



KAIPARA
DISTRICT

Kaipara te Oranganui • Two Oceans Two Harbours

**RĪPOATA WHAKARĀPOPOTO
Ā-TAU | ANNUAL REPORT
SUMMARY 2021/2022**

He Pānui mai te Koromatua me te Kaiwhakahaere Matua | A word from the Mayor and Chief Executive

Kia ora koutou,

The 2021/2022 financial year was a scene-setter for Kaipara District Council, the first year of our new 2021-31 Long Term Plan. Across the organisation our teams worked towards Council's vision of "Growing a Better Kaipara".

Together we supported our district's growth by starting work on the District Plan Review and kept up with the huge number of building consents. We worked with the future in mind – started construction on a new walking and cycling trail on the west coast, a shared path on the east coast, and continued with the Kaipara Harbour wharf network upgrades, all of which are helping to build our economy and attract visitors.

Supporting our communities we kickstarted our adaptive pathways planning, with Ruawai and Raupō areas as the first pilot location. We focused on our new infrastructure strategy, building more resilience into our networks through renewals where possible, signed on to become an equal shareholder of Northland Inc, our region's economic development agency, and confirmed new future-facing strategies for waste minimisation and our libraries. We strengthened our relationships with iwi in the Kaipara rohe through ongoing co-governance arrangements and project partnerships.

Council continued to seek and take up external funding opportunities in order to be able to deliver more for Kaipara without burdening our ratepayers. Our most significant infrastructure projects are often supported by government funding (without which we could not achieve them), including our footbridges in Kaiwaka, new toilets in locations across the district, and a major upgrade for our unsealed roading network.

This year has also demonstrated the importance of Council remaining flexible to change. Significant reform and review processes are affecting local councils. The Government is replacing the RMA with new acts; legislation progressing the Three Waters Reform programme is moving forward; and the Local Government Review is midway through with a draft report coming after the October local government elections. All three have fundamental impacts on Council and its services, some of which are not yet known. Council remains an active voice in the reforms and review processes, protecting Kaipara's interests and focused on achieving the best outcomes for the district.

So, haere mai, take a look at our Annual Report Summary for the 2021/2022 year. To read the full Annual Report go to our website.

Check out how we have been "Growing a Better Kaipara". Together we have achieved well in a period of great dynamism for Council.

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.



A handwritten signature in blue ink, appearing to read "Jason Smith".

Dr Jason Smith
Kaipara Mayor



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

Louise Miller
Chief Executive

The Summary Annual Report was authorised for issue by the Chief Executive on 19 October 2022.

RESIDENT SATISFACTION PERCENTAGES



OVERALL SATISFACTION

66% ▲ 1%



SATISFACTION OF
CORE SERVICES

64% ▲ 3%



86%

SATISFACTION WITH PARKS,
RESERVES AND SPORTS FIELDS



83% ▲ 4%

SATISFACTION WITH OUR
DISTRICT LIBRARIES

CUSTOMER SERVICE CENTRE

INTERACTIONS WITH CUSTOMERS,
VIA PHONE, DIGITAL AND IN PERSON



48,909



CALLS ANSWERED WITHIN
30 SECONDS

73%

TRANSPORTATION

REHABILITATION WORK ON OUR
UNSEALED ROADING NETWORK



163KM*

COMMUNITY FUNDING

FUNDS AWARDED TO THE COMMUNITY

\$252,450*

Via Community Grants, Mangawhai Endowment
Lands Account (MELA) & Reserve Contributions
contestable funds

RURAL TRAVEL FUND DISTRIBUTED
ACROSS TWO ROUNDS

\$21,416

CREATIVE COMMUNITIES NZ SCHEME
ACROSS TWO ROUNDS

\$39,053

REGULATORY NUMBERS



646

LIM PROCESSED WITH
AN AVG OF 4.25 DAYS
TO PROCESS



780

BUILDING CONSENTS
PROCESSED

*All figures are from 1 July 2021
to 30 June 2022*

** Rounded*

He tau arotake | A year in review



**JULY
2021**

- Pest plants removed in River Road Reserve, Dargaville
- Council becomes equal shareholder in Northland Inc, alongside Northland Regional Council and the Far North District Council.
- Dune View Esplanade footpath accessibility improvements



**AUGUST
2021**

- COVID restrictions (Delta lockdown)
- Life preserver and navigation beacon installed on Dargaville Pontoon
- Planting at Kaiwaka School
- District Plan Review Discussion Documents released for community engagement

