



Kaipara te Oranganui

**KAIPARA
DISTRICT**

Two Oceans Two Harbours

**ANNUAL
REPORT
2019/2020**



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PART ONE **Introduction**



Photo Location: Mangawhai

Kaipara District Elected Members



Mayor
Dr Jason Smith



Deputy Mayor
Anna Curnow



Dargaville Ward
Karen Joyce-Paki



Kaiwaka-Mangawhai Ward
Jonathan Larsen



Kaiwaka-Mangawhai Ward
Peter Wethey



West Coast-Central Ward
Victoria del la Varis-Woodcock



Otamatea Ward
Mark Vincent



Dargaville Ward
Eryn Wilson-Collins



West Coast-Central Ward
David Wills

A word from the Mayor and Chief Executive



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

Dr Jason Smith
Kaipara Mayor



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

Louise Miller
Chief Executive

The Council Year of 2019 – 2020 will be memorable for many reasons. A new Council was elected in October 2019, with three new faces around the Council table, and five returning councillors it's set to be a term of steady hands working on new and innovative ideas to keep Kaipara moving into the future.

The year has brought its challenges. In October, Northland started to feel the effects of what would become a significant and long-lasting drought, the worst of its kind in many peoples' memories. Then for eight weeks in 2020, Kaipara joined the rest of the country locked-down to fight against a worldwide pandemic.

Council staff continued work during lockdown where they could, with many needing to reprioritise work that was planned, or reconsider how and when it was delivered. While we continued to deliver essential services during lockdown, some of the work we had planned had to be put on hold and has now been rescheduled as part of the coming year's work.

COVID-19 also brought additional work, supporting Civil Defence, caring for people in our communities and, for example, planning new work as part of the Government's support packages.

It was still a year of action with resource and building consents being issued and new dwellings built. That's in spite of applications reducing during the lockdown period.

We're becoming a climate smart council, focusing on the real and present impacts climate change is having in our district, seen in the swing of weather events in just the last 12 months. We're also looking at Northland as whole, working through the Northland Mayoral Forum to be a voice for Northland to the rest of the country.

Support and interaction with our community has been at the forefront of the work Council we've done, which is reflected in the significant financial investments made through our Community Funds, additional funding for COVID-19 support, and the establishment of the Kaipara Mayor's Taskforce for Economic Support and Recovery post COVID-19. The signing of a Mana Enhancing Agreement with Te Roroa, formalised our relationship with the West Coast based Iwi.

Kaipara is consistently an area on the rise, people want to live and work here and we need to prepare for that growth now for the future of Kaipara.



Photo Location: Kai Iwi Lakes

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.

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

Dr Jason Smith

Mayor

02 December 2020

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

Louise Miller

Chief Executive

02 December 2020

RESIDENT SATISFACTION



CUSTOMER SERVICE CENTRE



REGULATORY NUMBERS



All figures are from 1 July 2019 to 30 June 2020

TOP 5 PERFORMING SERVICES & FACILITIES

RESIDENT SATISFACTION PERCENTAGES



KAIPARA LIBRARIES



COMMUNITY FUNDING

\$488,851

CONTESTABLE FUNDS AND GRANTS APPROVED

COVID-19

To start nearer the end, COVID-19 and its impacts will be felt across Kaipara, Northland and the world for years to come. Post lockdown, parts of Kaipara are facing a period of growth. Anecdotally, tradespeople are busy, working to build, create and service, meanwhile our large rural population continues to provide outstanding essential services, feeding our people locally and internationally. Council work continued throughout lockdown, drinking water flowed (albeit it conservatively with the drought), toilets flushed, and the rubbish continued to get collected. For staff it was a time to plan future projects, lead alternative community engagement sessions and carry out essential physical works. Around the Council table, meetings went digital, decisions were made, and democracy continued. While some projects were halted due to the shutdown of major works, some projects have been moved to the 2020-2021 financial year or deferred them to further years where needed. There will always be work needing to be done and managing it all is a challenge we'll continue to face.

The Kaipara Mayor's Taskforce for Economic Recovery and Support was established in response to the impacts of COVID-19, both current and incoming. The Taskforce's goal is to reactivate our communities and businesses as quickly as we can by taking a lead role in networking, advocating, informing, supporting and working together to lead our communities through this. This has taken shape through specialist Infometrics-led economic forecasts which show the impacts of lockdown on Kaipara and its communities. We've also advocated for central government projects to bring work, and economic benefits to Kaipara. There are also a number of Council-led initiatives to support our communities, including rates rebates for business, rebates for food, health and liquor licences and rates for community and sport groups, and a fund for business to get specialist advice to support their continued involvement in the Kaipara economy.

Connecting with our communities

An important part of any Council year is the work we undertake with our communities. While some of the year was spent adapting to new ways of continuing that work, including online meetings/hui, some of it required an overhaul of how we worked.

For the Kaipara Library team, locked doors meant a push to online services. The staff contacted members over 70 years old to check on them, hosted its first online book club via Facebook, saw a 70% increase in e-book issues, delivered 28 free modems for internet connection through the Skinny Jump programme, and managed to grow the collection by over 500 books once people were able to get back out and about again. Post lockdown, the library implemented a surprise bag of books for people who were waiting for something new to read.

Te Kopuru has been taking part in training session to help support their community-led projects, Kaihu Valley and surrounds focused on conservation, hosting a multi-agency site visit to support environmental projects. Paparoa has been working on various projects to create safer connections through the village, including cycleways, walkways and an off-road bike track.

Improvements to our townships is always a great way to see progress. Over summer 2019-2020 there was a trial of alternative movement through Wood Street in Mangawhai, looking to improve traffic flow and parking. This successful trial will lead to further trials in the summer of 2020-2021.

The Kaiwaka Sports Fitness Trail was funded through reserve contributions, Kaiwaka footbridges and connecting pathways from Oneriri Road to Eutopia Café were investigated. In Dargaville work is underway to revitalise Memorial Park and Selwyn Park as well as improved welcome signage to showcase local artists and their connection to Dargaville.

Drought and Climate Smart Kaipara

Water is a precious resource, and the changing climate is bringing to the fore a number of significant and difficult decisions for our Council to consider. Council is looking at water security in the long term. Specifically, how we continue to provide drinking water to communities, while balancing the substantial financial investment of new infrastructure to support our water supply, while repairing and remediating ageing infrastructure.

October 2019 saw the start of what would become an extended dry period. Massive reductions in rainfall during the winter of 2019 had left many dams, aquifers and bores at record lows, and the long dry summer exacerbated those problems. While the significant flooding in Northland in late July 2020 seems more recent in people's memories, those months of summer 2019-2020, as the grass turned brown, people, animals and stock began to feel the very real shortages faced without water falling from the sky.

As the drought extended with even longer periods of minimum rainfall, it's become apparent across Northland, that while dams and water storage solutions will take the pressure of our communities in some respects, the changing patterns in weather are something we need look to mitigate and plan how we can prepare for future events.

Infrastructure and improvements

Infrastructure and improvements are a big part of the Council year, this year saw the completion of the Tomarata Bridge upgrade. The improvements make the bridge suitable for 50MAX heavy vehicles and is resilient when used as a detour for State Highway 1 closures.

School safety was a key feature, with marked improvements at Dargaville primary, intermediate and high schools, and Te Kopuru, Pouto and Selwyn Park primary schools, which included solar powered variable speed signs, new road markings and pedestrian refuges, all with the aim of reducing speed and increasing awareness for drivers entering school zones.

