



**KAIPARA**  
DISTRICT

Kaipara te Oranganui • Two Oceans Two Harbours

# RĪPOATA Ā-TAU ANNUAL REPORT 2021/2022



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# WĀHANGA TAHI | PART 1

## Timatatanga | Introduction



*Photo Location: Ripiro Beach Image Source: Jasmine Horton*

# Ngā Kaikaunihera o te Kaunihera Kaipara District Council 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

# 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 for the 2021/2022 year. Have a read and 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





Photo Location: Pouto Lighthouse

## Tauākī tūtohu | 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 2022

**Louise Miller**  
Chief Executive  
29 September 2022



## INDEPENDENT AUDITOR'S REPORT

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

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 2022. This is the date on which we give our report.

#### Opinion on the audited information

In our opinion:

- the financial statements on pages 21 to 25 and pages 31 to 71:
  - present fairly, in all material respects:
    - the District Council's financial position as at 30 June 2022;
    - 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 72 to 74 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 133:
  - present fairly, in all material respects, the District Council's levels of service for each group of activities for the year ended 30 June 2022, 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 133 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 133, 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 26 to 30, 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.

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

Without modifying our opinion, we draw attention to page 63, 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.

## 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 6 and 12 to 18, 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 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.

A handwritten signature in black ink, appearing to read "B Henderson".

**Bryce Henderson**  
**for Deloitte Limited**  
On behalf of the Auditor-General  
Auckland, New Zealand  
29 September 2022

## RESIDENT SATISFACTION PERCENTAGES



OVERALL SATISFACTION

66% ▲ 1%



86%

SATISFACTION WITH PARKS,  
RESERVES AND SPORTS FIELDS



SATISFACTION OF  
CORE SERVICES

64% ▲ 3%



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%

## COMMUNITY FUNDING

FUNDS AWARDED TO THE COMMUNITY

\$252,450\*

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

RURAL TRAVEL FUND DISTRIBUTED  
ACROSS TWO ROUNDS

\$21,416

## TRANSPORTATION

REHABILITATION WORK ON OUR  
UNSEALED ROADING NETWORK



163KM\*

CREATIVE COMMUNITIES NZ SCHEME  
ACROSS TWO ROUNDS

\$39,053

## REGULATORY NUMBERS



646

LIM PROCESSED WITH  
AN AVG OF 4.25 DAYS  
TO PROCESS



780

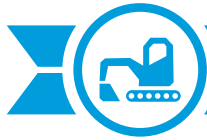
BUILDING CONSENTS  
PROCESSED

*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**

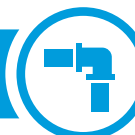
- New Kaipara District Library Strategy approved
- Construction for Mangawhai balance tank begins
- Maungaturoto raw watermain renewals completed
- New toilets at Alamar Crescent craned into place
- New toilets at Maungaturoto craned into place

**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

# | He tau arotake | A 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 sets out how to deliver Council's vision of Growing a Better Kaipara, through ensuring our social, economic, cultural, and environmental wellbeing, and enabling our district and our communities to thrive. You can read the full LTP on our website.

The LTP for 2021-2031 includes a new 30 year Infrastructure Strategy with a focus on supporting sustainable growth, a new Development Contributions Policy, 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 find some of our progress reported in the other sections of this Annual Report, and we have included some of the highlights below.

One of Council's strategic priorities is to enable sustainable economic development of the Kaipara district. Northland Inc is the Regional Economic Development Agency for Northland encompassing the Regional Tourism Organisation and central government's Regional Business Partner (RBP) Network. Northland Inc works with regional and national partners across the public and private sectors, with a common agenda to strengthen, grow and diversify Northland's economy. Prior to 1 July 2021, Northland Inc was 100% owned by Northland Regional Council. As part of the LTP, Council agreed to become an equal shareholder in Northland Inc, 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. This is the highest percentage of applications the Building Consent Authority (KDC) has processed in more than five years, no mean feat. Only four consent applications took longer than 20 days to process.

Supporting this growth is the District Plan Review. Kaipara District Council's District Plan (DP) became operative in 2013 and is due for review in 2023 (District Plans renew every ten years under legislation). However, following community feedback on the current DP being outdated and acknowledging that our district is growing fast, Council directed staff to accelerate the review. At the time of writing the project has gained significant momentum. 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.

An integral part of our mahi is what we do through funding and community-led programmes. In the last year we distributed \$252,448.48 back to our communities through Community Grants, Mangawhai Endowment Lands Account (MELA) and Reserve Contribution Contestable Fund. We also delivered the Rural Travel Fund (\$21,416.40 across two rounds in this reporting year) and Creative Communities NZ Scheme grants (\$39,053.47 across two rounds).

As part of the Government's Road to Zero National Road Safety Strategy, we are required to review speed limits in the Kaipara district. We are doing this in a staged process, focusing on areas where the evidence indicates that changing the speed limit will have the greatest impact on reducing fatal and serious harm crashes and improving overall road safety. 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.

For the period this Annual Report covers (July 2021 – June 2022) the district was represented around the Council table by eight councillors and a Mayor. They are spread across four wards, comprising Kaiwaka-Mangawhai, Otamatea, West Coast/Central and Dargaville.

Following Council approving the final Representation Review in 2021, representation for the upcoming elections in October 2022 and 2025 will see nine councillors, plus a Mayor elected-at large. Councillors will represent Wairoa (merging previous Dargaville and West Coast/Central wards) with three councillors, Otamatea ward with two councillors, Kaiwaka-Mangawhai ward with three councillors, and one councillor elected to represent Te Moananui o Kaipara ward (Māori ward). There are currently no community boards in the Kaipara District.

### **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. Collectively and separately, they represent the largest reforms to local government and local governance since the abolition of the provinces in 1877.

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



Photo Location: Maunganui Bluff



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. 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. The three new acts are the:

- Natural and Built Environments Act (NBA), as the main replacement for the RMA, to protect and restore the environment while better enabling development
- Strategic Planning Act (SPA), requiring the development of long-term regional spatial strategies to help coordinate and integrate decisions made under relevant legislation, and
- Climate Adaptation Act (CAA), to address complex technical and legal issues associated with managed retreat and climate change adaptation.

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 this year (2022), and formal consultation and a public submissions process, concluding with a final report in 2023. The draft report and recommendations for public consultation will be released by the Panel after the local government elections. 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. These projects often go across multiple financial years from conception to completion – below you will find an update on the ones we are working on in this financial year.

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.

Note: 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 (PGF). The formerly funded PGF projects now come under the Kānoa – Regional Economic Development & Investment Unit (Kānoa - REDIU).

### ***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) totalling \$20.39 million. A further \$740,000 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 and is planned to open to the public before the end of the year. In addition to the



external funding, Kaipara District Council Elected Members unanimously approved paying the forecasted \$265,000 Poutō wharf project shortfall, funded from the district's financial contributions reserves.

### ***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 first season was harvested in Autumn 2022 and included crops of watermelon, kamokamo, beetroot, soybean/edamame. The second and final season with new crops is planned to occur this spring 2022 and will see alternative irrigation on Site 1 demonstrated.

### ***Poutō Road Phase 1 and Phase 2***

A total of \$8.18 million funding was announced in February 2019 to seal Poutō Road as part of Kaipara KickStart. The work was to be split into two phases; \$5.05 million to seal 9.8km of Phase 1 (from the end of the original sealed section to Ari Ari Road), and \$3.13 million to seal approximately 10 or so kilometres in Phase 2. Poutō Road Phase 1 was opened in May 2022. A further \$630,000 funding was provided by Waka Kotahi NZ Transport Agency and \$857,000 was provided by KDC to complete the Phase 1 sealing. KDC will also contribute \$500,000 for a second coat of seal after a year of completion. 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 funding opportunities in the future.

### ***Waipoua River Road***

In September 2019 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. WSP designed and managed construction while work on the road was carried out by Fulton Hogan, who were able to employ members of Te Roroa iwi to work on the project. Currie Electrical completed most of the traffic signal installation.

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. The Te Roroa visitor centre will become an access point to see the ancient kauri, as well as offering walks that showcase some of our magnificent New Zealand birdlife.

### ***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.

This project has had a significant impact on embedding best practice for unsealed pavement rehabilitation into our continual "business as usual" (Waka Kotahi NZ Transport Agency subsidised) programmes, with the development of the Unsealed Centre of Excellence (CoE) rolled out across the wider Northland Region, through the Northland



*Photo Location: Mangawhai Heads*

Transportation Alliance.

### ***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 agreed to fund \$4 million and United Civil Construction were awarded the contract to construct Phase 1.

The Village roundabouts were opened in December 2021. Minor works in both the Village area and further north on Molesworth Drive, including the associated shared gravel paths that will meander through the Mangawhai Community Park are still being completed. 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 funded by a \$750,000 grant from 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. KDC contributed \$150,000 to the project, with another \$100,000 budgeted for in the LTP for further landscaping improvements in McLean Park. The construction work was completed by the New Zealand bridging company Bridge It and the bridges were opened for use in March 2022.

### ***Kaihu Valley Trail***

In October 2020, MBIE allocated \$4 million of 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 Donnellys 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 projects as part of the Three Waters Programme (Stimulus Grant). The works include renewing watermain pipes in Haimona Street and Pirika Street, Dargaville; renewing watermain pipes along Freyberg Road, Well Street, and Jellicoe Road, Ruawai; a new and improved aerator installed at the Te Kopuru wastewater treatment plant (completed in previous financial year); renewing watermain pipes along Hurndall and View Streets, Maungaturoto; renewing raw water pipes moving east towards State Highway 12; wastewater network improvements in both Dargaville and Kaiwaka (pumpstation has been installed, next stage to reline the wastewater pipes is underway); repairing and relining the Griffin Road reservoir to further safeguard the Maungaturoto water supply; design and construction of a potable water truck filling station and associated watermain upgrade in Maungaturoto (still to be completed).

The Government have announced two further tranches of funding – \$422,000 Transition funding and the Better off package of \$16,141,395 million. 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. A total of \$537,860 was awarded to Council in the June 2022 funding round. The money is to be applied across four projects – \$112,860 towards the Pahi public toilet upgrade, \$87,500 towards development of the Rangiora Road Reserve, \$213,500 towards upgrading the Rangiora Road boat ramp carpark, and \$124,000 towards improving the carpark area in Poutō Point.





*Photo Location: Taharua Domain Image Source: Jordy Soole*





# WĀHANGA RUA | PART 2

## Pūtea | Finances



Photo Location: Mangawhai Heads Image Source: plegmone/stock.adobe.com



## 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
		2021/2022 \$'000	2021/2022 \$'000	2020/2021 \$'000
For the year ended: 30 June				
<b>Revenue</b>				
Rates	2a	41,691	41,942	38,819
Subsidies and grants	2c	31,980	38,260	25,139
Activity income		7,741	7,066	7,200
Contributions		4,361	3,860	4,181
Investments and other income	2c	5,474	1,703	3,969
<b>Total revenue</b>	<b>2a</b>	<b>91,247</b>	<b>92,831</b>	<b>79,308</b>
<b>Expenses</b>				
Activity costs		28,552	26,138	31,354
Employee benefits		14,675	15,520	13,479
Finance costs		1,926	2,568	2,199
Depreciation	10a,11	12,633	11,089	13,043
<b>Total expenses</b>	<b>3</b>	<b>57,786</b>	<b>55,315</b>	<b>60,075</b>
<b>Surplus for the period</b>		<b>33,461</b>	<b>37,516</b>	<b>19,233</b>
<b>Other comprehensive revenue and expense</b> (Items that will not be reclassified subsequently to surplus)				
Gain on revaluation	4a	99,222	13,400	24,798
<b>Total comprehensive revenue and expense for the period</b>		<b>132,683</b>	<b>50,916</b>	<b>44,031</b>

The accompanying notes form part of these financial statements. (p.31-74)

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

#### Revenue:

**Subsidies and grants:** Comprises \$14.206 million of Waka Kotahi NZ Transport Agency (NZTA) subsidies for road maintenance and new works, \$7.246 million of Ministry of Business, Innovation & Employment (MBIE) Provincial Growth Fund grants, \$2.755 million of Three Waters Reform Stimulus Grants, \$7.582 million of MBIE Infrastructure Reference Group Fund grants, \$0.191 million from the MBIE Tourism Infrastructure Fund grants and Department of Internal Affairs (DIA) Three Waters Reforms Stimulus grants. \$5.8 million of the difference from the Annual Plan relates to subsidies for flood protection and land drainage work now planned to be received during the 2022/2023 as the associated works proceed.

**Activity income:** Includes building and resource consent fees which are \$320,000 higher than planned and \$1.1 million higher than last year, reflecting an overall increase in economic activity across the district. The balance of increase in activities fees is primarily from campgrounds driven by an increase in domestic tourism.

**Contributions:** Comprises \$2.74 million of financial contributions and \$1.62 million of development contributions recognised as revenue. The actual cash received from development contributions for the year was \$2.2 million but the actual revenue recognised is adjusted annually in accordance with the development and financial contributions accounting policy. The overall revenue recognised was higher than planned from increased development across the district.

**Investments and other income:** Includes \$937,000 of infrastructure assets vested in Council by developers from recently completed subdivision developments, \$3.8 million favourable movement in the value of Council's interest rate swaps and \$189,000 interest income.

**Expenses:**

**Activity costs:**

**Includes:**

- \$1.7 million in repairs and maintenance for roading was transferred from capital expenditure projects in line with the approved Waka Kotahi NZ Transport Agency programme. This programme was confirmed by Waka Kotahi NZ Transport Agency after the annual plan budget was adopted by Council. There was no effect on rates as the associated 62% Waka Kotahi NZ Transport Agency subsidies of \$1.29 million were reclassified – from capital subsidies to operating subsidies – with the balance funded by rates and already included the operating revenue budget.
- \$0.4 million for wastewater treatment desludging work undertaken to complete the two-year project. This work was not in the Annual Plan as it was funded from budget allocation from prior years.

**Employee benefits:** Employment benefits lower than planned due to a higher than normal staff turnover and vacant positions staying open for longer.

**Finance costs:** This was due to lower interest rates and Council's external debt being \$1.7 million lower than planned, and two higher interest rate swaps expiring during the year resulting in a lower overall cost of borrowing.

**Depreciation:** The annual charge is higher than planned due to the significant increase in asset values resulting from the revaluation of infrastructure assets.

## Statement of Financial Position

Statement of Financial Position	Note	Annual Report	Annual Plan	Annual Report
As at 30 June		2021/2022 \$'000	2021/2022 \$'000	2020/2021 \$'000
<b>Net assets/equity</b>				
Accumulated comprehensive revenue and expense	4a	454,663	472,657	426,867
Asset revaluation reserves	4a	476,265	295,350	377,043
Restricted reserves	4b	5,805	5,845	5,646
Council created reserves	4b	(5,679)	(17,153)	(11,185)
<b>Total net assets/equity</b>		<b>931,054</b>	<b>756,699</b>	<b>798,371</b>
<b>represented by Current assets</b>				
Cash and cash equivalents		11,802	526	12,194
Short Term Investments		10,000	0	0
Trade and other receivables	6	7,602	8,567	6,998
Accrued revenue		2,672	1,641	4,084
Other financial assets	5a	121	115	121
<b>Total current assets</b>		<b>32,197</b>	<b>10,849</b>	<b>23,397</b>
<b>less Current liabilities</b>				
Trade and other payables	7	16,041	11,559	15,948
Provisions	8a	306	135	357
Employee entitlements		1,168	944	999
Public debt	9a	10,000	0	0
Derivative financial liabilities	18a	0	0	205
<b>Total current liabilities</b>		<b>27,515</b>	<b>12,638</b>	<b>17,509</b>
<b>Working capital/(deficit)</b>		<b>4,682</b>	<b>(1,789)</b>	<b>5,888</b>
<b>plus Non current assets</b>				
Property, plant, equipment	10a	960,148	811,811	839,864
LGFA Borrower notes		929	824	929
Biological assets	13	1,030	1,045	947
Other financial assets	5a	271	279	270
<b>Total non current assets</b>		<b>962,378</b>	<b>813,959</b>	<b>842,010</b>
<b>less Non current liabilities</b>				
Public debt	9a	34,000	45,702	44,000
Provisions	8a	1,547	5,504	1,507
Derivative financial liabilities	18a	459	4,265	4,020
<b>Total non current liabilities</b>		<b>36,006</b>	<b>55,471</b>	<b>49,527</b>
<b>Net assets</b>		<b>931,054</b>	<b>756,699</b>	<b>798,371</b>

The accompanying notes form part of these financial statements. (p.31-74)

### Explanation of major variances against Annual Plan

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

**Cash and cash equivalents and Short Term Investments:** Cash has built up from a significant increase in the financial contribution reserve from significant development in and around Mangawhai. The infrastructure depreciation reserves have also increased as the capital works in this area focused on completing works funded by Central Government grants. Short term deposits are cash deposits with terms between three months to a year.



**Trade and other receivables:** \$660,000 of rates penalties has been written off as a result of Council implementing the Local Government (Rating of Whenua Māori) Amendment Act 2021 and changing 19 whenua Māori blocks to non-rateable. This along with improved debt collection has reduced the overall level of receivables.

**Accrued Revenue:** This includes the final Waka Kotahi NZ Transport Agency local share subsidy claim for roading works (planned maintenance and special projects) completed during the year but not invoiced. The final claim for the year was higher than that forecast in the Annual Plan.

**Trade and other payables:** These were higher than budgeted, reflecting the increased capital works expenditure in the later part of 2021/2022. The amount also includes \$1.1 million of 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 (\$85.8 million) but the investment in property, plant and equipment was lower than planned by \$18.7 million.

**Biological assets:** Biological assets reflect 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 significant increase in interest rates during the year and the expiry of \$10 million of swaps during the year. Due to the uncertainty of future debt funding associated with Three Waters assets, Council resolved not to enter into any new swaps. Council uses interest rate derivatives to assist in achieving a long-term stable interest rate on debt along with minimising debt.

**Public debt:** \$10 million of public debt has been moved to the current liabilities from non-current liabilities as it is due for repayment in the next year. No public debt was raised or repaid during the year.

## 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		2021/2022 \$'000	2021/2022 \$'000	2020/2021 \$'000
<i>Balance at 1 July</i>		798,371	705,783	754,340
Surplus for the period		33,461	37,516	19,233
Other comprehensive revenue and expense for the period				
Surplus on Revaluation of Infrastructure		99,222	13,400	24,798
<i>Total comprehensive revenue and expense for the period</i>		132,683	50,916	44,031
<i>Balance at 30 June</i>		931,054	756,699	798,371

The accompanying notes form part of these financial statements. (p.31-74)

## Statement of Cash Flows

Statement of Cash Flows	Annual Report	Annual Plan	Annual Report
For year ended: 30 June	2021/2022 \$'000	2021/2022 \$'000	2020/2021 \$'000
<b>Cash Flow from Operating Activities</b>			
<b>Receipts:</b>			
Rates	42,418	41,942	38,904
Fees, charges and other	11,716	11,291	14,380
Grants and subsidies	33,393	38,260	22,734
Taxes (including the net effect of GST)	0	0	639
Interest received	140	6	0
<b>sub total</b>	<b>87,667</b>	<b>91,499</b>	<b>76,657</b>
<b>Less Payments:</b>			
Suppliers and employees	46,660	41,205	42,798
Taxes (including the net effect of GST)	92	0	0
Interest expense	1,926	2,568	2,199
<b>sub total</b>	<b>48,678</b>	<b>43,773</b>	<b>44,997</b>
<b>Net Cash Flow from/(to) Operating Activities</b>	<b>38,989</b>	<b>47,726</b>	<b>31,660</b>
<b>Cash Flow from Investing Activities</b>			
<b>Receipts:</b>			
Sale of property, plant and equipment	107	0	93
<b>sub total</b>	<b>107</b>	<b>0</b>	<b>93</b>
<b>Less Payments:</b>			
Short Term Investments	10,000	0	0
Property, plant and equipment purchases	29,488	51,461	23,732
<b>sub total</b>	<b>39,488</b>	<b>51,461</b>	<b>23,732</b>
<b>Net Cash Flow from/(to) Investing Activities</b>	<b>(39,381)</b>	<b>(51,461)</b>	<b>(23,639)</b>
<b>Cash Flow from Financing Activities</b>			
<b>Receipts:</b>			
Loans raised	0	2,334	25,000
<b>Less Payments:</b>			
Loan repayment	0	0	25,000
LGFA Borrower notes	0	0	225
<b>Net Cash Flow from/(to) Financing Activities</b>	<b>0</b>	<b>2,334</b>	<b>(225)</b>
<b>Net Increase/(Decrease) in cash and cash equivalents</b>	<b>(392)</b>	<b>(1,401)</b>	<b>7,796</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>12,194</b>	<b>1,926</b>	<b>4,398</b>
<b>Cash and cash equivalents at end of period</b>	<b>11,802</b>	<b>526</b>	<b>12,194</b>

The accompanying notes form part of these financial statements. (p.31-74)

# Annual Report Disclosure Statement

## FOR THE YEAR ENDED 30 JUNE 2022

### 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.

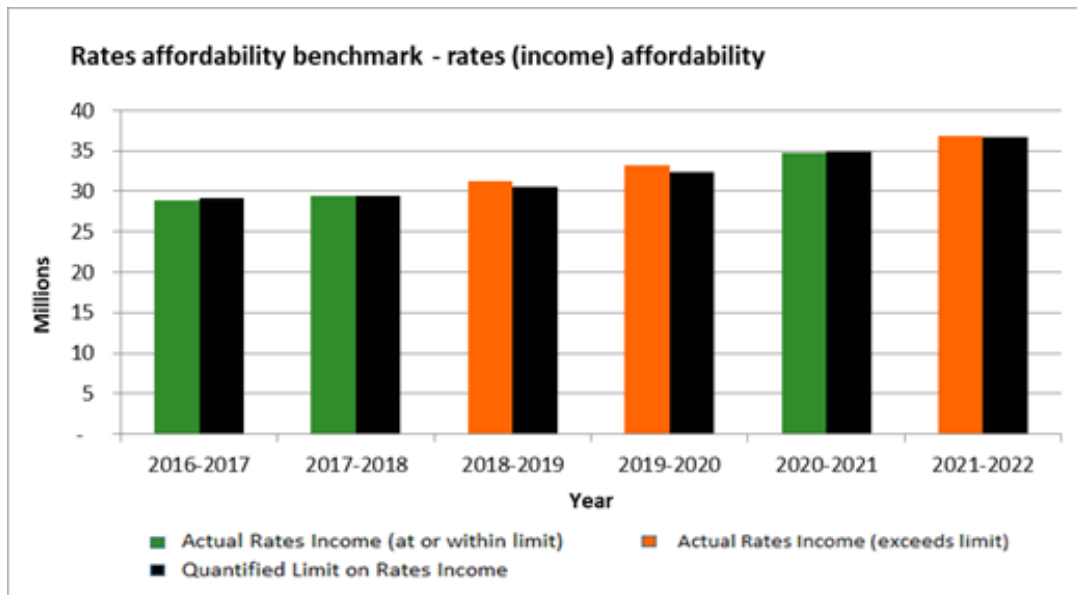
### Rates affordability benchmark

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 2021/2022 was set in the Long Term Plan at \$36.747 million excluding water meter billing (2021: \$33.9 million), the actual was \$36.783 million.

