



ANNUAL REPORT SUMMARY 2022/2023

A word from the Mayor and Chief Executive



Craig Jepson
Kaipara Mayor



Jason Marris
Chief Executive

Greetings to you all,

2022/2023 has been a significant year for us here at Kaipara District Council. In October 2022 a new Council was elected for Kaipara District, with seven new councillors and three returning. In February, Jason Marris was permanently appointed into the Chief Executive role.

Responding to February's extreme weather events through Council's role in Civil Defence and our day-to-day operations, and then recovering from the impacts, has subsumed a significant part of this year. On behalf of Kaipara District Council, we want to take this moment to acknowledge the significant part other agencies, services, organisations, and community members also played in our response and how together, our combined efforts kept people safe.

As you will see in this Annual Report, the impacts of the weather events have been felt, both in our work programme and our budgets.

Roading is a key focus. Our network took a major hit with the weather events, and the second part of this financial year has been focused on the short-term repairs needed to get the roads back on track and keep the district moving. As we make room to complete emergency repairs, not just in roading but across many of our services, some of our work programme planned for this financial year has had to shift into the next year, having a knock-on effect on our schedules.

It's clear we will feel the impact of these events for many years to come, but we are getting on with it, as Kaipara has always done. And while we have faced significant challenges with these weather events, we have also made good headway on a number of key projects and initiatives.

As a small district with a limited ratepayer database, external funding allows us to invest in infrastructure and projects we could not do on our own. In the past year, with external funding support, we have continued to build the shared path network in Mangawhai and kickstarted the design for one in Dargaville – increasing connectivity and transport choices, opened stage one of the Kaihu Valley Trail to the public, renewed and upgraded parts of our wastewater and drinking water networks to improve water security and resilience, constructed new public toilets around the district, and more.

We've continued to make great progress on the District Plan Review, distributed funding back to our communities through the likes of the Kaipara District Mayoral Relief Fund and Community Grants, processed multiple private plan changes, and agreed a fresh vision and community outcomes – *Kaipara – the place to be!* As we move towards a new Long Term Plan in 2024.

Read on and take a look at our Annual Report Summary for the 2022/2023 year. To read the full Annual Report go to our website.

The Summary Annual Report was authorised for issue by the Chief Executive on 17 November 2023.

CUSTOMER SERVICE



INTERACTIONS WITH CUSTOMERS,
PHONE CALLS AND EMAILS **56,287**



VIA PHONE
28,129



DIGITAL
18,182



IN PERSON
9,976



75% CALLS ANSWERED WITHIN 34 SECONDS
(including during Cyclone Gabrielle and Mangawhai rainfall event)

TRANSPORTATION



1,578km OF LOCAL NETWORK ROADS
IN KAIPARA DISTRICT



RESURFACED
52.97km
OF THE SEALED
ROAD NETWORK



REHABILITATED
902 metres
OF SEALED
ROAD NETWORK



1,659.825km
OF THE UNSEALED
NETWORK GRADED
(not including emergency
grading works)

REGULATORY



339
NON-NOTIFIED RESOURCE
CONSENTS PROCESSED



689
BUILDING CONSENTS
PROCESSED



506
LIM PROCESSED
(Average of four
processing days)

RESIDENT SATISFACTION



OVERALL SATISFACTION
50% ↓ **3%**



SATISFACTION WITH
CORE SERVICES
60% ↓ **4%**



SATISFACTION WITH
THE DISTRICT LIBRARIES
76% ↓ **7%**



SATISFACTION OF
LOCAL PARKS, RESERVES
OR SPORTS FIELDS
82% ↓ **4%**

A year in review – highlights



**JULY
2022**

- Council removes fines on late returns and fees on DVD rentals from its libraries



**AUGUST
2022**

- First phase of the Mangawhai shared path opens to public
- Consultation opens on Exposure Draft District Plan
- Construction begins on a new wastewater balance tank for Mangawhai

