend mediation, which is anticipated to be held before the end of 2021.

## **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.

## **Earthquake risk to buildings**

Council is required, under the Building Act 2004, to identify earthquake-prone buildings within the Kaipara district. The district is designated a low risk area for earthquake hazards and the deadline to complete this work is 2032.

At this point Council has only just begun the task of evaluating buildings to determine if they may be earthquake-prone. At present, we are confident there will be no outstanding seismic work for non- priority buildings in the district before 1 July 2032.

## 17. Statutory disclosures and remuneration and related party transactions

Statutory Disclosures and Remuneration and Related Party Transactions	Annual Report	Annual Report
For the year ended: 30 June	2020-2021	2019-2020
Chief Executive Remuneration:		
<i>Chief Executive</i>		
Salary	285,803	283,692
Other Benefits	29,739	11,579
<i>Total Chief Executive Remuneration</i>	315,542	295,271

Key Management Personnel	Annual Report	Annual Report
For the year ended: 30 June	2020-2021 \$'000	2019-2020 \$'000
<i>Key management personnel compensation</i>		
Salaries and other short term employee benefits	1,674	1,898
<i>Total Key management personnel compensation</i>	1,674	1,898

**Key management personnel** include the Chief Executive, senior management, and the Mayor and Councillors. 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 dealt with the Council on normal terms within the ordinary course of trading activities of the Council. There are no material amounts owing to related parties at year end.

Severance pay	Actual	Annual Report
For the year ended: 30 June	2020-2021	2019-2020
Severance pay		
Number of Employees	0	1
Redundancy Payments to Employees	4	2

Severance Pay was paid in the following amount: \$0 (2020: \$23,570).



<b>Elected Representatives Remuneration</b>	<b>Annual Report</b>	<b>Annual Report</b>
For the year ended: 30 June	2020-2021	2019-2020
<b>Elected Representatives Remuneration:</b>		
<i>Mayor:</i>		
Jason Smith	112,479	113,800
Other Benefits	12,907	4,343
<b>Total Mayoral Remuneration</b>	<b>125,386</b>	<b>118,143</b>
<i>Deputy Mayor:</i>		
Anna Curnow	60,052	48,500
<i>Councillors:</i>		
Peter Wethey	45,362	50,235
Jonathan Larsen	44,668	40,626
Karen Joyce-Paki	43,487	39,792
Victoria del la Varis-Woodcock	44,793	40,764
Mark Vincent	43,487	29,939
David Wills	43,487	29,939
Eryn Wilson-Collins	43,487	29,939
Andrew Wade	0	9,853
Libby Jones	0	10,954
Julie Geange	0	12,001
	<b>494,209</b>	<b>460,685</b>
<b>Crown Manager Remunerations:</b>		
Peter Winder	0	4,050
	<b>0</b>	<b>4,050</b>
<b>Audit, Risk and Finance Committee Chair Remuneration:</b>		
Geoff Copstick	3,800	0
Stana Pezic	1,300	3,600
	<b>5,100</b>	<b>3,600</b>

Please refer to the Elected Members Meeting Attendance in the Appendix for further information.

<b>Council employees remuneration</b>	<b>Annual Report</b>	<b>Annual Report</b>
For the year ended: 30 June	2020-2021	2019-2020
<b>Annual remuneration by band:</b>		
\$0 - \$60,000	60	49
\$60,001 - \$80,000	52	46
\$80,001 - \$100,000	35	33
\$100,001 - \$120,000	14	15
\$120,001 - \$140,000	9	5
\$140,001 - \$200,000	4	4
\$200,001 - \$300,000	2	2
<b><i>Total Employees by remuneration band</i></b>	<b>176</b>	<b>154</b>
<b>Number of Employees:</b>		
Full time employees	150	139
Part time employees (FTE)	17.4	11.0
<b><i>Total Employees (FTE)</i></b>	<b>167.4</b>	<b>150.0</b>

Casual employees are excluded from the Total Employees (FTE) above.

## 18a. Categories of financial assets and liabilities

Categories of financial assets and liabilities	Annual Report	Annual Report
For the year ended: 30 June	2020-2021 \$'000	2019-2020 \$'000
<b>Loans and Receivables</b>		
<i>Cash and cash equivalents</i>	12,194	4,398
Trade and other receivables	6,998	7,681
LGFA Borrower notes	929	704
Loan	121	115
<b><i>Total Loans and Receivables</i></b>	<b>20,242</b>	<b>12,898</b>
<b>Financial assets:</b>		
<b>Fair value through revenue and expense</b>		
Civic Financial Services Ltd	13	13
<b><i>Total Fair value through revenue and expense</i></b>	<b>13</b>	<b>13</b>
<b>Financial liabilities measured at amortised cost</b>		
Trade and other payables	15,948	11,265
Public debt	44,000	44,000
<b><i>Total Financial liabilities measured at amortised cost</i></b>	<b>59,948</b>	<b>55,265</b>
<b>Financial liabilities measured at fair value through revenue and expense</b>		
Interest rate swaps	4,225	6,965
<b><i>Total Financial liabilities at fair value through revenue and expense</i></b>	<b>4,225</b>	<b>6,965</b>

Fair Value Hierarchy	Annual Report	Level
	2020-2021 \$'000	2019-2020
Interest rate swaps	4,225	Level 2
Civic Financial Services Ltd	13	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 \$38 million of current swaps and \$12 million of forward start interest rate swaps totaling \$50 million (2020: \$37 million of current swaps and \$17 million of forward start swaps totaling \$54 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.

The Council is exposed to credit risk as a guarantor of all of NZLGFA’s borrowings. Information about this exposure is explained in note 16.

## 18b. Financial instrument risks

Financial Instrument Risks	Annual Report	Annual Report
For the year ended: 30 June	2020-2021 \$'000	2019-2020 \$'000
<b>Council's maximum credit exposure by class</b>		
Cash and cash equivalents	12,194	4,398
Trade and other receivables	6,998	7,681
LGFA Borrower notes	929	704
Loan	121	115
<i>Total Council's maximum credit exposure by class</i>	20,242	12,898

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:

Financial Instrument Risks	Annual Report	Annual Report
For the year ended: 30 June	2020-2021 \$'000	2019-2020 \$'000
<b>Counterparties with Credit Ratings</b>		
<b>Cash and cash equivalents and LGFA borrower notes:</b>		
AA	0	0
AA-	13,123	5,102
<i>Total cash and cash equivalents and LGFA borrower notes</i>	13,123	5,102

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.

### Credit Risk

Council is exposed to credit risk as a guarantor of all LGFA's borrowings. Information about this is explained in Note 16.

## 18c. 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.

Maturity analysis Financial liabilities	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
<b>Council 2021</b>						
Trade and Other Payables	15,948	15,948	15,948	0	0	0
Public Debt	44,000	45,944	476	10,450	21,809	13,209
<b>Total Council 2021</b>	<b>59,948</b>	<b>61,892</b>	<b>16,424</b>	<b>10,450</b>	<b>21,809</b>	<b>13,209</b>
<b>Council 2020</b>						
Trade and Other Payables	11,265	11,265	11,265	0	0	0
Public Debt	44,000	44,078	25,854	415	13,695	4,114
<b>Total Council 2020</b>	<b>55,265</b>	<b>55,343</b>	<b>37,119</b>	<b>415</b>	<b>13,695</b>	<b>4,114</b>

Note: Contractual cash flows includes principal and interest.

## 18d. Contractual maturity of derivative financial liabilities

Maturity analysis	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
<b>Maturity analysis - Council 2021</b>						
<b>Derivative financial liabilities</b>						
Interest rate swaps	50,000	4,225	205	0	3,270	750
<b>Total Derivative financial liabilities</b>	<b>50,000</b>	<b>4,225</b>	<b>205</b>	<b>0</b>	<b>3,270</b>	<b>750</b>
<b>Maturity analysis - Council 2020</b>						
<b>Derivative financial liabilities</b>						
Interest rate swaps	54,000	6,965	64	632	5,045	1,224
<b>Total Derivative financial liabilities</b>	<b>54,000</b>	<b>6,965</b>	<b>64</b>	<b>632</b>	<b>5,045</b>	<b>1,224</b>

The fair value of forward start interest rate swaps is \$12 million (2020: \$17 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.

The Council is exposed to liquidity risk as a guarantor of all of NZLGFA's borrowings. This guarantee becomes callable in the event of the NZLGFA failing to pay its borrowings when they fall due. Information about this exposure is explained in note 16.

## 18e. 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 nonderivative financial instrument exposures at balance date.

Interest rate risk	Annual Report 2020-2021	Annual Report 2020-2021	Annual Report 2020-2021	Annual Report 2020-2021	Annual Report 2019-2020	Annual Report 2019-2020	Annual Report 2019-2020	Annual Report 2019-2020
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
	-100bps Profit	-100bps Equity	+100bps Profit	+100bps Equity	-100bps Profit	-100bps Equity	+100bps Profit	+100bps Equity
<b>Financial assets</b>								
Cash and deposits	-122	-122	122	122	-44	-44	44	44
<b>Total financial assets</b>	-122	-122	122	122	-44	-44	44	44
<b>Financial liabilities</b>								
Public debt	-60	-60	60	60	-7	-7	7	7
Swaps interest rate	-1,362	-1,362	1,277	1,277	-1,907	-1,907	1,782	1,782
<b>Total financial liabilities</b>	-1,422	-1,422	1,337	1,337	-1,958	-1,958	1,833	1,833
<b>Total sensitivity to interest rate risk</b>	-1,544	-1,544	1,459	1,459	-1,958	-1,958	1,833	1,833

## 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.

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.

## Funding Impact Statement - Whole of Council

Operating Funding	Annual Report	Annual Plan	Annual Report	Annual Plan
For the year ended: 30 June	2020-2021 \$'000	2020-2021 \$'000	2019-2020 \$'000	2019-2020 \$'000
<b>Sources of operating funding</b>				
General rates, uniform annual general charges, rate penalties	26,120	26,480	25,169	24,669
Targeted rates	12,699	12,300	12,519	12,214
Subsidies and grants for operating purposes	10,694	4,809	6,871	8,786
Fees and charges	7,200	6,113	6,282	6,498
Interest and dividends from investments	54	20	18	20
Local authorities fuel tax, fines, infringement fees and other receipts	458	320	393	320
<b>Total operating funding</b>	<b>57,225</b>	<b>50,042</b>	<b>51,252</b>	<b>52,507</b>
<b>Application of operating funding</b>				
Payments to staff and suppliers	44,448	37,606	38,152	41,690
Finance costs	2,199	2,860	2,284	2,780
Other operating funding applications	0	0	0	0
<b>Total applications of operating funding</b>	<b>46,647</b>	<b>40,466</b>	<b>40,436</b>	<b>44,470</b>
<b>Surplus (deficit) of operating funding</b>	<b>10,578</b>	<b>9,576</b>	<b>10,816</b>	<b>8,037</b>

## Funding Impact Statement - Whole of Council

Capital Funding	Annual Report	Annual Plan	Annual Report	Annual Plan
For the year ended: 30 June	2020-2021 \$'000	2020-2021 \$'000	2019-2020 \$'000	2019-2020 \$'000
<b>Sources of capital funding</b>				
Subsidies and grants for capital expenditure	14,445	15,081	6,228	23,219
Development and financial contributions	4,182	3,046	2,395	3,019
Increase (decrease) in debt	0	(138)	(1,000)	919
Gross proceeds from sale of assets	374	0	89	175
Lump sum contributions	0	0	0	0
Other dedicated capital funding	0	0	0	0
<i><b>Total sources of capital funding</b></i>	<b>19,001</b>	<b>17,989</b>	<b>7,712</b>	<b>27,332</b>
<b>Applications of capital funding</b>				
Capital expenditure - to meet additional demand	1,908	4,512	2,457	4,772
Capital expenditure - to improve the level of service	10,055	13,519	4,138	18,666
Capital expenditure - to replace existing assets	11,667	9,218	9,140	14,821
Increase (decrease) in reserves	5,948	315	2,793	(2,890)
Increase (decrease) of investments	0	0	0	0
<i><b>Total applications of capital funding</b></i>	<b>29,578</b>	<b>27,564</b>	<b>18,529</b>	<b>35,369</b>
<i><b>Surplus (deficit) of capital funding</b></i>	<b>(10,577)</b>	<b>(9,575)</b>	<b>(10,816)</b>	<b>(8,037)</b>
Funding Balance	0	0	0	0