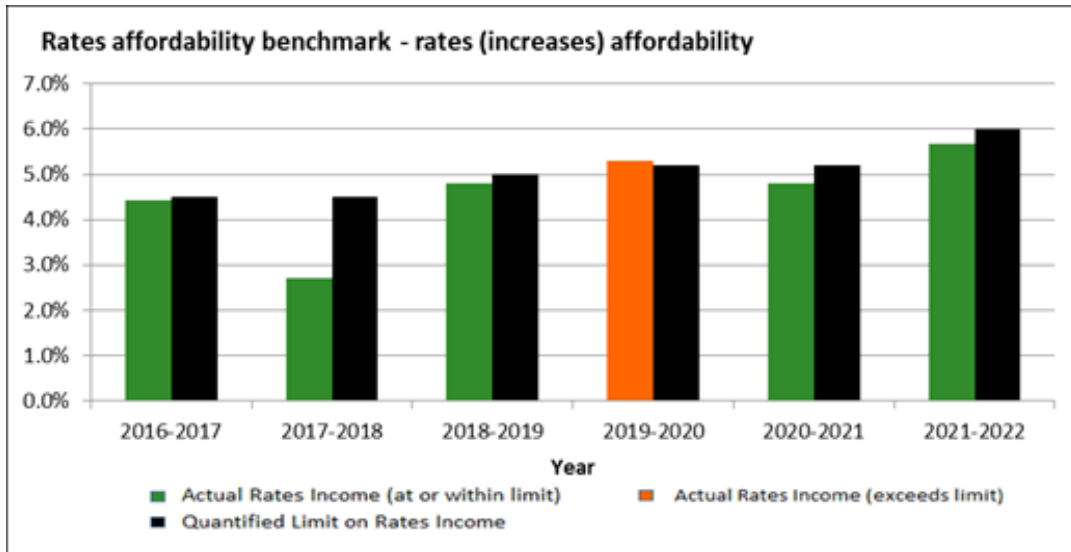
The Long Term Plan 2021/2031 predicted the ceiling to be exceeded in each of the first three years. The Long Term Plan 2021/2031 forecast cumulative increases over the life of the plan will be less than the ceiling.





## Rates (increases) affordability

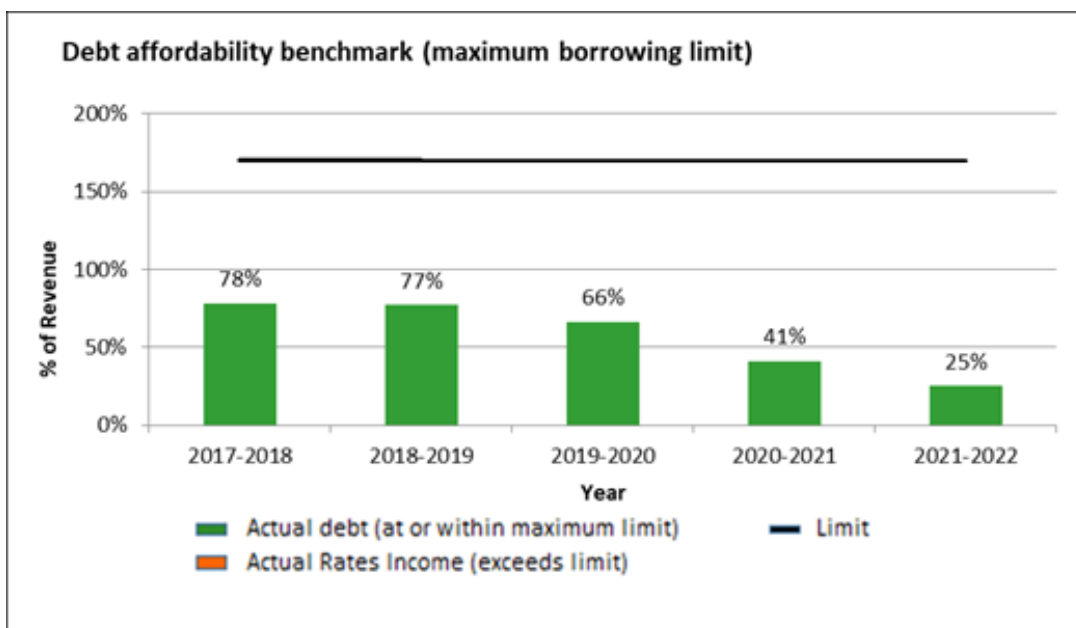
The following graph compares the Council’s actual rates increases with its quantified limit on rates as stated included in the Financial Strategy, included in the Council’s Long Term Plan. Quantified limit per the Long Term Plan for 2022: 6.0% (5.0% plus 1.0% for growth) (2021: 5.2% (4.2% plus 1.0% for growth)).



## Debt affordability benchmark

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

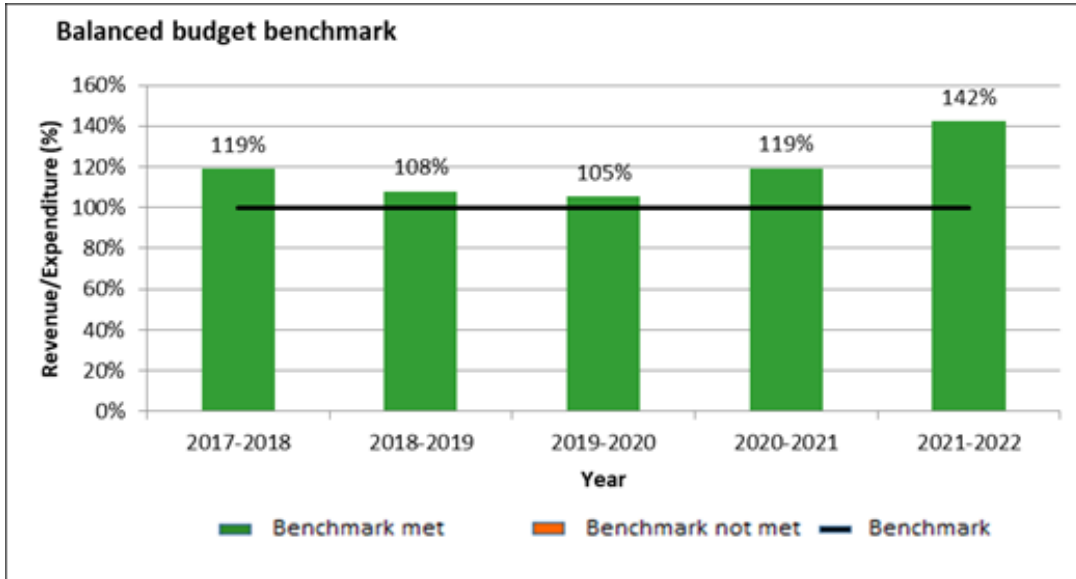
The following graph compares the Council’s actual borrowing with a quantified limit on borrowing stated in the Financial Strategy included in the Council’s Long Term Plan. The quantified limit for 2022 is 170%. In the 2021/2022 year Council’s net debt remained unchanged at \$44 million and revenue from subsidies increased significantly.



## Balanced budget benchmark

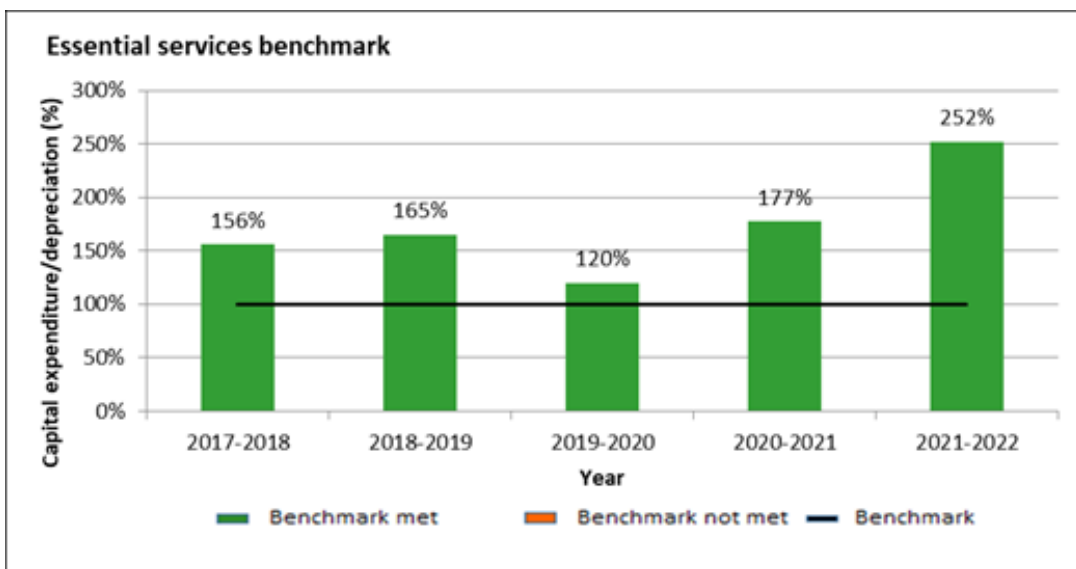
The following graph displays the Council’s revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant, or equipment) as a proportion of operating expenses (excluding losses on derivative financial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

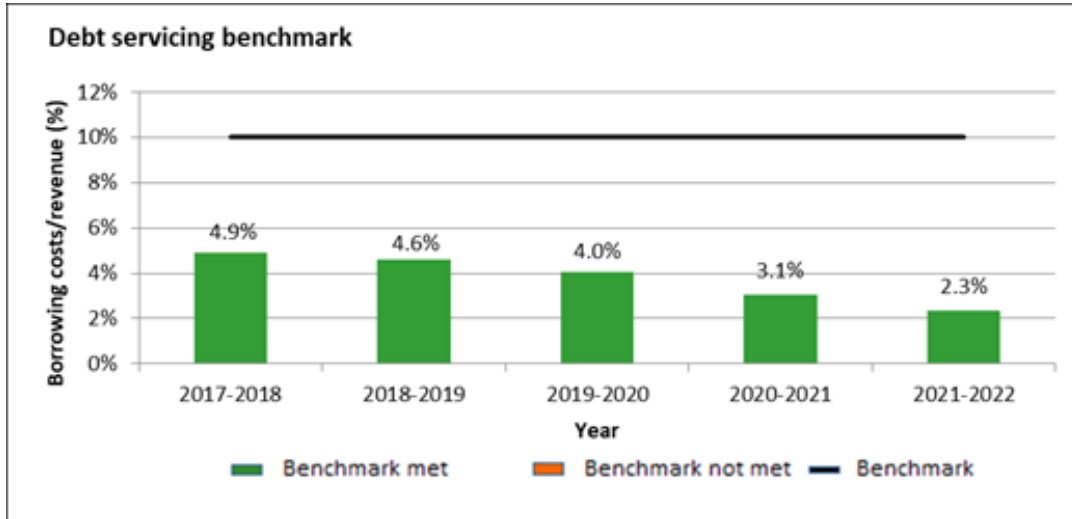
The following graph displays the Council’s capital expenditure on network services as a proportion of depreciation on network services. The Council meets this benchmark if its capital expenditure on network services equals or is greater than depreciation on network services.



## 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).

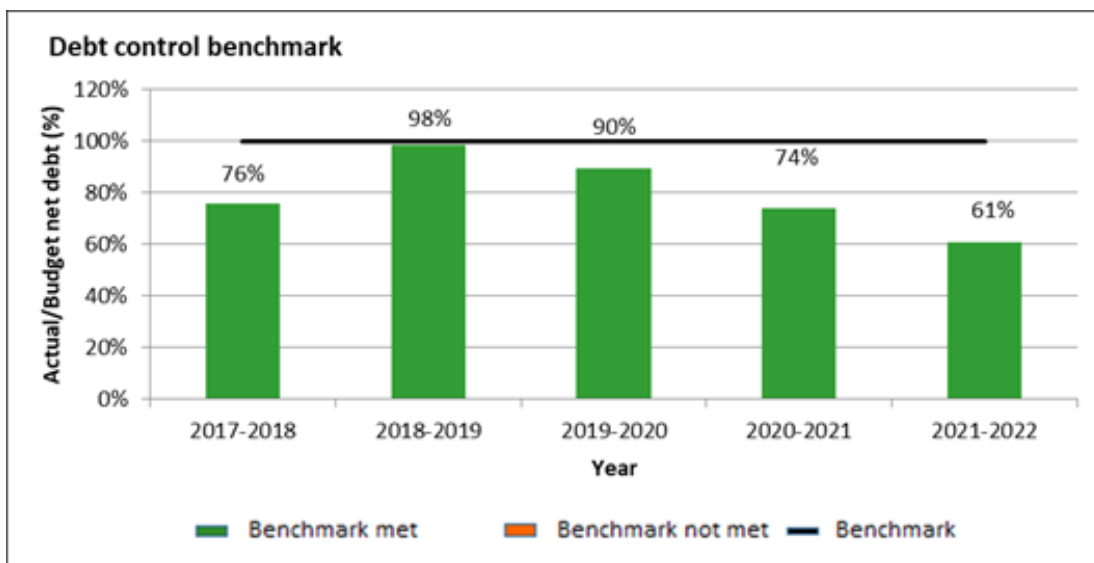
Council meets the debt servicing benchmark if its borrowing costs equal or are less than 10% of its actual revenue.



## 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.

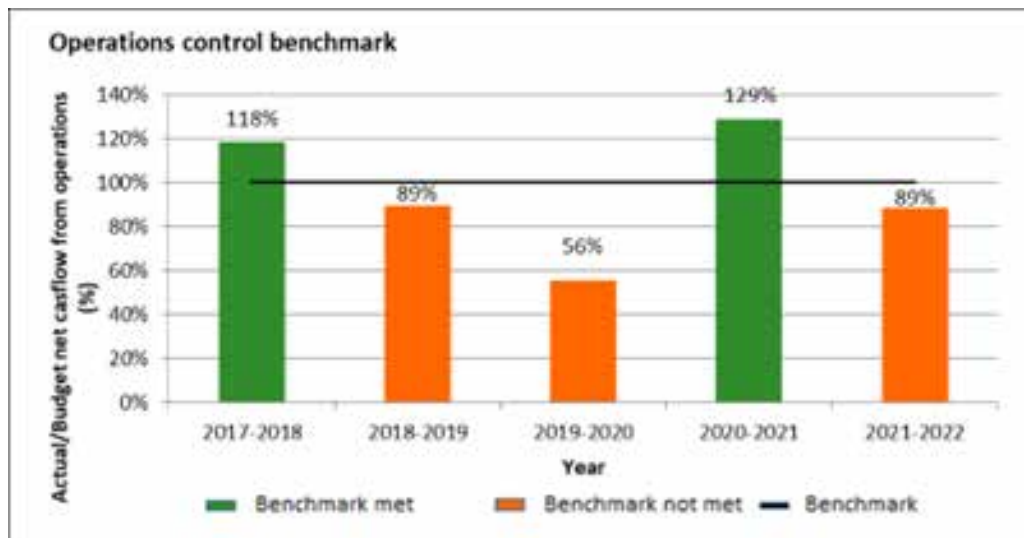




## Operations control benchmark

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.



# Notes to Financial Statements

## STATEMENT OF ACCOUNTING POLICIES

### Reporting entity

Kaipara District Council is a territorial local authority governed by the Local Government Act 2002. The Council's group comprises the Council and its associates, namely:

- Northland Inc. Limited (33.33% owned)

Kaipara District Council and its associates are incorporated, domiciled and operate in New Zealand.

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 2022. The financial statements were authorised for issue by Council on 29 September 2022.

### 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. Rates revenue also 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.

## Subsidies and 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.

## Activity income

Activity income comprises consent fees, campground fees, licence and registration fees and lease and rental charges. The revenue is the gross amount of the fee or charge.

## 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 at each stage of completion when consents are processed and inspections performed. Resource consent revenue is recognised when consents completion certificates are issued.

## 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.

## Investments in council-controlled organisations

The Council's associate investment is accounted for in the group financial statements using the equity method. An associate is an entity over which the Council has significant influence and that is neither a subsidiary nor an interest in a joint venture. The investment in an associate is initially recognised at cost and the carrying amount in the group financial statements is increased or decreased to recognise the group's share of the surplus or deficit of the associate after the date of acquisition. Distributions received from an associate reduce the carrying amount of the investment.

If the share of deficits of an associate equals or exceeds its interest in the associate, the group discontinues recognising its share of further deficits. After the group's interest is reduced to zero, additional deficits are provided for, and a liability is recognised, only to the extent that the Council has incurred legal or constructive obligations or made payments on behalf of the associate. If the associate subsequently reports surpluses, the group will resume recognising its share of the surpluses only after its share of the surpluses equals the share of deficits not recognised.



When the group transacts with associate, surpluses or deficits are eliminated to the extent of the group's interest in the associate.

Dilution gains or losses arising from investments in associates are recognised in the surplus or deficit.

## Impairment

Financial assets carried at amortised cost are assessed each reporting date for impairment. If there is objective evidence of impairment, the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate, where appropriate, is recognised in the surplus/(deficit).

Non-financial assets are reviewed at each reporting date to determine whether there are any indicators that the carrying amount may not be recoverable. If any such indicators exist, the asset's recoverable amount is estimated. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

Value in use is depreciated replacement cost for an asset where the future economic benefits or service potential of the asset are not primarily dependent on the assets ability to generate net cash inflows and where the entity would, if deprived of the asset, replace its remaining future economic benefits or service potential.

The value in use for cash-generating assets is the present value of expected future cash flows.

An impairment loss is recognised in the surplus/(deficit) for the amount by which the asset's carrying amount exceeds its recoverable amount. For the purposes of assessing impairment, assets are grouped at the lowest level for which there are separately identifiable cash flows (cash-generating units). The reversal of an impairment loss on a revalued asset is credited to the revaluation reserve. However, to the extent that an impairment loss for that class of asset was previously recognised in the surplus/(deficit), a reversal of the impairment loss is also recognised in the surplus/(deficit).

## 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 customisation 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

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.

### 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 Mangawhai Lands Empowering Act 1966 (sic).

Council-created reserves are reserves restricted by Council decision. Council may alter them without reference to any third party or the Courts. Transfers to and from these reserves are at the discretion of Council.

## Asset revaluation reserves

These reserves relate to the revaluation of property, plant and equipment to fair value.

## Goods and Services Tax (GST)

All items in the financial statements are stated exclusive of Goods and Services Tax (GST), except for receivables and payables, which include GST invoiced.

## Budget figures

The budget figures have been prepared using accounting policies that are consistent with those adopted by Council for the preparation of the Financial Statements.

## Cost allocation

Council has derived the cost of service for each significant activity of Council using the cost allocation system outlined below:

- • Direct costs are those costs directly attributable to a significant activity. Indirect costs are those costs which cannot be identified in an economically feasible manner, with a specific significant activity;
- • Direct costs are charged directly to significant activities; and
- • 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 2022.

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 reviewed 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 valuations include confidence grading assumptions relating to the quality and reliability of underlying records used in the valuations. These assumptions depend on engineers' interpretations and judgement;
- 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.

## 2a. Income and Expenditure Summary

Non-exchange Revenue Summary	Annual Report	Annual Report
For the year ended: 30 June	2021/2022 \$'000	2020/2021 \$'000
Non exchange revenue		
Rates (excluding water meter charges)	37,363	35,671
Resource consents	1,999	1,117
Solid waste recoveries	45	82
Subsidies and Grants	31,980	25,139
<i>Total Non exchange revenue</i>	<b>71,387</b>	<b>62,009</b>
Exchange revenue	19,860	17,299
<i>Total revenue</i>	<b>91,247</b>	<b>79,308</b>

**Resource consents:** In accordance with Council's accounting policies \$383,000 of consent fees charged during the year for consents lodged has not yet been recognised as revenue as those consents were still being processed at 30 June 2022 (2021 \$452,000).

## 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 2021	As at 30 June 2020
Number of rating units within the Kaipara District	15,961 units of which 14,992 are rateable	15,735 units of which 14,749 are rateable
Total capital value of rating units within the Kaipara District	\$10,941,263,000 of which \$10,714,118,750 is rateable	\$9,149,773,600 of which \$8,952,148,300 is rateable
Total land value of rating units within the Kaipara District	\$6,143,729,100 of which \$6,026,825,650 is rateable	\$5,165,600,000 of which \$5,075,315,000 is rateable

## 2c. Revenue Summary - Analysis

Revenue Summary - Analysis	Annual Report	Annual Report
For the year ended: 30 June	2021/2022 \$'000	2020/2021 \$'000
<b>Subsidies and grants</b>		
Subsidies and grants - to fund operations	7,428	10,694
Subsidies and grants - to fund capital projects	24,552	14,445
<b><i>Total Subsidies and grants</i></b>	<b>31,980</b>	<b>25,139</b>
<b>Investments and Other Income</b>		
Petrol tax	246	291
Gain on disposal of property, plant and equipment	107	25
Unrealised gain on forestry revaluation	83	132
Finance income	189	54
Vested assets	937	584
Derivative Financial Instruments (Swaps)	3,766	2,741
Sundry income	146	142
<b><i>Total Investment and Other Income</i></b>	<b>5,474</b>	<b>3,969</b>

Subsidies and Grants – operations: comprises \$7.326 million of Waka Kotahi NZ Transport Agency subsidies for road maintenance and \$102,000 of DIA subsidies for 3 Waters reforms operational support.