**OCTOBER
2022**



- Local government elections 8 October
- New Council sworn in 28 October
- Council purchases 5.8 hectares of land for sporting and recreational facilities in Mangawhai (funded with reserve contributions)
- Dargaville Library undergoes a colourful makeover with a new mural
- New toilets at Alamar Crescent open to public

**SEPTEMBER
2022**



- Construction starts on Poutō wharf
- Kaipara welcomes five new citizens at a citizenship ceremony in Dargaville
- Combined Reserve Management Plan completed for Pou Tu o Te Rangi, Harding Park, and Old Mount Wesley Cemetery
- Council adopts Annual Report 2021/2022
- Council adopts its first ever Arts, Culture and Heritage Strategy



**NOVEMBER
2022**

- New toilets at Lincoln Reserve open to public
- Members of Ruawai Adaptive Pathways Community Panel confirmed
- New shade sails installed at Paparua playground



**DECEMBER
2022**

- Squash seeds planted at Kaipara Water Demonstration Site 1 (Maunganui Bluff)
- Security improvements at Taharoa Domain completed
- Free summer bus service starts in Mangawhai
- New Zealand Transport Agency announces \$8 million for Kaipara District Council for Dargaville connectivity improvements
- Dargaville Library launches TUTU collection

**FEBRUARY
2023**



- Northland State of Emergency declared 12 February – terminated 3 March 2023
- February extreme weather events
- Council stands up staff to operate Civil Defence Emergency Operations Centre and Incident Management Point
- Council confirms new Chief Executive Jason Marris

**JANUARY
2023**



- Northland State of Emergency 31 January – 1 February (declared as a precautionary step)
- KDC joins appeal against Sand Extraction from Pakiri Beach
- Funding for two Freedom Camping Officers in Kaipara
- Council joins Welcoming Communities programme
- Council amends Smokefree Kaipara Policy to include vaping in public places



**MARCH
2023**

- Kaipara District transitions to Emergency Management Recovery phase
- Kaiwaka-Mangawhai Road reopens after emergency repairs
- Farmers and growers attend Kaipara Water Demonstration Site field visit
- Squash crops harvested from Kaipara Water Demonstration Site 1



**APRIL
2023**

- Council confirms vision and community outcomes for new Long Term Plan
- Cyclone Gabrielle damage closes Northern Wairoa War Memorial Hall (Dargaville Town Hall)
- Council agrees to investigate Waste to Energy plant

**JUNE
2023**



- First stage of the Kaihu Valley Trail opens to public
- Annual Plan for 2023-2024 adopted
- Mayoral Relief Fund distributes \$530,000 to residents and ratepayers

**MAY
2023**



- Extreme weather event 09 May
- Council opts out of Local Government New Zealand (LGNZ) membership
- New balance tank for Mangawhai wastewater treatment plant is operational
- Council appoints working party to develop the proposed District Plan

2022/2023

A year in review

New governance for Kaipara District

On 26 October 2022, the newly elected mayor and councillors of Kaipara District were officially sworn into office in Dargaville. There are now three councillors representing Wairoa ward (merging previous Dargaville and West Coast/Central wards), two councillors representing the Otamatea ward, three councillors representing Kaiwaka Mangawhai ward, and one councillor elected to represent Te Moananui o Kaipara ward (Māori ward). This representation arrangement will remain in place for the 2025 elections.

Extreme weather events – Response and Recovery

The past year has been a challenging one for Council. As part of our review, we must first acknowledge the extreme weather events of February 2023 and their wide-ranging affects. Cyclone Gabrielle is officially the costliest tropical cyclone on record for the Southern Hemisphere, including the deaths of 11 people and the displacement of more than 10,000 people across the country.

The KDC Cyclone Gabrielle response started on Thursday 9 February 2023 with staff monitoring, preparing, and planning for the impending weather. During this preparation phase steps were taken to ready an Emergency Operations Centre (EOC) in Mangawhai, and an Incident Management Point (ICP) in Dargaville.