Taharoa Domain installed new toilet and

caravan dump station facilities and extended the availability of powered sites. Mangawhai Community Park cleared and milled trees, while Pou Tu O Te Rangi/Harding Park established new walking tracks, carpark upgrades, planting and vegetation clearance.

The review of the District Plan continues, which involves a number of connected plans, policies and papers that will form the foundation for how we can grow and develop Kaipara. In 2019-2020, the team completed work surrounding Significant Natural Areas, Outstanding Natural Features, and utilised LiDAR data to map natural hazards. There is now an adopted Spatial Plan for Dargaville, Kaiwaka and Maungaturoto, and draft plans for our smaller regional townships and Mangawhai.

Two further improvements made in 2019-2020 included, updating our asset information and improving our internal processes, and our external networks systems to meet the new Drinking Water Standards. As a lead in to the upcoming 2021-2031 Long Term Plan, our Asset Management Plans were reviewed and updated. This means we now have better information on the state of our assets and highlights our infrastructure is ageing. As part of the Long Term Plan 2021-2031 we will need to look at renewing and upgrading this infrastructure.

Digital Preparedness

COVID-19 was a catalyst for digital improvement and Council's internal IT team delivered, implementing and assisting the Council to run online council meetings remotely, alongside getting all staff up and operational to continue their work from home. This programme roll-out of Microsoft Teams was a massive event, and a great improvement allowing staff to work flexibly, and not be constrained by physical distance to a standard office. This work has been a feature case study by Microsoft New Zealand as a showcase to other office-based employers.

Alongside other internal IT improvements, significant public facing technological improvements were rolled out during the year including a shared GIS mapping tool, a new agenda management system making agendas and minutes of Council and committees easier

to read and search. Animal dog registration was implemented on the Council website, making it easier and more convenient to register our canine citizens. On the aforementioned GIS mapping tool you can also see dog walking zones, and kiwi protection areas making information easier to find.

The largest project was the implementation of the District ePlan. Our 2013 operational District Plan is now available online, allowing you to see property information, zoning and relevant chapters of the District Plan in relation to your property. Digitisation of services like the above all assist in making Kaipara District Council easier to interact with.

Government Investment

The Provincial Growth Fund allocated \$26m for three workstreams, Kaipara Kai (and Water), Wharves and Roads (collectively the Kaipara Kickstart Programme). It was a year of delivery for many of these projects and the work completed sets up a foundation for future projects that will help enliven and expand the offering of Kaipara district to tourists, residents, food manufacturers and employers.

Kai – a Kai Hub was established in Ruawai. The team have been in hot demand both inside and outside Kaipara with other parts of Northland asking for their own Kai Hub. A lot of interest in diversification of land use and the team have been busy supporting landowners in their transformation journeys and gathering valuable information to support landowners in their decision-making. A feasibility study and Kaipara Topo-climate study were completed and shared via live webinar which is available as enduring ongoing via Council's and the Kai Hub website/facebook. The Kai Action Plan sets out how we intend to defend and build value around the Kumara industry, establish several more domestic crop markets and get some local horticulture/water trial and demonstration sites established for the community to learn from.

Water was identified as a barrier to Kaipara Kai's success, so funding was secured to demonstrate ways of capturing and using water for crops. Kaipara Water is setting up two water/horticulture

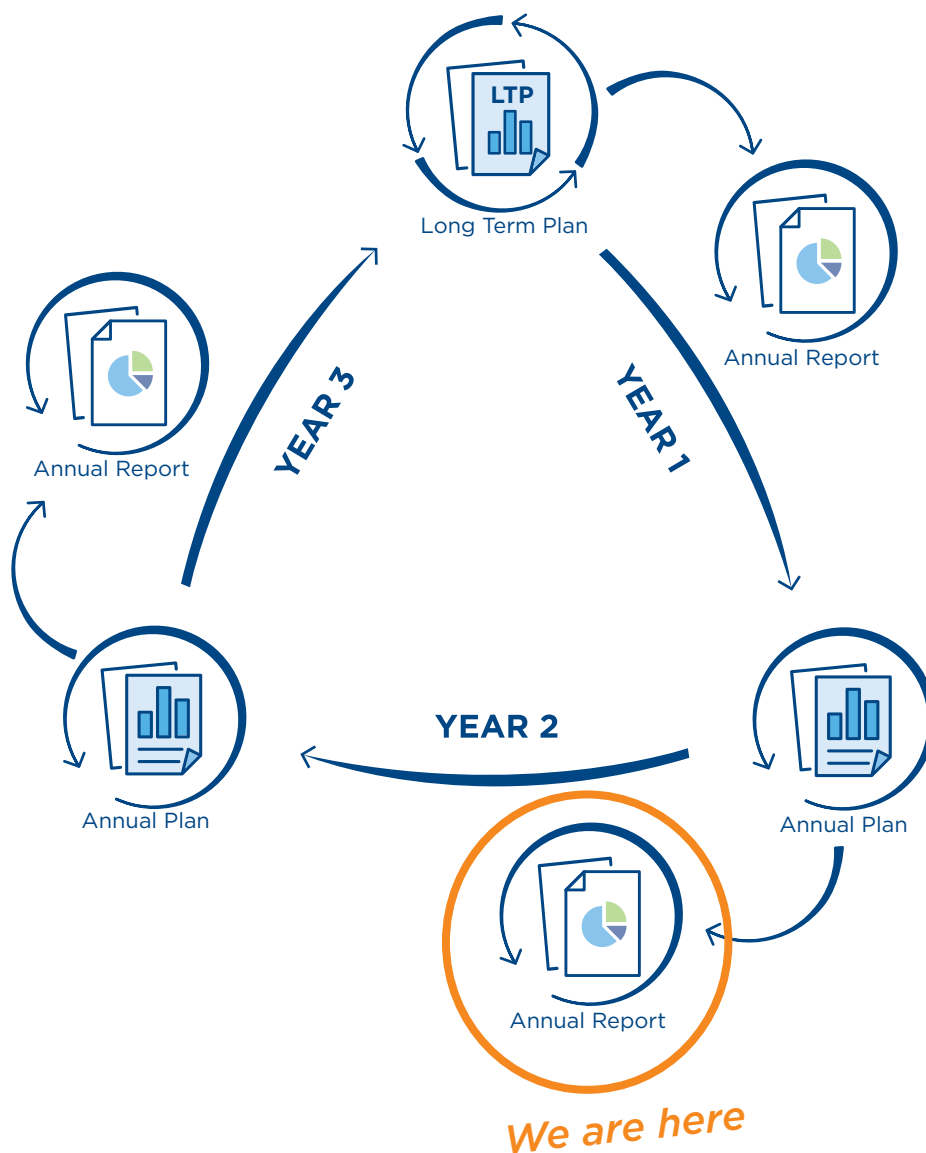
demonstration sites as a resource to learn about what can be achieved on our land with smart water capture while introducing a range of contrasting uses and technology for the community to learn from.

Wharves – a feasibility study and Programme Business Case was completed in May 2020. The Dargaville Pontoon is on track to be completed by October 2020 and we are working with Pahi and Poutō to establish the next steps in physical works for the wharf upgrades.

Roads - Waipoua River Road construction is due to commence in spring 2020, alongside Poutō Road Phase 1, with Poutō Road Phase 2 Strategic Case completed and submitted for approval. A key part of the road project is the Unsealed Network Centre of Excellence which looks to improve unsealed roads across not only Northland, but New Zealand as a whole. This year an evaluation model was developed, alongside a prioritised list of treatment lengths, and draft Maintenance Management Plan & Maintenance Intervention Strategy.

Council also secured multi-year investment from Waka Kotahi NZTA to deliver the Insley Street (Tomarata) Bridge to Heads Beach cycleway/shared path.