Subsidies and Grants – capital projects: comprises \$6.880 million of Waka Kotahi NZ Transport Agency subsidies, \$7.246 million of MBIE Provincial Growth Fund grants, \$2.653 million of DIA Three Waters Reforms Stimulus grants, \$7.582 million of MBIE Infrastructure Reference Group Fund grants and \$191,000 from the MBIE Tourism Infrastructure Fund grants.

## 2d. Targeted rates for metered water supply

Targeted Rates for metered water supply	Annual Report	Annual Report
For the year ended: 30 June	2021/2022 \$'000	2020/2021 \$'000
Targeted Rates for metered water supply		
Water Supply	4,327	3,147
<i>Total Targeted Rates for metered water supply</i>	<i>4,327</i>	<i>3,147</i>

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

Cost of Service Summary - Analysis	Annual Report	Annual Report
For the year ended: 30 June	2021/2022 \$'000	2020/2021 \$'000
Analysis of expenditure		
Depreciation and amortisation	12,633	13,043
Other expenses	28,336	31,008
Employee benefit expenses		
Salaries and wages	14,675	13,479
Finance costs		
Interest on loans	1,179	1,685
Interest on Local Government Stock	747	514
Fees paid to Principal Auditor		
Fees for audit of the Annual Report	199	195
Fees for audit of the Long Term Plan	0	168
Fees for other assurance services	12	11
Fees for other services	5	5
<i>Total expenditure</i>	<i>57,786</i>	<i>60,075</i>

Salaries and wages also include employer contributions to KiwiSaver which is a Defined Contribution Plan. Employer contributions totalled 2022: \$389,597 (2021: \$345,155).

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 2022 are for the audit compliance report prepared in respect to Council's debenture trust deed and an audit on the Council's maintenance of the Register in accordance with the Trust. Deloitte also provided fraud awareness training in the year, and these are to continue in the next year.



## 4a. Ratepayers Equity

Ratepayers Equity	Note	Annual Report	Annual Report
For year ended: 30 June		2021/2022 \$'000	2020/2021 \$'000
Accumulated Comprehensive Revenue and Expense			
<i>Balance at 1 July</i>		426,867	408,868
plus Surplus/(deficit) for the period		33,461	19,233
Transfers from Accumulated Revenue and Expense to:			
Restricted reserves	4b	204	166
Council created reserves	4b	11,325	10,490
<i>Total Transfers from Accumulated Comprehensive Revenue and Expense</i>		11,529	10,656
Transfers to Accumulated Funds from:			
Restricted reserves	4b	45	132
Council created reserves	4b	5,819	9,290
<i>Total Transfers to Accumulated Comprehensive Revenue and Expense</i>		5,864	9,422
<i>Closing balance as at 30 June</i>		454,663	426,867
Asset Revaluation Reserves			
<i>Balance at 1 July</i>		377,043	352,245
<i>Gain/(loss) on revaluation</i>		99,222	24,798
<i>Closing balance as at 30 June</i>		476,265	377,043
Asset Revaluation Reserves			
Operational assets:			
Land		302	302
Buildings		0	0
<i>Total Operational assets</i>		302	302
Infrastructural assets:			
Transportation		388,324	307,859
Water Supply		25,658	20,114
Wastewater		17,973	10,956
Stormwater		39,423	33,008
Flood Protection and land drainage		4,585	4,805
<i>Total Infrastructural assets</i>		475,963	376,741
<i>Total Asset Revaluation Reserves</i>		476,265	377,043

## 4b. Statement of reserve fund activities

Statement of reserve fund activities	Open Spaces and Facilities	Resource Consents, Building Control and Compliance	Flood Protection and Land Drainage	District Leadership, Finance and Internal Services	Waste Minimisation	Transportation	Wastewater	Stormwater	Water Supply	Total Reserves Funds
For year ended: 30 June	2021/2022 \$'000	2021/2022 \$'000	2021/2022 \$'000	2021/2022 \$'000	2021/2022 \$'000	2021/2022 \$'000	2021/2022 \$'000	2021/2022 \$'000	2021/2022 \$'000	2021/2022 \$'000
<b>Restricted Council Reserves</b>										
Restricted Reserve Mangawhai Endowment Lands Account										
Opening Balance	0	0	0	5,646	0	0	0	0	0	5,646
Deposited	0	0	0	204	0	0	0	0	0	204
Withdrawn	0	0	0	(45)	0	0	0	0	0	(45)
<b>Closing Balance</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>5,805</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>5,805</b>
<b>Council Created Reserves</b>										
Depreciation Reserve										
Opening Balance	615	130	602	1,624	21	(78)	746	948	1,060	5,668
Deposited	362	46	200	561	14	2,682	1,135	523	1,057	6,583
Withdrawn	(146)	0	0	(325)	0	(2,526)	(160)	(90)	(285)	(3,532)
<b>Closing Balance</b>	<b>831</b>	<b>179</b>	<b>802</b>	<b>1,860</b>	<b>35</b>	<b>78</b>	<b>1,721</b>	<b>1,381</b>	<b>1,832</b>	<b>8,719</b>
<b>Development Contribution Reserve</b>										
Opening Balance	0	0	0	0	0	276	(27,483)	(30)	29	(27,208)
Deposited	9	0	0	0	0	171	1,418	29	0	1,627
Withdrawn	0	0	0	0	0	0	(762)	(57)	(78)	(897)
<b>Closing Balance</b>	<b>9</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>447</b>	<b>(26,827)</b>	<b>(58)</b>	<b>(49)</b>	<b>(26,478)</b>
<b>Financial Contribution Reserve</b>										
Opening Balance	9,128	0	0	0	0	783	0	0	0	9,911
Deposited	2,644	0	0	0	0	96	0	0	0	2,740
Withdrawn	(1,105)	0	0	0	0	0	0	0	0	(1,105)
<b>Closing Balance</b>	<b>10,667</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>879</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>11,546</b>
<b>Provision Expenditure Reserve</b>										
Opening Balance	0	0	0	0	467	0	(23)	0	0	444
Deposited	0	0	0	0	250	0	125	0	0	375
Withdrawn	0	0	0	0	(285)	0	0	0	0	(285)
<b>Closing Balance</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>432</b>	<b>0</b>	<b>102</b>	<b>0</b>	<b>0</b>	<b>534</b>

Council has set aside reserve 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.

**Development 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

Other Financial Assets	Annual Report	Annual Report
For the year ended: 30 June	2021/2022 \$'000	2020/2021 \$'000
Current portion of investments		
Loan	121	121
<b>Total Current financial assets</b>	<b>121</b>	<b>121</b>
Non-current portion of investments		
Emission Trading Scheme - NZU's	258	257
Civic Financial Services Limited	13	13
<b>Total Non-current financial assets</b>	<b>271</b>	<b>270</b>

### 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 \$0.99 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.

### 5(d) Investments in council-controlled organisations

Northland Inc. Limited (Northland Inc) is a limited company incorporated and registered under the Companies Act 1993 and is a council-controlled organisation as defined in section 6 of the Local Government Act. Northland Inc's primary objective to develop the economy of Northland and review funding opportunities for Northland Inc's Investment and Growth Reserve. Council's investment in Northland Inc is carried at cost of \$80 (2020: Nil) in the Council's parent entity financial statements.

## 6. Trade and other receivables

Trade and other receivables	Annual Report	Annual Report
For the year ended: 30 June	2021/2022 \$'000	2020/2021 \$'000
Trade and other receivables		
Sundry debtors	3,958	2,975
Land rates and penalties	6,124	6,838
Water rates and charges	777	899
Dog licences and dog infringements	268	300
Prepayments	131	197
GST and taxes	655	557
<b><i>Gross Trade and other receivables</i></b>	<b>11,913</b>	<b>11,766</b>
less Provision for impairment- Land rates	(4,768)	(4,300)
less Provision for impairment - Other debtors	457	(468)
<b><i>less Provision for impairment - closing balance</i></b>	<b>(4,311)</b>	<b>(4,768)</b>
<b><i>Total Trade and other receivables</i></b>	<b>7,602</b>	<b>6,998</b>

As at 30 June 2022 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.

Exchange/Non exchange receivables	Annual Report	Annual Report
For the year ended: 30 June	2021/2022 \$'000	2020/2021 \$'000
Movement in Impairment Provision		
Opening balance - Impairment provision	(4,768)	(4,301)
Estimated (increase)/decrease in doubtful debts	457	(468)
<b><i>Total Non-current financial assets</i></b>	<b>(4,311)</b>	<b>(4,769)</b>

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

Analysis of Total	Annual Report	Annual Report
For the year ended: 30 June	2021/2022 \$'000	2020/2021 \$'000
Trade and Other Receivables Ageing		
Not past due	3,676	3,685
Past due 1-30 days	1,745	593
Past due 31-60 days	43	31
Past due 60 days	2,138	2,689
<b><i>Total trade and receivables ageing</i></b>	<b>7,602</b>	<b>6,998</b>



## 7. Trade and other payables

Trade and other payables	Annual Report	Annual Report
For the year ended: 30 June	2021/2022 \$'000	2020/2021 \$'000
Trade and Other Payables		
Trade creditors	3,095	3,190
Accrued expenses	5,543	6,146
Deposits held	2,085	2,034
Receipts held in advance	2,559	1,407
Income in advance	2,759	3,171
<i>Total Trade and other payables</i>	<b>16,041</b>	<b>15,948</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

## 8a. Provisions

Provisions	Annual Report	Annual Report
For the year ended: 30 June	2021/2022 \$'000	2020/2021 \$'000
Current provisions		
Landfill closure and aftercare	306	357
<i>Total Current provisions</i>	<b>306</b>	<b>357</b>
Non-current provisions		
Landfill closure and aftercare	1,547	1,507
<i>Total Non-current provisions</i>	<b>1,547</b>	<b>1,507</b>
<i>Total Provisions</i>	<b>1,853</b>	<b>1,865</b>

## 8b. Provisions - movement in provisions

Provisions - movement in provisions	Landfill closure & aftercare	Total
For the year ended: 30 June 2022	\$'000	\$'000
The movement in the provisions are represented by:		
Balance as at 1 July 2021	1,865	1,865
Amounts used	(171)	(171)
Release of provision	(188)	(188)
Funding increase	347	347
<i>Balance at 30 June 2022</i>	<i>1,853</i>	<i>1,853</i>

	Landfill closure & aftercare (before adjustment)	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
<i>Balance at 30 June 2021</i>	<i>1,865</i>	<i>1,865</i>

### 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** construction of phase 1 of the onsite leachate treatment system and wetland area has now been commissioned and continues to be monitored along with maintenance completed as identified in the Operations and Maintenance manual. To date monitoring has confirmed that there is sufficient treatment to discharged leachate and it meets consent standards, stage 2 will only be completed if consent standards are not met, this should occur if needed within 12 months.

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 4.41% (2021: 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

Public debt	Annual Report	Annual Report
For the year ended: 30 June	2021/2022 \$'000	2020/2021 \$'000
Opening balance	44,000	44,000
add Funds raised	0	25,000
<b>Total Funds</b>	<b>44,000</b>	<b>69,000</b>
less Repayments	0	(25,000)
<b>Closing balance</b>	<b>44,000</b>	<b>44,000</b>
Current portion	10,000	0
Non-current portion	34,000	44,000
<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.

Maturity interest rates for public debt	Maturity	Interest Rates	Actual	Annual Report
For the year ended: 30 June			2021/2022 \$'000	2020/2021 \$'000
Local Government Funding Agency (LGFA)	2022 to 2023	1.24% to 2.92%	10,000	0
Local Government Funding Agency (LGFA)	2024 to 2029	0.91% to 2.86%	34,000	0
Local Government Funding Agency (LGFA)	2023 to 2029	0.82% to 1.35%	0	44,000
<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 2022 (2021: \$10 million).

### Loan Covenant

Council has loans that amount to \$44 million at 30 June 2022 (2021: \$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

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%	26%	Yes	Achieved
Net Interest as a percentage of Total Revenue	<15%	2%	Yes	Achieved
Net Interest as a percentage of Annual Rates Income	<20%	4%	Yes	Achieved
Liquidity (per Treasury policy)	>110%	134%	Yes	Achieved
<b>Debt Interest Rate Policy Parameters (calculated on a rolling monthly basis):</b>				
0 -36 months	40% - 90%	52%	Yes	Achieved
37 - 60 months	30% - 75%	26%	No	Not achieved
60 -84 months	0% - 60%	11%	Yes	Achieved
Greater than 84 months	0% - 50%	0%	Yes	Achieved
<b>Liquidity/funding Maturity Profile:</b>				
0 - 3 years	15% - 60%	63%	No	Not achieved
3 - 7 years	25% - 85%	37%	Yes	Achieved
7 years plus	0% - 60%	0%	Yes	Achieved

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

Until there is more certainty of Central Governments proposed 3 Waters reforms and therefore Council's future debt requirements, the Council has approved the out of policy positions of the debt maturity and fixed to floating interest rate profiles.

## 9c. Internal Borrowings

Internal borrowings for each group of activities are detail below. Internal borrowings are eliminated on consolidation of activities in the Council's financial statements.

Compliance with liability management policy	Internal Borrowing	Repaid	Borrowed	Internal Borrowing	Internal Interest
	2020/2021 \$'000	2021/2022 \$'000	2021/2022 \$'000	2021/2022 \$'000	2021/2022 \$'000
<b>By Group of activities</b>					
<b>Infrastructural assets</b>					
Open Spaces and Facilities	971	(64)	136	1,043	40
Regulatory	0	0	120	120	0
District Leadership, Finance and Internal Services	3,888	(722)	1,613	4,779	185
Waste Minimisation	334	(34)	0	300	14
Transportation	1,626	(129)	3	1,500	68
Stormwater	3,041	(392)	156	2,805	155
Wastewater	40,687	(1,194)	414	39,907	2,026
Water Supply	3,210	(361)	5	2,854	208
<b>Total</b>	<b>53,756</b>	<b>(2,896)</b>	<b>2,447</b>	<b>53,307</b>	<b>2,696</b>



## 10a. Property, plant and equipment

Property, plant and equipment: 2022	Opening Cost \$'000	Opening Accumulated Depreciation & Impairment Charges 1-Jul-21	Carrying Amount 1-Jul-21	Adjustment to Prior Year vested Assets	Additions Current Year \$'000	Adjustments/Reclass Current Year	Net Disposals Current Year Cost	Disposal Depreciation	Transfer from Assets Held for Sale	Depreciation Current Year \$'000	Revaluation Surplus/(loss) Current Year \$'000	Closing Cost/Revaluation \$'000	Closing Accumulated Depreciation and Impairment Charges \$'000	Carrying Amount \$'000
Property, plant and equipment: 2022	1-Jul-21	1-Jul-21	1-Jul-21									30-Jun-22	30-Jun-22	30-Jun-22
<b>Infrastructural assets</b>														
Transportation	620,780	0	620,780	0	7,526	0	0	0	0	(7,699)	80,466	701,073	0	701,073
Stormwater	44,605	0	44,605	0	601	0	0	0	0	(578)	6,415	51,043	0	51,043
Flood Protection and Land Drainage	16,827	(241)	16,587	0	0	0	0	0	0	3	(220)	16,370	0	16,370
Wastewater	63,568	0	63,568	0	800	0	0	0	0	(1,773)	7,017	69,612	0	69,612
Water Supply	39,830	0	39,830	0	939	0	0	0	0	(1,177)	5,544	45,136	0	45,136
Waste minimisation	1,319	(1,197)	122	0	0	0	0	0	0	0	0	1,319	(1,197)	122
Work in Progress	12,927	0	12,927	0	19,370	0	0	0	0	0	0	32,297	0	32,297
<b>Total Infrastructural assets</b>	<b>799,856</b>	<b>(1,438)</b>	<b>798,419</b>	<b>0</b>	<b>29,236</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(11,224)</b>	<b>99,222</b>	<b>916,850</b>	<b>(1,197)</b>	<b>915,653</b>
<b>Restricted assets</b>														
Reserves	20,844	(259)	20,585	0	527	0	0	0	0	(126)	0	21,371	(385)	20,986
Community Housing	2,320	(623)	1,697	0	0	0	0	0	0	(46)	0	2,320	(671)	1,649
MEF Property	387	0	387	0	0	0	0	0	0	0	0	387	0	387
Halls	1,775	(625)	1,150	0	0	0	0	0	0	(36)	0	1,775	(660)	1,115
Work in Progress	441	0	441	0	(133)	0	0	0	0	0	0	308	0	308
<b>Total Restricted assets</b>	<b>25,767</b>	<b>(1,507)</b>	<b>24,260</b>	<b>0</b>	<b>394</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(208)</b>	<b>0</b>	<b>26,161</b>	<b>(1,716)</b>	<b>24,445</b>
<b>Operational assets</b>														
Land	7,109	0	7,109	0	0	0	0	0	0	0	0	7,109	0	7,109
Buildings	7,528	(2,103)	5,425	0	287	0	0	0	0	(152)	0	7,815	(2,255)	5,560
Building Contents	2,037	(1,447)	590	0	0	0	(224)	(224)	0	(98)	0	1,813	(1,322)	491
Mobile Plant (incl MV's)	1,367	(859)	508	0	214	0	(123)	(123)	0	(180)	0	1,458	(915)	543
Static Plant	762	(114)	648	0	1,533	0	(12)	(12)	0	(36)	0	2,283	(138)	2,145
Library Books	645	(470)	175	0	66	0	(130)	(130)	0	(70)	0	582	(410)	172
Office Equipment	6,932	(5,117)	1,814	0	346	0	(1,442)	(1,442)	0	(655)	0	5,835	(4,340)	1,495
Work in Progress	915	0	915	0	1,620	0	0	0	0	0	0	2,535	0	2,535
<b>Total Operational assets</b>	<b>27,295</b>	<b>(10,110)</b>	<b>17,185</b>	<b>0</b>	<b>4,066</b>	<b>0</b>	<b>(1,931)</b>	<b>(1,931)</b>	<b>0</b>	<b>(1,201)</b>	<b>0</b>	<b>29,430</b>	<b>(9,380)</b>	<b>20,050</b>
<b>Total Property, plant and equipment</b>	<b>852,918</b>	<b>(13,055)</b>	<b>839,864</b>	<b>0</b>	<b>33,696</b>	<b>0</b>	<b>(1,931)</b>	<b>(1,931)</b>	<b>0</b>	<b>(12,633)</b>	<b>99,222</b>	<b>972,441</b>	<b>(12,293)</b>	<b>960,148</b>

<b>Property, plant and equipment: 2021</b>	<b>Opening Cost</b>	<b>Opening Accumulated Depreciation &amp; Impairment Charges</b>	<b>Carrying Amount</b>	<b>Adjustment to Prior Year vested Assets</b>	<b>Additions Current Year</b>	<b>Adjustments/Reclass Current Year</b>	<b>Net Disposals Current Year Cost</b>	<b>Disposal Depreciation</b>	<b>Transfer from Assets Held for Sale</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>\$'000</b>
<b>Property, plant and equipment: 2021</b>	1-Jul-20	1-Jul-20	1-Jul-20									30-Jun-21	30-Jun-21	30-Jun-21
<b>Infrastructural assets</b>														
Transportation	613,464	0	613,464	0	9,834	0	0	0	0	(7,534)	5,016	620,780	0	620,780
Stormwater	34,230	0	34,230	(1,315)	1,068	0	0	0	0	(656)	11,278	44,605	0	44,605
Flood Protection and Land Drainage	16,725	(173)	16,553	0	102	0	0	0	0	(68)	0	16,827	(241)	16,587
Wastewater	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
Waste minimisation	1,314	(1,195)	119	0	5	0	0	0	0	(2)	0	1,319	(1,197)	122
Work in Progress	1,202	0	893	0	9,831	2,203	0	0	0	0	0	12,927	0	12,927
<b>Total Infrastructural assets</b>	<b>765,313</b>	<b>(1,367)</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>799,856</b>	<b>(1,437)</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
MIEF 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	0	131	0	0	7,109	0	7,109
Buildings	7,758	(2,033)	5,724	0	0	0	(230)	76	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	(556)	488	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>(786)</b>	<b>564</b>	<b>131</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>(786)</b>	<b>564</b>	<b>131</b>	<b>(13,043)</b>	<b>24,798</b>	<b>852,918</b>	<b>(13,054)</b>	<b>839,864</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, continues 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 2022. 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 2021/2022 year:</p> <ul style="list-style-type: none"> <li>• Transportation</li> <li>• Flood Protection and Land Drainage</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 revalued 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
<p>Transportation</p>	<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>
<p>Water assets (Wastewater, Water Supply, Stormwater) and Flood Protection and Land Drainage</p>	<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.</p> <p>The carrying value of water supply, wastewater and stormwater assets have been adjusted using the indexed price method and carrying value of land drainage assets has been adjusted through a full revaluation. Under paragraph 48 of PBE IPSAS 17 Property, Plant and Equipment the depreciated replacement cost of an item of an item of plant or equipment may be established by reference to the market buying price of components used to produce the asset or the indexed price for the same or a similar asset based on a price for a previous period. The indexed price review was undertaken by WSP New Zealand Limited from data supplied by management and peer reviewed by an independent expert.</p>

## 10b. Property, plant and equipment analysis

Property, plant and equipment analysis	Closing Book Value	Acquisitions Constructed	Acquisitions Vested	Latest Estimate of Replacement Cost
	\$'000	\$'000	\$'000	\$'000
Property, Plant and Equipment: 2022	30-Jun-22	30-Jun-22	30-Jun-22	30-Jun-22
<b>Infrastructural assets</b>				
Transportation	701,073	22,592	216	884,142
Stormwater	51,043	341	472	70,821
Flood Protection and Land Drainage	16,370	447	0	21,353
<i>Wastewater</i>				
Treatment plants and facilities	24,328	0	0	35,475
Other assets	45,283	2,471	249	74,293
<i>Water Supply</i>				
Treatment plants and facilities	35,058	2,376	0	21,079
Other assets	10,079	70	0	76,640
Property, Plant and Equipment: 2021	30-Jun-21	30-Jun-21	30-Jun-21	30-Jun-21
<b>Infrastructural assets</b>				
Transportation	620,780	17,259	237	768,428
Stormwater	44,605	56	(287)	60,174
Flood Protection and Land Drainage	16,587	101	0	19,800
<i>Wastewater</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

**Capitalised labour:** acquisitions constructed includes capitalised labour of \$393,000 (\$407,000 in 2020/21).



## 10c. Capital expenditure and disposals for year

Capital Expenditure (Disposals) for Year	Annual Report	Annual Report
For the year ended: 30 June	2021/2022 \$'000	2020/2021 \$'000
<b>Capital expenditure</b>		
Open Spaces and Facilities	1,044	1,229
Resource Consents, Building Control and Compliance	120	0
District Leadership, Finance and Internal Services	3,298	1,642
Waste Minimisation	0	0
Transportation	22,592	17,259
Stormwater	341	56
Flood protection and land drainage	447	101
Wastewater	2,471	1,081
Water supply	2,446	2,344
<b>Total Capital expenditure</b>	<b>32,759</b>	<b>23,712</b>
<b>Disposals</b>		
Other	0	(222)
<b>Total Disposals</b>	<b>0</b>	<b>(222)</b>

## 11. Depreciation summary

Depreciation summary	Annual Report	Annual Report
For the year ended: 30 June	2021/2022 \$'000	2020/2021 \$'000
<b>by Groups of activities</b>		
Open Spaces and Facilities	455	399
Resource Consents, Building Control and Compliance	0	0
District Leadership, Finance and Internal Services	933	867
Waste Minimisation	0	0
Transportation	7,701	7,537
Stormwater	578	656
Flood protection and land drainage	(3)	69
Wastewater	1,791	1,843
Water supply	1,178	1,672
<b>Total Groups of activities depreciation</b>	<b>12,633</b>	<b>13,043</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 and structures	5-40	2.5%-20%
Computer and office equipment	5	20%
Library collection	5	20%

1 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.