**OCTOBER
2021**



- Council approves final Representation Review, including a ward for Te Moananui o Kaipara ward (Māori ward)
- Emergency works on Baylys Beach access
- Maungaturoto raw watermain renewal work starts

**SEPTEMBER
2021**



- Council sets baseline goal for reducing emissions
- Council awards MELA funds to seven organisations



**NOVEMBER
2021**

- Emergency works on Gordon Street, Dargaville (tomo)
- Kaipara Water demonstration sites 1 and 2 planted
- Waipoua River Road works start



**DECEMBER
2021**

- Council confirms Ruawai/Raupō as adaptive pathways pilot location
- Pahi wharf upgrade and new pontoon opens to the public
- Mangawhai Village to Beach loop free bus starts
- Unsealed Road Improvements Project reaches halfway mark (70 km of unsealed surfaces graded)
- Mangawhai Village roundabouts open ahead of Christmas

**FEBRUARY
2022**



- Kaihu Valley Trail construction starts
- Council adopts new Waste Minimisation Strategy

**JANUARY
2022**



- Ruawai watermain renewal works finish
- Work starts to construct Kaiwaka footbridges



**MARCH
2022**

- Kaiwaka footbridges open
- Mangawhai Community Park new toilets open at the Historic Village
- Harvest for season 1 begins across Kaipara Water demonstration sites



**APRIL
2022**

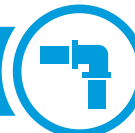
- New Kaipara District Library Strategy approved
- Construction for Mangawhai balance tank begins
- Maungaturoto raw watermain renewals completed
- New toilets at Alamar Crescent craned into place
- New toilets at Maungaturoto craned into place

**JUNE
2022**



- First milestone event *Our Stories, Our Future* of the Ruawai/Raupō pilot community adaptation project
- New murals on Mangawhai Activity Zone water tanks
- New murals completed on Paparoa public toilets
- Hurndall Street/View Street, Maungaturoto watermain renewals finish
- SCADA project completed under budget
- \$537,860 secured from Tourism Infrastructure Fund
- Annual Plan for 2022-2023 adopted
- New speed limits for Mangawhai, Kaiwaka and Hakaru
- Works to improve Kaiwaka wastewater network begin
- Council awards Community Grant fund to 22 organisations

**MAY
2022**



- Kaipara's first set of traffic lights turn on, alongside 1.5km newly sealed stretch of Waipoua River Road
- 9.8km of newly sealed Poutō Road (Phase 1) opens
- Physical works to improve Dargaville wastewater network starts
- Kaipara Libraries go fines free

2021/2022

HE TAU AROTAKE | YEAR IN REVIEW

2021/2022 was Year One of our new Long Term Plan 2021–2031. Every three years we develop a Long Term Plan (LTP) in consultation with the community, setting our vision, direction, budgets, and our work plans for the next 10 years.

The LTP for 2021–2031 includes a new Infrastructure Strategy with a focus on supporting sustainable growth, 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. You can read the full LTP on our website.

One of Council's strategic priorities is to enable sustainable economic development of the Kaipara district. As part of the LTP, Council agreed to become an equal shareholder in Northland Inc (Regional Economic Development Agency for Northland), alongside Northland Regional Council and the Far North District Council, effective 1 July 2021. This decision ensures Kaipara better representation and improved access to expertise and resources to support the sustainable development of the region's economy.

Kaipara continues to be one of the fastest growing districts in the country, reflected in the 780 building consent applications processed by the regulatory team this year. Supporting this growth is the District Plan Review. Key achievements this year are a series of 'Discussion Documents' that informed the community the review was underway and then the preparation and release of an Exposure Draft District Plan, an early 'first look' that will help inform the Proposed District Plan, scheduled for formal consultation in mid-2023.

Kaipara District Council completed the final step to adopt Private Plan Change 78 (PPC78), which amends the planning rules that apply to the Mangawhai Central Development. This was required under the Resource Management Act before the changes become operative in Chapter 16 of the District Plan. The change was notified and came into effect on 22 July 2022.

It has taken about two and a half years to approve the plan change from the time it was lodged.

As part of the Government's Road to Zero National Road Safety Strategy, we are required to review speed limits in the Kaipara district. So far we have reviewed speed limits in the Mangawhai-Kaiwaka (including Hakaru) and Kaiwaka West (including Oneriri Road and Oruawharo Road) areas. Changes to speed limits in these areas came into effect on 13 June 2022.