Council Planning and Reporting Cycle







PART TWO **Financials**

Photo Location: Mangawhai

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	Actual	Annual Plan	Annual Report
For the year ended: 30 June		2019-2020 \$'000	2019-2020 \$'000	2018-2019 \$'000
Revenue				
Rates	2a	37,688	36,884	35,526
Subsidies and grants	2c	13,098	32,005	12,152
Activity income		6,282	6,498	5,962
Contributions		2,395	3,019	3,871
Investments and other income	2c	2,008	339	2,272
Total revenue	2a	61,472	78,745	59,783
Expenses				
Activity costs		26,624	28,662	26,050
Employee benefits		12,912	12,692	11,250
Finance costs		2,284	2,780	2,510
Depreciation	10a,11	11,790	11,010	10,647
Total expenses	3	53,610	55,144	50,457
Surplus for the period		7,862	23,600	9,326
Other comprehensive revenue and expense (Items that will not be reclassified subsequently to surplus or deficit)				
Gain/(loss) on revaluation	4a	83,644	13,311	49,865
Total comprehensive revenue and expense for the period		91,506	36,912	59,191

The accompanying notes form part of these financial statements.

Explanation of major revenue and expenditure variances against Annual Plan

Revenue

Subsidies and grants: Roading and PGF projects were temporarily paused or slowed due to the COVID-19 pandemic, resulting in less NZTA subsidy and PGF grants recognised than projected for the 2019/2020 year. Most of this year PGF projects encompassed research, consultation and design with construction now planned for the 2020/2021 year.

Activity income: Slight decrease in building and resource consenting income during COVID-19 lockdown period.

Contributions: Overall decrease in development contributions due to economic uncertainties and lower number of subdivisions.

Investments and other income: Include \$1.68 million of assets vested in Council by developers for new subdivision activity in the district.

Expenses

Activity costs: Overall all activity costs are lower than budget due to the impact of COVID-19, purchase of goods were not made to the normal extent during the lockdown period.

Employee benefits: Additional cost of staff provision. Additional staff were engaged to support the PGF capital projects and to prepare for the Shovel Ready projects.

Finance costs: This was due to lower interest rates and capital projects not being completed, partially due to the COVID-19 lockdown.

Statement of Financial Position

Statement of Financial Position	Note	Actual	Annual Plan	Annual Report
As at 30 June		2019-2020 \$'000	2019-2020 \$'000	2018-2019 \$'000
Net assets/equity				
Accumulated comprehensive revenue and expense	4a	408,868	425,697	403,437
Asset revaluation reserves	4a	352,245	245,084	268,601
Restricted reserves	4b	5,612	5,389	5,574
Council created reserves	4b	(12,385)	(14,550)	(14,777)
Total net assets/equity		754,340	661,620	662,835
represented by Current assets				
Cash and cash equivalents		4,398	563	1,926
Trade and other receivables	6	7,681	6,548	8,317
Accrued revenue		1,679	3,438	1,641
Other financial assets	5a	115	115	115
Non current assets held for sale		127	186	186
LGFA Borrower notes		400	0	32
Total current assets		14,400	10,849	12,217
less Current liabilities				
Trade and other payables	7	11,265	13,329	11,219
Provisions	8a	747	148	135
Employee entitlements		845	1,111	905
Public debt	9a	25,000	600	1,000
Total current liabilities		37,857	15,188	13,259
Working capital/(deficit)		(23,457)	(4,340)	(1,042)
plus Non current assets				
Property, plant, equipment	10a	803,887	720,724	714,402
LGFA Borrower notes		304	704	672
Biological assets	13	815	1,017	1,045
Other financial assets	5a	270	278	279
Total non current assets		805,276	722,723	716,398
less Non current liabilities				
Public debt	9a	19,000	47,657	44,000
Provisions	8a	1,514	4,679	2,526
Derivative financial liabilities	18a	6,965	4,427	5,995
Total non current liabilities		27,479	56,763	52,521
Net assets		754,340	661,620	662,835

The accompanying notes form part of these financial statements.

Explanation of major variances against Annual Plan

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

Cash and cash equivalents: Cash has built up as capital projects were not completed as planned in the 2019/2020 year. These will be completed, and borrowings taken up in 2020/2021.

Trade and other receivables: Rates revenue collection lower than expected due to COVID-19 which resulted in the increase in doubtful debt provision of \$538,000.

Trade and other payables: Lower than budget due to roading and PGF projects temporarily paused or slowed due to COVID-19.

Property, plant and equipment: Higher than budgeted due to revaluation of infrastructure assets.

Biological assets: Lower than budget biological assets reflects the decrease in fair value of Council's forestry. The decrease is also due to harvesting removal.

Derivative financial liabilities: The derivatives are revalued to market value at each balance date. The higher liability in 2020 reflects actual interest rates being lower than anticipated when the financial instruments were taken out. Council uses interest rate derivatives to assist in achieving a long term stable interest rate on debt along with minimising debt.

Public debt: \$25 million of the public debt, anticipated to be part of the long term liability in the Annual Plan, is instead due in the next financial year (May 2021). This portion of the public debt was therefore moved from the long term liability to current liability.

Statement of Changes in Net Assets/Equity

Statement of Changes in Net Assets/Equity	Note	Actual	Annual Plan	Annual Report
For the year ended: 30 June		2019-2020 \$'000	2019-2020 \$'000	2018-2019 \$'000
<i>Balance at 1 July</i>		662,835	624,708	601,571
Adjustment to Landfill provision	8b			2,073
<i>Restated Balance at 1 July</i>				603,644
Comprehensive revenue and expense				
Surplus for the period		7,862	23,601	9,326
Other comprehensive revenue and expense for the period				
Surplus on Revaluation of Infrastructure		83,643	13,311	49,865
<i>Total comprehensive revenue and expense for the period</i>		91,505	36,912	59,191
<i>Balance at 30 June</i>		754,340	661,620	662,835

The accompanying notes form part of these financial statements. (p.27-73)

Restatement Landfill provision:

The opening net assets/equity has been restated to reflect a restatement relating to the provision for landfill closure and post-closure costs. Refer Note 8(b) for details.

Statement of Cash Flows

Statement of Cash Flows	Actual	Annual Plan	Annual Report
For year ended: 30 June	2019-2020 \$'000	2019-2020 \$'000	2018-2019 \$'000
Cash Flow from Operating Activities			
Receipts:			
Rates	37,998	36,884	34,228
Fees, charges and other	9,022	9,837	8,603
Grants and subsidies	13,060	32,005	13,949
Interest received	0	20	19
sub total	60,080	78,746	56,799
Payments:			
Suppliers and employees	38,565	41,290	35,902
Taxes (including the net effect of GST)	(19)	0	578
Interest expense	2,284	2,780	2,510
sub total	40,830	44,070	38,990
Net Cash Flow from/(to) Operating Activities	19,250	34,676	17,808
Cash Flow from Investing Activities			
Receipts:			
Sale of property, plant and equipment	21	175	468
Harvesting removals	151	0	0
sub total	172	175	468
Payments:			
Property, plant and equipment purchases	15,950	38,597	18,927
sub total	15,950	38,597	18,927
Net Cash Flow from/(to) Investing Activities	(15,778)	(38,422)	(18,459)
Cash Flow from Financing Activities			
Receipts:			
Loans raised	6,800	3,809	16,500
Payments:			
Loan repayment	7,800	0	17,500
LGFA Borrower notes	0	0	64
Net Cash Flow from/(to) Financing Activities	(1,000)	3,809	(1,064)
Net Increase/(Decrease) in cash and cash equivalents	2,472	63	(1,715)
Cash and cash equivalents at beginning of period	1,926	500	3,641
Cash and cash equivalents at end of period	4,398	563	1,926