	2022 \$000's	2021 \$000's
<b>A</b> Total value of assets that are covered by insurance contracts Maximum amount to which these assets are insured	175,880 58,687	156,174 59,323
<b>B</b> Total value of all assets that are covered by financial risk sharing arrangements Maximum amount available to Council under those arrangements	Nil Nil	Nil Nil
<b>C</b> Total value of all assets that are self-insured Value of any fund maintained by Council for that purpose	901,461 Nil	780,541 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 leases 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 2022. The calculation of the revaluation was fair value less estimated point of sale costs.

### Valuation assumptions:

- A discount rate of 8.5% (2021: 9.0%) 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:

<b>Biological assets</b>	<b>Annual Report</b>	<b>Annual Report</b>
For the year ended: 30 June	2021/2022 \$'000	2020/2021 \$'000
<b>Forestry assets movements</b>		
Opening balance	947	815
Annual revaluation movement	83	132
Harvesting removals	0	0
<i>Closing balance</i>	1,030	947

### 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 (2021: \$0)

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

Reconciliation of Net Cash Flow from Operating Activities to Surplus/(Deficit)	Annual Report	Annual Report
For the year ended: 30 June	2021/2022 \$'000	2020/2021 \$'000
Surplus/(deficit) for the period		
Surplus/(deficit) for the period	33,461	19,233
add/(deduct) Non-cash movements		
Property, Plant and Equipment vested to Council	(937)	(585)
(Gain)/Loss on sale of assets	(107)	129
Forestry harvesting and revaluation (Gain)/Loss	(83)	(132)
Increase/(decrease) in Provisions	(468)	72
Depreciation	12,633	13,043
Unrealised (gain)/loss on interest rate swaps	(3,766)	(2,740)
Other Financial Assets	1	(20)
<i>Total Non-cash movements</i>	<i>7,273</i>	<i>9,767</i>
add/(deduct) Movements in working capital Items		
Trade and other receivables	(147)	215
Accrued Revenue	1,412	(2,406)
Employee Entitlements	169	154
Trade and other payables (net of capital accruals)	(3,179)	4,697
<i>Total Movement in working capital Items</i>	<i>(1,745)</i>	<i>2,660</i>
<i>Net Cash Inflow from Operating Activities</i>	<i>38,989</i>	<i>31,660</i>



## 15. Capital commitments and operating leases

Capital commitments and operating leases	Annual Report	Annual Report
For the year ended: 30 June	2021/2022 \$'000	2020/2021 \$'000
Capital commitments		
Property, Plant and Equipment	12,995	21,645
<b>Total Capital commitments</b>	<b>12,995</b>	<b>21,645</b>
Operational non-cancellable contracts		
Not later than one year	13,325	2,997
Later than one year and not later than five years	12,049	50
Later than five years	176	227
<b>Total Operational non-cancellable contracts</b>	<b>25,550</b>	<b>3,274</b>
Operating leases as lessee		
Not later than one year	593	119
Later than one year and not later than five years	1,621	38
Later than one year and not later than five years	4,290	0
<b>Total Operating leases as lessee</b>	<b>6,504</b>	<b>157</b>
Operating leases as lessor		
Not later than one year	183	197
Later than one year and not later than five years	687	714
Later than five years	389	549
<b>Total Operating leases as lessor</b>	<b>1,259</b>	<b>1,460</b>

**Capital commitments:** There were fewer capital contracts as at June 2022. In addition, the latest Roothing Network Maintenance & Renewal contract comprises a larger proportion of operational works and less capital works than previous contracts.

**Operational non-cancellable contracts:** This includes two new contracts covering the operations and maintenance of the Three Waters assets (\$16m over three years) and roading assets (\$8m over the next year). The previous contracts expired during 2021/2022.

**Operating leases as lessee:** These are in relation to Council properties. As at 30 June 2021 the lease of the offices in Mangawhai had expired and had not been renewed and the lease of the Kaipara Service Centre in Dargaville had not commenced. As at 30 June 2022 new lease agreements had been entered into for both locations resulting in the increase in lease commitments.

**Operating leases as lessor:** The 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

Contingent liabilities	Annual Report	Annual Report
For the year ended: 30 June	2021/2022 \$'000	2020/2021 \$'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

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 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 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.

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

Chief Executive	Annual Report	Annual Report
For the year ended: 30 June	2021/2022	2020/2021
Chief Executive Remuneration:		
<i>Chief Executive</i>		
Salary	295,897	285,803
Other Benefits	27,858	29,739
<b>Total Chief Executive Remuneration</b>	<b>323,755</b>	<b>315,542</b>

Key Management Personnel	Annual Report	Annual Report
For the year ended: 30 June	2021/2022 \$'000	2020/2021 \$'000
<i>Key management personnel compensation</i>		
Salaries and other short term employee benefits	1,767	1,674
<b>Total Key management personnel compensation</b>	<b>1,767</b>	<b>1,674</b>

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 and redundancy pay	Annual Report	Annual Report
For the year ended: 30 June	2021/2022	2020/2021
Severance and redundancy pay		
Severance Payments to Employees	2	0
Redundancy Payments to Employees	1	4

Severance payments made during the year totalled \$39,500, (2021:\$0).

Elected Representatives Remuneration	Annual Report	Annual Report
For the year ended: 30 June	2021/2022	2020/2021
Elected Representatives Remuneration:		
<i>Mayor:</i>		
Jason Smith	115,455	112,479
Other Benefits	12,907	12,907
<b>Total Mayoral Remuneration</b>	<b>128,362</b>	<b>125,386</b>
<i>Deputy Mayor:</i>		
Anna Curnow	55,827	60,052
<i>Councillors:</i>		
Peter Wethey	44,694	45,362
Jonathan Larsen	44,469	44,668
Karen Joyce-Paki	44,131	43,487
Victoria del la Varis-Woodcock	48,971	44,793
Mark Vincent	44,131	43,487
David Wills	44,131	43,487
Eryn Wilson-Collins	44,131	43,487
	<b>485,942</b>	<b>494,209</b>
Audit, Risk and Finance Committee Chair Remuneration:		
Philip Jones*	4,579	0
Geoff Copstick*	1,600	3,800
Stana Pezic*	0	1,300
	<b>6,179</b>	<b>5,100</b>

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

\*Independant chairpersons appointed by Council, not elected members.



<b>Council employees remuneration</b>	<b>Annual Report</b>	<b>Annual Report</b>
For the year ended: 30 June	2021/2022	2020/2021
<b>Annual remuneration by band as at 30 June:</b>		
\$0 - \$60,000	51	60
\$60,001 - \$80,000	60	52
\$80,001 - \$100,000	35	35
\$100,001 - \$120,000	12	14
\$120,001 - \$140,000	9	9
\$140,001 - \$200,000	5	4
\$200,001 - \$300,000	3	2
<b><i>Total Employees by remuneration band</i></b>	<b>175</b>	<b>176</b>
<b>Number of Employees:</b>		
Full time employees	154	150
Part time employees (FTE)	14.4	17.4
<b><i>Total Employees (FTE)</i></b>	<b>168.4</b>	<b>167.4</b>

Casual employees and vacant roles 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	2021/2022 \$'000	2020/2021 \$'000
<b>Loans and Receivables</b>		
Cash and cash equivalents	21,802	12,194
Trade and other receivables	7,602	6,998
LGFA Borrower notes	929	929
Loan	121	121
<b>Total Loans and Receivables</b>	<b>30,454</b>	<b>20,242</b>
<b>Financial assets:</b>		
<b>Fair value through revenue and expense</b>		
Civic Financial Services Ltd	13	13
<b>Total Fair value through revenue and expense</b>	<b>13</b>	<b>13</b>
<b>Financial liabilities measured at amortised cost</b>		
Trade and other payables	17,206	15,948
Public debt	44,000	44,000
<b>Total Financial liabilities measured at amortised cost</b>	<b>59,413</b>	<b>59,948</b>
<b>Financial liabilities measured at fair value through revenue and expense</b>		
Interest rate swaps	459	4,225
<b>Total Financial liabilities at fair value through revenue and expense</b>	<b>459</b>	<b>4,225</b>

Fair Value Hierarchy	Annual Report	Level
	2021/2022 \$'000	2021/2022
Interest rate swaps	459	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 totalling \$50 million (2021: \$38 million of current swaps and \$12 million of forward start swaps totalling \$50 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	2021/2022 \$'000	2020/2021 \$'000
<b>Council's maximum credit exposure by class</b>		
Cash and cash equivalents and short term investments	21,802	12,194
Trade and other receivables	7,602	6,998
LGFA Borrower notes	929	929
Loan	121	121
<i>Total Council's maximum credit exposure by class</i>	<b>30,454</b>	<b>20,242</b>

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	2021/2022 \$'000	2020/2021 \$'000
<b>Counterparties with Credit Ratings</b>		
Cash and cash equivalents, short term investments and LGFA borrower notes:		
AA	0	0
AA-	22,731	13,123
<i>Total cash and cash equivalents, short term investments and LGFA borrower notes</i>	<b>22,731</b>	<b>13,123</b>

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 2022</b>						
Trade and Other Payables	8,638	8,638	8,638	0	0	0
Public Debt	44,000	48,725	11,582	8,211	22,651	6,282
<b>Total Council 2022</b>	<b>52,638</b>	<b>57,363</b>	<b>20,220</b>	<b>8,211</b>	<b>22,651</b>	<b>6,282</b>
<b>Council 2021</b>						
Trade and Other Payables	9,336	9,336	9,336	0	0	0
Public Debt	44,000	45,944	476	10,450	21,809	13,209
<b>Total Council 2021</b>	<b>53,336</b>	<b>55,280</b>	<b>9,812</b>	<b>10,450</b>	<b>21,809</b>	<b>13,209</b>

**Note:** Comparatives have been restated to conform to the current year presentation for Trade and Other payables which excludes deposits held, receipts held in advanced and income in advance. 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 2022</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 2021</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 (2021: \$12 million).

### Credit risk

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.

### 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.

## 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	Annual Report	Annual Report	Annual Report	Annual Report	Annual Report	Annual Report	Annual Report
	2021/2022 \$'000	2021/2022 \$'000	2021/2022 \$'000	2021/2022 \$'000	2020/2021 \$'000	2020/2021 \$'000	2020/2021 \$'000	2020/2021 \$'000
	-100bps Profit	-100bps Equity	+100bps Profit	+100bps Equity	-100bps Profit	-100bps Equity	+100bps Profit	+100bps Equity
<b>Financial assets</b>								
Cash and deposits	-218	-218	218	218	-122	-122	122	122
<b>Total financial assets</b>	<b>-218</b>	<b>-218</b>	<b>218</b>	<b>218</b>	<b>-122</b>	<b>-122</b>	<b>122</b>	<b>122</b>
<b>Financial liabilities</b>								
Public debt	-60	-60	60	60	-60	-60	60	60
Swaps interest rate	-1,353	-1,353	381	381	-1,362	-1,362	1,277	1,277
<b>Total financial liabilities</b>	<b>-1,413</b>	<b>-1,413</b>	<b>441</b>	<b>441</b>	<b>-1,422</b>	<b>-1,422</b>	<b>1,337</b>	<b>1,337</b>
<b>Total sensitivity to interest rate risk</b>	<b>-1,631</b>	<b>-1,631</b>	<b>659</b>	<b>659</b>	<b>-1,544</b>	<b>-1,544</b>	<b>1,459</b>	<b>1,459</b>

## 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	2021/2022 \$'000	2021/2022 \$'000	2020/2021 \$'000	2020/2021 \$'000
<b>Sources of operating funding</b>				
General rates, uniform annual general charges, rate penalties	27,884	28,528	26,120	26,480
Targeted rates	13,807	13,413	12,699	12,300
Subsidies and grants for operating purposes	7,428	5,348	10,694	4,809
Fees and charges	7,741	7,066	7,200	6,113
Interest and dividends from investments	189	6	54	20
Local authorities fuel tax, fines, infringement fees and other receipts	499	366	458	320
<b>Total operating funding</b>	<b>57,548</b>	<b>54,727</b>	<b>57,225</b>	<b>50,042</b>
<b>Application of operating funding</b>				
Payments to staff and suppliers	43,803	42,363	44,448	37,606
Finance costs	1,926	2,568	2,199	2,860
Other operating funding applications	0	0	0	0
<b>Total applications of operating funding</b>	<b>45,729</b>	<b>44,931</b>	<b>46,647</b>	<b>40,466</b>
<b>Surplus (deficit) of operating funding</b>	<b>11,819</b>	<b>9,796</b>	<b>10,578</b>	<b>9,576</b>

## Funding Impact Statement - Whole of Council

Capital Funding	Annual Report	Annual Plan	Annual Report	Annual Plan
For the year ended: 30 June	2021/2022 \$'000	2021/2022 \$'000	2020/2021 \$'000	2020/2021 \$'000
<b>Sources of capital funding</b>				
Subsidies and grants for capital expenditure	24,552	32,912	14,445	15,081
Development and financial contributions	4,361	3,860	4,182	3,046
Increase (decrease) in debt	0	2,101	0	(138)
Gross proceeds from sale of assets	102	0	374	0
Lump sum contributions	0	0	0	0
Other dedicated capital funding	0	0	0	0
<b>Total sources of capital funding</b>	<b>29,015</b>	<b>38,873</b>	<b>19,001</b>	<b>17,989</b>
<b>Applications of capital funding</b>				
Capital expenditure - to meet additional demand	4,032	9,481	1,908	4,512
Capital expenditure - to improve the level of service	15,554	25,344	10,055	13,519
Capital expenditure - to replace existing assets	14,503	15,478	11,667	9,218
Increase (decrease) in reserves	6,745	(1,634)	5,948	315
Increase (decrease) of investments	0	0	0	0
<b>Total applications of capital funding</b>	<b>40,834</b>	<b>48,669</b>	<b>29,578</b>	<b>27,564</b>
<b>Surplus (deficit) of capital funding</b>	<b>(11,819)</b>	<b>(9,796)</b>	<b>(10,577)</b>	<b>(9,575)</b>
<b>Funding Balance</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## 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	2021/2022 \$'000	2021/2022 \$'000	2020/2021 \$'000
Revenue			
Statement of Comprehensive Revenue and Expense			
<i>Total revenue</i>	91,247	92,831	79,308
Funding Impact Statement			
Total operating funding	57,547	54,639	57,224
Total sources of capital funding	28,913	36,861	18,627
add Provisions	4,787	1,331	3,457
<i>Total revenue</i>	91,247	92,831	79,308
Expenses			
Statement of Comprehensive Revenue and Expense			
<i>Total expenses</i>	57,786	55,315	60,075
Funding Impact Statement			
Total applications of operating funding	45,729	44,913	46,792
less Internal professional services	(447)	(1,158)	(81)
add Depreciation expense	12,633	11,089	13,043
add Provisions	(129)	453	321
<i>Total expenses</i>	57,786	55,315	60,075



Photo Location: Glinks Gully Image Source: Monique Antonio





# WĀHANGA TORU | PART 3

## Mahinga tūtohu | Activity statements



*Photo Location: Tanehaka Walk Image Source: Matthew Bayly*

## Tīmatatanga | Introduction

The following section describes the different groups of activities that Council undertakes. For the Long Term Plan 2021 - 2031 Council's work is classed into nine groups.

- Resource Consents, Building Control and Compliance
- District Leadership, Finance and Internal Services
- Flood Protection and Land Drainage
- Open Spaces and Facilities
- Stormwater
- Transportation
- Waste Minimisation
- Wastewater
- Water Supply.

The information provided about each activity within the groups includes:

- What was achieved based on Year Three Plans from the LTP 2021 - 2031
- The performance measures as stated in the LTP 2021-2031 and their results
- The Capital Programme and budgets.

Performance measures are set once every three years at the long term planning stage. The LTP is an agreement Council makes to the community to ensure we are delivering what we said we would. For this Annual Report year we are in year one 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 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. 729 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.





## Whakaaetanga rawa taiao, Whakahaere Hangatanga, Tauākī Resource Consents, Building Control and Compliance

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 our 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.

This group of activities ensure we meet our responsibilities under various legislation, such as the Building Act 2004; Dog Control Act 1996; Resource Management Act 1991; and the Local Government Act 2002.

What we planned	What we achieved
Building and resource consents delivered in a timely fashion. With improved training within the building services to support commercial buildings	Achieved Specialist training completed for building team on commercial buildings including compliance schedules. Information assessed and cleared by International Accreditation New Zealand (IANZ).
Information and consenting processes that enable developers large or small to do business easier	Building information on the Council website was upgraded to include more guidance information on building processes. Information packs are being released to building industry on a regular basis making the building consent process clearer and easier to understand.

What we planned	What we achieved
Working with Northland councils to identify earthquake-prone buildings	Engineering contractor engaged to assist in establishing the framework for assessing earthquake-prone buildings and recording outcomes.
Initiate the kennel project which will bring the animal shelter function for animal management in-house	Achieved The kennel project was completed and opened for use 15 May 2022.

## Paearu mahi | Performance Measures

Resource Consents, Building Control and Compliance measured by	LTP Year 1 Target 2021/2022	Actual 2021/2022	Comments for 2021/2022	Actual 2020/2021
<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.	78%	56%	Not achieved There has been some hesitancy about the new Building Act .	Not achieved 61.33%
<b>Responsiveness</b>				
To process applications within statutory timeframes.				
Percentage of Building Consents (BC) processed within 20 working days.	100%	99.5%	Not achieved An annual total of 780 consent applications were processed, of which only four took longer than 20 days. This is the highest percentage the BCA has processed in more than five years. 2017/2018 = 97.3% 2018/2019 = 92.7% 2019/2020 = 98.1% 2020/2021 = 95.7%	Not achieved 96%
Percentage of Code Compliance applications processed within 20 working days.	100%	98.8%	Not achieved An annual total of 496 code compliance certificates were issued, of which six were issued over 20 days. This is considered by the Building Consent Authority as an excellent result for the year, and ongoing training continues on the activation and tracking of the statutory clock.	New measure

Resource Consents, Building Control and Compliance measured by	LTP Year 1 Target 2021/2022	Actual 2021/2022	Comments for 2021/2022	Actual 2020/2021
<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%	100%	Achieved There was only one confirmed case of illegal activity, investigated within the required timeframe.	Achieved 96%
<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.	≥80%	95.3%	Achieved 314 non-notified consents were processed in this financial year with an average of 17.9 processing days.	Not achieved 99% (based on target of 100% in the prior period)
Percentage of Land Information Memoranda (LIM) processed within 10 working days.	100%	100%	Achieved 646 LIM were processed throughout the year with an average of 4.25 processing days, compared to 5 days in 2020/2021, and 6 days in 2019/2020.	Achieved 100%
Percentage of s224(c) certificates for new land titles processed within 10 working days.	100%	100%	Achieved 115 224s issued 100% on time, average of 1.13 working days taken to process.	Achieved 100%
<b>Resolving of complaints concerning breaches of conditions of Resource Consent and other non-compliance with the District Plan</b>				
Percentage of resource consent complaints regarding unconsented works and non compliance with the District Plan and Resource Consent investigated within five working days.	100%	100%	Achieved 60 complaints received throughout the year, with all complaints investigated within five days, compared to 23 complaints in 2020/2021.	Achieved 100%
Percentage of all granted Resource Consents are monitored each year to ensure they comply with relevant conditions.	25%	57%	Achieved 209 consents were monitored throughout the year out of 365 active resource consents.	Achieved 31%

Resource Consents, Building Control and Compliance measured by	LTP Year 1 Target 2021/2022	Actual 2021/2022	Comments for 2021/2022	Actual 2020/2021
<b>Resolving of complaints concerning breaches of conditions of Resource Consent and other non-compliance with the District Plan (continued)</b>				
Percentage of noise callouts to be responded to within 30 minutes.	90%	79.4%	Not achieved The percentage figure of 79.4% is based on an officer being onsite within 30 minutes.	New measure
Percentage of all dog attacks and or wandering stock are responded to (within one hour) as a Priority 1.	95%	81%	Not achieved The percentage figure of 81% is based on an officer being onsite within one hour.	New measure
<b>Compliance</b>				
Health and Safety Customer Service: Regulate commercial operations to protect public health.				
Percentage of food premises verified when required under the Food Act.	100%	96%	Not achieved 110 verifications completed out of 114, with four booked to be completed. Despite COVID restrictions during the year where verifications could not be undertaken, the team were able to complete all overdue verifications.	Achieved 100%
Percentage of alcohol premises inspected at least once per year.	100%	100%	Achieved The number of premises inspected for alcohol compliance is an annual tally.	Achieved 100%

## Kaupapa moni hua | Capital Programme

Location	Actual 2021/2022	Budget from Long Term Plan 2021/2031	Project Description
Animal Management	\$119,910	\$100,000	Refurbishment of the existing Dargaville animal shelter/kennels, as well as the addition of a small administration block for the animal management officers to use as an on-site base.