At 4.30pm on Sunday 12 February Northland Civil Defence Group Controller Graeme MacDonald declared a Regional State of Emergency. This was followed by a National State of Emergency declared on Tuesday 14 February.

The KDC Emergency Operations Centre was activated at 1C Molesworth Drive, Mangawhai with an Incident Management Point activated at 32 Hokianga

Road, Dargaville. A welfare line was set up and operated by Council staff. At peak, the EOC and ICP were collectively operating with over 40 KDC staff including surge staff (this number does not include those who continued to support and manage business-as-usual services during the response, or provided support from outside the EOC, as well as some ex-staff members who assisted in the welfare centres).

Throughout the response several Civil Defence Centres (CDCs) were opened and operated by KDC, alongside a number of iwi organisation and community-operated civil defence centres. Between Saturday 18 February and Wednesday 22 February, the KDC response teams carried out community outreach to meet with community members in isolated communities and assess their needs.

As the initial Cyclone Gabrielle response phase was looking to wind down to recovery, Kaipara faced another extreme weather event, this time focused in the Mangawhai area. Between noon and 10pm on Friday 24 February the Hakaru rain gauge near Mangawhai recorded 373mm of rain, with 240mm recorded in the 3-hour period from 5pm. During this period a number of people were displaced by flooding, damaged roads, and the dangers of travelling during the extreme weather. This number was exacerbated by the closure of State Highway 1 through the Brynderwyns, which meant all light traffic was diverted via Mangawhai/Waipu. With the EOC still activated, staff continued to support those impacted by the Mangawhai event. KDC staff opened new CDCs at the Mangawhai Golf Club (with the support of the Mangawhai Community Response Group) and Mangawhai Council office and supported two community-led centres.

On Sunday 26 February, the KDCs response phase for the extreme weather event ended, however KDC staff continued to work tirelessly to ensure a smooth transition to recovery.

Major, long-lasting damage occurred to the local

roading network and other critical infrastructure during the extreme weather events. This significantly lengthened the recovery phase for Kaipara and the wider region, which is anticipated to take years.

An overview of KDC's response to the February Extreme Weather Events was prepared in April 2023 and can be found online at www.kaipara.govt.nz A Kaipara District Local Recovery Manager was appointed on Monday 27 February to lead the recovery for Kaipara District Council. They, along with the other Northland recovery managers supported the Northland Regional Council Recovery Manager to build a recovery plan for the region.

A list of actions – short, medium and long term were agreed for each local council, including Kaipara District, and can be found in the Regional Recovery Plan for Northland: www.nrc.govt.nz

As part of the response, Kaipara District Mayor Craig Jepson established a Mayoral Relief Fund to help support those affected by the February 2023 extreme weather events. A panel of KDC staff processed and reviewed applications, which came in from all over the district.

A majority of the 119 grant payments went to individual and families, with a number of marae, community groups and businesses also receiving funds.

Kaipara District Council acknowledges and appreciates the significant part other agencies, services, organisations, and community members also played in our response and how together, our combined efforts kept people safe.

Impact to infrastructure

February's extreme weather events caused considerable damage to Council infrastructure. The impact of the extreme weather events was seen across many Council services, from roading and land drainage to stormwater, wastewater infrastructure, community facilities, and more. The impact was twofold – halting progress on a significant capital works and maintenance programme and creating a backlog of repairs previously unprovisioned for. Lastly, there is a knock-on effect as some repairs are prioritised over existing projects.

As a result, a number of capital works projects planned for 2022/2023 were not completed at 30

June 2023. Projects totalling \$28.8 million have been carried forward to the next financial year (2023/2024). In addition, \$780,772 of operating expenditure has also moved into the following financial year (2023/2024).

Approximately \$5.8 million was spent on repairs during this reporting period and there are further costs to be incurred in subsequent years.

Approximately \$173,000 was spent repairing damage to our parks facilities – fixing cushion fall in the playgrounds, cleaning flood-damaged toilets, and extensive arborist work removing, and chipping fallen and damaged trees.