The accompanying notes form part of these financial statements. (p. 30-77)

Annual Report Disclosure Statement

FOR THE YEAR ENDED 30 JUNE 2019

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

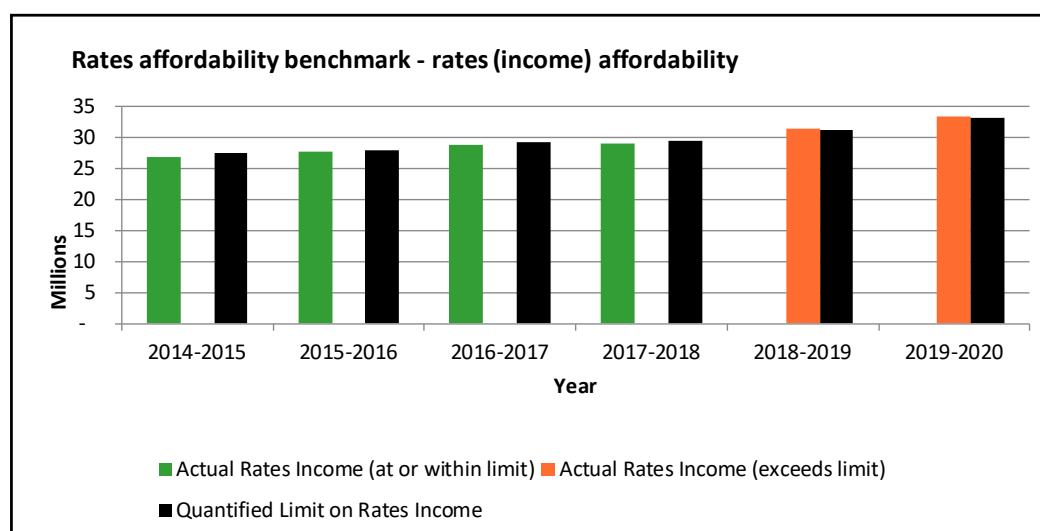
The Council meets the rates affordability benchmark if:

- 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

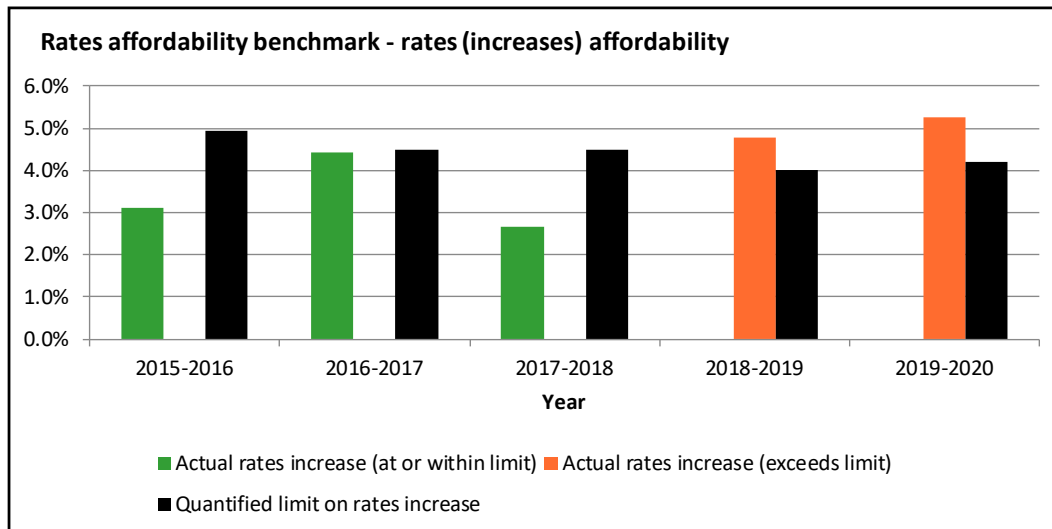
The following graph compares the Council's actual rates income with a quantified limit on rates contained in the Financial Strategy included in the Council's Long Term Plan. The quantified limit for 2019/2020 was set in the Long Term Plan at \$33.1 million excluding water meter billing (2019: \$31.2 million).

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



Rates (increases) affordability

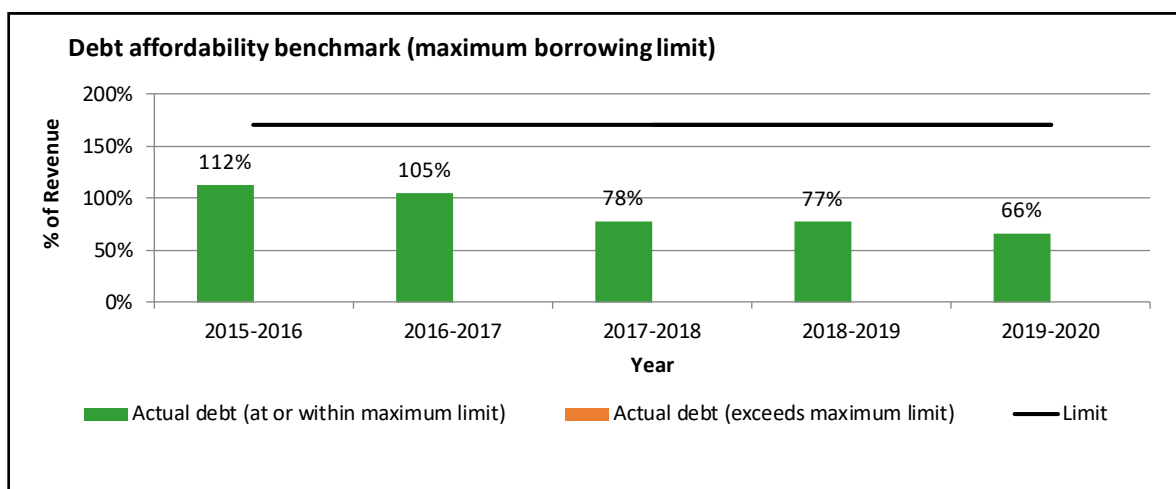
The following graph compares the Council's actual rates increases with a quantified limit on rates as stated included in the Financial Strategy, included in the Council's Long Term Plan. Quantified limit for was 2020:4.2% (2019: 4%).



Debt affordability benchmark

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

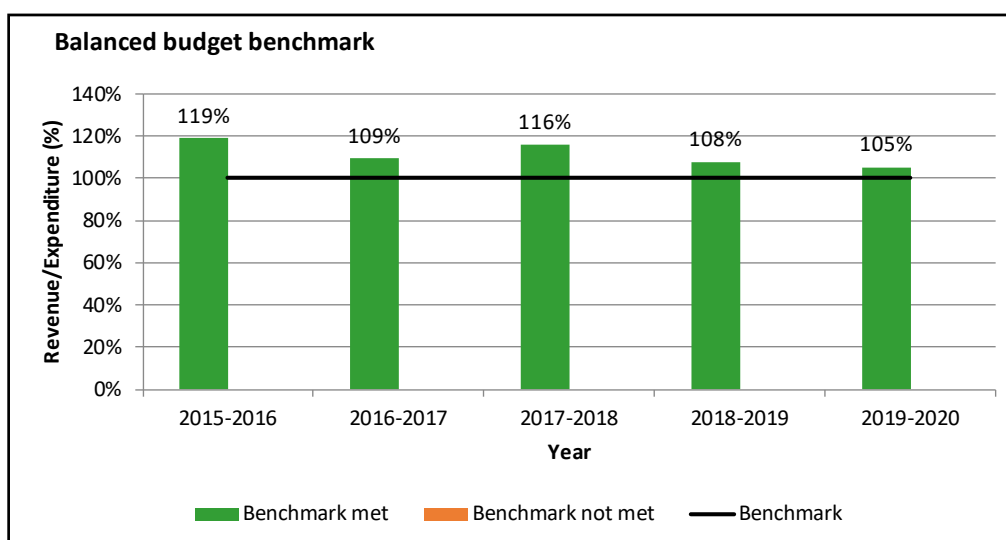
The following graph compares the Council's actual borrowing with a quantified limit on borrowing stated in the Financial Strategy included in the Council's Long Term Plan. The quantified limit for 2020 is 170%.