<b>Operating Funding - Resource Consents, Building Control and Compliance</b>	<b>Actual</b>	<b>Annual Plan</b>	<b>Annual Report</b>
For the year ended: 30 June	2021/2022 \$'000	2021/2022 \$'000	2020/2021 \$'000
<b>Sources of operating funding</b>			
General rates, uniform annual general charges, rate penalties	2,352	2,352	2,505
Targeted rates	0	0	0
Subsidies and grants for operating purposes	0	0	0
Fees and charges	5,164	4,919	4,248
Internal charges and overheads recovered	0	0	514
Interest and dividends from investments	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	14	5	11
<b>Total operating funding</b>	<b>7,530</b>	<b>7,276</b>	<b>7,278</b>
<b>Application of operating funding</b>			
Payments to staff and suppliers	6,421	5,677	5,545
Finance costs	0	0	0
Internal charges and overheads recovered	1,550	1,550	1,592
<b>Total applications of operating funding</b>	<b>7,971</b>	<b>7,227</b>	<b>7,137</b>
<b>Surplus (deficit) of operating funding</b>	<b>(441)</b>	<b>49</b>	<b>141</b>

<b>Capital Funding - Resource Consents, Building Control and Compliance</b>	<b>Actual</b>	<b>Annual Plan</b>	<b>Annual Report</b>
For the year ended: 30 June	2021/2022 \$'000	2021/2022 \$'000	2020/2021 \$'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	100	0
Gross proceeds from sale of assets	0	0	0
<b>Total sources of capital funding</b>	<b>0</b>	<b>100</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	120	100	0
Capital expenditure - to replace existing assets	0	0	0
Increase (decrease) in reserves	(561)	49	141
<b>Total applications of capital funding</b>	<b>(441)</b>	<b>149</b>	<b>141</b>
<b>Surplus (deficit) of capital funding</b>	<b>441</b>	<b>(49)</b>	<b>(141)</b>
<b>Funding Balance</b>	<b>0</b>	<b>0</b>	<b>0</b>





## Takiwā Hautūtanga, pūtea, ratonga ō-roto 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.

Our internal services relate to those functions of Council which assist the day to day running of our activities. They include Finance, Information Services, Customer Services, People and Capability, Communications and Economic Development.

What we planned	What we achieved
Elected member portal review.	Achieved Elected members were invited to suggest additional information they wanted available, and any changes they would like on the current portal. There were no suggestions or changes.
Assessment of audio/video capture and live screen technology.	Achieved New technology purchased and installed enabling live streaming and recording of council meetings, improving public access.
Conduct Representation Review.	Achieved Representation Review finalised within statutory timeframes. New Representation arrangements are being used in the current Local Government Elections (2022).



What we planned	What we achieved
District Plan Review: Continuation of technical advice development and informal community engagement on various chapter topics to assist in policy development.	Achieved The District Plan review work programme gained momentum during this year. Key outputs included a series of 'Discussion Documents' that informed the community that the review was underway and then the preparation of an Exposure Draft District Plan.
Climate change work programme: Climate smart policy development underway. Climate Action Plan development underway. Adaptive Pathways pilot project underway.	Achieved All three climate change projects/plans are underway. A key output was the decision to choose Ruawai/Raupō as the pilot location for the Adaptive Pathways project.
Complete Stormwater Bylaw development process.	Achieved The new stormwater bylaw and associated amendment to Consolidated General Bylaw was finalised December 2021.
Complete Omnibus Reserve Management Plan.	As a result of a lack of internal resources, policy review was deferred.
Complete statutory review of Easter Sunday Shop Trading Policy.	Achieved The review was finalised during the previous year.
Complete statutory review of Wastewater Bylaw.	Achieved The new wastewater bylaw was finalised December 2021.
Complete statutory reviews of Class 4 Gambling Venue and TAB Venue Policies.	Achieved The review was finalised during the previous year.
Implementing Mana Whenua partnership agreements, on resource management and policy matters.	Achieved Four separate hui undertaken with Mana Whenua partners during the reporting period, helping to build and foster relationships.
<b>Emergency Management</b>	
Continue staff training and development so that Council can respond before, during and after any emergency.	Staff attended Coordinated Incident Management System (CIMS) and Emergency Operations Centre (EOC) training during the year.

## Paearu mahi | Performance Measures

District Leadership, Finance and Internal Services measured by	LTP Year 1 Target 2021/2022	Actual 2021/2022	Comments for 2021/2022	Actual 2020/2021
<b>Governance</b> Compliance with legal requirements around formal meetings of Council and its Committees.				
Council maintain and improve opportunities for Māori to contribute to local government decision-making processes.	Achieved	Achieved	Achieved This has been achieved via the implementation of the Māori ward, in place from Local Elections 2022, the ongoing operational level Mana Whenua Quarterly Hui forum, ongoing involvement of local marae in projects including (but not limited to) Kaihu Valley Trail, Poutō wharf, Climate Change Adaptive Pathways, as well as partnered design with Te Uri o Hau on Mangawhai Shared Path boardwalk and other community-based work. The process for a Mana whakahono ā rohe agreement with Ngā Puhi has also started.	New measure
<b>Governance (continued)</b> Compliance with legal requirements around formal meetings of Council and its Committees.				
Elected Members are performing well.	60%	59.3%	Not achieved This is measured by a Key Research Survey which surveyed 729 people across three periods: 19 October to 18 November 2021, 26 February to 22 March 2022, and 3 May to 13 June 2022. The question asked in the survey was on the performance of the elected members. To maximise the sample and minimise margin of error, an additional n=50 interviews were conducted via telephone between 9 and 13 June 2022.	New measure
The community has trust in the Council.	60%	55%	Not achieved Verbatims from the Key Research survey indicate a perceived lack of effort and resources for roading, and a perception of wasting money are contributing to the lack of trust. Key Research surveyed 729 people across three periods: 19 October to 18 November 2021, 26 February to 22 March 2022, and 3 May to 13 June 2022. The question asked in the survey was on the performance of the elected members. To maximise the sample and minimise margin of error, an additional n=50 interviews were conducted via telephone between 9 and 13 June 2022	New measure

District Leadership, Finance and Internal Services measured by	LTP Year 1 Target 2021/2022	Actual 2021/2022	Comments for 2021/2022	Actual 2020/2021
<b>Responsiveness</b> To process applications within statutory timeframes.				
LGOIMA requests processed by the LGOIMA team completed within statutory timeframes.	100%	99.15%	Not achieved 125 requests were received this year and one was mistakenly sent to the wrong department resulting in a delayed response.	New measure
Long Term Plan, Annual Plan and Annual Reports will be adopted within timeframes set in the Local Government Act 2002.	Compliant	Compliant	Achieved Annual Report 2020/2021 adopted 29 September 2021, well ahead of Office of the Auditor-General (OAG) December 2022 revised statutory timeframe. Annual Plan 2022/2023 adopted 29 June 2022	Achieved
<b>Civil Defence Management</b>				
Conduct Civil Defence training exercises.	One per year	0	Not achieved Due to COVID restrictions, and the inability to meet in person for events. A Civil Defence exercise was completed on 8 July 2022.	Achieved
<b>Policy and District Planning</b>				
All statutory development and review timeframes for Bylaws and Policies are met.	100%	100%	Achieved Council's Wastewater Drainage Bylaw, Class 4 Gambling Venue and TAB Policies were reviewed in the 2021/2022 years in accordance with their statutory review timeframes	New measure

## Northland Inc Limited

### **About this council-controlled organisation (CCO)**

Northland Inc Limited (Northland Inc), established in July 2012, is the region's economic development agency and regional tourism organisation. Prior to 1 July 2021, it was 100% owned by Northland Regional Council. Since 1 July 2021, it is equally and jointly owned by Northland Regional Council (NRC), KDC and Far North District Council (FNDC) (together referred to as the shareholder councils).

Northland Inc is primarily funded by an operational contribution from its shareholder councils delivered through NRC's Investment and Growth Reserve (IGR). It is project funded through other public and private agencies, with central government being the next largest contributor. The organisation has a governance board of professional directors, each appointed by the shareholder councils. Operational activity is led by a chief executive officer.

### **Policies and objectives**

The mission of Northland Inc is to identify and focus on activities and relationships that will strengthen, diversify and grow the economy of Te Tai Tokerau Northland to help achieve equity and environmental sustainability. Six key pou are set out in the 2021-24 Statement of Intent as the organisational objectives.

Pou	Objective
Pou Tahī: Māori Economic Development- "Āe Mārika"!	To respect and implement the principals of Te Tiriti O Waitangi, which support meaningful partnership with Māori. Working with strategic partners in the Māori Economic Development space to drive delivery on high impact Māori economic development projects across all levels, with a specific focus on improving capacity and capability of those who we partner with for delivery. Implementation of our pathway – He Korowai Manawanui – a two-year programme working on our organisational culture towards elevating the importance of Māori Economic Development and becoming a better partner for Māori with a genuine understanding of Tikanga and Te Ao Māori.
Pou Rua: Environmental Sustainability	Help prepare for Tai Tokerau Northland's transition to a zero carbon and low emission economy by partnering to provide support and embedding environmental sustainability criteria within all active projects. Northland Inc will work to embed Te Ao Māori/Mātauranga Māori in environment/sustainability Kaupapa.
Pou Toru: Regional Investment	Grow investment and business support services such that regional economic activity improves consistently year on year. Following assessment and review we will prioritise activities and ideas, with a view to applying our resources to engage in focused impactful projects reflecting the organisational capacity at this time.
Pou Whā: Destination Management and Marketing	To lead the implementation of a regional Destination Management Plan in partnership with relevant stakeholders, industry, iwi and hapū. Through a programme of investment and development, we will deliver destination management and marketing activity to position Northland within target markets as a desirable place to visit and support a visitor economy that aims to enhance the distribution of benefits across the region, environmental sustainability, heritage and culture.
Pou Rima: Profile and Advocacy of Economic Development	To develop and improve the profile of economic development and Northland Inc to ensure that Tai Tokerau Northland understands and values the efforts of Northland Inc and advocate for Te Tai Tokerau Northland to improve the economic well-being of the region to help support strong communities and environmental sustainability.
Pou Ono: Organisational Culture	At its core, regional economic development is about improving the livelihoods of the Tai Tokerau Northland's people. As an economic development agency, our culture should therefore be focused on supporting our people and their livelihoods. Therefore, Northland Inc actively upholds a culture where teams are respectful and supportive of one another; our histories, our whānau, and our aspirations.

## Investment and Growth Reserve

Northland Inc's activities include a focus on finding economic development projects that qualify for funding through the IGR. The objective of the reserve is to provide a fund that shareholder councils can use to support strategic investments that lift the long-term growth of the Northland economy that support strong communities and environmental sustainability. All three shareholder councils contribute funding to the IGR, and through their membership of the Joint Regional Economic Development Committee, have responsibility for allocating funding from the IGR. The main criteria for allocation are as follows:

- The reserve provides operational expenditure for Northland Inc.
- Up to \$300,000 per annum can be used for project development funding.
- Responsibility for allocating project development funding of up to \$100,000 is delegated to the Board of Northland Inc.
- The reserve can be used to provide enabling investment funding for projects that lift the economic performance of Northland through the construction of public or community held infrastructure or the development of regionally strategic sectors. The strategic sectors identified in the 2021-24 Statement of Intent are aquaculture, agriculture and horticulture, digital, tourism, ship and boat building and repair services.
- Any project that is determined to potentially have significant adverse impacts on social, environmental, economic, or cultural well-being will not be eligible for funding, regardless of the positive impacts.
- Decisions on enabling investment funding must have been considered and evaluated for funding by the Board of Northland Inc.
- Applications for enabling investment funding must be accompanied by a robust business case.

## Key performance measures and targets

This section summarises the results of Northland Inc's activities during 2021-2022 against the 16 key performance indicators set for five of the six pou (objectives). Key performance indicators were not set for the sixth pou: organisational culture.

Regional Investment measure: There was one enabling investment project allocation made in 2021/2022: \$80,000 to support the development of a regional economic development strategy. Four projects received project development funding totalling \$175,000. Travel restrictions put in place to control the spread of COVID-19 limited the ability of Northland Inc to host inward investment delegations.

**NB: Northland Inc information is audited separately from KDC. Northland Inc activities are carried out across the region and may not have occurred in Kaipara District.**

## Paearu mahi | Performance Measures

Northland Inc measured by	LTP Year 1 Target 2021/2022	Actual 2021/2022	Comments for 2021/2022	Actual 2020/2021
<b>Māori Economic Development</b>				
Proportion of Māori businesses satisfied with Northland Inc support.	>50%	78%	Achieved	New measure
Number of engagements or established relationships with iwi/hapū groups and other Māori organisations, e.g. marae, land trusts, etc. that have led to a positive outcome.	10	12	Achieved	New measure

Northland Inc measured by	LTP Year 1 Target 2021/2022	Actual 2021/2022	Comments for 2021/2022	Actual 2020/2021
<b>Environmental Sustainability</b>				
Proportion of businesses / projects that Northland Inc are supporting that have identified their environmental aspirations and complied with governmental regulations.	80% of businesses/ projects.	91%	Achieved	New measure
Number of workshops and events that help promote or support environmental sustainability values and culture in Te Tai Tokerau.	4	4	Achieved	New measure
Reduction percentage of Northland Inc's carbon footprint.	Initial carbon footprint audit completed.	Initial carbon footprint audit completed.	Achieved Baseline of 55,260 kg CO <sub>2</sub> /year.	New measure

The carbon emission figure is at best indicative and was prepared internally within Northland Inc using the third-party Carbon Neutral Trust Calculator. The results for each emission category are heavily based on assumptions but with better data and collection processes, Northland Inc can reach quality reporting and a more accurate carbon position.

Northland Inc measured by	LTP Year 1 Target 2021/2022	Actual 2021/2022	Comments for 2021/2022	Actual 2020/2021
<b>Regional Investments</b>				
Number of unique businesses assisted (reporting by TA and industry)	230/NPS >50	545	Achieved	New measure
Proportion of those businesses assisted that are Māori (by TA and industry).	20%	22%	Achieved	New measure
Value of Grant funding and investment facilitated for Māori businesses.	\$110,000	\$106,000	Not achieved	New measure
Number of inward delegations hosted.	3	1	Not achieved	New measure
Number of high impact projects that are implemented.	4	2	Not achieved	New measure



Northland Inc measured by	LTP Year 1 Target 2021/2022	Actual 2021/2022	Comments for 2021/2022	Actual 2020/2021
<b>Destination Management and Marketing</b>				
Number of destination promotion campaign initiatives to generate national exposure to the region (including number of businesses that are engaged in the campaign).	1 campaign per year.	4	Achieved	New measure
Number of workshops and events to promote product development and position Te Tai Tokerau Northland as a green tourism destination.	Establish baseline number of projects.	3	Achieved	New measure
<b>Profile and Advocacy of Economic Development</b>				
Number of regional economic development updates or reports released	4	4	Achieved	New measure
Number of media features that profile the region	12	20	Achieved	New measure
Number of media activity that references Northland Inc	24	77	Achieved	New measure

## Kaupapa moni hua | Capital Programme

Location	Actual 2021/2022	Budget from Long Term Plan 2021/2031	Project Description
Information Services Digital Transformation (HRIS and Record Management, WIFI)	\$250,794	\$320,000	<p>Human resources information system (HRIS) is for employee performance management, learning and development, recruitment, and payroll. It replaces spreadsheets and other manual systems.</p> <p>It is a modular system being customised and introduced module by module. For 2021/2022 both payroll and leave modules were implemented. The remaining parts will be completed in 2022/2023.</p> <p>EDRMS or electronic document management system is a software system built on Microsoft SharePoint and designed to create, manage, use, store and dispose of both physical and digital documents and records in an integrated, and legislatively compliant way. Additional custom business solutions utilising SharePoint have been developed to make use of this Cloud technology.</p> <p>The project has largely been completed. Completion is scheduled to occur by September 2022. Delays have been due to COVID and diminished staffing levels.</p> <p>Ongoing programmes in place to upgrade and replace legacy Wi-Fi network equipment and cyber security.</p>
Upgrade and renew SCADA	\$154,076	\$275,000	Completed On time and under budget.
Replacement vehicles (7 p.a.)	\$214,244	\$210,000	Routine fleet replacement at five year mark. Incorporating a transition towards hybrid and electric vehicles.
Dargaville offices – Hard and soft fit out	\$1,099,078	\$1,216,000	Completing in 2022/2023.
Kaipara Wharves Physical works – Pahi and Poutō Wharves	\$1,272,458	\$2,100,000	<p>Poutō Wharf is planned for completion in 2022.</p> <p>Pahi Wharf was opened for use in December 2021.</p>
Kai Water	\$71,809	0	The Northland Inc season 1 report has been received and the planting plan for season 2 (2022/2023) is currently underway.

<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	2021/2022 \$'000	2021/2022 \$'000	2020/2021 \$'000
<b>Sources of operating funding</b>			
General rates, uniform annual general charges, rate penalties	5,337	5,984	6,046
Targeted rates	51	49	0
Subsidies and grants for operating purposes	92	0	1,092
Fees and charges	395	150	658
Internal charges and overheads recovered	11,524	12,169	7,982
Interest and dividends from investments	189	6	54
Local authorities fuel tax, fines, infringement fees and other receipts	485	361	446
<b><i>Total operating funding</i></b>	<b>18,073</b>	<b>18,719</b>	<b>16,278</b>
<b>Application of operating funding</b>			
Payments to staff and suppliers	15,055	16,501	14,553
Finance costs	(586)	57	(768)
Internal charges and overheads recovered	1,038	881	685
<b><i>Total applications of operating funding</i></b>	<b>15,507</b>	<b>17,439</b>	<b>14,470</b>
<b>Surplus (deficit) of operating funding</b>	<b>2,566</b>	<b>1,280</b>	<b>1,808</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	2021/2022 \$'000	2021/2022 \$'000	2020/2021 \$'000
<b>Sources of capital funding</b>			
Subsidies and grants for capital expenditure	1,836	2,100	637
Development and financial contributions	0	0	0
Increase (decrease) in debt	0	948	0
Gross proceeds from sale of assets	102	0	374
<b><i>Total sources of capital funding</i></b>	<b>1,938</b>	<b>3,048</b>	<b>1,011</b>
<b>Application of capital funding</b>			
Capital expenditure - to meet additional demand	0	0	0
Capital expenditure - to improve the level of service	2,948	4,161	1,426
Capital expenditure - to replace existing assets	355	640	216
Increase (decrease) in reserves	1,201	(473)	1,177
<b><i>Total applications of capital funding</i></b>	<b>4,504</b>	<b>4,328</b>	<b>2,819</b>
<b><i>Surplus (deficit) of capital funding</i></b>	<b>(2,566)</b>	<b>(1,280)</b>	<b>(1,808)</b>
<b><i>Funding Balance</i></b>	<b>0</b>	<b>0</b>	<b>0</b>



## Tiaki kai me waikari whenua Flood Protection and Land Drainage

Flood Protection and Land Drainage involves the planning and management for flood protection over Kaipara’s drainage districts. Council co-ordinates land drainage works in 30 land drainage schemes of various sizes. The largest is the Raupō Drainage District, where the Council provides administrative and technical support.

Through our land drainage networks, we seek to deliver on the following in a cost-effective manner:

- Protection of land from tidal waters;
- Managing surface water in events of flooding and
- Diversion of runoff from inland hills.

What we planned	What we achieved
Investigate water storage option - floodgate options in Ruawai (G and K Canals).	Investigations underway on sea level rise, floodgate and stopbank to work through proposed option to match available budget. This has become the Raupō Floodgates project (supported by external funding).
Model infrastructure requirements for flood susceptible areas to allow Level of Service under increasing rain intensity and river level. Use this to plan LoS projects for stopbanks, floodgates and other network infrastructure.	Raupō flood model has been completed in conjunction with Northland Regional Council. Investigation into infrastructure options is ongoing. Initial modelling work for other land drainage areas has been started and is expected to continue in the 2022/2023 financial year.
Complete asset data for stopbanks in all land drainage districts. Develop a standard for routine condition assessment of these assets in 100m lengths by the contractor and complete this assessment.	As part of the modelling work, all stopbank information is being digitised into the asset management system. Dargaville urban area is complete. A condition assessment template to be created in the 2022/2023 financial year.
Review catchment definition Mangatara and neighbouring land drainage districts. Refine lot by lot contribution and consult on rates distribution.	As part of the modelling work all land drainage areas are being defined and checked against current boundaries. Revenue department will be supplied a report detailing the findings in the 2022/2023 financial year.