Tūranga Pūtea | Financial position

From a finance perspective our public debt remains at \$44m as at 30 June 2022. This is the same as last year's level. Council is well within its debt limit ratios required by the Local Government Funding Agency (LGFA) and its own Treasury Policy ratios and remains conservative. However, Council is out of its Treasury Management Policy for the funding maturity profile of 0 to 3 years and the fixed/floating interest rate risk control limit for 37 to 60 month debt. Until there is more certainty over the proposed Government's Three Waters Reform Council has approved to stay out of its Treasury Management Policy in these two instances.

Whakahouhou e pātahi ngā kaunihera | Reforms affecting local councils

There are a number of significant reform and review processes in motion that will affect local government: Three Waters, Resource Management and the Future for Local Government.

Local councils own and operate three water services, which cover drinking water, wastewater and stormwater. The Government's Three Waters Reforms proposes to shift the current 67 council owned and operated three waters services into four new publicly-owned entities to manage the future delivery of these services. Legislation progressing the Three Waters Reform programme has moved ahead in 2022. The Bill provides for four publicly-owned water service entities from July 2024.

In the interim, we prepared our LTP 2021-2031 and our Annual Plan 2022-2023 on the basis that there are no changes to our current model and we continue to deliver drinking water, stormwater and wastewater services to the district, although there are some cost increases due to new regulations from Taumata Arowai.

The Government is repealing the Resource Management Act 1991(RMA) and replacing it with three new pieces of legislation.

The Future for Local Government Review is an independent, two-year ministerial review, established in April 2021. Its overall purpose is to consider how New Zealand's system of local democracy and governance will need to evolve over the next 30 years to improve the wellbeing of New Zealanders, and actively embody Te Tiriti Treaty partnership. The final report will be presented to the Government by 30 April 2023. With Parliamentary elections likely in late 2023, the Government may take some time to decide what, if any, of the Panel's recommendations it wishes to take up.

Kaupapa tahua ō-waho | Delivering our externally funded projects

A substantial amount of our capital projects are supported by central government funding. Without this funding many of our major infrastructure projects would not be possible. Full updates on the projects listed below can be found in the Annual Report 2021/2022.

We had an ambitious works programme for the 2021/2022 year, and a number of 2021/2022 of capital works projects were not completed as at 30 June 2022. Of the approximate \$24.7 million that will carry over into the next two financial years, \$13.0 million relates to projects funded either in part or whole from external funding sources. Much of the remaining carry-overs are the result of available resources being prioritised for externally funded projects, meaning Council funded projects were delayed.

Kaipara KickStart

Kaipara Kickstart consists of a number of major initiatives to support regional economic growth through improved access (Kaipara Roads), by enabling water transport (Kaipara Wharves), and improving diversity of land use (Kaipara Kai). Further funding was awarded in April 2020 to demonstrate

effective and innovative water use for growing crops via two demonstration sites (Kaipara Water).

Kaipara Wharves

MBIE allocated \$4.95 million of funding to support a water transport network in Kaipara Harbour. Dargaville pontoon was opened in October 2020. Pahi wharf upgrade, which included a new pontoon was opened to the public in December 2021. Construction for a new wharf at Poutō will start September 2022.

Kaipara Water demonstration sites

In 2020, Council secured \$740,000 towards trialing different irrigation techniques on crops. In the first season (2021-2022 spring summer), a centre pivot irrigator watered crops on Site 2 in Te Kopuru, while up on Site 1 at Maunganui Bluff on Te Roroa iwi owned land, an in-ground irrigation system watered in precise amounts every few days. Access to these practical working examples, expert advice and local knowledge provides decision support and confidence in transforming land usage towards horticulture in the Kaipara. The second and final season with new crops is planned to occur this spring 2022.

Poutō Road Phase 1 and Phase 2

Funding was allocated in February 2019 to seal Poutō Road as part of Kaipara KickStart. Poutō Road Phase 1 (9.8km starting from the end of the original sealed section down to Ari Ari Road) was opened in May 2022.

Council has completed the detailed design for Phase 2 – the last 10 or so kilometres running from Ari Ari Road down to Poutō Point, but the PGF grant was not enough to complete the sealing. Phase 2 remains 'shovel ready' for further external funding opportunities in the future.

Waipoua River Road

MBIE allocated \$1.61 million to seal approximately 1.5km of Waipoua River Road that runs through Department of Conservation managed land. The project included installing Kaipara's first set of traffic lights. Council applied for this funding on behalf of its partnership with Te Roroa.