Balanced budget benchmark

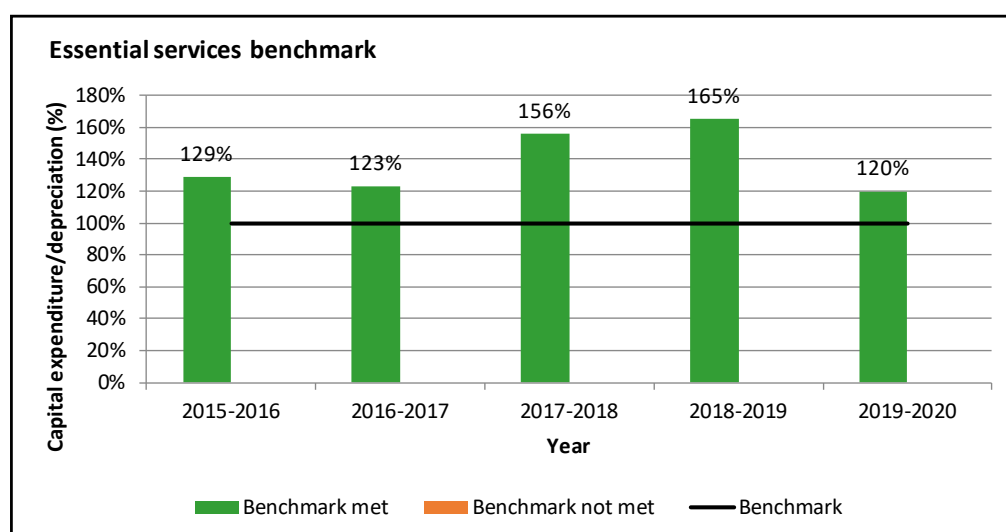
The following graph displays the Council's revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant, or equipment) as a proportion of operating expenses (excluding losses on derivative financial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

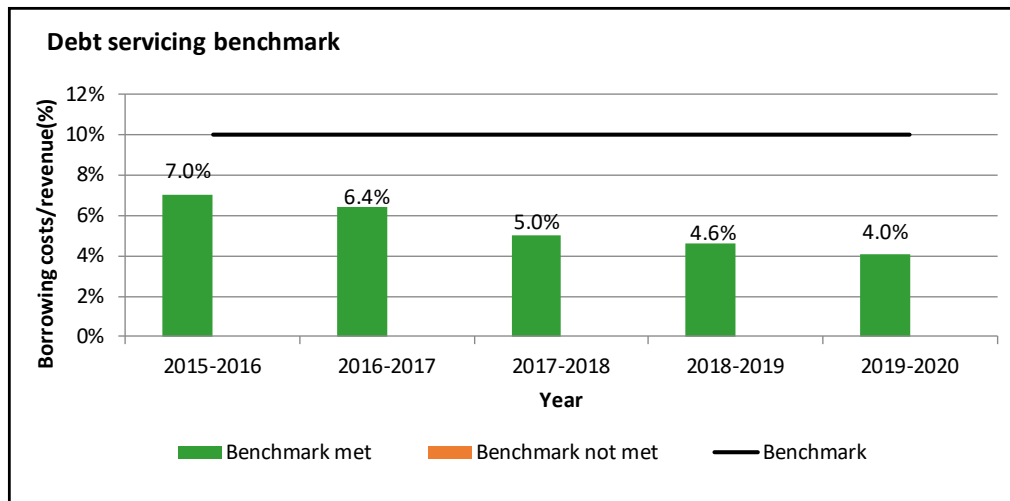
The following graph displays the Council's capital expenditure on network services as a proportion of depreciation on network services. The Council meets this benchmark if its capital expenditure on network services equals or is greater than depreciation on network services.



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).

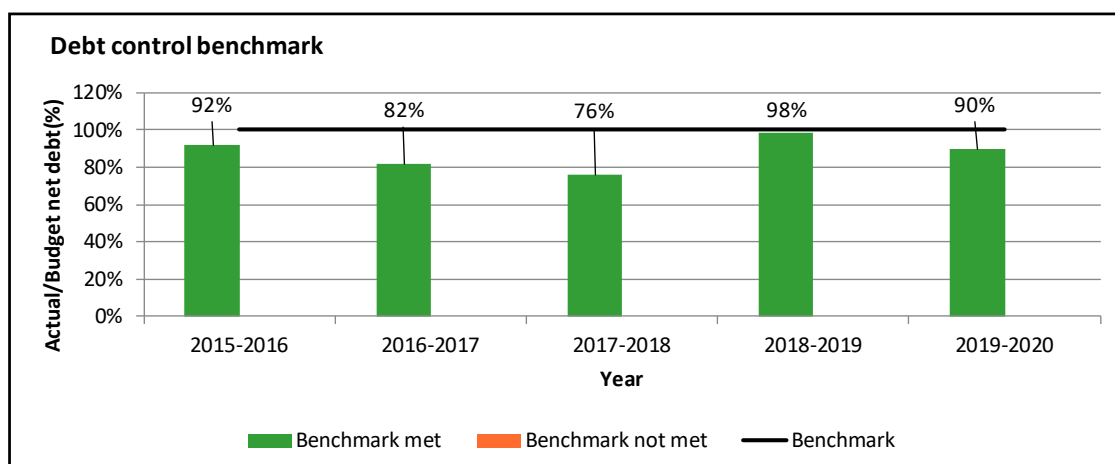
Council meets the debt servicing benchmark if it's borrowing costs equal or are less than 10% of its revenue.



Debt control benchmark

The following graph displays the Council's actual net debt as a proportion of planned net debt. In this statement, net debt means financial liabilities less financial assets (excluding trade and other receivables).

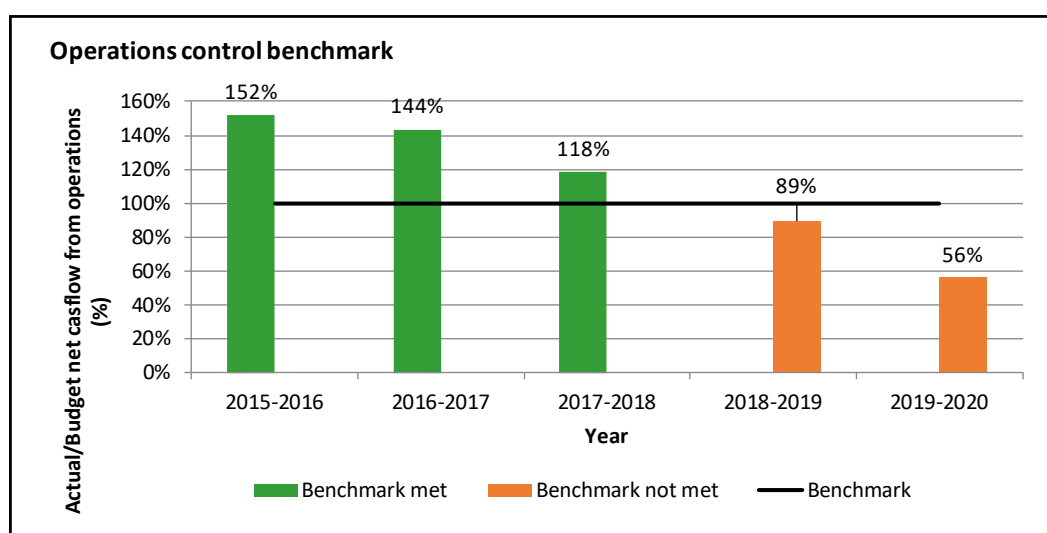
This Council meets the debt control benchmark if its actual net debt equals or is less than its planned net debt.