What we planned	What we achieved
Murphy Bower stopbank construction.	Ongoing. Project delayed pending resolution of outstanding issues.
Asset data collated into Asset Management system (Assetfinda).	Raupō floodgates and stopbanks have been surveyed. Data collection for other areas is ongoing as part of the modelling project.
Increasing support to land drainage districts for increasing pressures of climate change.	Modelling projects will provide input into the options assessment for protective infrastructure. This work is ongoing and expected to span several years.
Develop maintenance schedule with maintenance contractor and asset management improvements for clarity on ownership and responsibility of core assets.	This work is ongoing.

## Paearu mahi | Performance Measures

Flood Protection and Land Drainage measured by	LTP Year 1 Target 2021/2022	Actual 2021/2022	Comments for 2021/2022	Actual 2020/2021
<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.	Achieved 0
Service Requests for broken, blocked, or failing floodgates.	<10 service request per year	4	Achieved A total of four requests were received for the 2021/2022 period - all for blocked floodgates.	New measure
Service requests for additional cleaning of drains, i.e. missed by routine monitoring and maintenance programmes.	<5 requests per year	3	Achieved.	Achieved 4
Biannual inspection of our drainage network to ensure it can contain a 1 in 5-year flood.	2 inspections per year	Completed	Achieved Inspections completed in Quarter 1 and Quarter 3. Informal monitoring was also completed throughout the year whenever staff were onsite.	Achieved
Targeted maintenance of the stop bank system in the Raupō 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.	Completed	Achieved Ongoing maintenance completed throughout the year as listed in Raupō Drainage Committee meeting minutes.	Achieved



## Kaupapa moni hua | Capital Programme

Location	Actual 2021/2022	Budget from Long Term Plan 2021/2031	Project Description
District-wide Land Drainage – Land Drainage Improvements District-wide	\$12,275	\$60,000	Upgrades to various District Land Drainage systems and modelling work.
Districtwide Land Drainage – Te Kopuru Stopbank	\$346,233	\$3,500,000	Upgrade stopbank to approved design. Work to begin in 2022/2023.
Raupō Land Drainage Internal Stopbanks	\$89,918	\$2,500,000	Investigations underway on sea level rise, floodgate and stopbank to work through proposed option to match available budget. This has become the Raupō Floodgates project (supported by external funding).





<b>Operating Funding - Flood Protection and Land Drainage</b>	<b>Actual</b>	<b>Annual Plan</b>	<b>Annual Report</b>
For the year ended: 30 June	2021/2022 \$'000	2021/2022 \$'000	2020/2021 \$'000
<b>Sources of operating funding</b>			
General rates, uniform annual general charges, rate penalties	136	136	78
Targeted rates	844	843	712
Subsidies and grants for operating purposes	0	0	0
Fees and charges	2	0	1
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>982</b>	<b>979</b>	<b>791</b>
<b>Application of operating funding</b>			
Payments to staff and suppliers	528	555	425
Finance costs	1	1	0
Internal charges and overheads recovered	160	163	88
<b><i>Total applications of operating funding</i></b>	<b>689</b>	<b>719</b>	<b>513</b>
<b>Surplus (deficit) of operating funding</b>	<b>293</b>	<b>260</b>	<b>278</b>

<b>Capital Funding - Flood Protection and Land Drainage</b>	<b>Actual</b>	<b>Annual Plan</b>	<b>Annual Report</b>
For the year ended: 30 June	2021/2022 \$'000	2021/2022 \$'000	2020/2021 \$'000
<b>Sources of capital funding</b>			
Subsidies and grants for capital expenditure	228	6,000	0
Development and financial contributions	0	0	0
Increase (decrease) in debt	0	(1)	0
Gross proceeds from sale of assets	0	0	0
<b><i>Total sources of capital funding</i></b>	<b>228</b>	<b>5,999</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	448	6,060	0
Capital expenditure - to replace existing assets	0	0	103
Increase (decrease) in reserves	73	199	175
<b><i>Total applications of capital funding</i></b>	<b>521</b>	<b>6,259</b>	<b>278</b>
<b><i>Surplus (deficit) of capital funding</i></b>	<b>(293)</b>	<b>(260)</b>	<b>(278)</b>
<b><i>Funding Balance</i></b>	<b>0</b>	<b>0</b>	<b>0</b>



## Wāhi tuwhera me ngā wāhanga hapori | Open Spaces and Facilities

We provide community development, libraries, a hall and pensioner housing to contribute to our social wellbeing and pride, and natural spaces open to all enabling our community to come together and encourage active play. We support community involvement in placemaking, outdoor activities, creating partnerships to provide recreation facilities and civic spaces that are fit-for-purpose. Financial contributions collected from developers mean we have a healthy fund to invest in increased park and open space development.

A community development approach strengthens local democracy and the capacity of communities to participate actively in determining the processes and outcomes of social and economic change.

What we planned	What we achieved
Review current terms of Operations and Maintenance Contract, tender and award new contract	The current contract has been extended until 31 October 2022, with a new contract proposed to be awarded 1 November 2022. Stage 1 of the process Expressions of Interest is complete, with procurement currently underway. We continue to work in partnership with Kaipara iwi.
Pahi Toilet replacement	The new toilets and their septic system are being designed (technical investigations are currently in progress). Council has been successful in applying to the Tourism Infrastructure Fund for additional funding (\$112,860). This project is planned to be built in 2022/2023.
Mangawhai coastal walkway development	No further work on the coastal walkway development during 2021/2022. Breve Street track will be upgraded and developed in 2022/2023. Staff are working with Mangawhai Tracks Charitable Trust and Piroa-Brynderwyns Landcare Group on Breve Street planting plan and track work.
New Master Plan for Mangawhai Community Park	Master plan review scheduled for 2022/2023.
New Reserve Management Plan for Pou Tu o Te Rangi Harding Park	Reserve Management Plan reviewed, consulted on and prepared for adoption.

What we planned	What we achieved
Te Kopuru Pump Track surrounds improvements (to complement community-funded pump track)	Development Agreement/License to Occupy for the Te Kopuru Community Development Group Inc (TKCDG) was approved at the Council meeting 29 June 2022. A development agreement between Council and TKCDG is in the final stages of completion.  Site improvements including surveying, consent investigation and drainage improvements to commence 2022/2023, in partnership with the TKCDG to prepare for the community-funded pump track installation.
McClellan Park, Kaiwaka improvements Council will contribute \$100,000 to bring the previously neglected McClellan Park in Kaiwaka up to a standard that is acceptable to the public and easier to maintain, in the first year of the LTP. Council investment will be used to provide drainage and improving the hard surfaces.	The Kaiwaka community has led working bee days clearing vegetation under the trees. We have had an arborist prune some of the dangerous branches hanging over the footbridges and walkways. Concept drawings are underway for the future development of the park at each end - McClellan Park-State Highway 1 and McClellan Park-Gibbons Road. We are also clearing the vegetation around the footbridges to prepare for planting. The plan for park development will continue progressing in 2022/2023.
<b>Community Development</b>	
Administer the contestable funding programme	Achieved (As per table on Page 101 onwards)
Co-ordinate the Citizens and Environmental Awards	Citizens Awards 2021 Shane Gould 2022 John and Margaret Bishop Phillip Godfrey Alan Mortensen Graham Taylor  Environmental Awards 2021 Shaun Holland, Pest Free Kaipara Peninsula Programme 2022 – Nil nominations
Co-ordinate Community Agreement processes: Contracts for Service Community Licences to Occupy Community Leases Development Agreements	Contracts for Service Agreements • Sport Northland License to Occupy Agreements • Mangawhai Museum License to Occupy and Deed of Surrender of Land • Mangawhai Rotary Sailing Club License to Occupy
<b>Pensioner Housing</b>	
36 units in Dargaville and Ruawai will be available to older community members of limited means	Housing is available for the elderly, managed on Council's behalf by the Dargaville Community Development Board.
<b>Northern Wairoa Memorial Hall</b>	
Continue to mitigate mould caused by water ingress to allow for continued use of some parts of the complex	Ongoing testing and mould removal.
Support the formation of a trust who will fundraise and construct new Community Hub and Library on the Council reserve adjacent to the Northern Wairoa War Memorial Hall	Council had specifications developed for the demolition of the 1990s extensions and re-cladding of the 1950s War Memorial Hall. Work on formation of the trust was paused while an application for Three Waters Better Off funding was investigated.

What we planned	What we achieved
<b>Community Development (continued)</b>	
<p>Support community and Council-led projects by advising on, and participation in, the implementation and review of community plans such as:</p> <ul style="list-style-type: none"> <li>• Mangawhai Community Plan</li> <li>• Kaiwaka Improvement Plan</li> <li>• Ancient Kauri Trail</li> <li>• Dargaville Township Improvement Plan</li> <li>• Paparoa Connections</li> <li>• Te Kopuru Community Activation Plan</li> </ul>	<p>Mangawhai Community Plan – Phase 1 of the Shared Path complete, Phase 2 starting in 2022/2023. A Mangawhai wayfinding approach is in progress.</p> <p>Te Kopuru Domain Masterplan draft completed.</p> <p>Paparoa Connections – mountain bike track built and activated. Public toilet mural completed and new art installation at the Village Green. Walkway created under the bridge to allow safe connection from shops to the Green. School track and bike shed built.</p> <p>Ancient Kauri Trail - Kaihu Valley Trail – construction started.</p> <p>Dargaville to Maungaturoto Heartland Ride: a newly formed Kaipara Walking and Cycling Group has identified this section as being a priority.</p> <p>Dargaville Township Improvement Plan – application submitted under the Streets for People funding programme, unsuccessful this round. The project has been accepted into the Waka Kotahi NZTA mentoring programme, ready for the next round of funding.</p> <p>Kaiwaka Township Improvement Plan – Kaiwaka footbridges and walkways completed March 2022. McClean Park – Gibbons Road donated to Council for community development.</p>
<b>Libraries</b>	
A modern library environment in Dargaville and Mangawhai is included as part of Council's Civic Building Strategy	The Kaipara District Libraries Strategy was approved in the April Council meeting, providing a way forward for new and improved services.
Continuously work to improve library services to residents and visitors	During Covid restrictions the libraries adapted their services to ensure safe practices. Library users are no longer charged fines on overdue items.
Support community libraries to improve and develop their services and work to align standards between libraries	Standardised membership and fee structure this year. Started work on the recommendations in the Kaipara District Libraries Strategy.
Investigate co-operative initiatives with other Northland libraries	Collaborated on a new e-Magazine offering in The Upper North Island Consortia including five North Island libraries, Far North and Whangarei libraries. Started a staff exchange programme to share knowledge and experience.

## Paearu mahi | Performance Measures

Open Spaces and Facilities measured by	LTP Year 1 Target 2021/2022	Actual 2021/2022	Comments for 2021/2022	Actual 2020/2021
<b>Libraries</b>				
Percentage of library users who are very satisfied or satisfied with the district's library services	85%	83%	<p>Not achieved</p> <p>90% of library users were satisfied with the district libraries while only 69% of non-users were satisfied with these services.</p> <p>The Kaipara District Libraries Strategy (adopted April 2022) outlines a way forward to improve services.</p>	Not achieved 80%

Open Spaces and Facilities measured by	LTP Year 1 Target 2021/2022	Actual 2021/2022	Comments for 2021/2022	Actual 2020/2021
<b>Pensioner Housing</b>				
Quality: Affordability to provide housing suitable for members of the community who have difficulty providing it themselves.				
Zero net cost to ratepayers for Council's pensioner housing services.	Zero	Zero	Achieved The rents received have covered annual operating expenses such as rates, insurance, responsive maintenance and grounds upkeep.	Achieved Zero
Pensioner Housing Annual occupancy rate.	90%	94.3%	Achieved A total of four requests were received for the 2021/2022 period - all for blocked floodgates.	Achieved 97%
<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.	85%	86%	Achieved Residents living in Kaiwaka-Mangawhai and West Coast are more likely to use or visit Council maintained local parks, reserves or sports fields.	Not achieved 85%
Percentage of residents who are very/fairly satisfied with the district's public toilets	≥70%	81%	Achieved A high number of users liked the cleanliness of the district's public toilets.	Achieved 71%
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 48 audits were completed.	Achieved Contractor: 100%
	Council: 1 per month	41%	Not achieved Five out of 12 audits completed due to a combination of limited staff resourcing and training.	Not achieved Council: 0
Compliance with parks maintenance contract specifications – monthly audits	>90%	92%	Achieved	Achieved 100%
Compliance with Resource consent conditions. Wastewater/ watertake consents	No abatement notices received	0	Achieved There were no abatement notices received for any Parks and Open Spaces Consents.	

## Community Grants 2021/2022

Organisation	Amount approved
Bill Hyland Community Centre	\$5,715.00
Dargaville Lions Club	\$1,158.25
Dargaville Little Theatre	\$4,224.79
Dargaville Playcentre	\$2,415.30
Kaipara Abuse Prevention Inc – Whanau Focus	\$4,500.00
Kauri Coast Recreational Society Inc	\$8,089.18
Mangawhai Activity Zone	\$730.00
Mamaranui Playcentre	\$3,218.85
Matakohe Community Group	\$4,780.00
Maungaturoto Public Library	\$400.75
Maungaturoto Recreational Society Inc	\$1,000.00
North Kaipara Agricultural Association Inc	\$3,500.00
Northern Wairoa Community Radio Trust	\$3,515.92
Northland Field Days	\$5,000.00
Progressive Paparoa Incorporated	\$5,590.33
Ripia Marae Trust	\$3,166.34
Te Kopuru Community Development Trust Inc	\$12,515.25
Te Kopuru Community Trust	\$5,440.00
Te Roroa Development Charitable Trust	\$9,026.87
The Helping Paws Charitable Trust	\$4,415.00
The Ruakatauri Music Therapy Trust	\$1,598.17
The Southern (Te Kopuru) Football Club	\$10,000.00
<b>Total granted</b>	<b>\$100,000.00</b>



## Creative Communities Grant - Round 1

Organisation	Amount approved
Dargaville Arts Association Inc	\$1,729.84
Dargaville Arts Association Inc	\$1,621.03
Dargaville Arts Association Inc	\$360.00
Dargaville Arts Association Inc	\$1,597.11
Kumarani Productions Trust	\$3,178.00
Moemoea Mohoawhenua	\$2,950.00
Pauline Mann	\$6,523.40
White Rock Gallery	1,298.00
Filani Macassey	\$600.00
<b>TOTAL this round</b>	<b>\$19,857.38</b>

## Creative Communities Grant - Round 2

Organisation	Amount approved
Bill Hyland Community Centre	\$7,830.00
Dargaville Arts Association Inc app 1 - Waimarie	\$2,682.10
Dargaville Arts Association Inc app 2	\$2,811.65
Chases Gorge	\$1,800.00
David Gunson	\$2,950.00
Judy Stokes	\$1,700.00
Lions Club of Ruawai	\$3,335.06
Mangawhai Artists Association	2,000.00
Mary Hurley-Brown	1,530.00
Dargaville Little Theatre	\$4,683.00
<b>TOTAL this round</b>	<b>\$31,321.81</b>

## Mangawhai Endowment Lands Account – MELA

Organisation	Amount approved
Mangawhai Activity Zone - application 1	\$730.00
Mangawhai Activity Zone - application 2	\$9,000.00
Mangawhai Museum & Historical Society	\$1,280.00
Mangawhai Heads Volunteer Lifeguard Service Inc	\$6,077.00
Mangawhai Library Hall Trust	\$5,000.00
Rotary Satellite Club of Maungaturoto-Mangawhai	\$7,310.00
Mangawhai Shed Incorporated	\$7,500.00
Mangawhai Tracks Trust	\$8,258.00
<b>Total granted</b>	<b>\$45,155.00</b>

## Reserves Contribution Contestable Fund

Organisation	Amount approved
Mangawhai Activity Zone	\$85,648.90
Mangawhai Historic Village Trust	\$10,920.70
Mangawhai Riparian Planting Group	\$970.32
Ruawai Promotions & Development Group	\$9,770.19
<b>Total granted</b>	<b>\$107,310.11</b>

## Rural Sports Travel Grant - Round 1

Organisation	Amount approved
Dargaville High School	\$2,000.00
Dargaville Primary School	\$1,000.00
Otamatea High School	\$2,000.00
Ruawai College	\$1,600.00
<b>Total funded</b>	<b>\$6,600.00</b>

## Rural Sports Travel Grant - Round 2

Organisation	Amount approved
Arapohue School	\$500.00
Dargaville High School	\$5,000.00
Kaipara Youth	\$1,069.57
Mangawhai Beach School	\$640.00
Northern Wairoa Bulls Rugby League & Sports Inc	\$1,700.00
Otamatea High School	\$3,000.00
Ruawai College	\$476.09
Western Sharks Rugby (Dargaville Rugby & Sports Club)	\$2,500.00
<b>Total funded</b>	<b>\$14,885.66</b>

## Community Grants - Building & Resource Consent Fund

Organisation	Amount approved
Mangawhai Museum	\$730.00
Mangawhai Museum	\$2,820.86
Hakaru Community & Domain Hall	\$1,915.00
No Limit Surf & Skate Charitable Trust	\$4,713.76
<b>Total granted</b>	<b>\$10,179.62</b>

## Kaupapa moni hua I Capital Programme

Location	Actual 2021/2022	Budget from Long Term Plan 2021/2031	Project Description
Parks and Reserves - hard surface renewal programme	\$29,345	\$50,000	Hard surface renewals for Dargaville, Mangawhai and Paparoa has been scheduled for 2022/2023 year.
Implement Reserve Management Plan	0	\$87,000	Kai Iwi Lakes seed funding to apply for Tourism Infrastructure Funding (TIF) for toilets and showers and Pine Beach Campground is in progress.
Public Toilets - Mangawhai Heads Road	\$159,099	\$118,704	Alamar Crescent, under construction and due for completion 2022/2023.
Kai Iwi camp ground facilities	\$176,845	\$340,000	Security improvements, CCTV and security gates are in progress.

Location	Actual 2021/2022	Budget from Long Term Plan 2021/2031	Project Description
Mangawhai Community Park - implement Master Plan	\$49,392	\$100,000	Carried forward to complete works in 2022/2023 year.
Community Infrastructure - Mangawhai - esplanade development	\$8,873	\$43,500	Identified projects including Mangawhai Heads shower upgrade and kayak huts.
Maungaturoto toilet	\$161,522	\$142,500	Under construction.
Public toilets - Lincoln Street	\$133,982	\$148,704	Under construction.
Rangiora Road Reserve development	\$2,292	\$40,000	TIF funding application was successful and project scoping is underway.
Mangawhai Reserve toilet	\$126,544	\$139,220	Toilet located in Mangawhai Historic Village – completed.
Alamar Carpark	0	\$500,000	On hold to reassess wider transport analysis.
Kaiwaka bush kauri park	0	\$550,000	This project is now led by Northland Regional Council and this funding quantity no longer needed. Some money may be spent on fencing and viewing platforms in 2022/2023.
McClellan Park upgrade	0	\$100,000	Work in progress with the community.
Parks hard surface and infrastructure renewals	\$ 81,666	\$170,000	Hard surface and infrastructure renewals for Dargaville, Mangawhai and Paparoa scheduled for 2022/2023 year.
Playground renewals	\$15,986	\$50,000	Projects have been identified, waiting on completion of independent audit taking place in November to confirm priority works.
Pahi toilet replacements	\$9,527	\$250,000	Technical investigations underway.
Library replacements (books and equipment)	\$66,026	\$58,000	Book replacement.
MAZ Skate Bowl	0	\$800,000	Preliminary planning work carried out.

<b>Operating Funding - Open Spaces and Facilities</b>	<b>Actual</b>	<b>Annual Plan</b>	<b>Annual Report</b>
For the year ended: 30 June	2021/2022 \$'000	2021/2022 \$'000	2020/2021 \$'000
<b>Sources of operating funding</b>			
General rates, uniform annual general charges, rate penalties	4,811	4,811	4,512
Targeted rates	358	350	347
Subsidies and grants for operating purposes	81	52	1,668
Fees and charges	1,343	1,226	1,382
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>6,593</b>	<b>6,439</b>	<b>7,909</b>
<b>Application of operating funding</b>			
Payments to staff and suppliers	4,798	4,690	6,085
Finance costs	40	40	50
Internal charges and overheads recovered	1,213	1,213	890
<b>Total applications of operating funding</b>	<b>6,051</b>	<b>5,943</b>	<b>7,025</b>
<b>Surplus (deficit) of operating funding</b>	<b>542</b>	<b>496</b>	<b>884</b>

<b>Capital Funding - Open Spaces and Facilities</b>	<b>Actual</b>	<b>Annual Plan</b>	<b>Annual Report</b>
For the year ended: 30 June	2021/2022 \$'000	2021/2022 \$'000	2020/2021 \$'000
<b>Sources of capital funding</b>			
Subsidies and grants for capital expenditure	191	950	348
Development and financial contributions	2,714	1,389	2,669
Increase (decrease) in debt	0	236	0
Gross proceeds from sale of assets	0	0	0
<b>Total sources of capital funding</b>	<b>2,905</b>	<b>2,575</b>	<b>3,017</b>
<b>Application of capital funding</b>			
Capital expenditure - to meet additional demand	841	440	592
Capital expenditure - to improve the level of service	53	1,970	390
Capital expenditure - to replace existing assets	221	528	247
Increase (decrease) in reserves	2,332	133	2,672
<b>Total applications of capital funding</b>	<b>3,447</b>	<b>3,071</b>	<b>3,901</b>
<b>Surplus (deficit) of capital funding</b>	<b>(542)</b>	<b>(496)</b>	<b>(884)</b>
<b>Funding Balance</b>	<b>0</b>	<b>0</b>	<b>0</b>



## Wai Āwhātanga | Stormwater

Stormwater drainage protects our communities, infrastructure, and public places from flooding by discharging stormwater and collecting contaminants to minimise adverse effects from rain, runoff, and high tides. Stormwater drainage on state highways is managed by Waka Kotahi NZ Transport Agency (NZTA).