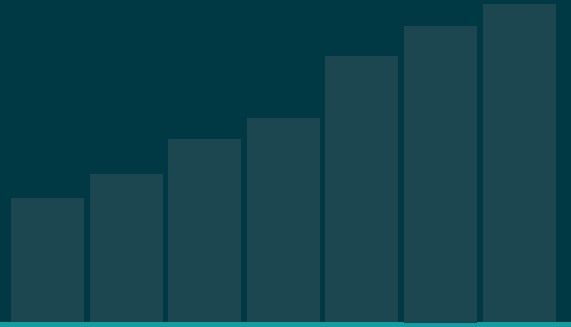
## Reconciliation of Funding Impact Statement to Statement of Comprehensive Revenue and Expense

Reconciliation of Funding Impact Statement to Statement of Comprehensive Revenue and Expense	Annual Report	Annual Plan	Annual Report
For the year ended: 30 June	2020-2021 \$'000	2020-2021 \$'000	2019-2020 \$'000
Revenue			
Statement of Comprehensive Revenue and Expense			
<i>Total revenue</i>	79,308	68,169	61,472
Funding Impact Statement			
Total operating funding	57,224	50,042	51,252
Total sources of capital funding	18,627	18,127	8,623
add Provisions	3,457	0	1,597
<i>Total revenue</i>	79,308	68,169	61,472
Expenses			
Statement of Comprehensive Revenue and Expense			
<i>Total expenses</i>	60,075	50,857	53,610
Funding Impact Statement			
Total applications of operating funding	46,792	40,466	40,436
less Internal professional services	(81)	(573)	(411)
add Depreciation expense	13,043	10,825	11,790
add Provisions	321	139	1,795
<i>Total expenses</i>	60,075	50,857	53,610



# PART THREE

## Activity Statements



*Photo Location: Kai Iwi Lakes*



## Introduction

The following section describes the different Groups of activities that Council undertake. For the Long Term Plan 2018 - 2028 Council's work is classed into nine Groups.

- The Provision of Roads and Footpaths
- Water Supply
- Stormwater Drainage
- Sewerage and Treatment and Disposal of Sewage
- Flood Protection and Control Works
- Solid Waste
- Community Activities
- Planning and Regulatory management
- District Leadership, Finance and Internal Services

The information provided about each activity within the Groups includes:

- The performance measures as stated in the Long Term Plan 2018-2028 and their results
- The Capital Programme and budgets
- What was achieved based on Year Three Plans from the Long Term Plan 2018 - 2028

Performance measures are set once every three years at the long term planning stage. The Long Term Plan (LTP) is an agreement Council makes to the community that will ensure we are delivering what we said we would. This year we are in year three of the LTP. The performance measures are a combination of important community feedback on our levels of service that is gathered from an annual residents survey, as well as measures using number and percentage targets e.g. zero road fatalities caused by road conditions. Some of the measures are based on levels of service and are applicable until the next Long Term Plan (LTP) is adopted, while others are based on statutory obligations.

The customer satisfaction results relate to resident surveys undertaken throughout the year by Key Research. 883 residents were contacted during the year and asked their opinion on Council's services and facilities. The survey is conducted three times during the year and the percentage results are the average of the three completed surveys.



## The Provision of Roads and Footpaths

This activity manages an efficient transportation network and supports our thriving communities.

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

This activity is delivered by the Northland Transportation Alliance (NTA) which includes Kaipara District Council staff.

### Performance Measures

The Provision of Roads and Footpaths measured by	LTP Year 3 Target 2020/2021	Actual 2020/2021	Comments for 2020/2021	Actual 2019/2020
<b>Safety</b>				
The transportation network is designed and managed for safe use with low crash and injury rates.				
There are no fatalities and serious injury crashes on the local network that are directly attributable to road condition.	0	0	Achieved There were 2 fatal accidents and 9 serious accidents with 11 actual injuries on KDC roads this FY. None of the accidents were due to road condition.	Unknown
The change from the previous financial year in the number of fatalities and serious injury crashes on the local road network.	≤10	-1	Achieved There were 2 fatal accidents and 9 serious accidents with 11 actual injuries on KDC roads this FY. None of the accidents were due to road condition. (12 crashes in 2019/2020)	4 Achieved

The Provision of Roads and Footpaths measured by	LTP Year 3 Target 2020/2021	Actual 2020/2021	Comments for 2020/2021	Actual 2019/2020
<b>Road Condition (Smoothness)</b>				
The average quality of ride on a sealed local road network, measured by smooth travel exposure.				
The average quality of ride measured by smooth travel exposure within the following range.	>90	91%	Achieved The report from our road management software (RAMM) was run at the end of the financial year. This is an NZTA owned report and is used in wider reporting lines as well as this measure. The local road network managed by KDC passes the smooth travel exposure requirements under this measure for the financial year.	92% Achieved
The percentage of the sealed local road network that is resurfaced.	>6.7%	11.7%	Achieved 53.539 Km were resealed on the KDC sealed road network this FY. The network is 457.6km long.	17.082km (3.8%) Not achieved.
<b>Maintenance of the sealed local network</b>				
Measured by the actual spent to budget percentage for the surfacing renewal budget.	>95% - <103%	185%	Not Achieved The actual spend was higher than the original budget however this change in budget was agreed with Waka Kotahi. The program was altered to achieve the required Level of Service outcome on the sealed road network as well as deferred work from the previous year. This resulted in a significant increase in spend and increased length of resealing achieved within the approved NZTA funding.	65% Not Achieved
<b>Maintenance of the unsealed local network</b>				
The length of the unsealed local network that is graded, measured using the NZTA One Network Road Classification (measurement data sourced from RAMM (Road Asset Maintenance Management) Contractor):			Not achieved This measure wasn't achieved, however, it does not reflect the true work impact on the KDC unsealed network as there was an additional \$3.27M spent on unsealed rehabilitation from the PGF funding. This extra investment along with the normal road maintenance investment improved the networks overall Level of Service and grading was not required as the network was within contract specification.	
Secondary Collector Road	140km min	119.15km		119.7km Not Achieved
Low Volume Road	750km min	682.88km		1,281.78 km Achieved
Access Road	1,200km min	1299.9km		681.96 km Not Achieved

The Provision of Roads and Footpaths measured by	LTP Year 3 Target 2020/2021	Actual 2020/2021	Comments for 2020/2021	Actual 2019/2020
<b>Execution of capital works programme</b>				
Maximum uptake, within the three-year planning programme, of the approved NZTA budget for Kaipara district, provided Council can also fund the local share.	≥95%	95.23 %	Achieved Total NZTA three year funding approval was \$60,629,256. Total Expenditure for all NZTA subsidised activities was \$57,734,713.	80.6 % Not achieved
<b>Footpaths</b>				
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').				
Percentage of residents who are satisfied with footpaths.	73%	52.33%	Not Achieved Lack of maintenance is the main concern. Historically we have had low funding of footpaths and we have sought to address this in the 2021 Long Term Plan. 734 Residents surveyed. Comments from the survey results are grouped into similar categories. Many of the residents surveyed live in a rural area with no footpaths hence their comments have a general theme around not having any footpaths available. Those in urban areas that do have footpaths believe there should be a higher level of maintenance than Council currently provides.	46.33% Not achieved
<b>Response to service requests</b>				
The percentage of customer service requests relating to roads and footpaths to which the Council responds within the specified timeframe of two working days.	90%	95.28%	Achieved	96.67% Achieved

## Capital Works Programme

Location	Actual 2021	Budget from Annual Plan 2020/2021	Project Description
Network Wide	\$58,039	\$52,370	V Category LED lights
Wood Street	\$516,828	\$506,000	Wood Street - Mainstreet redevelopment
Network Wide	\$52,812	\$52,812	Reseal work carried over from 19/20 due to covid
Network Wide	\$85,556	\$85,556	Road Drainage Renewals carried over from 19/20 due to covid
Waihue Road	\$421,660	\$440,628	Waihue Road - Bridge Replacement
Ararua Road	\$412,723	\$327,571	Rehabilitation (re-lay road pavement and surface) of Ararua Road
Matakohe West Road	\$313,091	\$164,098	Rehabilitation Matakohe West Road
Pukehuia Road	\$147,069	\$130,000	Pukehuia Road - Slip Remediation
St Joseph's School	\$110,118	\$105,094	St Joseph's School – safety improvements
Network Wide	\$2,114,465	\$2,201,162	Heavy Metaling on unsealed roads 20/21
Network Wide	\$89,865	\$150,000	Resilience (minor repairs) on reseal Sites
Robertson Road	\$200,770	\$250,000	Improvements to Robertson Road in association with rehabilitation
Robertson Road	\$375,071	\$580,000	Improvements to Robertson Road in association with rehabilitation
Network Wide	\$729,193	\$679,158	Drainage Renewals 20/21
Network Wide	\$3,281,341	\$3,306,673	Road resurfacing across the district 20/21
Network Wide	\$8,555	-\$22,022	Rehabilitations 20/21
Network Wide	\$141,248	\$115,132	Traffic Services Renewals 20/21
Mangawhai	\$1,495,646	\$2,700,000	Mangawhai Shared Pathway
Kaiwaka School	\$364,999	\$325,000	New Footpath - Kaiwaka School
Gibbons Road	\$349,447	\$394,525	Resilience Slips - Gibbons Rd
Poutu Road	\$525,000	\$300,000	Poutu Road Safety Improvements
Mangawhai Road	\$183,597	\$140,573	Mangawhai Road Safety Improvements
Kaiwaka-Mangawhai Road	\$14,833	\$10,000	Advance Design: Kaiwaka-Mangawhai Road
Tomarata Road	\$14,833	\$10,000	Advance Design: Tomarata Road
Cove Road	\$14,833	\$10,000	Advance Design: Cove Road
Ellen Street	\$5,695	\$15,000	Advance Design: Ellen Street, Mangawhai Traffic Calming

Location	Actual 2021	Budget from Annual Plan 2020/2021	Project Description
Gordon Street	\$6,360	\$15,000	Advance Design: Gordon Street, Dargaville Traffic Calming
Logan Street	\$6,485	\$15,000	Advance Design: Logan Street, Dargaville Traffic Calming
Network Wide	\$133,248	\$100,000	Advance Design: Resilience Slip Repairs across the district
Monteith Road	\$78,460	\$50,000	Advance Design: Monteith Road Bridge
Omana Road	\$4,935	\$50,000	Advance Design: Omana Road Bridge
Pukehuia Road	\$2,820	\$50,000	Advance Design: Pukehuia Road Bridge
Network Wide	\$228,362	\$200,000	Associated Improvements with Rehabilitation
Tomarata Road	\$48,095	\$0	Tomarata Bridge
Pouto Road	\$917,592	\$3,300,000	Pouto Road Phase 1 (Physical Works) - PGF funding
Network Wide	\$3,274,920	\$8,060,000	Unsealed Network Improvements - PGF funding
Kaihu Valley	\$415,898	\$1,500,000	Kaihu Valley Trail – PGF funding
Kaiwaka	\$112,291	\$150,000	Kaiwaka Footbridges – PGF funding