Another \$607,000 was spent on wastewater services – repairing and replacing damaged pumps and pumpstations, and employing vacuum pumps/sucker trucks at Sailrock Drive, Mangawhai Community Park, and dealing with the Brown Road farm treatment ponds.

Approximately \$56,000 was spent on solid waste – providing free resident drop off for damaged items for both Hakaru and Dargaville transfer stations after the weather events. \$38,000 of this spend was recouped via the National Emergency Management Agency (NEMA). We were not able to claim on green waste (\$18,000).

But most significantly, extreme weather event damage to roading infrastructure far outweighed the total combined costs of any other damage. In this financial year \$4.96 million was spent on emergency roading repairs, maintenance and resilience works such as retaining walls, 100 percent of which was funded by New Zealand Transport Agency.

Reforms affecting local councils

Significant reform and review processes remain in motion affecting local government: Affordable Waters (formerly Three Waters), Resource Management and the Future for Local Government. Collectively and separately, they represent the largest reforms to local government and local governance since provinces were abolished in 1877.

Local councils currently own and operate three water services. Drinking water, wastewater and stormwater management and delivery is changing, with the Government reforming water services by establishing larger water management

entities, empowered by a suite of legislation. The Government's Affordable Waters reform shifts the current 67 council-owned and operated three waters services into ten new publicly owned entities to manage the future delivery of these services. Legislation giving effect to this reform was passed this year. You can find further details of the legislation in Part Two of the full Annual Report 2022/2023.

Northland and Auckland regions will be supplied by a publicly owned entity Wai Tāmaki ki Te Hiku (Entity A) from July 2024. Note that these reforms do not affect any change to the reporting period for this Annual Report.

The Government is repealing the Resource Management Act 1991(RMA) and replacing it with three new pieces of legislation. In February 2021, the Government announced it would repeal the RMA and enact new legislation based on the recommendations of the Resource Management Review Panel. Two out of three new acts have been passed so far - Natural and Built Environments Act (NBA), as the main replacement for the RMA, to protect and restore the environment while better enabling development; and the Spatial Planning

Bill (SPA), requiring the development of long-term regional spatial strategies to help coordinate and integrate decisions made under relevant legislation.

Central Government is also working towards introducing a draft Climate Adaptation Act in 2023, to address complex technical and legal issues associated with managed retreat and climate change adaptation. This has not been passed in this reporting period.

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 review is in three stages, with initial scoping and early engagement undertaken in 2021, broader public engagement in 2022, and formal consultation and a public submissions process, concluding with a final report which was released in 2023. Government has communicated that none of the review recommendations will be considered or implemented until after the general elections.



Mangawhai Beach

Activity Report



73
Performance
targets
measured



9
Activity
groups



47
Performance
measures
achieved

"Of the 73 performance measures, 47 were achieved."

Performance measures



■ Achieved ■ Not Achieved ■ Not Applicable

The table opposite provides a snapshot of target achievements as at 30 June 2023. Council's activities are broken down into nine groups that represent the different parts of Council's business.

47 of the performance measures were achieved which is three less than 2021-2022. Two measures were not applicable this year.

This Annual Report summary and full Annual Report is for Year Two of the Long Term Plan 2021-2031. The main reason behind the measures 'not achieved' relate to the extreme weather events in February 2023 which diverted resources away from scheduled works.

Summary table of Activity

Matakohe West Road

Activity group	Performance measures			
	No. of Measures	Achieved	Not Achieved	Not Applicable
Transportation	7	2	5	
Water Supply	12	7	5	
Stormwater	8	7	0	1
Wastewater	8	7	1	
Flood Protection and Land Drainage	5	5	0	
Waste Minimisation	4	3	1	
Open Spaces and Facilities	9	4	5	
District Leadership, Finance and Internal Services	7	4	2	*1
Building, Resource Consents and Compliance	13	8	5	
Total	73	47	24	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 2023 and includes comparisons from the previous financial year and budget as outlined in the 2022/2023 Annual Plan.