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 FOR THE YEAR ENDED 30 JUNE 2019

Reporting entity

Kaipara District Council is a territorial local authority governed by the Local Government Act 2002.

The primary objective of Kaipara District Council is to provide core services for the community, which focus on a social benefit rather than making a financial return. Accordingly, Kaipara District Council has designated itself as a Public Sector Public Benefit Entity (PS PBE).

The financial statements of Kaipara District Council are for the year ended 30 June 2020. The financial statements were authorised for issue by Council on XX December 2020.

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.

Grants revenue

Council receives Government grants from NZTA, which subsidises part of Council's costs in maintaining the local roading infrastructure. The subsidies are recognised as revenue upon entitlement as conditions pertaining to eligible expenditure have been fulfilled.

Other revenue

Other revenue comprises amounts received and receivable from water revenue at balance date for water supplied to customers in the ordinary course of business. As meter reading is cyclical, management must apply judgement when estimating the water consumption of customers between meter readings. Unbilled revenues as a result of unread meters at year end, is accrued on an average usage basis.

Provision of service

Revenue from the rendering of services is recognised by reference to the stage of completion of the transaction at balance date, based on the actual service provided as a percentage of the total services to be provided.

Sales of goods

Sales of goods are recognised when the product is sold to the customer. Sales are all in cash. The recorded revenue is the gross amount of the sale.

Vested assets

Where a physical asset is acquired for nil or nominal consideration, the fair value of the asset received is recognised as revenue. Assets vested in Kaipara District Council are recognised as revenue when control over the asset is obtained.

Interest and dividend income

Interest income is recognised using the effective interest method.

Dividends are recognised when the right to receive payment has been established.

Development and financial contributions

The revenue recognition point for development and financial contributions is when Council provides or is able to provide the service for which the contribution was levied. Otherwise, development or financial contributions are recognised as liabilities until such time as Council provides, or is able to provide, the service.

Borrowing costs

Borrowing costs are recognised as an expense in the period in which they are incurred.

Grant expenditure

Non-discretionary grants are those grants that are awarded if the grant application meets the specified criteria and are recognised as expenditure when an application that meets the specified criteria for the grant has been received.

Discretionary grants are those grants where Council has no obligation to award on receipt of the grant application and are recognised as expenditure when a successful applicant has been notified of Council's decision.

Operating leases

An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset. Lease payments under an operating lease are recognised as an expense on a straight line basis over the lease term.

Cash and cash equivalents

Cash and cash equivalents include cash 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 surplus/(deficit).

2. Loans and receivables

These are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

After initial recognition they are measured at amortised cost using the effective interest method, less impairment. Gains and losses when the asset is impaired or de recognised are recognised in the surplus/(deficit).

Loans, including loans to community organisations made by Council at nil or below-market interest rates are initially recognised at the present value of their expected future cash flows, discounted at the current market rate of return for a similar asset/investment. They are subsequently measured at amortised cost using the effective interest method. The difference between the face value and present value of expected future cash flows of the loan is recognised in the Statement of Comprehensive Revenue and Expense as a grant.

Impairment

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

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

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

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

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

extent that an impairment loss for that class of asset was previously recognised in the surplus/(deficit), a reversal of the impairment loss is also recognised in the surplus/(deficit).

Non-current assets held for sale

Non-current assets held for sale are classified as held for sale if their carrying amount will be recovered principally through a sale transaction, not through continuing use. Non current assets held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

Any impairment losses for write-downs of non-current assets held for sale are recognised in the surplus/(deficit).

Any increases in fair value (less costs to sell) are recognised up to the level of any impairment losses that have been previously recognised.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

Property, plant and equipment

Property, plant and equipment consist of:

- **Operational Assets**

These include land, buildings, plant and equipment, and motor vehicles.

- **Restricted Assets**

Restricted assets are community housing and parks and reserves owned by Council, which provide a benefit or service to the community and cannot be disposed of because of legal or other restrictions.

- **Infrastructure Assets**

Infrastructure assets are the fixed utility systems owned by Council. Each asset class includes all items required for the network to function, for example, sewer reticulation includes reticulation piping and sewer pump stations.

Property, plant and equipment are shown at cost or valuation, less accumulated depreciation and impairment losses.

- **Additions**

The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits or service potential associated with the item will flow to Council and the cost of the item can be measured reliably.

In most instances, an item of property, plant and equipment is recognised at its cost. Where an asset is acquired at no cost, or for a nominal cost such as a vested asset, it is recognised at fair value as at the date of acquisition.

Work in progress is recognised at cost less impairment and is not depreciated.

- **Disposals**

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposals are included in the surplus/(deficit). When revalued assets are sold, the amounts included in asset revaluation reserves in respect of those assets are transferred to accumulated funds.

- **Subsequent Costs**

Costs incurred subsequent to initial acquisition are capitalised only when it is probable future economic benefits or service potential associated with the item will flow to Council and the cost of the item can be measured reliably.

Revaluation

Infrastructural assets are revalued with sufficient regularity by independent valuers to ensure their carrying amount does not differ materially from fair value and at least every three years. All other asset classes are carried at depreciated historical cost.

The carrying values of revalued assets are assessed annually to ensure that they do not differ materially from the assets' fair values. If there is a material difference, then the off cycle asset classes are revalued.

Revaluations of property, plant and equipment are accounted for on a class-of-asset basis.

The net revaluation results are credited or debited to other comprehensive revenue and expense and are accumulated to an asset revaluation reserve in equity for that class of asset. Where this would result in a debit balance in the asset revaluation reserve, this balance is not recognised in other comprehensive revenue and expense but is recognised in the surplus/(deficit). Any subsequent increase on revaluation that reverses a previous decrease in value recognised in the surplus/(deficit) will be recognised first in the surplus/(deficit) up to the amount previously expensed, and then recognised in other comprehensive revenue and expense.

Creditors and other payables

Creditors and other payables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method.

Employee benefits

Employee benefits that Council expects to be settled within 12 months of balance date are measured at nominal values based on accrued entitlements at current rates of pay. These include salaries and wages accrued up to balance date, annual leave earned to, but not yet taken at balance date.

Superannuation schemes - defined contribution schemes

Obligations for contributions to defined contribution superannuation schemes are recognised as an expense in the Statement of Comprehensive Revenue and Expense.

Provisions

Council recognises a provision for future expenditure of uncertain amount or timing when there is a present obligation (either legal or constructive) as a result of a past event, and is probable that expenditures will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as an interest expense and is included in "Finance Costs".

Financial guarantee contracts

New Zealand Local Government Funding Agency

Council is a guarantor of the New Zealand Local Government Funding Agency Limited (LGFA). The

LGFA was incorporated in December 2011 with the purpose of providing debt funding to local authorities in New Zealand. LGFA has a local currency rating from Fitch Ratings and Standard & Poor's of AA+ and a foreign currency rating of AA.