<b>Operating Funding - The Provision of Roads and Footpaths</b>	<b>Actual</b>	<b>Annual Plan</b>	<b>Annual Report</b>
For the year ended: 30 June	2020-2021 \$'000	2020-2021 \$'000	2019-2020 \$'000
<b>Sources of operating funding</b>			
General rates, uniform annual general charges, rate penalties	10,145	10,145	9,966
Targeted rates	398	407	389
Subsidies and grants for operating purposes	7,934	4,565	4,838
Fees and charges	278	160	232
Internal charges and overheads recovered	1,831	1,930	1,413
Interest and dividends from investments	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	0	0	0
<b>Total operating funding</b>	<b>20,587</b>	<b>17,207</b>	<b>16,838</b>
<b>Application of operating funding</b>			
Payments to staff and suppliers	11,489	8,237	8,671
Finance costs	74	74	85
Internal charges and overheads recovered	4,374	4,543	4,458
Other operating funding applications	0	0	0
<b>Total applications of operating funding</b>	<b>15,937</b>	<b>12,854</b>	<b>13,214</b>
<b>Surplus (deficit) of operating funding</b>	<b>4,650</b>	<b>4,353</b>	<b>3,624</b>

<b>Capital Funding - The Provision of Roads and Footpaths</b>	<b>Actual</b>	<b>Annual Plan</b>	<b>Annual Report</b>
For the year ended: 30 June	2020-2021 \$'000	2020-2021 \$'000	2019-2020 \$'000
<b>Sources of capital funding</b>			
Subsidies and grants for capital expenditure	12,319	12,081	5,960
Development and financial contributions	100	104	140
Increase (decrease) in debt	0	529	0
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Other dedicated capital funding	0	0	0
<b>Total sources of capital funding</b>	<b>12,419</b>	<b>12,714</b>	<b>6,100</b>
<b>Application of capital funding</b>			
Capital expenditure - to meet additional demand	739	1,312	629
Capital expenditure - to improve the level of service	8,006	8,460	1,485
Capital expenditure - to replace existing assets	8,512	6,976	6,902
Increase (decrease) in reserves	(187)	319	707
Increase (decrease) of investments	0	0	0
<b>Total applications of capital funding</b>	<b>17,070</b>	<b>17,068</b>	<b>9,724</b>
<b>Surplus (deficit) of capital funding</b>	<b>(4,651)</b>	<b>(4,353)</b>	<b>(3,624)</b>
<b>Funding Balance</b>	<b>0</b>	<b>0</b>	<b>0</b>





## Water Supply

We operate five community water supply schemes that provide potable 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.

What we planned	What we achieved
<p>Continue developing a central database and GIS mapping for condition assessment information and generate a renewal programme.</p>	<p>Asset management of water supply has been steadily improved over the last year. Water meter and main lines have been updated and added as new properties are connected to various water supply systems and errors found in existing GIS. A notable project is correctly labelling and updating hundreds of Water Meter ID's in Asset Finda.</p> <p>Kai Iwi Lakes drinking water supply has been added into the Council SCADA System ensuring full compliance around water monitoring.</p>
<p>Review and update the water safety plans for all five water supply schemes using the latest requirements from Northland District Health Board.</p>	<p>We are currently reviewing the Water Safety Plans to meet the new guidelines.</p>

What we planned continued	What we achieved
Continue with condition assessments of water supply assets in alignment with wastewater and stormwater services, and feed into the renewals programme.	There has been a total of 6 ultrasonic assessments on the 22km Dargaville raw watermain.
Continue developing hydraulic computer models for Dargaville, Maungaturoto and Ruawai reticulation networks, predicting pressures and flows to confirm network capacity and manage growth.	Master models have been completed for Dargaville and Maungaturoto Water supply.
Water loss management by ensuring the contractor adheres to reactive timeframes for leak requests, and is proactive in leak detection and effective meter reading.	Contract Management Board has been established involving senior Ventia and KDC staff. This has provided a focus on this KPI and we have seen a strong response. They have met all contract KPIs.

## Performance Measures

Water Supply measured by	LTP Year 3 Target 2020/2021	Actual 2020/2021	Comments for 2020/2021	Actual 2019/2020
<b>Fault Response Times</b>				
Where Council attends a callout in response to a fault or unplanned interruption to its networked reticulation system.				
The median response time for attendance of urgent callouts: from the time that the local authority receives notification to the time that service personnel reach the site.	<2 hours	3 hours, 40 minutes	Not Achieved Year to date is based off median response times from all service requests during the year. This wasn't achieved because of a single incident relating to a breakage in the Kaihu raw water line which caused 12 urgent callouts simultaneously that caused some responses to take longer than others.	34 minutes Achieved
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.	<48 hours	5 hours, 37 minutes	Achieved Year to date is based off median resolution times of all annual urgent service requests.	2 hours, 28 minutes Achieved

Water Supply measured by	LTP Year 3 Target 2020/2021	Actual 2020/2021	Comments for 2020/2021	Actual 2019/2020
<b>Fault Response Times continued</b>				
Where Council attends a callout in response to a fault or unplanned interruption to its networked reticulation system.				
The median response time for attendance of non-urgent callouts: from the time that the local authority receives notification to the time that service personnel reach the site.	<3 hours	42 minutes	Achieved Year to date is based off median time response of all annual service requests which were non-urgent callouts. This is a significant improvement on the previous year.	19 hours, 39 minutes Not achieved
The median response time for resolution of nonurgent callouts: from the time that the local authority receives notification to the time that service personnel confirm resolution of the fault or interruption.	≤3 days	2 hours, 44 minutes	Achieved Year to date is based off median time of all annual service requests which were non-urgent callouts. This is a significant improvement on the previous year.	48 hours, 21 minutes Achieved
<b>Customer Satisfaction</b>				
The total number of water supply complaints received by Council.				
The total number of complaints for the district received by Council about drinking water. clarity, odour, taste, pressure or flow and continuity of supply, Expressed per 1,000 water connections	≤38	24.51	Achieved Based on total number of complaints per 1000 water connections with 3600 water meter connections.	12.8 Achieved
Total number of complaints received by Council about Council's response to any of these issues. Expressed per 1,000 water connections	≤38	0.6	Achieved Significant improvement with only two complaints and 3600 water connections.	1.9 Achieved

Water Supply measured by	LTP Year 3 Target 2020/2021	Actual 2020/2021	Comments for 2020/2021	Actual 2019/2020
<b>Demand Management</b>				
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)).	Dargaville 275	292 Not Achieved	Water Balance KDC Report June 2021, Average water consumption per Kaipara resident. This is a Department of Internal Affairs indicator measuring community water consumption rates. The high consumption in Mangawhai is due to one of the 17 connections being a campground and also the increasing growth which has been included in this year's calculations. The performance target for measure has been revised in the 2021 LTP.	Dargaville 323 Not achieved
	Maungaturoto 340	286 Achieved		Maungaturoto 297 Achieved
	Ruawai 130	141 Not Achieved		Ruawai 114 Achieved
	Glinks Gully 52	53 Not Achieved		Glinks Gully 67 Not achieved
	Mangawhai 230	641 Not Achieved		Mangawhai 660 Not achieved
Water take consents.	100% compliance with NRC water take consents	60% Compliance	Not Achieved Four resource consents out of ten stated moderate non-compliance by Northland Regional Council (NRC). Public water take supply, Kaihu River, Maungaturoto, Dargaville and Piroa Stream – Maungaturoto did not meet the blue tick water meter verification condition of their resource consent. Public water take supply Maungaturoto, Dargaville and Piroa Stream – Maungaturoto did not meet the reporting conditions of their resource consent. In the next annual period monitoring will be better maintained, key minimum flows, average water takes and maximum discharges will be monitored more closely in line with the resource consent and water meters will be verified to better understand water usage/takes in KDC's water supply systems. These processes will help ensure 100% compliance. AUT.030845.01.01 and RED.007582.01 Source: NRC Power BI & <a href="https://www.nrc.govt.nz/environment/compliance-monitoring/consent-compliance-monitoring-report/">https://www.nrc.govt.nz/environment/compliance-monitoring/consent-compliance-monitoring-report/</a>	100% Achieved

Water Supply measured by	LTP Year 3 Target 2020/2021	Actual 2020/2021	Comments for 2020/2021	Actual 2019/2020
<b>Demand Management continued</b>				
Major capital projects are completed within budget	Achieved	Achieved	Achieved Comparison of Actual Costs to Approved Full Year Budget in Capex Listing 2020-2021. Three major projects were completed. The budgeted total for all three was \$1,254,842. Their actual cost was \$1,121,764.	Achieved
<b>Safety of drinking water in accordance with NZDWS (bacteria compliance criteria)</b>				
The extent to which Council's drinking water supply complies with part 4 of the NZDWS (bacteria compliance criteria).	Dargaville Maungaturoto Ruawai Mangawhai Glinks Gully	Achieved	Achieved The annual compliance report from the NDHB will arrive in November 2021. The current performance is based on the results from the compliance report received in November 2020 for the period ending 30 June 2020.	All compliant Achieved
The extent to which Council's drinking water supply complies with part 5 of the NZDWS (protozoal compliance criteria)	Dargaville Maungaturoto Ruawai Glinks Gully Mangawhai	Achieved	Achieved The annual compliance report from the NDHB will arrive in November 2021. The current performance is based on the results from the compliance report received in November 2020 for the period ending 30 June 2020.	All compliant Achieved
The percentage of real water loss from our networked reticulation system (average for total network of all schemes). Real water loss is calculated by subtracting the meter readings and 'other components' from the total water supplied to the networked reticulation system	≤ 28%	28.3%	Not Achieved Based off the combined average water loss of KDC's water supply systems. High percentage of losses occur in older water networks like those in Kaipara. Staff are actively focusing on renewals to rectify this issue, however, it will take a number of years to get to a point where the situation is remedied.	22.5% Achieved

## Capital Works Programme

Location	Actual 2021	Budget from Annual Plan 2020/2021	Project Description
Dargaville WTP (12003)	\$38,660	\$128,773	Upgrade completed of control equipment and structural assessment at DWTP – further work on asset replacements, capacity assessment to be completed this year.
Dargaville – SH14 Watermain renewal (12007)	\$298,087	\$297,555	Project consisted of installation of 2.1km of watermain renewal on SH14 in Dargaville. Project is completed.
Dargaville – Normanby St Watermain renewal (Hokianga to Gladstone) (12009)	\$233,904	\$307,287	Project consisted of 570m of watermain renewal in Dargaville CBD. Project has been completed.
Dargaville – Raw Watermain river crossings	\$661,723	\$830,000	Project consists of design (stage 1) and construction (stage 2) of new raw watermain river crossings at 6 sites north of Dargaville. Design portion was completed within budget. Construction portion of project is currently underway. Supply chain delays have meant that this was unable to be completed in 20/21 FY, we now have guaranteed supply with estimated completion in September. Budget has been carried over.
Dargaville- Haimona and Pirika St Watermain renewals (13035)	\$589,773	\$650,000	DIA 3 waters reform funded project to renew watermains on Haimona, Pirika and Lorne St in Dargaville. Completed under budget.
Maungaturoto – Raw Watermain renewal (13040)	\$14,568	\$900,000	DIA 3 waters reform funded project to install 3km of new raw watermain on SH12 and SH1 in Maungaturoto. Tender has been received and final negotiations are underway. Budget has been carried forward.
Maungaturoto – Water Reservoir replacement (13041)	\$6,543	\$120,000	DIA 3 waters reform funded project to resolve issues at the Griffin Rd reservoirs in Maungaturoto. Options assessment is underway. Budget has been carried forward.
Maungaturoto – Water truck filler & main upgrade (13042)	\$35,470	\$353,000	DIA 3 waters reform funded project to install a new potable water Truck Filling Station in Maungaturoto. This also includes a partial watermain upgrade. This is currently being designed. Budget has been carried forward.
Maungaturoto – Hurndall St Watermain renewal (13043)	\$29,643	\$311,500	DIA 3 waters reform funded project to replace sections of asbestos cement pipes, and relocation of a section of pipe out of a known slip zone. This project is currently out for invited tender. Budget has been carried forward.
Ruawai – Watermain renewals (13037)	\$346,742	\$795,000	DIA 3 waters reform funded project to install a total of 3.4km of new watermain in Ruawai. Work is currently underway and making good progress. Budget has been carried forward.