The full report for the financial year to 30 June 2023 was authorised for issue by resolution of Kaipara District Council on 25 October 2023. The Summary Annual Report was authorised for issue by the Chief Executive on 17 November 2023.

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, on behalf of the Auditor-General, is included as part of this document.

The full Annual Report received an unmodified Audit Report which was adopted by Council on 25 October 2023.

For more information the full Annual Report 2022/2023 is available on our website
www.kaipara.govt.nz



2022/2023

Key financial metrics

Annual Report \$'000 2022/2023	Annual Plan \$'000 2022/2023	Annual Report \$'000 2021/2022
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Summary Statement of Comprehensive Revenue and Expense For the year ended 30 June

Total Revenue	85,820	83,976	91,247
less Expenses	(63,569)	(58,120)	(55,860)
less Finance costs	(2,239)	(2,248)	(1,926)
Surplus for the period	20,012	23,607	33,461
Gain on asset revaluations	19,371	13,600	99,222
Total comprehensive revenue and expense	39,383	37,207	132,683

Summary Statement of Changes in Equity For the year ended 30 June

Equity at Start of Year	931,054	821,948	798,371
Total Comprehensive Income	20,012	23,607	33,461
Movement in Assets revaluation	19,371	13,600	99,222
Equity at the End of the Year	970,438	859,155	931,054

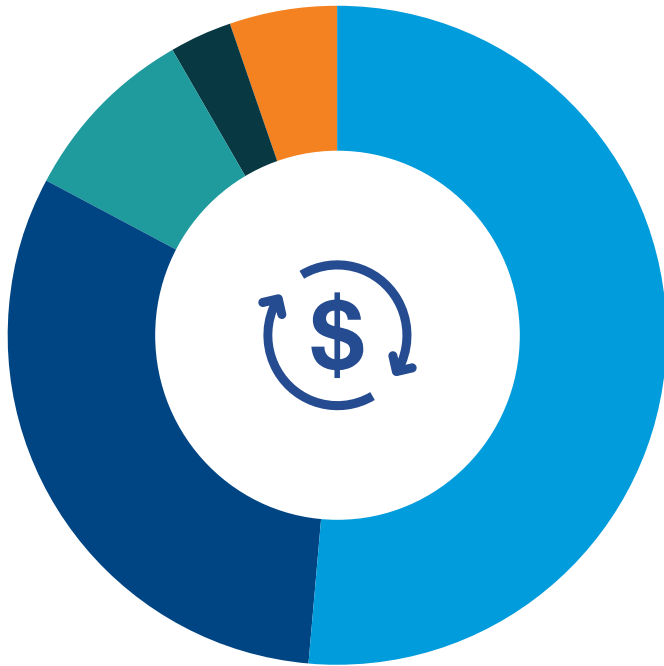
Summary Statement of Financial Position As at 30 June

Current assets	31,234	20,088	32,197
Non current assets	1,005,391	903,949	962,378
Total Assets	1,036,625	924,037	994,575
Current liabilities	27,524	15,699	27,515
Non current liabilities	38,663	49,183	36,006
Total Liabilities	66,187	64,882	63,521
Net Assets	970,438	859,155	931,054

Summary Statement of Cash Flow For the year ended 30 June

Operating Cash Flows	31,767	35,471	38,989
Investing Cash Flows	(32,849)	(36,172)	(39,381)
Financing Cash Flows	(87)	701	0
Net Cash Flow Increase/Decrease	(1,169)	0	(392)

Opening Cash Balance	11,802	8,794	12,194
Closing Cash Balance	10,632	8,794	11,802



REVENUE

A breakdown of where our revenue comes from

$$\begin{aligned}
 & \$44.277\text{m} \quad + \quad \$41.543\text{m} \\
 & \text{from rates} \quad \quad \quad \text{other income} \\
 \\
 & = \quad \quad \quad \mathbf{\$85.820\text{m}} \\
 & \quad \quad \quad \text{total income}
 \end{aligned}$$

51.6%

■ Rates

31.3%

■ Subsidies and grants

8.7%

■ Activity income

3.2%

■ Investments and other income

5.1%

■ Contributions

Please note: Numbers are rounded, a full breakdown can be found in Part Two of the full 2022/2023 Annual Report.