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
Create hydrological models for stormwater networks in Mangawhai, Kaiwaka, Dargaville, Te Kopuru, Baylys Beach, Maungaturoto and Paparoa where Level of Service or growth design questions need answering	Catchment Management Plans to be developed in 2022/2023. Dargaville stormwater modelling is underway and will feed into the options assessment for this. Northern Mangawhai Heads modelling also underway. Other selected areas will be completed in 2022/2023 dependent on budget restraints.
Develop a standard for routine condition assessment of stopbank assets in the urban area and begin this assessment	Condition assessment template to be created in 2022/2023.
Model infrastructure requirements in Dargaville for flood-susceptible areas to allow Level of Service under increasing rain intensity and river levels	Catchment Management Plans will be developed in 2022/2023. Dargaville stormwater modelling is underway and will feed into the options assessment for this.
Create overland flow maps for the whole district. Required for reliable Stormwater Catchment Management Plans (CMP), land use planning and renewals strategy. Incorporate this into public maps system	Complete and due to be available online 2022/2023.



What we planned	What we achieved
Complete the new Catchment Management Plans for Dargaville and Mangawhai	Catchment Management Plans will be developed in 2022/2023.
Complete Closed Circuit Television (CCTV) condition assessments in Kaiwaka, Maungaturoto, Paparoa, Te Kopuru and Baylys so set conditions can be used in the renewal strategy	Kaiwaka, Maungaturoto and Paparoa complete. Other schemes expected to be completed in the 2022/2023-24 financial years.
Start restoration of Mangawhai stormwater ponds requiring upgrade to meet current standards	Ongoing weed clearing. Depending on budget restraints further work will start in 2022/2023.

## Paearu mahi | Performance Measures

Stormwater measured by	LTP Year 1 Target 2021/2022	Actual 2021/2022	Comments for 2021/2022	Actual 2020/2021
<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 one in 10-year rain event.				
The number of flooding events that occur in a territorial authority district	N/A	5	This is not a measure itself, but an absolute figure used in the calculation of performance measures below.	0
For each flooding event, using a maximum of 1:50 year (50 year ARI, Annual Exceedance Probability 2%), the number of habitable floors affected. (Expressed per 1,000 properties connected to the Council's stormwater system).	<10	0.57	Achieved No habitable floors affected. Five flooding events expressed per 1,000 properties. Census 2018 states 8,844 occupied residences in Kaipara district.	Achieved 0
<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.	Achieved 0
The number of infringement notices received by Council in relation to those resource consents.	0	0	Achieved No infringement notices received.	Achieved 0
The number of enforcement orders received by Council in relation to those Resource Consents.	0	0	Achieved No enforcement notices received.	Achieved 0

Stormwater measured by	LTP Year 1 Target 2021/2022	Actual 2021/2022	Comments for 2021/2022	Actual 2020/2021
<b>Discharge compliance (continued)</b>				
Compliance with Council's resource consents for discharge from its stormwater system.				
The number of convictions received by Council in relation to those Resource Consents.	0	0	Achieved No conviction notices received.	Achieved 0
<b>Response times</b>				
The median response time to attend a flooding event.				
The median response time in an urgent flooding event (defined as an event is where a habitable floor is reasonably at risk of being affected Priority 1 (P1), measured from the time that the Council (or subcontractor) receives notification to the time that service personnel reach the site.	<2 hours for urgent events	35 minutes	Achieved Year to date is based on median response time to attend flooding event.	Achieved 0
<b>Customer satisfaction</b>				
The total number of stormwater system complaints received by Council.				
The number of customer service requests (CSR) received by Council regarding single network issues per year, per 1,000 properties. This includes all CSR that relate to stormwater infrastructure whether directed to the contractor or individual staff member.	<18	2	Achieved Year to date is based on the number of complaints received per annum with regards to the performance of the stormwater system.	Not achieved 20.8
<b>Environmental Outcomes</b>				
Water sensitive design, green infrastructure, low carbon design and construction, resilient network	As defined in the Stormwater CMP or emissions Targets	N/A	The Climate Action Plan is a project in progress. There are multiple draft actions that relate to this measure including quantifying Low Impact Design network and Zero Carbon Procurement practices.  Until the Climate Action Plan is finalised and adopted by Council, the targets cannot be set.	New measure

## Kaupapa moni hua | Capital Programme

Location	Actual 2021/2022	Budget from Long Term Plan 2021/2031	Project Description
Mangawhai stormwater	0	\$150,000	Carry forward to 2022/2023.
Chases Gorge*	0	\$250,000	Design completed and currently paused.
Mangawhai stormwater	\$21,908	\$300,000	Renewal programme to replace or upgrade existing reticulation identified as faulty or coming to the end of its life. Design and procurement completed, Under construction 2022/2023.
Dargaville stormwater Renewals	\$4,110	\$50,000	Renewal programme to replace or upgrade existing reticulation identified as faulty or coming to the end of its life. Design and procurement completed. Under construction 2022/2023.
Maungaturoto Paparua stormwater renewals and Level of Service	\$39,000	\$40,000	Accelerated renewals project.
Mangawhai stormwater - 130-138 Mangawhai Heads - flow and culvert upgrade	\$72,827	\$50,000	Modelling complete, options assessment underway.
Mangawhai stormwater Taranui culvert capacity upgrade	\$113,310	\$49,000	Modelling complete, options assessment underway.
Mangawhai Town Plan Wood Street and surrounds stormwater upgrade	\$201	\$380,000	Roading project included in the Wood Street Revitalisation project. Design and construction will be in 2022/2023.
Te Kopuru stormwater - open drain upgrades - fix Walker Street system	\$51,660	\$50,000	Complete Provided stormwater Level of Service to Walker Street.

Operating Funding - Stormwater	Actual	Annual Plan	Annual Report
For the year ended: 30 June	2021/2022 \$'000	2021/2022 \$'000	2020/2021 \$'000
<b>Sources of operating funding</b>			
General rates, uniform annual general charges, rate penalties	385	385	294
Targeted rates	1,761	1,764	1,688
Subsidies and grants for operating purposes	0	0	0
Fees and charges	0	0	2
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>2,146</b>	<b>2,149</b>	<b>1,984</b>
<b>Application of operating funding</b>			
Payments to staff and suppliers	613	590	642
Finance costs	155	155	147
Internal charges and overheads recovered	450	450	360
<b>Total applications of operating funding</b>	<b>1,218</b>	<b>1,195</b>	<b>1,149</b>
<b>Surplus (deficit) of operating funding</b>	<b>928</b>	<b>954</b>	<b>835</b>

Capital Funding - Stormwater	Actual	Annual Plan	Annual Report
For the year ended: 30 June	2021/2022 \$'000	2021/2022 \$'000	2020/2021 \$'000
<b>Sources of capital funding</b>			
Subsidies and grants for capital expenditure	0	0	0
Development and financial contributions	29	98	12
Increase (decrease) in debt	0	631	0
Gross proceeds from sale of assets	0	0	0
<b>Total sources of capital funding</b>	<b>29</b>	<b>729</b>	<b>12</b>
<b>Application of capital funding</b>			
Capital expenditure - to meet additional demand	88	282	1
Capital expenditure - to improve the level of service	160	829	31
Capital expenditure - to replace existing assets	94	208	25
Increase (decrease) in reserves	615	364	790
<b>Total applications of capital funding</b>	<b>957</b>	<b>1,683</b>	<b>847</b>
<b>Surplus (deficit) of capital funding</b>	<b>(928)</b>	<b>(954)</b>	<b>(835)</b>
<b>Funding Balance</b>	<b>0</b>	<b>0</b>	<b>0</b>



## Riua Waka | Transportation

The transportation group of activities aim is to link our great places, keep our communities connected, safe and active, and to contribute to the sustainability and growth of the local economy. Our transport network is vital for connecting our communities and provides for safe access to the places that make visiting and living in Kaipara an enjoyable experience.

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

What we planned	What we achieved
Implement district-wide road safety improvements, including school zones, speed limit reviews, local area road traffic improvements and prioritised road safety initiatives and an education programme	Road safety improvements across the district included High Risk Rural Roads Projects on Poutō Road and Kaiwaka-Mangawhai Roads. These projects improved signage and delineation standards on these high-risk corridors. New speed limits implemented in the Mangawhai – Kaiwaka (including Hakaru) and Kaiwaka West (including Oneriri Road and Oruawharo Road) areas. Along with these projects Council is also working on projects at Logan and Gordan Streets, Dargaville, in conjunction with the footpath projects to maximise what can be delivered in these locations.
Implement the network resilience strategy which includes a significant programme of slip repairs and drainage improvements across the district to mitigate the effects of climate change and significant weather events that cause communities to be severed from essential services	Work in progress, current prioritised programme on track to be delivered by the end of this LTP.
Secure funding and deliver the network cycleway programme	Kaihu Valley Trail construction has started and a governance structure is being designed for implementation of the Kaipara District Council Walking and Cycling Strategy.
Implement township improvement programmes	Physical works projects were not funded under our LTP or Waka Kotahi's NZ Transport Agency National Land Transport Plan. Funding was secured to develop further business cases that will contribute to development of future LTP works. Business case development is now underway.

What we planned	What we achieved
Complete the LED infill lighting programme	Not delivered as no funding provided for 2021/2024 from Waka Kotahi NZ Transport Agency land transport funding.
Implement the footpath programme to improve pedestrian safety and connectivity throughout the district	Waka Kotahi NZ Transport Agency funding was not approved due to funding constraints nationally. The proposed footpath programme was significantly reduced in size as a result and is being rate-funded by the Council. Programme delivery is now in progress with activities at the Station Road/Hokianga Road intersection outside the new civic building in Dargaville. Gordon and Logan Streets in Dargaville are current priorities. The Mangawhai Shared Path is co-funded from Waka Kotahi NZ Transport Agency and is being delivered in phases – Phase One from outside the Library to The Hub on Molesworth Drive in Mangawhai Village, and Molesworth Drive from the Mangawhai Activity Zone (MAZ) to Mangawhai Central.
Undertake the bridge replacement and upgrade programme	This has a three year programme of delivery. Design and investigations for the bridges carried out in 2021/2022.
Develop the Wood Street capital improvement project business case	Underway, to be completed in 2022/2023.
Develop the Ripiro Beach management plan business case	Collaborative consultation with the community, iwi and Parks and Reserves Team is underway to determine the vision and what should be developed in policy.
Develop the Baylys Beach parking and connectivity programme business case	Underway, to be completed in 2022/2023.

## Paearu mahi | Performance Measures

Transportation measured by	LTP Year 1 Target 2021/2022	Actual 2021/2022	Comments for 2021/2022	Actual 2020/2021
<b>Safety</b>				
The transportation network is designed and managed for safe use with low crash and injury rates.				
The change from the previous financial year in the number of fatalities and serious injury crashes on the local road network.	≤0	-1	Achieved There were two fatal accidents and nine serious accidents totalling 11, on Kaipara district roads in 2021/2022. None of the accidents were due to road condition. (NB: 2020/2021 data was updated after Annual Report, from two fatal and nine serious accidents (total 11), to one fatal and 11 serious crashes (total 12).	Achieved -1
<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 91% of all journeys on Kaipara District Council roads met the requirement of smooth travel.	Achieved 91%



Transportation measured by	LTP Year 1 Target 2021/2022	Actual 2021/2022	Comments for 2021/2022	Actual 2020/2021
<b>Maintenance of the sealed local network</b>				
The percentage of the sealed local road network that is resurfaced.	≥8%	8.3%	Achieved 37.82km of the sealed road network in Kaipara was resurfaced in 2021/2022 of a total sealed network length of 458.1km.	Achieved 11.7%
The maintenance of the roads meets the Council level of service targets as specified in our roading maintenance contracts.	≥85%	87.1%	Achieved The Target was 85%. All road maintenance activities undertaken by our contractor were in compliance with level of service targets as specified in roading maintenance contracts.	Not achieved 185% (Change to methodology)
The percentage of the sealed local road network that is rehabilitated (annually).	≥0.6%	0.64%	Achieved 2.915km of Council sealed road network was rehabilitated in 2021/2022 from a total sealed road network length of 458.1km.	New measure
<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').				
The percentage of footpaths within a territorial authority district that fall within the level of service or service standard for the condition of footpaths that is set out in the territorial authority's relevant documentation (such as its annual plan, activity management plan, asset management plan, annual works programme or LTP).	≥90% in fair or better condition	99.2%	Achieved 99.2% of Council footpaths are within the Level of Service.	Not achieved 52.33%
<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%	87.4%	Not achieved Staff changes, as well as COVID lockdowns, illness, and isolation requirements had a significant impact on business continuity and limited the team's ability to respond to all customer service requests over the year.	Achieved 95.28%

## Kaupapa moni hua | Capital Programme

Location	Actual 2021/2022	Budget from Long Term Plan 2021/2031	Project Description
Mangawhai Shared Pathway	\$4,880,171	\$ 5,910,200	Phase One completed, figure includes external funding from MBIE and Waka Kotahi NZ Transport Agency.
Bridge replacements	\$427,490	\$2,000,000	Programme underway projects are in design for delivery in Year 2 and Year 3.
Unsealed road metaling	\$90,083	\$3,044,000	Funds were redistributed into other programmes of work due to PGF/IRG projects taking priority.
Baylys Beach Parking and Connectivity Improvements	0	\$100,000	Project is still in consultation phase with Baylys Beach community and work will be undertaken in Year 2.
District-wide road safety improvements	\$1,048,895	\$1,225,000	Delivery of road safety programme (managed as a whole programme).
Drainage improvement programme	0	\$50,000	Aligned to Year 2 delivery with waters team for larger programme of work.
Slip repair	\$164,684	\$500,000	Individual slip projects listed in reforecast Annual Plan. Designs done in Year 1 for larger procurement to gain value from a bigger body of work in Year 2 and Year 3.
Emergency works (Provision for local share only)	0	\$100,000	Carried forward to Year 2. Emergency works that occurred were funded from a different project (Baylys Beach entranceway repairs).
Drainage renewals	\$445,815	\$625,319	Carried forward to Year 2 and applied to other projects. Waka Kotahi NZ Transport Agency budget allocation was \$547,605.
Sealed road resurfacing	\$ 2,216,522	\$2,000,000	Projects completed.
Sealed road pavement rehabilitation	\$1,579,470	\$1,550,000	Managed as a rehabilitation works programme. Waka Kotahi NZ Transport Agency budget allocation was \$1.7 million.
LED Infill lighting programme	0	\$1,000,000	Project not funded by Waka Kotahi NZ Transport Agency so deferred to the next LTP period 2024/27.
Wood Street Urban Improvements	\$6,901	\$100,000	Permanent upgrade underway in Year 2 as part of the wider Mangawhai transport planning.
Traffic services renewals	\$232,567	\$185,000	Managed as a whole programme. Funds carried forward due to late start, awaiting Waka Kotahi NZ Transport Agency approval of funding.
Poutō Road Phase 1 (Physical Works)	\$4,591,354	\$5,584,850	Phase 1 completed, money remaining is for second coat seal and defects liability to be completed in Year 2.

Location	Actual 2021/2022	Budget from Long Term Plan 2021/2031	Project Description
Kaihu Valley Trail	\$1,386,388	\$2,000,000	Construction underway.
Kaiwaka Footbridges	\$818,875	\$500,000	Council approved \$160,000 from Kaiwaka Financial Contributions reserve funds, to add to original budget.
Unsealed network improvements	\$4,786,884	\$4,003,000	Includes PGF-funded Unsealed Road Improvements Project as well as normal expenditure





<b>Operating Funding - Transportation</b>	<b>Actual</b>	<b>Annual Plan</b>	<b>Annual Report</b>
For the year ended: 30 June	2021/2022 \$'000	2021/2022 \$'000	2020/2021 \$'000
<b>Sources of operating funding</b>			
General rates, uniform annual general charges, rate penalties	11,301	11,301	10,145
Targeted rates	414	416	398
Subsidies and grants for operating purposes	7,255	5,296	7,935
Fees and charges	188	0	278
Internal charges and overheads recovered	2,265	2,012	1,831
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>21,423</b>	<b>19,025</b>	<b>20,587</b>
<b>Application of operating funding</b>			
Payments to staff and suppliers	10,890	8,908	11,489
Finance costs	68	68	74
Internal charges and overheads recovered	5,880	5,716	4,374
<b><i>Total applications of operating funding</i></b>	<b>16,838</b>	<b>14,692</b>	<b>15,937</b>
<b>Surplus (deficit) of operating funding</b>	<b>4,585</b>	<b>4,333</b>	<b>4,650</b>

<b>Capital Funding - Transportation</b>	<b>Actual</b>	<b>Annual Plan</b>	<b>Annual Report</b>
For the year ended: 30 June	2021/2022 \$'000	2021/2022 \$'000	2020/2021 \$'000
<b>Sources of capital funding</b>			
Subsidies and grants for capital expenditure	19,645	22,456	12,319
Development and financial contributions	200	210	100
Increase (decrease) in debt	0	351	0
Gross proceeds from sale of assets	0	0	0
<b><i>Total sources of capital funding</i></b>	<b>19,845</b>	<b>23,017</b>	<b>12,419</b>
<b>Application of capital funding</b>			
Capital expenditure - to meet additional demand	1,864	3,954	739
Capital expenditure - to improve the level of service	11,636	10,731	8,006
Capital expenditure - to replace existing assets	10,239	13,407	8,512
Increase (decrease) in reserves	691	(742)	(188)
<b><i>Total applications of capital funding</i></b>	<b>24,430</b>	<b>27,350</b>	<b>17,069</b>
<b><i>Surplus (deficit) of capital funding</i></b>	<b>(4,585)</b>	<b>(4,333)</b>	<b>(4,650)</b>
<b><i>Funding Balance</i></b>	<b>0</b>	<b>0</b>	<b>0</b>



Image Source: Kaipara Refuse

## Whakaiti para | Waste Minimisation

Kaipara District Council aims to reduce waste and promote a circular economy. The waste minimisation activity purpose is to collect and distribute the community's disposal and recycling products to meet its statutory obligations and needs. The decisions the Council makes on managing waste minimisation directly affect its communities and its environment. Council needs to ensure that this service is affordable, hygienic and environmentally sustainable, which contributes to its wellbeing, by protecting and enhancing its natural assets and open spaces.

Rubbish and recycling options are available for households, business and industry. Council services include:

- Currently, all solid waste from Dargaville and Hakarū is transferred to Whangarei's Puwera commercial landfill
- Recycling services are undertaken weekly in association with the weekly bagged kerbside collection (major urban areas only) from Mangawhai to Dargaville. There are also drop-off facilities at both transfer stations
- Abandoned vehicles services and illegal dumping retrieval are carried out as and when required, separate to contracted services.
- There are also a number of historic closed landfill sites that the Council has responsibilities for and carries liability for ongoing monitoring and maintenance, as well as reinstatement obligations for their closures
- Setting service levels and associated performance measures assists to define the service standard that the customer can expect from the Council. Performance measure targets provide a basis for measuring the Council's performance through identified indicators.

What we planned	What we achieved
Expand the Solid Waste Team to enable more focus on waste minimisation and improvements to the activity	Not achieved Restructured department but were unable to recruit a waste minimisation officer.
Provision of waste minimisation, sustainable and circular economy education to communities and business, through Council website/publicity and external groups funded by Council	Only Sustainable Kaipara received funding in the 2021/2022 year, which they utilised for ongoing education to schools, clubs, commercial business and to continue their food waste composting trials. Ongoing support of waste minimisation, sustainability, and circular economy education through Council communication channels.
Installation of weigh bridge at Dargaville Transfer Station	Not achieved Delayed until Year 2 of LTP.
Planning and procurement of new transfer station and kerbside collection contracts for implementation in Year 2	Strategy amended and approved by Council, this project has now been postponed until Year 3 pending a business case and Council approval.
Planning for improved recycling services for implementation in Year 2	In February 2022 Council approved a new Waste Minimisation Strategy, with Phase One adopted and planned for implementation in November 2023. This was based on the recycling services provision as detailed in the LTP 2021—2031 with further additions around contracts and general refuse. Since the Council approval in February no further work has occurred due to due to staffing shortages (no waste minimisation officer).
Purchase recycling bins ready for recycling collection change in Year 2	As above this has been delayed until Year 3.

## Paearu mahi | Performance Measures

Waste Minimisation measured by	LTP Year 1 Target 2021/2022	Actual 2021/2022	Comments for 2021/2022	Actual 2020/2021
<b>Reliability</b> To provide regular community kerbside collections.				
Percentage of residents who are very satisfied or satisfied with waste management.	70%	62%	Not achieved 3% improvement on last year's result. Improvements to recycling services planned for next year will continue to lift this score.	Not achieved 59%



Waste Minimisation measured by	LTP Year 1 Target 2021/2022	Actual 2021/2022	Comments for 2021/2022	Actual 2020/2021
To encourage recycling and reduction of waste to landfill.				
Average amount of general refuse collected and deposited per property within the Kaipara District	< 296kgs	301.8kg	Not achieved An average increase of 6kgs per household. This increase could have been caused by additional COVID lockdowns during the year with people using the time to clean up properties.	New measure
Average amount of recycling collected and deposited per property within the Kaipara district	>144kgs	171.77kg	Achieved Base rate exceeded by 28kgs per household, indicating a better buy in from the community and increased recycling opportunities.	New measure
Closed landfill activities meet legislative compliance. No resource consent abatement notices, infringement notices, enforcement orders or convictions.	0	0	Achieved No major issues with closed landfills this year.	New measure

## Kaupapa moni hua | Capital Programme

Location	Actual 2021/2022	Budget from Long Term Plan 2021/2031	Project Description
Weighbridge	0	\$65,000	Additional \$100,000 subsidy to come - Installation of a weighbridge at the Dargaville Transfer Station will be completed in 2022/2023.
Recycling Bins	0	\$275,000	Included in waste contract. Bins/crates required for the implementation of the Waste Minimisation Strategy - Kaipara district-wide.