<b>Operating Funding - Water Supply</b>	<b>Actual</b>	<b>Annual Plan</b>	<b>Annual Report</b>
For the year ended: 30 June	2020-2021 \$'000	2020-2021 \$'000	2019-2020 \$'000
<b>Sources of operating funding</b>			
General rates, uniform annual general charges, rate penalties	0	0	0
Targeted rates	3,165	3,145	3,273
Subsidies and grants for operating purposes	0	0	0
Fees and charges	489	491	451
Internal charges and overheads recovered	0	0	0
Interest and dividends from investments	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	0	0	0
<b>Total operating funding</b>	<b>3,654</b>	<b>3,636</b>	<b>3,725</b>
<b>Application of operating funding</b>			
Payments to staff and suppliers	2,113	1,281	1,659
Finance costs	277	277	274
Internal charges and overheads recovered	742	742	710
Other operating funding applications	0	0	0
<b>Total applications of operating funding</b>	<b>3,132</b>	<b>2,300</b>	<b>2,642</b>
<b>Surplus (deficit) of operating funding</b>	<b>522</b>	<b>1,337</b>	<b>1,082</b>

<b>Capital Funding - Water Supply</b>	<b>Actual</b>	<b>Annual Plan</b>	<b>Annual Report</b>
For the year ended: 30 June	2020-2021 \$'000	2020-2021 \$'000	2019-2020 \$'000
<b>Sources of capital funding</b>			
Subsidies and grants for capital expenditure	1,023	0	267
Development and financial contributions	0	0	0
Increase (decrease) in debt	0	248	0
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Other dedicated capital funding	0	0	0
<b>Total sources of capital funding</b>	<b>1,023</b>	<b>248</b>	<b>267</b>
<b>Application of capital funding</b>			
Capital expenditure - to meet additional demand	0	0	0
Capital expenditure - to improve the level of service	18	13	65
Capital expenditure - to replace existing assets	2,328	1,383	938
Increase (decrease) in reserves	(802)	189	347
Increase (decrease) of investments	0	0	0
<b>Total applications of capital funding</b>	<b>1,544</b>	<b>1,584</b>	<b>1,350</b>
<b>Surplus (deficit) of capital funding</b>	<b>(521)</b>	<b>(1,337)</b>	<b>(1,082)</b>
<b>Funding Balance</b>	<b>0</b>	<b>0</b>	<b>0</b>





## 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 is a combination of soakage, stormwater reticulation and open drains;
- Pahi, Whakapirau, Tinopai, Paparoa and Maungaturoto stormwater is predominantly related to the road network;
- Tinopai, Kelly's Bay and Glinks Gully have road culverts; and
- Ruawai is integrated into the Raupo Drainage District works.

What we planned	What we achieved
<p>Implement the agreed projects in the Mangawhai Community Plan</p>	<p>Stormwater control works at Eveline Street were planned for 2020 however, to accommodate residents overlapping private projects, this project was delayed and will now be implemented in the 2021/22 financial year.</p> <p>Quail Way stormwater improvements have been completed.</p> <p>Overland flow path/ponding location and protection improve knowledge and remodel performance achieved in Mangawhai. Flow path modelling has been completed and a program of filling in asset knowledge is underway. Once complete, this will allow for reliable modelling scenarios to be run so that future stormwater works are planned with confidence.</p> <p>Engineering standards revision for improved soakage design guidelines, overland flow path protection. Whangarei District Council is currently finalising their new engineering document and Kaipara is anticipating using this as a basis of the new standard.</p> <p>Mangawhai Stormwater scheme project has focused on the need to provide level of service and capacity for growth to the area around Wood Street. As well as safety projects (outlet grate installations) and small enabling improvements (network corrections at the old fire station site) planning concept design process has been started to tie green infrastructure and civil works projects in with the Wood Street revitalisation project. This will continue into the next year.</p>

What we planned continued	What we achieved
Annual Plan, capital projects over \$250,000 implementation	Wetland planning and naturalised flow path alignment project was planned for 2020, however, delays have occurred as we progress landowner agreements. This project will now be implemented in the 2021/22 financial year. Multiple small capital works projects have been implemented in Dargaville. Collapsed culverts, root bound mains and unconnected networks have been replaced and upgraded. Dargaville's old network continues to be a challenge for asset management. Flood prevention projects such as the rerouting of the network on Victoria Street and maintenance of floodgates on River Road keep the network working to provide level of service to the community.
Baylys Beach Chases Gorge stormwater improvements	Continue with development of capability, asset information capture. Multiple asset cleaning projects have been carried out including over half of Dargaville's pipes assessed for condition so that the renewals program can be planned next year.
Dargaville Capital works	Complete and adopt the SWCMP (Stormwater Catchment Management Plans) for the remaining serviced stormwater districts. Not completed due to budget restrictions.
2018/2028 LTP year 3 Improvement Plan	Develop a hydraulic computer model for the Dargaville Stormwater Catchment. In conjunction with NRC (Northland Regional Council) hydrodynamic modelling has been completed. Flow path modelling has been completed and a program of filling in asset knowledge is underway. Once complete, this will allow for reliable modelling scenarios to be run so that future stormwater works are planned with confidence.

## Performance Measures

Stormwater Drainage measured by	LTP Year 3 Target 2020/2021	Actual 2020/2021	Comments for 2020/2021	Actual 2019/2020
<b>System adequacy</b>				
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.				
For the flooding event, the number of habitable floors affected. (Expressed per 1,000 properties connected to the Council's stormwater system).	<10	0	Achieved No habitable floors affected during the reporting period as no flooding events over this period.	0 Achieved
<b>Discharge compliance</b>				
Compliance with Council's resource consents for discharge from its stormwater system.				
The number of abatement notices received by Council in relation to those resource consents.	0	0	Achieved No abatement notices received.	0 Achieved
The number of infringement notices received by Council in relation to those resource consents.	0	0	Achieved No abatement notices received.	0 Achieved

Stormwater Drainage measured by	LTP Year 3 Target 2020/2021	Actual 2020/2021	Comments for 2020/2021	Actual 2019/2020
<b>Discharge compliance continued</b> Compliance with Council's resource consents for discharge from its stormwater system.				
The number of enforcement orders received by Council in relation to those Resource Consents.	0	0	Achieved No abatement notices received.	0 Achieved
The number of convictions received by Council in relation to those Resource Consents.	0	0	Achieved No abatement notices received.	0 Achieved
<b>Response times</b> The median response time to attend to a flooding event.				
The time from when Council receives notification to the time that service personnel reach the site.	<2 hours for urgent events	0	Achieved No flooding events over this period.	0 Achieved
<b>Customer satisfaction</b> The total number of stormwater system complaints received by Council.				
The number of complaints received by Council about the performance of its stormwater system, expressed per 1,000 properties connected to the territorial authority's stormwater system.	≤18	20.8	Not Achieved The reason this measure was not achieved was an increase in complaints around ponding and blocked drains after heavy rainfall events recorded after a period of drought.	9.9 Achieved

## Capital Works Programme

Location	Actual 2021	Budget from Annual Plan 2020/2021	Project Description
Mangawhai Scheme	\$25,807	\$76,757	As well as safety projects (outlet grate installations) and small enabling improvements (network corrections at the old fire station site) planning concept design process has been started to tie green infrastructure and civil works projects in with the Wood Street revitalisation project.

<b>Operating Funding - Stormwater Drainage</b>	<b>Actual</b>	<b>Annual Plan</b>	<b>Annual Report</b>
For the year ended: 30 June	2020-2021 \$'000	2020-2021 \$'000	2019-2020 \$'000
<b>Sources of operating funding</b>			
General rates, uniform annual general charges, rate penalties	294	294	263
Targeted rates	1,688	1,685	1,557
Subsidies and grants for operating purposes	0	0	0
Fees and charges	2	0	(3)
Internal charges and overheads recovered	0	0	0
Interest and dividends from investments	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	0	0	0
<b>Total operating funding</b>	<b>1,984</b>	<b>1,980</b>	<b>1,816</b>
<b>Application of operating funding</b>			
Payments to staff and suppliers	642	703	471
Finance costs	146	146	211
Internal charges and overheads recovered	360	360	179
Other operating funding applications	0	0	0
<b>Total applications of operating funding</b>	<b>1,149</b>	<b>1,209</b>	<b>861</b>
<b>Surplus (deficit) of operating funding</b>	<b>835</b>	<b>771</b>	<b>955</b>

<b>Capital Funding - Stormwater Drainage</b>	<b>Actual</b>	<b>Annual Plan</b>	<b>Annual Report</b>
For the year ended: 30 June	2020-2021 \$'000	2020-2021 \$'000	2019-2020 \$'000
<b>Sources of capital funding</b>			
Subsidies and grants for capital expenditure	0	0	0
Development and financial contributions	12	7	10
Increase (decrease) in debt	0	(5)	0
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Other dedicated capital funding	0	0	0
<b>Total sources of capital funding</b>	<b>12</b>	<b>1</b>	<b>10</b>
<b>Application of capital funding</b>			
Capital expenditure - to meet additional demand	1	27	51
Capital expenditure - to improve the level of service	31	373	136
Capital expenditure - to replace existing assets	25	96	15
Increase (decrease) in reserves	790	276	763
Increase (decrease) of investments	0	0	0
<b>Total applications of capital funding</b>	<b>847</b>	<b>772</b>	<b>966</b>
<b>Surplus (deficit) of capital funding</b>	<b>(835)</b>	<b>(771)</b>	<b>(956)</b>
<b>Funding Balance</b>	<b>0</b>	<b>0</b>	<b>0</b>



## Sewerage and the Treatment and Disposal of Sewage

Council provides schemes 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.

What we planned	What we achieved
Complete the central database and geospatial framework for condition assessment information and generate renewal programme from the system	All CCTV (Closed Circuit Television) footage of wastewater pipes is now up to date with additional CCTV planned in Dargaville to restart the renewal process again in 2021. A total of 18km of Wastewater lines have been completed. Asset conditions have been updated with faults highlighted in Asset Finda. A renewal program can now be created based on the condition of pipes. The three waters data improvement of wastewater assets in Mangawhai has improved the understanding of the system layout and now allows the starting process of hydrological modelling to occur.
Wastewater Modelling (Kaiwaka). Development of hydraulic model to identify capacity issues, optimisation of pumping stations, manage growth	Mangawhai wastewater system has undergone data improvement and now a hydrological model can be created based upon the new layout of wastewater assets being updated in GIS (Geographic Information System). Master models have been completed for Dargaville and Kaiwaka Wastewater.
Complete the desludging of the Dargaville Wastewater Oxidation Pond	Approximately 85% has been completed with the project delayed due to additional consent requirements to dispose of additional volume of sludge.
Commence the extension of the MCWWS (Mangawhai Community Wastewater Scheme) reticulation system (ME3)	This work has been delayed due to Modelling requirements; this is now in its final stages. The work that is to be completed will be informed by the model once finalised.