Council is one of 52 local authority guarantors of LGFA. When aggregated with the uncalled capital of other shareholders, \$20 million is available in the event that an imminent default is identified. Also, together with the other shareholders and guarantors, Council is a guarantor of all LGFA's borrowings. At 30 June 2020, LGFA had borrowings totalling \$11.908 billion (2019: \$9.53 billion).

Financial reporting standards require Council to recognise the guarantee liability at fair value. However, Council has been unable to determine a sufficiently reliable fair value for the guarantee, and therefore has not recognised a liability. Council considers the risk of LGFA defaulting on repayment of interest or capital to be very low on the basis that:

- We are not aware of any local authority debt default events in New Zealand; and
- Local government legislation would enable local authorities to levy a rate to recover sufficient funds to meet any debt obligations if further funds were required.

Borrowings

Borrowings are initially recognised at their fair value. After initial recognition, all borrowings are measured at amortised cost using the effective interest method.

Borrowings are classified as current liabilities unless Council has an unconditional right to defer settlement of the liability for at least 12 months after balance date or if the borrowings are expected to be settled within 12 months of balance date.

Net assets/equity

Net assets/equity is the community's interest in Council and is measured as the difference between total assets and total liabilities. Net assets/equity is disaggregated and classified into a number of reserves.

The components of net assets/equity are:

- Accumulated comprehensive revenue and expense;
- Restricted reserves;
- Council-created reserves; and
- Asset revaluation reserves.

Restricted and Council created reserves

Restricted and Council created reserves are a component of equity generally representing a particular use to which various parts of equity have been assigned. Reserves may be legally restricted or created by Council.

Restricted reserves are subject to specific conditions accepted as binding by Council and which may not be revised by Council without reference to the Courts or a third party. Transfers from these reserves may be made only for certain specified purposes or when certain specified conditions are met. The Mangawhai Endowment Fund referred to in this document includes the Mangawhai Endowment Lands Account (MELA) referred to in section 8 of the Mangawai Lands Empowering Act 1966 (sic).

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

Asset revaluation reserves

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

Goods and Services Tax (GST)

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

Budget figures

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

Cost allocation

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

- Direct costs are those costs directly attributable to a significant activity. Indirect costs are those costs which cannot be identified in an economically feasible manner, with a specific significant activity;
- Direct costs are charged directly to significant activities;
- Indirect costs are charged to significant activities using appropriate cost allocations determined by management.

Critical accounting estimates and assumptions

In preparing these financial statements, Council has made estimates and assumptions concerning the future. These estimates and assumptions may differ from the subsequent actual results.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations or future events believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Critical judgements in applying Council's accounting policies

Management has exercised the following critical judgements in applying Council's accounting policies for the period ended 30 June 2020.

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 49

There are a number of assumptions and estimates used when performing Depreciated Replacement Cost valuations over infrastructural assets. These include:

- the physical deterioration and condition of an asset, for example Council could be carrying an asset at an amount that does not reflect its actual condition. This is particularly so for those assets which

are not visible, for example stormwater, wastewater and water supply pipes that are underground. This risk is minimised by Council performing a combination of physical inspections and condition modelling assessments of underground assets;

- estimating any obsolescence or surplus capacity of an asset; and
- estimates made when determining the remaining useful lives over which the asset will be depreciated. These estimates can be impacted by the local conditions, for example weather patterns and traffic growth. If useful lives do not reflect the actual consumption of the benefits of the asset, then Council could be over or underestimating the annual depreciation charge recognised as an expense in the Statement of Comprehensive Revenue and Expense. To minimise this risk Council's infrastructural assets useful lives have been determined with reference to the New Zealand Infrastructural Asset Valuation and Depreciation Guidelines published by the National Asset Management Steering Group and have been adjusted for local conditions based on past experience. Asset inspections, deterioration and condition modelling are also carried out regularly as part of Council's asset management planning activities, which gives Council further assurance over its useful life estimates.

Experienced independent valuers perform Council's infrastructural asset revaluations.

Closure and post-closure provisions - Note 8(a), page 45

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.

Impact of COVID-19

COVID-19 and the Government mandated lockdown periods have had an impact on Council given it provides essential services. The Infometrics report showed that the impact of COVID-19 on the Council was minimal due to the makeup of our ratepayers base. Only 3.9% of the Council ratepayers are businesses which is the sector that was most impacted by the lockdown. The majority of our individual ratepayers are in the agricultural and construction sector. The key areas impacted are listed below:

- Biological asset valuation being impacts as detailed in Note 13.
- Provision for uncollectability of rates receivable and other debtors as at 30 June 2020 as detailed in Note 6.

The key risk to Council finances going forward after June 2020 balance date will be driven by:

- Loss of fees and charges income particularly resource consents as there may be less confidence in the economy going forward

Council is fortunate these are only 3.11% of our income. This is likely to mean a lower but corresponding reduction in costs through use of consultants

- Impact on timing of collection of rates revenue and therefore slight increase in Council debt levels
- Loss of development and financial contributions as less confidence in the economy. These are linked to future subdivisions.

COVID-19 business support package

Council established a COVID-19 business support package to ease financial hardship for businesses hardest hit by the lockdown. The package focused on local commercial businesses that could not operate during the lockdown by offsetting targeted Council fees and costs and by subsidising professional advice costs. This comprised one-off grants of \$500 to offset rates, \$1,500 to offset health, food or alcohol licence fees and \$1,000 subsidy for professional advice (accountant fees).

Unbilled water revenue estimate

Due to the COVID-19 Alert Level 4 lockdown Council was unable to read water meters during the month of April 2020. Legal advice confirmed that a water invoice is required to be based on actual consumption or supply (section 43 (1)(c) of the Local Government Rating Act). It is therefore unlawful to issue water invoices based on estimates. On this basis, water invoices were not billed during the month of April 2020 and were read in October 2020. All customers who would usually receive a water invoice at this time were sent a letter advising of the situation and they were encouraged to make a payment towards the account to avoid having a larger invoice to pay in November. Revenue was accrued on an average usage basis. Refer to Note 6.

2a. Income and Expenditure Summary

2a. Non-exchange Revenue Summary	Actual	Annual Report
For the year ended: 30 June	2019-2020 \$'000	2018-2019 \$'000
Non exchange revenue		
Rates	37,688	35,526
Resource consents	1,568	1,495
Solid waste recoveries	82	66
Subsidies and Grants	13,098	12,152
Total Non exchange revenue	52,436	49,239
Exchange revenue	9,036	10,544
Total revenue	61,472	59,783

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 2019	As at 30 June 2018
Number of rating units within the Kaipara District	15,532 units of which 14,632 are rateable	15,306 units of which 14,416 are rateable
Total capital value of rating units within the Kaipara District	\$9,007,678,600 of which \$8,806,247,800 is rateable	\$8,828,908,200 of which \$8,628,086,400 is rateable
Total land value of rating units within the Kaipara District	\$5,136,244,500 of which \$5,044,477,500 is rateable	\$5,070,792,000 of which \$4,979,713,500 is rateable

2c. Revenue Summary - Analysis

2c. Revenue Summary - Analysis	Actual	Annual Report
For the year ended: 30 June	2019-2020 \$'000	2018-2019 \$'000
Subsidies and grants		
NZTA Rooding Subsidies	13,098	12,152
<i>Total Subsidies and grants</i>	13,098	12,152
Investments and Other Income		
Petrol tax	238	215
Gain on disposal of property, plant and equipment	18	317
Unrealised gain on forestry revaluation	(79)	28
Finance income	18	19
Vested assets	1,685	1,560
Sundry income	128	133
<i>Total Investment and Other Income</i>	2,008	2,272