Sealing Waipoua River Road supports Rākau Rangitira, a strategic development project led by Te Roroa and Department of Conservation, by enabling a single-entry point for the kauri walks and the Tane

Mahuta experience, cutting out human off-track movement in a forest that is kauri dieback positive.

Unsealed roading network improvements

Utilising \$3.15 million of PGF funding included in Roothing Package Funding Agreement 2 and \$4.91 million of approved Infrastructure Reference Group (IRG) funding, this project successfully delivered 163.2km of completed unsealed rehabilitation work for Kaipara District.

Mangawhai Shared Path

In October 2020, MBIE allocated \$2.4 million 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 NZ Transport Agency also agreed to provide funding. The Village roundabouts were opened in December 2021. Phase 2 works, continuing the shared path and including a boardwalk designed in partnership with Te Uri o Hau traversing the causeway, are scheduled to start October 2022.

Kaiwaka Footbridges

The construction of two 25-metre bridges in central Kaiwaka were supported by Kānoa - REDIU. As well as the bridges, the funding also contributed to the construction of a landscaped pathway linking shops, schools, public transport stops through Kaiwaka township. The bridges were opened for use in March 2022.

Kaihu Valley Trail

In October 2020, MBIE allocated funding from the IRG fund to construct sections of the Kaihu Valley Trail. The allocated funding will deliver 39km of the planned 45km walking and cycle trail, providing cycling facilities between Dargaville and Donnelly's Crossing. The track will eventually form part of the Ancient Kauri Trail and is currently planned to open for use in December 2022.

Kaipara stopbanks

MBIE has allocated funding of \$6 million 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 increases in protection heights, and Raupo which will include the installation of a dual sluice gate coupled with a single floodgate.

Infrastructure renewals

The Department of Internal Affairs (DIA) awarded a total of \$4.691 million for nine infrastructure renewal projects as part of the Three Waters Programme (Stimulus Grant).

The Government have announced two further tranches of funding – \$422,000 Transition funding and the Better off package of \$16,141,395. As the money for both these tranches has not yet been allocated or spent, no inclusions have been made for this funding in this document.

Tourism Infrastructure Fund

We have also been successful in applications for the Tourism Infrastructure Fund. The money is to be applied across four projects – Pahi public toilet upgrade, development of the Rangiora Road Reserve, upgrading the Rangiora Road boat ramp carpark, and improving the carpark area in Poutō Point.



Photo location: Kai Iwi Lakes

ACTIVITY REPORT



73
performance
targets
measured



9
activity
groups



50
performance
measures
achieved

"Of the 73 performance measures, 50 were achieved."

PERFORMANCE MEASURES



■ Achieved ■ Not Achieved ■ Not Applicable

The table opposite provides a snapshot of target achievements as at 30 June 2022. Council's activities are broken down into nine groups that represent the different parts of Council's business.

50 of the performance measures were achieved which is five more than 2020-2021. Two measures were not applicable this year.

This Annual Report is for Year One of the new Long Term Plan 2021-2031. There were 10 performance measures added totalling 73, from 63 last year

(2020/2021). Some reasons behind the measures 'not achieved' include areas where works changed or moved, or measures were redefined. Other reasons include the implications of Covid-19 lockdown which resulted in some departments being unable to carry out tasks, and the need for staff reallocation to priority externally funded projects to complete projects by funding deadlines.



SUMMARY TABLE OF ACTIVITY

Photo location: Awakino Road

ACTIVITY GROUP	PERFORMANCE MEASURES			
	No. of Measures	Achieved	Not Achieved	Not Applicable
Transportation	7	6	1	
Water Supply	12	8	3	1
Stormwater	8	7	1	
Wastewater	8	5	2	1
Flood Protection and Land Drainage	5	5	0	
Waste Minimisation	4	2	2	
Open Spaces and Facilities	9	7	2	
District Leadership, Finance and Internal Services	7	3	4	
Building, Resource Consents and Compliance	13	7	6	
Total	73	50	21	2

* The measures for Northland Inc are not included in this table as they cover the whole Northland region.

Financial Summary

The following year-end financial results for Kaipara District Council are summarised from the full financial statements. The statements do not include all the disclosure provided in the full statements and cannot be expected to provide a complete understanding as provided in the full Annual Report.

The table shows the financial year-end results as at 30 June 2022 and includes comparisons from the previous financial year and budget as outlined in the 2021/2022 Annual Plan.