## Performance Measures

Sewerage and the Treatment and Disposal of Sewage measured by	LTP Year 3 Target 2020/2021	Actual 2020/2021	Comments for 2020/2021	Actual 2019/2020
<b>System adequacy</b> 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.				
The number of dry weather sewage overflows from Council's sewerage system, expressed per 1,000 sewerage connections to that sewerage system.	<1	1.6	Not Achieved As there were nine dry weather sewage overflows. Current performance based on one dry weather sewerage overflow and 5614 wastewater connections.	1.4 Not achieved
<b>Discharge compliance</b> Compliance with the Council's resource consents for discharge from its sewerage system.				
The number of abatement notices, infringement notices, enforcement orders and convictions received by Council in relation to its resource consents for discharge from its sewerage systems.	0	1	Not achieved Discharge from Maungaturoto Wastewater Treatment Plant due to potential overflow of pond membrane as a result of a heavy rain event. An abatement notice was issued by NRC regarding excessive discharge of wastewater from the plant into the estuary.	0 Achieved
<b>Fault response times</b> Where Council attends to sewage overflows resulting from a blockage or other fault in Council's sewerage system.				
Attendance time: from the time that Council receives notification to the time that service personnel reach the site.	<2 hours	42 minutes	Achieved Year to date median time is calculated from all wastewater service request attendance times .	1 hour, 51 minutes Achieved
Resolution time: from the time that Council receives notification to the time that service personnel confirm resolution of the blockage or other fault.	≤48 hours	2 hours, 46 minutes	Achieved Year to date median time is calculated from all wastewater service request resolution times.	3 hours, 10 minutes Achieved



Sewerage and the Treatment and Disposal of Sewage measured by	LTP Year 3 Target 2020/2021	Actual 2020/2021	Comments for 2020/2021	Actual 2019/2020
<b>Customer satisfaction</b>				
The total number of sewerage system complaints received by Council.				
The total number of complaints received by Council about sewage odour. Expressed per 1,000 sewerage connections to that sewerage system.	<10	4.63	Achieved Year to date is based off the total number of complaints related to sewage odour per 1000 connections. Based on 5614 wastewater connections.	2.7 Achieved
The total number of complaints received by Council about sewerage system faults, e.g. blockages, breaks etc. Expressed per 1,000 sewerage connections to that sewerage system.	<27	21.55	Achieved Year to date is based off the total number of complaints related to the associated measures per 1000 connections. Based on 5614 wastewater connections.	24.4 Achieved
The total number of complaints received by Council about sewerage system. Expressed per 1,000 sewerage connections to that sewerage system.	<50	26.72	Achieved Annual result is based off the total number of complaints related to Council's sewerage system per 1000 connections. Based on 5614 wastewater connections.	0 Achieved
Major capital projects are completed within budget	Achieved	N/A	Not Applicable Comparison of Actual Costs to Approved Full Year Budget in Capex Listing 2020-2021. There were no major capital projects completed in this financial year. This measure only takes into account projects completed but doesn't reflect the exceptional circumstance of the considerable additional three waters funding which has added projects that will be completed in 2022. These are listed in the Capital Projects section.	Achieved



## Capital Works Programme

Location	Actual 2021	Budget from Annual Plan 2020/2021	Project Description
Te Kopuru – WWTP Aerator upgrade (13038)	\$38,768	\$60,000	DIA 3 waters reform funded project to install a new aerator at the Te Kopuru WWTP. This has now been installed and is undergoing commissioning. Remaining budget has been carried forward.
Dargaville – Wastewater pipe renewal from condition assessment (11020)	\$71,560	\$75,000	Project covers wastewater renewals as required in Dargaville. This has covered some upgrades in River Road and Tirarau St.
Dargaville – Pump Station 1 & 2 upgrade	\$154,104	\$311,954	Project covers upgrades at PS1 and PS2 in Dargaville. PS1 design is underway. PS2 upgrades are completed. \$50k budget has been carried over.
Dargaville – Wastewater treatment (12025)	\$18,587	\$50,000	Dargaville aerator is the only cost. Due to delays in building this has been deferred to year 1 of the 21/31 LTP.
Dargaville – Wastewater renewals	\$45,969	\$198,000	DIA 3 waters reform funded project to renew aging wastewater pipes in Dargaville. Design is nearing completion. Budget has been carried over.
Mangawhai – Renewals including Pump stations (11010)	\$52,032	\$46,532	Reactive Pump replacements
Kaiwaka – Pipe renewals from condition assessment (11000)	NIL	\$50,000	This project has been incorporated as part of the DIA 3 waters reform Kaiwaka Wastewater Renewals project (below).
Kaiwaka – Wastewater renewals (13045)	\$33,696	\$171,000	DIA 3 waters reform funded project to renew aging wastewater pipes in Kaiwaka. Design is nearing completion. Budget has been carried over.
Mangawhai – Upgrade existing Reticulation (11041)	\$187,911	\$250,000	Remaining upgrades to be completed once modelling work has been completed.
Mangawhai – Extend Reticulation (13028)	\$92,022	\$250,000	Remaining upgrades to be completed once modelling work has been completed.
Mangawhai – MCWWS Balance tank stage 1	\$320,296	\$618,604	LTP funded project to construct new balancing tank at Mangawhai WWTP to deal with peak flows. Tenders have been received and tender evaluation is underway. Budget carried over.

<b>Operating Funding - Sewerage and the Treatment and Disposal of Sewage</b>	<b>Actual</b>	<b>Annual Plan</b>	<b>Annual Report</b>
For the year ended: 30 June	2020-2021 \$'000	2020-2021 \$'000	2019-2020 \$'000
<b>Sources of operating funding</b>			
General rates, uniform annual general charges, rate penalties	1,484	1,484	1,324
Targeted rates	6,389	6,018	6,313
Subsidies and grants for operating purposes	0	0	0
Fees and charges	37	9	37
Internal charges and overheads recovered	0	0	0
Interest and dividends from investments	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	0	0	0
<b><i>Total operating funding</i></b>	<b>7,910</b>	<b>7,511</b>	<b>7,674</b>
<b>Application of operating funding</b>			
Payments to staff and suppliers	2,900	2,883	1,717
Finance costs	2,404	2,564	2,474
Internal charges and overheads recovered	1,385	1,385	1,446
Other operating funding applications	0	0	0
<b><i>Total applications of operating funding</i></b>	<b>6,688</b>	<b>6,831</b>	<b>5,637</b>
<b>Surplus (deficit) of operating funding</b>	<b>1,222</b>	<b>680</b>	<b>2,037</b>

<b>Capital Funding - Sewerage and the Treatment and Disposal of Sewage</b>	<b>Actual</b>	<b>Annual Plan</b>	<b>Annual Report</b>
For the year ended: 30 June	2020-2021 \$'000	2020-2021 \$'000	2019-2020 \$'000
<b>Sources of capital funding</b>			
Subsidies and grants for capital expenditure	118	0	0
Development and financial contributions	1,400	2,436	905
Increase (decrease) in debt	0	(715)	0
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Other dedicated capital funding	0	0	0
<b><i>Total sources of capital funding</i></b>	<b>1,518</b>	<b>1,721</b>	<b>905</b>
<b>Application of capital funding</b>			
Capital expenditure - to meet additional demand	577	2,053	925
Capital expenditure - to improve the level of service	185	528	528
Capital expenditure - to replace existing assets	317	515	639
Increase (decrease) in reserves	1,661	(695)	850
Increase (decrease) of investments	0	0	0
<b><i>Total applications of capital funding</i></b>	<b>2,739</b>	<b>2,401</b>	<b>2,942</b>
<b><i>Surplus (deficit) of capital funding</i></b>	<b>(1,221)</b>	<b>(680)</b>	<b>(2,037)</b>
<b>Funding Balance</b>	<b>0</b>	<b>0</b>	<b>0</b>



## Flood Protection and Control Works

In conjunction with the members of the local drainage districts, Council helps to facilitate the management and operation of 29 land drainage districts:

- Protect people and property from flooding;
- Flood control schemes;
- River alignment control; and
- Land drainage.

What we planned	What we achieved
Continue assessing floodgates within target areas such as Raupo and Dargaville	This has continued throughout the year, both through the Raupo and all other districts. As a result three floodgates have been identified as needing work, these are Tatarariki 1, Awakino Valley, Raupo.
Continue assessing existing stopbanks, levels and conditions to help prepare for climate change and sea level rise	Some work has commenced on the Raupo Stopbanks, KDC are also working with NRC to develop a more detailed and accurate model.
Drainage districts identified for reduction/ amalgamation to be prepared and processed for the next AMP update	At this stage this has not progressed as all individual districts have different levels of service and infrastructure assets.
Where required, hydraulic analysis of specific catchments to assess future upgrades to existing flood protection systems	This has not been completed. This will be completed in the next financial year in readiness for the proposed Raupo Stopbank Enhancement project.
Identified actions from hydraulic assessments to be processed into lists and associated costs prepared for next AMP update	This has not been completed. This will be completed in the next financial year in readiness for the proposed Raupo Stopbank Enhancement project.

## Performance Measures

Flood Protection and Control Works measured by	LTP Year 3 Target 2020/2021	Actual 2020/2021	Comments for 2020/2021	Actual 2019/2020
<b>Monitor drainage of rivers and streams, ensure minimal flood risk and coast erosion to the community</b>				
The number of flood events not contained by the drainage district scheme	0	0	Achieved There were no flood events during the reporting period.	0 Achieved
Service requests for additional cleaning of drains, i.e. missed by the monitoring and maintenance programmes.	<5 requests per year	4	Achieved	0 Achieved
Biannual inspection of our drainage network to ensure it can contain a 1 in 5-year flood.	Twice yearly inspections	Achieved	Achieved Twice yearly inspections have been completed, including a pre-winter inspection on floodgates.	2 Achieved
Targeted maintenance of the stop bank 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.	Minimum yearly inspections and targeted maintenance completed	Yearly inspections and targeted maintenance completed	Achieved All completed in line with the Raupo Committee management of the scheme.	Achieved

## Capital Works Programme

Location	Actual 2021	Budget from Annual Plan 2020/2021	Project Description
Bellamy F/G 48 (13017)	\$ 0	\$65,000	Replacement
Double Gate F/G 44 (13018)	\$ 0	\$35,000	Remedial
Whitcombe Rd F/G 13 (13019)	\$ 0	\$25,000	Remedial
Raupo Landing F/G 33 renewal (13048)	\$94,802	\$100,000	Replacement of floodgate, contract 973 Floodgate 33 was introduced in response to increase risks. This was prioritised over floodgates 48, 44 and 13 which have been carried over to financial year 21/22.

<b>Operating Funding - Flood Protection and Control Works</b>	<b>Actual</b>	<b>Annual Plan</b>	<b>Annual Report</b>
For the year ended: 30 June	2020-2021 \$'000	2020-2021 \$'000	2019-2020 \$'000
<b>Sources of operating funding</b>			
General rates, uniform annual general charges, rate penalties	78	78	63
Targeted rates	712	714	646
Subsidies and grants for operating purposes	0	0	0
Fees and charges	1	8	4
Internal charges and overheads recovered	0	0	0
Interest and dividends from investments	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	0	0	0
<b>Total operating funding</b>	<b>791</b>	<b>800</b>	<b>714</b>
<b>Application of operating funding</b>			
Payments to staff and suppliers	425	419	430
Finance costs	0	0	0
Internal charges and overheads recovered	89	89	100
Other operating funding applications	0	0	0
<b>Total applications of operating funding</b>	<b>513</b>	<b>507</b>	<b>530</b>
<b>Surplus (deficit) of operating funding</b>	<b>278</b>	<b>293</b>	<b>184</b>

<b>Capital Funding - Flood Protection and Control Works</b>	<b>Actual</b>	<b>Annual Plan</b>	<b>Annual Report</b>
For the year ended: 30 June	2020-2021 \$'000	2020-2021 \$'000	2019-2020 \$'000
<b>Sources of capital funding</b>			
Subsidies and grants for capital expenditure	0	0	0
Development and financial contributions	0	0	0
Increase (decrease) in debt	0	16	0
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Other dedicated capital funding	0	0	0
<b>Total sources of capital funding</b>	<b>0</b>	<b>16</b>	<b>0</b>
<b>Application of capital funding</b>			
Capital expenditure - to meet additional demand	0	0	0
Capital expenditure - to improve the level of service	0	0	0
Capital expenditure - to replace existing assets	103	155	73
Increase (decrease) in reserves	175	155	111
Increase (decrease) of investments	0	0	0
<b>Total applications of capital funding</b>	<b>278</b>	<b>310</b>	<b>184</b>
<b>Surplus (deficit) of capital funding</b>	<b>(278)</b>	<b>(293)</b>	<b>(184)</b>
<b>Funding Balance</b>	<b>0</b>	<b>0</b>	<b>0</b>



## 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.

What we planned	What we achieved
Investigate options for improving/upgrading transfer stations to better enable waste diversion	Options were investigated including the introduction of new products to be recycled to the possible building of a new transfer station in Central Kaipara. Options taken forward include: Dargaville and Hakuru Transfer stations offer timber and battery recycling. A weighbridge proposal was developed and approved for the 2021 LTP.
Create a database for solid waste related physical assets and their condition ratings	This was achieved and all Solid Waste assets have been entered in the Asset Finder Management system.