Ripiro Beach at sunset

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 2023 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 2023, LGFA had borrowings totalling \$17.684 billion (2022: \$15.789 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 2023 was \$52,298.

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.

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. Council has budgeted \$1 million for demolition of the Town Hall Annex in the 2023/2024 Annual Plan.

Council Building 42 Hokianga Road, Dargaville

Council no longer uses the Council building at 42 Hokianga Road, Dargaville as its main office building but has subleased this building for a short term. 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.

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

Kaipara District Council was previously a member of the New Zealand Mutual Liability Riskpool scheme ('Riskpool'). The Scheme is in wind down, however the Council has an ongoing obligation to contribute to the scheme should a call be made in respect of any historical claims (to the extent those claims are not covered by reinsurance), and to fund the ongoing operation of the scheme.

The likelihood of any call in respect of historical claims diminishes with each year as limitation periods expire. However, as a result of the Supreme Court decision on 1 August 2023 in *Napier City Council v Local Government Mutual Funds Trustee Limited*, it has been clarified that Riskpool has a liability for that member's claim in relation to non-weather-tight defects (in a mixed claim involving both weather-tight and non-weather-tight defects). Riskpool has advised that it is working through the implications of the Supreme Court decision. At this point any potential liability is unable to be quantified.

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.

Water Services Reform Programme

The New Zealand Government is implementing a water services reform programme that is intended to ensure all New Zealanders have safe, clean and affordable water services. The Government believes this will be achieved by establishing new public entities to take on the delivery of drinking water,

wastewater and stormwater services across New Zealand. The reform will be enacted by three pieces of legislation:

- The Water Services Entities Act 2022, which (as amended by the Water Services Entities Amendment Act 2023 on 23 August 2023) establishes ten publicly owned water services entities and sets out their ownership, governance, and accountability arrangements. A water services entity is established (for transitional purposes) on the date on which the appointment of the entity's establishment board takes effect, and its establishment date (operational date) will be a date between 1 July 2024 and 1 July 2026.
- The Water Services Legislation Act 2023, which amended the Water Services Entities Act 2022 on 31 August 2023 to provide for the transfer of water services assets and liabilities to the water services entities.
- The Water Services Economic Efficiency and Consumer Protection Act 2023, which provides the economic regulation and consumer protection framework for water services. The consumer protection framework will come into force on 1 July 2024 and the rest of the Act came into force on 31 August 2023.

Kaipara District Council's transition takes effect from 1 July 2024. The impact of this reform means that the Council will no longer deliver three water services or own assets required to deliver these services.



INDEPENDENT AUDITOR'S REPORT

TO THE READERS OF KAIPARA DISTRICT COUNCIL'S SUMMARY OF THE ANNUAL REPORT FOR THE YEAR ENDED 30 JUNE 2023

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 2023.

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 2023;
- 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 2023;
- 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 – Uncertainty over the water services reform programme

Without modifying our opinion, we draw attention to page 14, which outlines developments in the Government's water services reform programme.

The Water Services Entities Act 2022, as amended by the Water Services Entities Amendment Act 2023 on 23 August 2023 and the Water Services Legislation Act 2023 on 31 August 2023, establishes ten publicly owned water services entities to carry out responsibilities for the delivery of three waters services and related assets and liabilities currently controlled by local authorities. Water services entities' establishment dates are staggered, with all the water services entities becoming operational between 1 July 2024 and 1 July 2026. The financial impact of the water services reform on the Council as outlined in page 14 remains uncertain until the relevant water services entity's establishment date is known, and the allocation schedule of assets, liabilities, and other matters to be transferred is approved.

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 2023 in our auditor's report dated 25 October 2023.

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 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 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

17 November 2023



Kaipara te Oranganui • Two Oceans Two Harbours

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