Operating Funding - Waste Minimisation	Actual	Annual Plan	Annual Report
For the year ended: 30 June	2021/2022 \$'000	2021/2022 \$'000	2020/2021 \$'000
<b>Sources of operating funding</b>			
General rates, uniform annual general charges, rate penalties	1,732	1,732	1,055
Targeted rates	0	0	0
Subsidies and grants for operating purposes	0	0	0
Fees and charges	133	195	105
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>	1,865	1,927	1,160
<b>Application of operating funding</b>			
Payments to staff and suppliers	628	1,271	695
Finance costs	14	14	17
Internal charges and overheads recovered	286	286	129
<b>Total applications of operating funding</b>	928	1,571	841
<b>Surplus (deficit) of operating funding</b>	937	356	319

Capital Funding - Waste Minimisation	Actual	Annual Plan	Annual Report
For the year ended: 30 June	2021/2022 \$'000	2021/2022 \$'000	2020/2021 \$'000
<b>Sources of capital funding</b>			
Subsidies and grants for capital expenditure	0	0	0
Development and financial contributions	0	0	1
Increase (decrease) in debt	0	241	0
Gross proceeds from sale of assets	0	0	0
<b>Total sources of capital funding</b>	0	241	1
<b>Application of capital funding</b>			
Capital expenditure - to meet additional demand	0	0	0
Capital expenditure - to improve the level of service	0	340	0
Capital expenditure - to replace existing assets	0	0	0
Increase (decrease) in reserves	937	257	320
<b>Total applications of capital funding</b>	937	597	320
<b>Surplus (deficit) of capital funding</b>	(937)	(356)	(319)
<b>Funding Balance</b>	0	0	0



## Wai Para | Wastewater

The wastewater activity focuses on protecting public and environmental health by collecting and treating wastewater prior to its discharge into receiving environments. Continued growth, as well as the need to provide for visitors in peak periods (particularly in coastal communities), has resulted in the Council's ongoing commitment to significant wastewater infrastructure development.

The Council undertakes asset management, planning, operation and maintenance of these wastewater schemes, including capital and refurbishment programmes, consent monitoring and continuous maintenance through its network contractors.

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 six community wastewater collection and treatment systems:

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

What we planned	What we achieved
Investigating the disposal system for MCWWS	Work is ongoing to identify options to support level of service. A strategic growth programme is being developed.
Undertake wastewater modelling for the district	Modelling completed, calibration underway.
Investigation and documentation of asset conditions	Kaiwaka and Te Kopuru completed, with some areas in Dargaville still to be completed.
Continue the extension of the MCWWS reticulation and disposal system	Modelling of the network and strategy of the scheme is completed. Start the capital work programme for the network 2022/2023.

What we planned	What we achieved
Start construction of the balance tank for the MCWWS	Construction has started, with completion planned for 2022/2023.
Investigate alternative usages for sludge from MCWWS	This will be considered at the time of the treatment plant upgrade.
Plan for Three Waters Reform	Ongoing
Wastewater rate equalisation will see a correction of wastewater rates across the district	Implemented for all with Te Kopuru having a stepped process over three years.
Investigate and construct a wastewater treatment extension for Spring Street (Dargaville) residential subdivision	Design and procurement completed. Under construction 2022/2023.
Investigate options assessment for a wastewater scheme in Paparua	Council staff are working to investigate and report on options for a small communal wastewater treatment system to service part of Paparua. Council staff are continuing to engage with the community to consider options.

## Paearu mahi | Performance Measures

Wastewater measured by	LTP Year 1 Target 2021/2022	Actual 2021/2022	Comments for 2021/2022	Actual 2020/2021
<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	0.35	Achieved Only two dry water overflows throughout the year expressed per 1,000 wastewater connections, based on 5,676 wastewater connections.	Not achieved 1.6
<b>Discharge compliance</b>				
Compliance with the Council's resource consents for discharge from its wastewater 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	3	Not achieved Three abatement notices received. Two concerning leakages and one regarding foul odour.	Not achieved 1
<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	40 minutes	Achieved Year to Date median time is calculated from all wastewater service request attendance times.	Achieved 42 minutes

Wastewater measured by	LTP Year 1 Target 2021/2022	Actual 2021/2022	Comments for 2021/2022	Actual 2020/2021
<b>Fault response times (continued)</b>				
Where Council attends to sewage overflows resulting from a blockage or other fault in Council's sewerage system.				
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, 41 minutes	Achieved Year to Date median time is calculated from all wastewater service request resolution times.	Achieved 2 hours, 46 minutes
<b>Fault response times (continued)</b>				
Where Council attends to sewage overflows resulting from a blockage or other fault in Council's sewerage system.				
The total number of complaints received by Council about sewage odour. Expressed per 1,000 sewerage connections to that sewerage system.	≤10	5.6	Achieved Year to date is based off the total number of complaints related to sewer odour per 1,000 connections, based on 5,676 wastewater connections.	Achieved 4.63
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	36.8	Not achieved Year to date is based off total number of complaints related to the associated measures per 1,000 connections, based on 5,676 wastewater connections.	Achieved 21.55
The total number of complaints received by Council about Council's response to issues with its sewerage system. Expressed per 1,000 sewerage connections to that sewerage system.	≤50	2.5	Achieved Annual result is based off the total number of complaints related to Council's response to sewer system issues, per 1,000 connections based on 5,676 wastewater connections. (Please note that the wording of this measure has changed in the LTP.)	Achieved 26.72
Major capital projects are completed within budget.	Achieved	N/A	Not applicable Major projects measured here only relate to projects completed in the year with a budgeted costs of greater than \$250k. This measure compares the Actual Costs to Approved Full Year Budget in Capex Listing 2021/2022. There were no 'Major' projects completed in this financial year. A number of major projects will be completed early 2023.	Achieved

## Kaupapa moni hua | Capital Programme

Location	Actual 2021/2022	Budget from Long Term Plan 2021/2031	Project Description
Upgrade Existing Reticulation	\$44,547	\$750,000	Thelma Road, Mangawhai new pipe diversion investigation completed. Construction 2022/2023.
Pump Station 1 & 2 upgrade	\$12,085	0	Construction underway with further scoping being done.
Extend Reticulation (8 years)	\$80,593	\$400,000	Modelling completed and calibrating for Mangawhai network.
Te Kopuru WWTP Aerator Upgrade	\$7,113	0	Complete
Dargaville Wastewater Renewals	\$540,837	\$463,000	Stage 1 completed, (Countdown carpark). Stage 2 (Victoria Street) under construction 2022/2023.
Kaiwaka Wastewater Renewals	\$588,974	\$288,000	Stage 1 completed. (New pipeline and pump station). Stage 2 under construction 2022/2023.
Mangawhai Community Wastewater Scheme (MCWWS) Balance Tank Stage 1 2020-2021	\$789,737	\$1,450,000	Construction underway. Completion due 2022/2023.
Dargaville growth design	\$44,945	\$100,000	Waiatua Dam business case completed. Further design underway.
Dargaville wastewater growth – 1,800m wastewater line Bower Street to Awakino Road area to PS1	0	\$50,000	Dargaville wastewater strategic plan in process.
Spring Street reticulation	\$38,316	\$375,000	Design and procurement completed (as per above).
Station Road reticulation	\$26,947	\$200,000	Other options being investigated.
Maungaturoto wastewater growth - Bickerstaff Road 670m growth and renewal	\$24,179	\$75,000	Maungaturoto wastewater strategic plan in process.
Maungaturoto wastewater renewals	\$95,910	\$50,000	Emergency electrical work completed.
Capacity upgrades to 5,000 connections	\$75,666	\$300,000	Investigation plan in 2022/2023 in conjunction with the strategy.
Extensions to reticulation including new disposal system	0	\$1,500,000	Scheme strategy developed and disposal option progressed.
Kaiwaka Wastewater Treatment Plant optimization	\$93,504	0	Installed balance tank on the inflow side of the membrane filtration plant.
Aerator for Dargaville Wastewater Treatment Plant	\$71,750	0	Replaced aerator at Dargaville Wastewater Treatment Plant.



<b>Operating Funding - Wastewater</b>	<b>Actual</b>	<b>Annual Plan</b>	<b>Annual Report</b>
For the year ended: 30 June	2021/2022 \$'000	2021/2022 \$'000	2020/2021 \$'000
<b>Sources of operating funding</b>			
General rates, uniform annual general charges, rate penalties	1,449	1,449	1,484
Targeted rates	6,014	5,796	6,389
Subsidies and grants for operating purposes	0	0	0
Fees and charges	32	26	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>7,495</b>	<b>7,271</b>	<b>7,910</b>
<b>Application of operating funding</b>			
Payments to staff and suppliers	2,814	2,190	2,900
Finance costs	2,026	2,026	2,403
Internal charges and overheads recovered	1,536	1,536	1,385
<b><i>Total applications of operating funding</i></b>	<b>6,376</b>	<b>5,752</b>	<b>6,688</b>
<b>Surplus (deficit) of operating funding</b>	<b>1,119</b>	<b>1,519</b>	<b>1,222</b>

<b>Capital Funding - Wastewater</b>	<b>Actual</b>	<b>Annual Plan</b>	<b>Annual Report</b>
For the year ended: 30 June	2021/2022 \$'000	2021/2022 \$'000	2020/2021 \$'000
<b>Sources of capital funding</b>			
Subsidies and grants for capital expenditure	622	491	118
Development and financial contributions	1,418	2,130	1,400
Increase (decrease) in debt	0	(54)	0
Gross proceeds from sale of assets	0	0	0
<b><i>Total sources of capital funding</i></b>	<b>2,040</b>	<b>2,567</b>	<b>1,518</b>
<b>Application of capital funding</b>			
Capital expenditure - to meet additional demand	1,146	4,666	577
Capital expenditure - to improve the level of service	142	574	185
Capital expenditure - to replace existing assets	1,316	836	317
Increase (decrease) in reserves	555	(1,990)	1,661
<b><i>Total applications of capital funding</i></b>	<b>3,159</b>	<b>4,086</b>	<b>2,740</b>
<b><i>Surplus (deficit) of capital funding</i></b>	<b>(1,119)</b>	<b>(1,519)</b>	<b>(1,222)</b>
<b><i>Funding Balance</i></b>	<b>0</b>	<b>0</b>	<b>0</b>



## Whakarato Wai | Water Supply

A reliable and high-quality water supply to Kaipara district's reticulated areas is essential for communities and local economic development. Public water supplies ensure communities receive water at the cost of production. Our water supply activities also protect and enhance our natural assets and open spaces.

We operate five community water supply schemes that provide potable water:

- Dargaville (including Baylys)
- Glinks Gully
- Ruawai
- Maungaturoto; and
- Mangawhai (mostly supplying the Mangawhai Heads Holiday Park and the Woods Street commercial precinct).

We own and maintain the whole water supply network for the five schemes. We treat raw water to produce quality and quantities of drinking water to drinking water standards (potable); and distribute treated water to the point of supply to customers to meet specific flow, pressure, and quality standards. This includes water for emergency firefighting services for Dargaville's urban area.

We also undertake:

- customer services
- water billing
- asset management
- planning
- treatment plant operations and maintenance
- network operations and maintenance
- capital and refurbishment programme; and
- consent monitoring and compliance.

What we planned	What we achieved
Feasibility study for connection to Dargaville from all options	Council's engineers are progressing investigation utilising Council's existing Waitua Dam. This is currently being progressed through the concept design stage. This work is advanced with a draft report expected soon.
Application for new consent at Ahikiwi water take	Not achieved Work not undertaken due to high workloads and constrained staff levels, deferred until Year 2 of the LTP.
Water rates equalisation will see a correction of water charges across the district	Equalisation has been implemented this year (Year 1).
Kaihu Water Treatment Plant and Truck Filler will be delivered subject to the success of external funding application	Council funding was no longer required as iwi sourced independent funding.
Investigate a water security solution for Mangawhai	Work is ongoing with Whangārei District Council.
Business Case for connection to Tai Tokerau Water Storage	Council's engineers investigated water storage options, including both the Te Tai Tokerau Water Trust and its own Waitua Dam. Their report informed an indicative business case that was presented to Council at the 23 February 2022 meeting. At that meeting, Council selected an option based on upgrading its existing Waitua Dam to be investigated further.
Kaipara District Council SCADA (Supervisory Control and Data Acquisition) upgrade	This work was completed, on time and under budget.
Continue planning and collaboration on Three Waters Reform	Ongoing

## Paearu mahi | Performance Measures

Water supply measured by	LTP Year 1 Target 2021/2022	Actual 2021/2022	Comments for 2021/2022	Actual 2020/2021
<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	45 minutes	Achieved Year to date median response time of all annual urgent service requests during the year.	Not achieved 3 hours, 40 minutes
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	2 hours, 48 minutes	Achieved Year to date based off median resolution times of all annual urgent service requests. Staff have worked well to improve response times.	Achieved 5 hours, 37 minutes

Water supply measured by	LTP Year 1 Target 2021/2022	Actual 2021/2022	Comments for 2021/2022	Actual 2020/2021
<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	44 minutes	Achieved Year to date based off median time response of all annual service requests which were non-urgent callouts.	Achieved 42 minutes
The median response time for resolution of non-urgent callouts: from the time that the local authority receives notification to the time that service personnel confirm resolution of the fault or interruption.	≤3 days	2 hours, 28 minutes	Achieved Year to date base off median time response of all annual service requests which were non-urgent callouts.	Achieved 2 hours, 44 minutes
<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	≤40	37	Achieved Based on total number of complaints per 1,000 water connections with 3,703 water meter connections.	Achieved 24.51
Total number of complaints received by Council about Council's response to any of these issues. Expressed per 1,000 water connections	≤40	2.43	Achieved Only nine complaints received off the possible 3,703 water connections.	Achieved 0.6

Water supply measured by	LTP Year 1 Target 2021/2022	Actual 2021/2022	Comments for 2021/2022	Actual 2020/2021
<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	283	Not achieved Includes multiple commercial business and private pools whose usage equates to approximately 1/3 of the total take.	Not achieved 292 Dargaville
	Maungaturoto 340	275	Achieved	Achieved 286 Maungaturoto
	Ruawai 130	140	Not achieved Commercial properties included in consumption, recent completion of water mains renewals in Ruawai should see a significant reduction in use in the coming year	Not achieved 141 Ruawai
	Glinks Gully 52	76	Not achieved Campground and public toilets included in calculation.	Not achieved 53 Glinks Gully
	Mangawhai 230 *excluding campground	584	Not achieved High consumption due to connections being more commercial, i.e. Wood Street shops, pensioner flats etc.	Not achieved 641 Mangawhai
Water take consents.	100% compliance with NRC water take consents	98%	Not achieved  Two of 108 non-compliant	Achieved
Major capital projects are completed within budget	Achieved when completed at or below budget	N/A	Not applicable Major projects measured here only relate to projects completed in the year with budgeted costs of greater than \$250k. Comparison of Actual Costs to Approved Full Year Budget in Capex Listing 2021/2022.  There was one 'Major' project completed in this financial year being the Ruawai watermain renewal which was funded through DIA stimulus grants. A number of major projects will be completed early 2023.	Not achieved 60%

Water supply measured by	LTP Year 1 Target 2021/2022	Actual 2021/2022	Comments for 2021/2022	Actual 2020/2021
<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	Achieved All compliant
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	Achieved All compliant
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%	29.2%	Not achieved Ongoing watermain renewals occurring in Maungaturoto. Ruawai renewals are now complete.	Not achieved 28.3%



## Kaupapa moni hua | Capital Programme

Location	Actual 2021/2022	Budget from Long Term Plan 2021/2031	Project Description
Water Treatment Plant (WTP) and reservoir	\$36,291	\$275,568	Ruawai – design completed. Construction underway 2022/2023.
Water Treatment Plant (WTP)	\$130,610	\$240,000	Works Completed. Accelerated Renewals contract. Dargaville Water Treatment Plant.
Dargaville raw watermain river crossing Stage 1 and 2	\$88,290	\$130,000	Completed
Ruawai watermain renewals	\$522,167	\$675,000	Completed - Renewal of sections of watermains on Freyberg Road, Well Street and Reeves Street. DIA Three Waters funded.
Maungaturoto raw watermain renewal	\$786,079	\$885,000	Completed. DIA Three Waters funded.
Maungaturoto water reservoir replacement	\$16,747	\$120,000	Relining of one tank completed. Relining of second tank 2022/2023.
Maungaturoto water truck filler and main upgrade	\$94,270	\$157,000	Purchase of mobile truck filler completed. Site for installation is yet to be selected.
Maungaturoto Hurndall Street watermain renewal	\$658,704	\$138,500	Completed.
Dargaville watermain upgrade to Awakino Plant 2km	\$49,534	\$80,000	Overall water supply network strategy currently being scoped.
Kaihu tank filler	0	\$500,000	Marae successfully sought funding elsewhere (refer above).
Maungaturoto South, South Valley, Bickerstaffe Road 670m watermain	\$53,240	\$75,000	Overall water supply network strategy currently being scoped.

<b>Operating Funding - Waste Minimisation</b>	<b>Actual</b>	<b>Annual Plan</b>	<b>Annual Report</b>
For the year ended: 30 June	2021/2022 \$'000	2021/2022 \$'000	2020/2021 \$'000
<b>Sources of operating funding</b>			
General rates, uniform annual general charges, rate penalties	381	381	0
Targeted rates	4,365	4,194	3,165
Subsidies and grants for operating purposes	0	0	0
Fees and charges	484	550	489
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>5,230</b>	<b>5,125</b>	<b>3,654</b>
<b>Application of operating funding</b>			
Payments to staff and suppliers	2,056	1,981	2,113
Finance costs	208	208	277
Internal charges and overheads recovered	1,230	1,230	742
<b><i>Total applications of operating funding</i></b>	<b>3,494</b>	<b>3,419</b>	<b>3,132</b>
<b>Surplus (deficit) of operating funding</b>	<b>1,736</b>	<b>1,706</b>	<b>522</b>

<b>Capital Funding - Waste Minimisation</b>	<b>Actual</b>	<b>Annual Plan</b>	<b>Annual Report</b>
For the year ended: 30 June	2021/2022 \$'000	2021/2022 \$'000	2020/2021 \$'000
<b>Sources of capital funding</b>			
Subsidies and grants for capital expenditure	2,030	916	1,023
Development and financial contributions	0	33	0
Increase (decrease) in debt	0	(352)	0
Gross proceeds from sale of assets	0	0	0
<b><i>Total sources of capital funding</i></b>	<b>2,030</b>	<b>597</b>	<b>1,023</b>
<b>Application of capital funding</b>			
Capital expenditure - to meet additional demand	93	139	0
Capital expenditure - to improve the level of service	47	579	18
Capital expenditure - to replace existing assets	2,723	1,017	2,328
Increase (decrease) in reserves	903	568	(801)
<b><i>Total applications of capital funding</i></b>	<b>3,766</b>	<b>2,303</b>	<b>1,545</b>
<b><i>Surplus (deficit) of capital funding</i></b>	<b>(1,736)</b>	<b>(1,706)</b>	<b>(522)</b>
<b><i>Funding Balance</i></b>	<b>0</b>	<b>0</b>	<b>0</b>

# Council Directory

## Main Office

32 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 2022



**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*



**Anin Nama**  
*Acting General Manager  
Infrastructure Services*



**Sarah Morris**  
*General Manager  
People and Capability*

# Council Committee Structures

KAIPARA DISTRICT COUNCIL 30 JUNE 2022

## Audit, Risk and Finance Committee

**Members:** Philip Jones (Independent Chair from 20 September 2021)  
Geoff Copstick (Independent Chair to 13 August 2021)  
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)  
Deputy Mayor Anna Curnow  
Councillor Jonathan Larsen  
Councillor David Wills  
Councillor Eryn Wilson-Collins

**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)

Mike Howard (Friends of Mangawhai Community Park Chair) from March 2022

Jim Wintle (Friends of Mangawhai Community Park Chair) to December 2021

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:** *Raupo District Ratepayer Members*

Ian Beattie (Chair)

David Hart

Greg Gent

Grace Le Gros

Brian Madsen

Ross McKinley

*Council representatives*

Deputy Mayor Anna Curnow

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-Collin

**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 Kūihi representative (Chair)

Sonny Nesbit, Te Roroa representative

Councillor Karen Joyce-Paki

Councillor Jonathan Larsen (resigned 2 May 2022)

**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	11	11	10	10	11	11	9	10
Kaipara District Council (Extraordinary)	1	1	1	1	0	0	1	1	1	1
Council Briefing	11	11	11	10	3	8	11	10	8	10
Council Workshop	7	7	7	6	0	2	7	6	5	5
Hearings and Deliberations (Representation Review 2021)	2	2	2	1	2	1	2	2	1	2
District Plan Review Briefing	7	6	7	6	0	6	7	6	5	4
District Plan Review Workshop	5	5	5	4	0	2.5	4	4	3	2
Audit Risk and Finance Committee	5	2 <sup>^</sup>	5	-	-	3	-	5	4	4
Awards and Grants Committee	3	1 <sup>^</sup>	3	-	-	2	-	3	2	3
District Licensing Committee	0	-	-	-	-	-	-	-	-	-
Externally-Funded Projects Committee	11	10	11	10	7	8	10	11	7	10
Pou Tu o Te Rangi / Harding Park Committee	4		-	-	3	-	-	4	-	-
Mangawhai Community Park Governance Committee	4	2 <sup>^</sup>	4	4	-	3	-	-	-	4
Mangawhai Community Park Governance Committee (Extraordinary)	1		1	0	-	1	-	-	-	1
Raupo Drainage Committee	3	3 <sup>^</sup>	3	-	-	-	-	-	3	-
Remuneration and Development Committee	2	2	2	-	-	-	-	2	1 <sup>*</sup>	2
Taharoa Domain Governance Committee	4	3 <sup>^</sup>	-	-	4	2 <sup>"</sup>	-	-	-	-

This table shows meeting attendance from July 2021 to 30 June 2022.

### Key:

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

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

# - Leave of Absence

<sup>"</sup> - Denotes Member resigned from Committee during the year









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