The full report for the financial year to 30 June 2022 was authorised for issue by resolution of Kaipara District Council on 28 September 2022. The Summary Annual Report was authorised for issue by the Chief Executive on 19 October 2022.

There are no subsequent events after the balance date. The financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand. The information included in this summary has been prepared in accordance with PBE FRS 43 Summary Financial Statements. The full financial statements have been prepared in accordance with Tier 1 Public Benefit Entity accounting standards.

This Summary Annual Report has been audited for consistency with the full Annual Report and the audit report issued by Deloitte Limited, on behalf of the Auditor-General, is included as part of this document.

The full Annual Report was adopted by Council on 28 September 2022.

For more information the full Annual Report 2021/2022 is available on our website
www.kaipara.govt.nz



2021/2022 KEY METRICS

ANNUAL
REPORT
\$'000
2021/2022

ANNUAL
PLAN
\$'000
2021/2022

ANNUAL
REPORT
\$'000
2020/2021

Summary Statement of Comprehensive Revenue and Expense

Total Revenue	91,247	92,831	79,308
less Expenses	(55,860)	(52,747)	(57,876)
less Finance costs	(1,926)	(2,568)	(2,199)
Surplus for the period	33,461	37,516	19,233
Gain on asset revaluations	99,222	13,400	24,798
Total comprehensive revenue and expense	132,683	50,916	44,031

Summary Statement of Changes in Equity

Equity at Start of Year	798,371	705,783	754,340
Total Comprehensive Income	33,461	37,516	19,233
Movement in Assets revaluation	99,222	13,400	24,798
Equity at the End of the Year	931,054	756,699	798,371

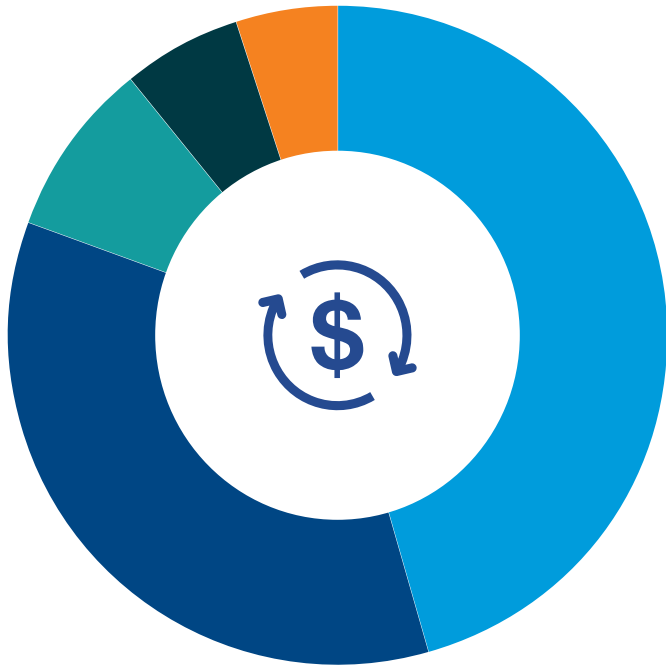
Summary Statement of Financial Position

Current assets	32,197	10,849	23,397
Non current assets	962,378	813,959	842,010
Total Assets	994,575	824,808	865,407
Current liabilities	27,515	12,638	17,509
Non current liabilities	36,006	55,471	49,527
Total Liabilities	63,521	68,109	67,036
Net Assets	931,054	756,699	798,371

Summary Statement of Cash Flow

Operating Cash Flows	38,989	47,726	31,660
Investing Cash Flows	(39,381)	(51,461)	(23,639)
Financing Cash Flows	0	2,334	(225)
Net Cash Flow Increase/Decrease	(392)	(1,401)	7,796

Opening Cash Balance	12,194	1,926	4,398
Closing Cash Balance	11,802	526	12,194



REVENUE

A breakdown of where our revenue comes from

\$41.691m + **\$49.556m**
from rates other income

= **\$91.247m**
TOTAL REVENUE

45.7% **35.0%**

■ Rates

■ Waka Kotahi NZ Transport Agency, Provincial Growth Fund, Three Waters Reform Stimulus Grants, Infrastructure Reference Group Fund grants, Tourism Infrastructure Fund grants.

8.5% **6.0%** **4.8%**

■ Activity income

■ Investments and other income

■ Contributions

Please note: Numbers are rounded, a full breakdown can be found in Part Two of the full 2021/2022 Annual Report.