## Performance Measures

Solid Waste measured by	LTP Year 3 Target 2020/2021	Actual 2020/2021	Comments for 2020/2021	Actual 2019/2020
<b>Reliability</b> To provide regular community kerbside collections.				
Percentage of residents who are very satisfied or satisfied with waste management.	75%	59%	Not achieved 70% of residents surveyed were somewhat to very satisfied with the general refuse collection, only 46% were somewhat to very satisfied with recycling services. The overall/ combination of somewhat to very satisfied with all waste services was 59%. Comments received indicated issues with recycling and rural collection points .	59.33% Not achieved
<b>To encourage recycling and reduction of waste to landfill.</b>				
Total amount of recycling (diverted from landfill) as a percentage of total waste collected.	1% more than	33%	Achieved A total of 6,497 tonnes of refuse and recycling was taken to transfer stations, 2,127 tonnes was diverted from landfill, this is an increase of 8% from the previous year. For the 19/20 year 7,361 tonnes went to transfer stations, and of that 1,844 tonnes was recycled or diverted from landfill.	25% Achieved
<b>Closed landfill activities meet legislative compliance</b>				
No resource consent abatement notices, infringement notices, enforcement orders or convictions.	0	0	Achieved There have been no instances of breaches received for the 2020/21 period.	0 Achieved

## Capital Works Programme

Location	Actual 2021	Budget from Annual Plan 2020/2021	Project Description
Hakaru Leachate improvements	\$308,806	\$550,000	This project consisted of a filter plant being built that will treat leachate prior to it being released into the environment. It is a two-stage project with the second stage being the installation of a secondary filter bed if we cannot achieve consent conditions. If this is necessary, it will be completed in the 2021/22 year. Budget is available for this stage if it is required.



<b>Operating Funding - Solid Waste</b>	<b>Actual</b>	<b>Annual Plan</b>	<b>Annual Report</b>
For the year ended: 30 June	2020-2021 \$'000	2020-2021 \$'000	2019-2020 \$'000
<b>Sources of operating funding</b>			
General rates, uniform annual general charges, rate penalties	1,055	1,055	1,216
Targeted rates	0	0	0
Subsidies and grants for operating purposes	0	0	0
Fees and charges	105	79	89
Internal charges and overheads recovered	0	0	0
Interest and dividends from investments	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	0	0	0
<b>Total operating funding</b>	<b>1,160</b>	<b>1,134</b>	<b>1,305</b>
<b>Application of operating funding</b>			
Payments to staff and suppliers	695	699	768
Finance costs	17	17	18
Internal charges and overheads recovered	129	129	142
Other operating funding applications	0	0	0
<b>Total applications of operating funding</b>	<b>841</b>	<b>845</b>	<b>928</b>
<b>Surplus (deficit) of operating funding</b>	<b>319</b>	<b>289</b>	<b>377</b>

<b>Capital Funding - Solid Waste</b>	<b>Actual</b>	<b>Annual Plan</b>	<b>Annual Report</b>
For the year ended: 30 June	2020-2021 \$'000	2020-2021 \$'000	2019-2020 \$'000
<b>Sources of capital funding</b>			
Subsidies and grants for capital expenditure	0	0	0
Development and financial contributions	1	0	0
Increase (decrease) in debt	0	(32)	0
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Other dedicated capital funding	0	0	0
<b>Total sources of capital funding</b>	<b>1</b>	<b>(32)</b>	<b>0</b>
<b>Application of capital funding</b>			
Capital expenditure - to meet additional demand	0	0	0
Capital expenditure - to improve the level of service	0	0	0
Capital expenditure - to replace existing assets	0	0	0
Increase (decrease) in reserves	319	257	377
Increase (decrease) of investments	0	0	0
<b>Total applications of capital funding</b>	<b>319</b>	<b>257</b>	<b>377</b>
<b>Surplus (deficit) of capital funding</b>	<b>(318)</b>	<b>(289)</b>	<b>(377)</b>
<b>Funding Balance</b>	<b>0</b>	<b>0</b>	<b>0</b>



## Community Activities

- Oversee Pensioner 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.

What we planned	What we achieved
Library book replacement and H&S redevelopment	<p><b>Library H&amp;S redevelopment</b> Completed in time and under budget. Positive public feedback on the new layout.</p> <p><b>Library book replacement</b> Collection enhanced with additional resources for book purchases.</p>
Deliver the capital works programme funding consistent with the Reserve Contribution Policy	<p>This was successfully delivered.</p> <p>Financial contributions have helped fund (fully or partially) a number of capital projects</p> <ul style="list-style-type: none"> <li>- Pou Tu o Te Rangi – New Path around pond, new carpark area and Fire Fighting Tanks</li> <li>- Mangawhai Community Park – Parking improvements</li> <li>- Taharoa Domain – Re-vegetation Project</li> </ul>
Develop a programme of works in partnership with Taharoa Domain, Mangawhai Community Park and Pou Tu o Te Rangi Harding Park Governance Committees	A \$300k programme for work was developed with all three of these Governance Committees. During this period Council attracted \$1.6m of additional funding which was primarily focused on our premier parks. Despite this, the Pou Tu o Te Rangi/Harding Park programme was fully delivered and the majority of the programme for Mangawhai Community Park.
Implement a reserves carpark/accessway renewal programme	This has been implemented. Existing carparks and accessways within reserves have been prioritised for renewal in the Long Term Plan

What we planned continued	What we achieved
Deliver the toilet renewal programme	New toilets for Mangawhai (3) and Maungaturoto have been procured and have been constructed offsite. They will be installed in FY21/22
Deliver the Walking and Cycling Strategy	A significant step forward has been achieved through securing funding for the Kaihu Valley Trail. This year has focused on engagement with Iwi, affected landowners and community.
Deliver the Reserves and Open Space Asset Management Improvement Plan	Activity Management Plan developed as part of the LTP. Completed

## Performance Measures

Community Activities measured by	LTP Year 3 Target 2020/2021	Actual 2020/2021	Comments for 2020/2021	Actual 2019/2020
<b>Community Housing</b>				
Quality: Affordability to provide housing suitable for members of the community who have difficulty providing it themselves.				
Net cost to ratepayers for Council's community housing services.	Zero	Zero	Achieved Costs for activity were met by rental income from all units	Zero Achieved
Annual occupancy rate.	90%	97%	Achieved 2 Units Vacant in Mangawhai at year End	99% Achieved
<b>Reserves and Open Space</b>				
Open spaces, linkages and facilities to promote community wellbeing and enjoyment.				
Percentage of residents who are very/fairly satisfied with their local parks and sports fields.	87%	85%	Not achieved The lack of maintenance is the main concern. 727 residents surveyed. Those that use a sports field or park believe there should be a higher level of maintenance than Council currently provides.	81.66% Not achieved
Percentage of residents who are very/fairly satisfied with the district's public toilets	≥70%	71%	Achieved 750 residents surveyed. Those in the Kaiwaka-Mangawhai areas had the highest satisfaction while Dargaville were less satisfied.	79% Achieved

Community Activities measured by	LTP Year 3 Target 2020/2021	Actual 2020/2021	Comments for 2020/2021	Actual 2019/2020
<b>Reserves and Open Space continued</b>				
Open spaces, linkages and facilities to promote community wellbeing and enjoyment.				
Parks maintenance contract: a safe working environment is provided for those delivering the service, number of health and safety audits per month.	Contractor: 4 per month	100%	Achieved 100% completed with 48 of 48.	Contractor: 3.92 Not achieved
	Council: 1 per month		Not achieved Increased resources now brought in to ensure we meet a higher frequency of audit.	Council 1.08 Not achieved
Compliance with parks maintenance contract specifications – monthly audits	90%	100%	Achieved 100% completed with 48 of 48 .	95% Achieved
<b>Libraries</b>				
Percentage of library users who are very satisfied or satisfied with the district's library services	85%	80%	Not achieved The lack of space in the Dargaville Library has affected the satisfaction of customers.	80.33% Not achieved

## Capital Works Programme

Location	Actual 2021	Budget from Annual Plan 2020/2021	Project Description
Kai iwi Lakes – Campground	\$9,365	\$200,000	Security Improvements – An independent investigation was undertaken which identified effective security improvements. Security gates and CCTV have been scoped and procurement commenced. These works will be undertaken in FY 21/22.
Libraries	\$180,916	\$187,930	Library book replacement and H&S redevelopment completed. The annual plan included \$66,000 for new books with actual spend for the year being \$71,856. The Dargaville library redevelopment was completed during the year at a cost of \$109,060. The budgeted cost of \$121,930 for this work was carried over from the 2020 financial year.
Mangawhai Public toilet Amenities (X3)	\$276,316	\$455,865	These projects are funded by a combination of local share and the Tourism Infrastructure Fund. The toilet units have been built and paid for. Implementation will occur next year. The remaining money has been carried over to 21/22 year

Location	Actual 2021	Budget from Annual Plan 2020/2021	Project Description
Baylys Beach Boardwalk	\$311,280	\$313,451	Competed and winner of the Civil Contractor NZ Northland branch award for projects under \$500k. This was a Tourist Infrastructure Funded project to provide safer pedestrian access to the beach and toilets at Baylys Beach.
District Public Toilet Amenities	\$103,513	\$188,513	This Maungaturoto toilet upgrade is also a TIF project. The unit has been paid for and the remaining money has been carried over to cover completion of this project.
Mangawhai Parks and Reserves	\$19,191	\$138,626	Budget was not able to be spent as available resources were focused on delivering the Te Tai Tokerau Re-Deployment Package.
Playground - New	\$0	\$75,000	This new playground was intended to follow the Lincoln Toilet install. Residents have confirmed that they do not want a playground in this location and therefore the project has been stopped.
Taharoa Domain	\$12,640	\$100,000	The \$87,000 for the toilet refurbishment has been carried over.
Pou Tu o Te Rangi/ Harding Park	\$96,709	\$100,000	Project included more track installation, new carpark area and firefighting tanks.