Photo location: Ripiro Beach

Contingent Liabilities

Guarantees

New Zealand Local Government Funding Agency

Kaipara District 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 2022 Kaipara District Council is one of 75 members local authorities and 68 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 shareholders and guarantors, Council is a guarantor of all NZLGFA's borrowings. At 30 June 2022, LGFA had borrowings totalling \$15.789 billion (2021: \$13.61 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 2022 was \$64,367.

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 reclad 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 2022 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. This property recently changed owners and the Raupo Drainage Operations Working Group are in discussions with the new owners on the feasibility of reinstating the stopbank.

Community housing caveat

Council undertook the modernisation of 34 of its community housing units, with the works programme 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.

New Zealand Government Three Waters Reform Programme

In June 2022 the Government introduced legislation to establish four publicly owned water services entities to take over responsibilities for service delivery and infrastructure from local authorities with effect from 1 July 2024. The impact of these proposed reforms, if legislated, would mean that the Council would no longer deliver three waters services or own the assets required to deliver these

services. The bill is currently before Parliament and as such, the impacts of the proposed reforms are currently unclear.

Currently Bill 1, which covers key principles behind the reform and ownership/governance model, has passed through first reading and is taking submissions. Bill 2, the more detailed bill covering operations and scope, is expected in the parliament early next year. In addition to the two Bills being drafted by the Department of Internal Affairs, The Ministry of Business, Innovation and Employment is developing the policy and legislation for Economic Regulation and Consumer Protection for water services. Cabinet decisions on the economic regulation regime are anticipated in the coming months. Until Bill 2 and the new legislation for economic regulation are published, it is not possible to assess all the likely impacts on Kaipara District Council with any certainty.



Photo location: Tokatoka

INDEPENDENT AUDITOR'S REPORT

TO THE READERS OF KAIPARA DISTRICT COUNCIL'S SUMMARY OF THE ANNUAL REPORT FOR THE YEAR ENDED 30 JUNE 2022

The summary of the annual report was derived from the annual report of the Kaipara District Council (the District Council) for the year ended 30 June 2022.

The summary of the annual report comprises the following information on pages 8 to 14:

- the summary Statement of Financial Position as at 30 June 2022;
- the summaries of the Statement of Comprehensive Revenue and Expense, Statement of Changes in Equity and Statement of Cash Flows for the year ended 30 June 2022;
- the Disclosures to the Summary Financial Statements; and
- the summary Activity Statement of the District Council.

Opinion

In our opinion:

- the summary of the annual report represents, fairly and consistently, the information regarding the major matters dealt with in the annual report; and
- the summary statements comply with PBE FRS-43: *Summary Financial Statements*.

Emphasis of matter – The Government's three waters reform programme

Without modifying our opinion, we draw attention to page 14, which outlines that, in June 2022, the Government introduced legislation to establish four publicly owned water services entities to take over responsibilities for service delivery and infrastructure from local authorities with effect from 1 July 2024. The impact of these proposed reforms, once legislated, will mean that the District Council will no longer deliver three waters services or own the assets required to deliver these services. The bill is currently before Parliament and as such, the impacts of the proposed reforms are currently unclear. Additional legislation is expected later in 2022 that will provide detail on the transfer of assets and liabilities to the water service entities.

Summary of the annual report

The summary of the annual report does not contain all the disclosures required by generally accepted accounting practice in New Zealand. Reading the summary of the annual report and the auditor's report thereon, therefore, is not a substitute for reading the full annual report and the auditor's report thereon.

The summary of the annual report does not reflect the effects of events that occurred subsequent to the date of our auditor's report on the full annual report.

The full annual report and our audit report thereon

We expressed an unmodified audit opinion on the information we audited in the full annual report for the year ended 30 June 2022 in our auditor's report dated 29 September 2022.

Council's responsibility for the summary of the annual report

The Council is responsible for preparing the summary of the annual report which includes preparing summary statements, in accordance with PBE FRS-43: *Summary Financial Statements*.

Auditor's responsibility

Our responsibility is to express an opinion on whether the summary of the annual report represents, fairly and consistently, the information regarding the major matters dealt with in the full annual report and whether the summary statements comply with PBE FRS 43: Summary Financial Statements.

Our opinion on the summary of the annual report is based on our procedures, which were carried out 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.

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 provide fraud awareness training which are compatible with those independence requirements. Other than these engagements we have no relationship with or interests in the District Council.



Bryce Henderson
Deloitte Limited
On behalf of the Auditor-General
Auckland, New Zealand
19 October 2022



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