## Community Grants

Organisation	Amount approved
Circus Kumarani Productions Trust (KPT)	\$7,583.37
Dargaville Menz Shed	\$9,600.00
Feeling Fab Trust	\$2,068.74
Hakaru Community Hall & Domain Soc	\$9,200.00
Kaipara Heritage Machinery (Dargaville) Inc	\$5,890.00
Kaiwaka Library	\$13,236.00
Kaiwaka Playcentre Inc	\$10,819.00
Mangawhai Community Garden	\$650.00
Mamaranui Bowling Club (Inc)	\$6,700.00
Northern Wairoa Agricultural & Pastoral Association Inc	\$4,580.00
Northern Wairoa Genealogy Society Inc	\$4,287.25
The Pouto Marine Hall Incorporated	\$5,084.84

## Community Grants continued

Organisation	Amount approved
The Helping Paws Charitable Trust	\$4,970.00
Tokatoka Hall Society Incorporated	\$1,610.12
Volunteering Northland	\$5,000.00
Whitebait Connections - Mountains to Sea Conservation Trust	\$845.00
Wild Side Charitable Trust	\$7,859.00
<b>Total granted</b>	<b>\$99,983.32</b>

## Creative Communities Grant

Organisation	Amount approved
Round One	
Baylys Beats	\$2,000.00
Dargaville Arts Association Inc	\$1,658.50
Maungaturoto Residents Association	\$1,150.00
Oliver Knox	\$2,154.70
Otamatea Kauri and Pioneer Museum Board	\$1,800.00
Tinopai School	\$1,800.00
<b>Total granted</b>	<b>\$10,563.20</b>
Round Two	
Dargaville Arts Association	\$5,406.28
Dargaville Community Cinema Charitable Trust	\$2,400.00
Lucina Orr	\$2,500.00
Northern Wairoa Maritime & Pioneer Museum Inc	\$1,595.52
Te Kopuru School Board of Trustees	\$1,400.00
White Rock Gallery	\$1,593.00
<b>Total granted</b>	<b>\$14,894.80</b>

## Mangawhai Endowment Lands Account – MELA

Organisation	Amount approved
Mangawhai Activity Zone	\$18,990.00
Mangawhai Activity Zone	\$1,445.00
Mangawhai Domain Society Inc	\$15,000.00
Mangawhai Domain Society Inc	\$4,000.00
Mangawhai Football Club	\$3,000.00
Mangawhai Library Hall Trust	\$10,000.00
Mangawhai Museum and Historical Society Inc	\$1,250.00
Mangawhai Museum and Historical Society Inc	\$3,525.00
Mangawhai Shed Incorporated	\$20,000.00
Mangawhai Tracks Charitable Trust	\$17,500.00
Mangawhai Waka Ama Inc	\$10,000.00
Mangawhai Heads Volunteer Lifeguard Service Inc	\$16,127.00
NZ Fairy Tern Charitable Trust	\$2,199.00
Te Whai Community Trust	\$6,554.00
The Helping Paws Charitable Trust	\$2,730.00
<b>Total granted</b>	<b>\$132,320.00</b>

## Reserves Contribution Contestable Fund

Organisation	Amount approved
Cheviot St Reserve Restoration Group	\$3,420.00
Mangawhai Activity Zone	\$31,161.15
Mangawhai Domain Society	\$120,000.00
Mangawhai Historic Village Trust	\$1,830.00
Paparoa Lions Club	\$7,369.57
<b>Total granted</b>	<b>\$163,750.72</b>



## Rural Sports Travel Grant

Organisation	Amount approved
Round One	
Aranga School	\$434.78
Dargaville High School	\$2,500.00
Matakohe School	\$425.00
Otamatea High School	\$1,404.00
Ruawai College	\$1,375.66
Southern (Te Kopuru) Rugby & Netball Club	\$391.30
<b>Total granted</b>	<b>\$6,530.74</b>
Round Two	
Arapohue School	\$529.00
Dargaville High School	\$4,000.00
Dargaville Primary	\$2,160.00
Mangawhai Football Club	\$1,000.00
Matakohe School	\$350.00
Otamatea High School	\$3,010.00
Paparoa School	\$1,000.00
Ruawai College	\$1,000.00
<b>Total granted</b>	<b>\$13,049.00</b>

<b>Operating Funding - Community Activities</b>	<b>Actual</b>	<b>Annual Plan</b>	<b>Annual Report</b>
For the year ended: 30 June	2020-2021 \$'000	2020-2021 \$'000	2019-2020 \$'000
<b>Sources of operating funding</b>			
General rates, uniform annual general charges, rate penalties	4,512	4,512	4,406
Targeted rates	347	331	341
Subsidies and grants for operating purposes	1,668	43	48
Fees and charges	1,382	1,081	1,257
Internal charges and overheads recovered	0	0	482
Interest and dividends from investments	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	0	0	0
<b>Total operating funding</b>	<b>7,909</b>	<b>5,967</b>	<b>6,534</b>
<b>Application of operating funding</b>			
Payments to staff and suppliers	6,085	4,878	4,362
Finance costs	50	50	45
Internal charges and overheads recovered	890	890	1,249
Other operating funding applications	0	0	0
<b>Total applications of operating funding</b>	<b>7,024</b>	<b>5,817</b>	<b>5,656</b>
<b>Surplus (deficit) of operating funding</b>	<b>884</b>	<b>149</b>	<b>878</b>

<b>Capital Funding - Community Activities</b>	<b>Actual</b>	<b>Annual Plan</b>	<b>Annual Report</b>
For the year ended: 30 June	2020-2021 \$'000	2020-2021 \$'000	2019-2020 \$'000
<b>Sources of capital funding</b>			
Subsidies and grants for capital expenditure	348	0	0
Development and financial contributions	2,669	500	1,342
Increase (decrease) in debt	0	43	0
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Other dedicated capital funding	0	0	0
<b>Total sources of capital funding</b>	<b>3,017</b>	<b>543</b>	<b>1,342</b>
<b>Application of capital funding</b>			
Capital expenditure - to meet additional demand	592	1,121	852
Capital expenditure - to improve the level of service	390	506	352
Capital expenditure - to replace existing assets	247	345	238
Increase (decrease) in reserves	2,673	(1,279)	778
Increase (decrease) of investments	0	0	0
<b>Total applications of capital funding</b>	<b>3,902</b>	<b>693</b>	<b>2,220</b>
<b>Surplus (deficit) of capital funding</b>	<b>(884)</b>	<b>(149)</b>	<b>(878)</b>
<b>Funding Balance</b>	<b>0</b>	<b>0</b>	<b>0</b>



## Planning and 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 to facilitate resource and building consents.

Environmental monitoring ensures public spaces are used appropriately by all, positively contributing to the health, safety and wellbeing 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 in harmony.

## Performance Measures

Planning and Regulatory Management measured by	LTP Year 3 Target 2020/2021	Actual 2020/2021	Comments for 2020/2021	Actual 2019/2020
<b>Building Control Inspections, Compliance and Enforcement</b>				
Ensure effective response to customer enquiries about building standards.				
Percentage of building control customers who rate request for service responses as very satisfied or satisfied	77%	61.33%	Not achieved 55 residents were surveyed over the year. Slow responses and bureaucracy were the common issues.	50.33% Not achieved

Planning and Regulatory Management measured by	LTP Year 3 Target 2020/2021	Actual 2020/2021	Comments for 2020/2021	Actual 2019/2020
<b>Responsiveness</b> To process applications within statutory timeframes.				
Percentage of Building Consents (BC) processed within 20 working days.	100%	96%	Not achieved There was an all-time high in the volume of consent applications received combined with higher levels of complexity (i.e., commercial). There were 839 applications received to year end of which 783 were processed by year end, leaving 56 still in processing at year end. 750 of the 783 applications were processed on time. Overdue applications were largely due to difficulties with getting access to contractors to process. Additional contractors have been sourced, and recruitment is in progress to fill internal vacancies.	99% Not achieved
<b>Quality</b> Monitoring of BC applications and inspections to ensure projects comply with New Zealand Building Code.				
Illegal activity/ unauthorised work complaints investigated within three working days.	94%	96%	Achieved	96.9% Achieved
<b>Resource Consents, Monitoring and Enforcement</b> Ensure effective response to customer enquiries about District Plan/Resource Consent requirements.				
Percentage of non-notified Resource Consents processed within 20 working days.	100%	99%	Not achieved 272 consents were processed in total with 269 being on time. Only three consents were overdue during the year, which is an excellent result considering the volume and complexity involved.	81% Not achieved
Percentage of Land Information Memoranda (LIM) processed within 10 working days	100%	100%	Achieved 825 LIM's processed this year with an average processing time of 5 days compared to 556 LIMs processed during the 2019/2020 year with an average processing time of 6 days.	100% Achieved

Planning and Regulatory Management measured by	LTP Year 3 Target 2020/2021	Actual 2020/2021	Comments for 2020/2021	Actual 2019/2020
Responsiveness: To process applications in accordance with statutory timeframes.				
Percentage of resource consent complaints regarding unconsented works and noncompliance with the District Plan and Resource Consent investigated within five working days.	94%	100%	Achieved 23 complaints were received and investigated within the timeframe.	100% Achieved
Percentage of all new granted Resource Consents are audited each year to ensure they comply with relevant conditions.	25%	31%	Achieved 143 newly granted resource consents were recorded for monitoring in 2020/2021, of which 45 were audited against their pre-commencement condition.	29% Achieved
Percentage of s224(c) certificates for new land titles processed within 10 working days.	99%	100%	Achieved The average number of days to process S224(c) certificates in FY21 was 1.02 working days. Processing days is the number of days from the date of the application submitted to the certificate issued by Council.	100% Achieved
<b>Environmental Health</b>				
Health and Safety Customer Service: Regulate commercial operations to protect public health				
Percentage of food premises inspected at least once per year.	100%	100%	Achieved 144 food premises have been verified in accordance with the verification schedule.	86% Not achieved 136 verifications
Percentage of alcohol premises inspected at least once per year.	100%	100%	Achieved 78 alcohol inspections completed in accordance with the schedule.	100% Achieved

<b>Operating Funding - Planning and Regulatory Management</b>	<b>Actual</b>	<b>Annual Plan</b>	<b>Annual Report</b>
For the year ended: 30 June	2020-2021 \$'000	2020-2021 \$'000	2019-2020 \$'000
<b>Sources of operating funding</b>			
General rates, uniform annual general charges, rate penalties	2,505	2,505	2,992
Targeted rates	0	0	0
Subsidies and grants for operating purposes	0	0	0
Fees and charges	4,248	3,946	3,668
Internal charges and overheads recovered	514	514	584
Interest and dividends from investments	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	11	5	7
<b><i>Total operating funding</i></b>	<b>7,278</b>	<b>6,970</b>	<b>7,251</b>
<b>Application of operating funding</b>			
Payments to staff and suppliers	5,546	5,329	5,965
Finance costs	0	0	0
Internal charges and overheads recovered	1,592	1,592	1,752
Other operating funding applications	0	0	0
<b><i>Total applications of operating funding</i></b>	<b>7,138</b>	<b>6,921</b>	<b>7,717</b>
<b>Surplus (deficit) of operating funding</b>	<b>141</b>	<b>49</b>	<b>(465)</b>

<b>Capital Funding - Planning and Regulatory Management</b>	<b>Actual</b>	<b>Annual Plan</b>	<b>Annual Report</b>
For the year ended: 30 June	2020-2021 \$'000	2020-2021 \$'000	2019-2020 \$'000
<b>Sources of capital funding</b>			
Subsidies and grants for capital expenditure	0	0	0
Development and financial contributions	0	0	0
Increase (decrease) in debt	0	0	0
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Other dedicated capital funding	0	0	0
<b><i>Total sources of capital funding</i></b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Application of capital funding</b>			
Capital expenditure - to meet additional demand	0	0	0
Capital expenditure - to improve the level of service	0	0	0
Capital expenditure - to replace existing assets	0	0	0
Increase (decrease) in reserves	141	49	(465)
Increase (decrease) of investments	0	0	0
<b><i>Total applications of capital funding</i></b>	<b>141</b>	<b>49</b>	<b>(465)</b>
<b><i>Surplus (deficit) of capital funding</i></b>	<b>(141)</b>	<b>(49)</b>	<b>465</b>
<b>Funding Balance</b>	<b>0</b>	<b>0</b>	<b>0</b>



## District Leadership, Finance and Internal Services

District Leadership, Finance and Internal Services 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. It ensures governance structures and processes are effective, open and transparent. It also involves the development of policies, bylaws and the District Plan together with contributing to civil defence emergency management.

### Performance Measures

District Leadership, Finance and Internal Services measured by	LTP Year 3 Target 2020/2021	Actual 2020/2021	Comments for 2020/2021	Actual 2019/2020
<b>Governance</b> Compliance with legal requirements around formal meetings of Council and its Committees.				
Percentage of residents that are very/fairly satisfied with how rates are spent on services and facilities provided by Council	70%	75.66%	Achieved 774 residents surveyed. In the survey questions there isn't an option to comment on satisfaction only dissatisfaction. However, one of the questions in the survey asks if there is anything that Council does well. A common theme was the PGF funding and the projects that have been completed around the district.	52.33% Not achieved
<b>Responsiveness</b> To process applications within statutory timeframes.				
Long Term Plan, Annual Plan and Annual Reports will be adopted within timeframes set in the Local Government Act 2002.	Compliant	Compliant	Achieved The 2019/20 Annual Report was adopted at the 16 December 2020 Council Meeting, which met the updated statutory obligations as a result of the Covid-19 pandemic. The Long Term Plan was adopted 30 June 2021.	Achieved



District Leadership, Finance and Internal Services measured by	LTP Year 3 Target 2020/2021	Actual 2020/2021	Comments for 2020/2021	Actual 2019/2020
<b>Civil Defence Management</b>				
Conduct Civil Defence training exercises.	1 per year	1	Achieved There was one Civil Defence training exercise conducted in June 2021.	1 Achieved

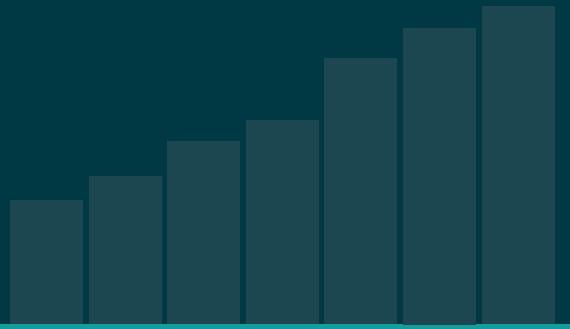
## Capital Works Programme

Location	Actual 2021	Budget from Annual Plan 2020/2021	Project Description
Economic Development Kaipara Wharves physical – Kaipara Kickstart  Kai Water	\$887,392	\$3,000,000	The Dargaville pontoon was opened in October 2020. The award of construction contracts for both Pahi Wharf and Pouto wharf are underway, with physical works to begin on both sites mid-2021. Pahi and Pouto wharves are planned to be completed in 2021. \$2,100,000 was carried forward to LTP Year One 2021-2022.
	\$281,786		This project establishes two practical working examples of irrigating high value horticultural crops in the Kaipara. A site management agreement has been established between Council and Northland Inc and works are underway to support the planting of crops for Spring 2021.
Information Services Digital Transformation (HRIS and Record Management)	\$252,429	\$405,000.00	Human resources information system (HRIS) is for employee performance management, learning & development, recruitment, and payroll. To replace spreadsheets and other manual systems.  It is a modular system being customized and introduced in to KDC module by module. For the FY 20/21 the foundation, upskilling and training modules were implemented. The remaining parts will be completed in FY 2021/22  EDRMS or electronic document management system is a software system built on Microsoft SharePoint designed to create, manage, use, store and dispose of both physical and digital documents and records in an integrated, and legislatively compliant way.  The project outcomes have in large been completed with at risk data migrated to Microsoft Cloud, business functions using Te Aka. Completion of the project is scheduled to occur prior to August 2021.

<b>Operating Funding - District Leadership, Finance and Internal Services</b>	<b>Actual</b>	<b>Annual Plan</b>	<b>Annual Report</b>
For the year ended: 30 June	2020-2021 \$'000	2020-2021 \$'000	2019-2020 \$'000
<b>Sources of operating funding</b>			
General rates, uniform annual general charges, rate penalties	6,046	6,406	4,938
Targeted rates	0	0	0
Subsidies and grants for operating purposes	1,092	201	1,984
Fees and charges	658	339	548
Internal charges and overheads recovered	7,982	8,467	8,937
Interest and dividends from investments	54	20	18
Local authorities fuel tax, fines, infringement fees and other receipts	446	315	386
<b>Total operating funding</b>	<b>16,279</b>	<b>15,748</b>	<b>16,811</b>
<b>Application of operating funding</b>			
Payments to staff and suppliers	14,553	13,217	14,111
Finance costs	(768)	(267)	(823)
Internal charges and overheads recovered	685	571	1,380
Other operating funding applications	0	0	0
<b>Total applications of operating funding</b>	<b>14,470</b>	<b>13,520</b>	<b>14,668</b>
<b>Surplus (deficit) of operating funding</b>	<b>1,808</b>	<b>2,228</b>	<b>2,143</b>

<b>Capital Funding - District Leadership, Finance and Internal Services</b>	<b>Actual</b>	<b>Annual Plan</b>	<b>Annual Report</b>
For the year ended: 30 June	2020-2021 \$'000	2020-2021 \$'000	2019-2020 \$'000
<b>Sources of capital funding</b>			
Subsidies and grants for capital expenditure	637	3,000	0
Development and financial contributions	0	0	0
Increase (decrease) in debt	0	(138)	(1,000)
Gross proceeds from sale of assets	374	0	89
Lump sum contributions	0	0	0
Other dedicated capital funding	0	0	0
<b>Total sources of capital funding</b>	<b>1,011</b>	<b>2,862</b>	<b>(911)</b>
<b>Application of capital funding</b>			
Capital expenditure - to meet additional demand	0	0	0
Capital expenditure - to improve the level of service	1,426	3,640	1,573
Capital expenditure - to replace existing assets	216	320	335
Increase (decrease) in reserves	1,178	1,130	(676)
Increase (decrease) of investments	0	0	0
<b>Total applications of capital funding</b>	<b>2,820</b>	<b>5,090</b>	<b>1,231</b>
<b>Surplus (deficit) of capital funding</b>	<b>(1,809)</b>	<b>(2,228)</b>	<b>(2,142)</b>
<b>Funding Balance</b>	<b>0</b>	<b>0</b>	<b>0</b>





*Photo Location: Pouto Lighthouse*

## **Main Office**

42 Hokianga Road  
Dargaville 0310

## **Mangawhai Service Centre**

Unit 6 The Hub  
6 Molesworth Drive  
Mangawhai 0505

## **Northland Transportation Alliance**

5 Railway Road  
Walton Plaza  
Whangarei 0110

### ***Postal Address***

Private Bag 1001  
Dargaville 0340

**Telephone** 09 439 3123 or 0800 727 059

**Email** [council@kaipara.govt.nz](mailto:council@kaipara.govt.nz)

**Website** [www.kaipara.govt.nz](http://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

# Management Team

KAIPARA DISTRICT COUNCIL 30 JUNE 2021



**Louise Miller**  
*Chief Executive*



**Jason Marris**  
*General Manager  
Engagement and  
Transformation*



**Sue Davidson**  
*General Manager  
Sustainability, Growth  
and Investment*



**Darlene Lang**  
*General Manager  
Customer Experience*



**Jim Sephton**  
*General Manager  
Infrastructure  
Services*



**Hannah Gillespie**  
*General Manager  
People and Capability*

# Council Committee Structures

## KAIPARA DISTRICT COUNCIL 30 JUNE 2021

### Audit, Risk and Finance Committee

**Members:** Stana Pezic (Independent Chair)  
Geoff Copstick (Independent Chair)  
Councillor Peter Wethey (Deputy Chair)  
Deputy Mayor Anna Curnow  
Councillor Jonathan Larsen  
Councillor David Wills  
Councillor Eryn Wilson-Collins

**Purpose:** 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.

### Awards and Grants Committee

**Members:** Councillor Peter Wethey (Chair)  
Councillor Victoria del la Varis-Woodcock  
Councillor Karen Joyce-Paki  
Councillor Mark Vincent

**Purpose:** To allocate awards and grants in accordance with Council policy and legislation

### District Licensing Committee

**Members:** Mark Farnsworth (Chair)  
Gordon Lambeth  
Grace Le Gros  
Amy Munn  
Murray Clearwater

**Purpose:** To administer Council's alcohol licensing framework as determined by the Sale and Supply of Alcohol Act 2012

### Externally-Funded Projects Committee

**Members:** Mayor Jason Smith (Chair)  
All Elected Members  
(Committee of the Whole)

**Purpose:** Oversees, monitors and makes decisions regarding Council special projects (projects not included in the Long-Term Plan) that are externally funded (projects funded by external funding, not by ratepayers' funds).

### Pou Tu o Te Rangi Harding Park Committee

**Members:** *Te Uri o Hau representatives*  
Rex Nathan (Chair)  
Georgina Connelly  
Willie Wright  
*Council representatives*  
Robert Harding  
Councillor Karen Joyce-Paki  
Councillor Peter Wethey

**Purpose:** To work alongside the Pou Tu o Te Rangi Joint Management Committee (as established by Te Uri o Hau Claims Settlement Act 2002 to govern the Pou Tu o Te Rangi pā site) to govern the Pou Tu o Te Rangi Harding Park and Old Mount Wesley Cemetery Reserve areas

### Mangawhai Community Park Governance Committee

**Members:** Deputy Mayor Anna Curnow (Chair)  
Councillor Victoria del la Varis-Woodcock  
Councillor Jonathan Larsen  
Councillor Eryn Wilson-Collins  
Maurice Langdon (community representative)  
Jim Wintle Friends of Mangawhai Community Park  
Georgina Connelly Te Uri o Hau representative

**Purpose:** To govern Mangawhai Community Park in accordance with the Master Plan and work programme.

### Raupo Drainage Committee

**Members:** Ian Beattie (Chair)  
Deputy Mayor Anna Curnow  
David Hart  
Greg Gent  
Grace Le Gros  
Brian Madsen  
Ross McKinley  
Councillor David Wills

**Purpose:** To govern the drainage, stopbanks and flood protection in the Raupo Drainage District

### Remuneration and Development Committee

**Members:** Mayor Jason Smith (Chair)  
Deputy Mayor Anna Curnow  
Councillor Peter Wethey  
Councillor David Wills  
Councillor Eryn Wilson-Collins

**Purpose:** To oversee the Chief Executive's performance and to make recommendations on elected member training and development

### Taharoa Domain Governance Committee

**Members:** Ric Parore Te Kuihi representative (Chair)  
Councillor Jonathan Larsen  
Councillor Karen Joyce-Paki  
Sonny Nesbit Te Roroa representative

**Purpose:** To govern Taharoa Domain in accordance with the Kai Iwi Lakes (Taharoa Domain) Reserve Management Plan (RMP) and any legislative framework

**Please note:** There are two external community funding committees that sit outside of the Council's committee structure. Creative Communities and the Rural Travel Fund, which Councillor Victoria del la Varis-Woodcock chairs.

Mayor Jason Smith is the primary KDC representative of the Joint Climate Change Adaptation Committee. This committee is made up of Elected Members from Northland District Councils, Regional Council, hapū and iwi.



## Elected Member Meeting Attendance

Type of meeting held	Number of meetings held	Mayor Smith	Deputy Mayor Curnow	Cr del la Varis-Woodcock	Cr Joyce-Paki	Cr Larsen	Cr Vincent	Cr Wethey	Cr Wills	Cr Wilson-Collins
Kaipara District Council (Ordinary)	11	11	10 *	11	11	11	11	11	9	11
Kaipara District Council (Extraordinary)	1	1	1	1	-	-	1	1	1	1
Council Briefings	12	11	11*	12	5	10	12	12	10 *	11
Long Term Plan Briefing	7	7	7	7	4	5	7	5	3 *	7
Hearings and Deliberations	2	1	2	2	2	2	2	2	2	2
Audit Risk and Finance Committee	5	-	5	-	-	5	-	5	2	2
Awards and Grants Committee	4	1^	-	3	3	-	4	4	-	-
Externally-Funded Projects Committee	5	5	5	3	2	4	5	4	5	4
Pou Tu o Te Rangi Harding Park Committee	4	-	-	-	4	-	-	4	-	-
Mangawhai Community Park Governance Committee	6	5^	6	5	-	5	-	-	-	4
Raupo Drainage Committee	3	2^	3	-	-	-	-	-	3	-
Remuneration and Development Committee	2	2	2	-	-	-	-	2	1#	2
Taharoa Domain Governance Committee	4	3^	-	-	3	2	-	-	-	-

This table shows meeting attendance from July 2020 to 30 June 2021.

Emergency meetings are meetings that are added to the adopted meetings schedule of Ordinary meetings due to urgent business. See page 65 for elected representatives remuneration.

Council appoints ad hoc hearing panels to hear submissions. There was one hearing panel formed during this period for General Bylaws.

### Key:

- The elected member is not a member of that committee.

^ -The Mayor is a member of every committee of the local authority, and these meetings were attended in this capacity.

\* - Denotes EM was on other Council Business for some of these absences – refer to minutes

# - Leave of Absence





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