2d. Targeted rates for metered water supply

2d. Targeted Rates for metered water supply	Actual	Annual Report
For the year ended: 30 June	2019-2020 \$'000	2018-2019 \$'000
Targeted Rates for metered water supply		
Water Supply	3,256	2,975
<i>Total Targeted Rates for metered water supply</i>	3,256	2,975

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

3. Cost of service summary – analysis

3. Cost of Service Summary - Analysis	Actual	Annual Report
For the year ended: 30 June	2019-2020 \$'000	2018-2019 \$'000
Analysis of expenditure		
Depreciation and amortisation	11,790	10,647
Swaps revaluation through revenue and expense	970	1,569
Other expenses	25,431	24,235
Employee benefit expenses		
Salaries and wages	12,912	11,250
Finance costs		
Interest on loans	1,391	1,346
Interest on Local Government Stock	893	1,164
Fees paid to Principal Auditor		
Fees for audit of the Long Term Plan	166	183
Fees for audit of the Annual Report	11	0
Fees for other assurance services	10	11
Fees for other services	36	52
Total expenditure	53,610	50,457

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 2020 are for the audit compliance report prepared in respect to Council's debenture trust deed, a 'tip off' whistleblower and forensic investigation service. The forensic investigation service and the whistleblower service has been discontinued in September 2020. Salaries and wages also include employer contributions to KiwiSaver which is a Defined Contribution Plan. Employer contributions totalled 2020: \$331,766 (2019: \$294,324).

4a. Ratepayers Equity

4a. Ratepayers Equity	Note	Actual	Annual Report
For year ended: 30 June		2019-2020 \$'000	2018-2019 \$'000
Accumulated Comprehensive Revenue and Expense			
Balance at 1 July		403,437	390,533
plus Surplus/(deficit) for the period		7,862	9,326
Adjustment to Landfill provision	8b		2,073
Transfers from Accumulated Revenue and Expense to:			
Restricted reserves		157	384
Council created reserves		6,523	7,210
<i>Total Transfers from Accumulated Comprehensive Revenue and Expense</i>		6,680	7,594
Transfers to Accumulated Funds from:			
Restricted reserves		119	0
Council created reserves		4,131	9,099
<i>Total Transfers to Accumulated Comprehensive Revenue and Expense</i>		4,249	9,099
<i>Closing balance as at 30 June</i>		408,868	403,437
Asset Revaluation Reserves			
Balance at 1 July		268,601	218,736
Gain/(loss) on revaluation		83,644	49,865
<i>Closing balance as at 30 June</i>		352,245	268,601
Asset Revaluation Reserves			
Operational assets:			
Land		302	302
Buildings		0	0
<i>Total Operational assets</i>		302	302
Infrastructural assets:			
The Provision of Roads and Footpaths		302,843	219,199
Water Supply		15,546	15,546
Sewerage and the treatment and disposal of sewage		7,019	7,019
Stormwater Drainage		21,730	21,730
Flood Protection and control works		4,805	4,805
<i>Total Infrastructural assets</i>		351,943	268,299
<i>Total Asset Revaluation Reserves</i>		352,245	268,601

4b. Statement of reserve fund activities

4b. Statement of reserve fund activities	Community Activities	Regulatory Management	Flood Protection and Control Works	District Leadership, Finance and Internal Services	Solid Waste	The Provision of Roads and Footpaths	Sewerage and the Treatment and Disposal of Sewage	Stormwater Drainage	Water Supply	Total Reserves Funds
For year ended: 30 June	2019-2020 \$'000	2019-2020 \$'000	2019-2020 \$'000	2019-2020 \$'000	2019-2020 \$'000	2019-2020 \$'000	2019-2020 \$'000	2019-2020 \$'000	2019-2020 \$'000	2019-2020 \$'000
Restricted Council Reserves										
Restricted Reserve										
Mangawhai Endowment Lands Account										
Opening Balance	0	0	0	5,574	0	0	0	0	0	5,574
Deposited	0	0	0	157	0	0	0	0	0	157
Withdrawn	0	0	0	(119)	0	0	0	0	0	(119)
Closing Balance	0	0	0	5,612	0	0	0	0	0	5,612
Council Created Reserves										
Depreciation Reserve										
Opening Balance	256	31	264	721	14	0	(138)	407	192	1,747
Deposited	319	51	165	565	0	0	717	218	873	2,908
Withdrawn	(165)	0	0	(124)	0	0	(398)	(45)	(195)	(927)
Closing Balance	410	82	429	1,162	14	0	181	580	870	3,728
Development Contribution Reserve										
Opening Balance	0	0	0	(0)	0	78	(24,452)	(50)	29	(24,395)
Deposited	0	0	0	0	0	100	905	10	0	1,015
Withdrawn	0	0	0	0	0	(1)	(1,320)	(0)	0	(1,321)
Closing Balance	0	0	0	(0)	0	177	(24,867)	(40)	29	(24,701)
Financial Contribution Reserve										
Opening Balance	6,738	0	0	0	0	810	0	0	0	7,548
Deposited	2,250	0	0	0	0	40	0	0	0	2,290
Withdrawn	(1,816)	0	0	0	0	0	0	0	0	(1,816)
Closing Balance	7,172	0	0	0	0	850	0	0	0	8,022
Provision Expenditure Reserve										
Opening Balance	0	0	0	0	484	0	(159)	0	0	325
Deposited	0	0	0	0	250	0	61	0	0	311
Withdrawn	0	0	0	0	(65)	0	0	0	0	(65)
Closing Balance	0	0	0	0	669	0	(98)	0	0	571

Council has set aside reserves funds for the purposes of asset renewal (Depreciation Reserve), Development Contributions, Financial Contributions and Provision Expenditure. These funds are grouped under the heading of Council Created Reserves. The funds are required by the Local Government Act 2002 to be separately disclosed for each activity to which they pertain.

Purpose of each Reserve Fund:

Restricted Reserve is for the Mangawhai Endowment Fund which relates to assets vested to the Council from the Mangawhai Harbour Board via the Mangawhai Lands Empowering Act 1966 (sic). The Act requires the Fund (assets) to be held for county (or Council) purposes that are of benefit to the Mangawhai area.

Council Created Reserves:

Depreciation (Asset Renewal) Reserves are used for the funding of capital renewals and/or repay loans and are derived from the funding of depreciation within each asset carrying activity in accordance with the existing revenue and financing policies.

Contributions towards infrastructure growth through the provisions of Council's Development Contributions Policy are separately recognised and accounted for in Development Contribution Reserves based on the specified activities.

Financial Contributions towards infrastructure growth through the provisions of the Resource Management Act are separately recognised and accounted for in Financial Contribution Reserves based on the specified activities.

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

5a. Other Financial Assets

5a. Other Financial Assets	Actual	Annual Report
For the year ended: 30 June	2019-2020 \$'000	2018-2019 \$'000
Current portion of investments		
Loan	115	115
Total Current financial assets	115	115
Non-current portion of investments		
Emission Trading Scheme - NZU's	257	257
Civic Financial Services Limited	13	22
Total Non-current financial assets	270	279

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 is provided to forestry owners via the allocation of compensation units known as New Zealand Units (NZUs) in two tranches. Council received the first tranche of 14,927 units in December 2012 and the second tranche of 24,013 in February 2013.

Compensation units are recognised at deemed cost based on the fair value at the date of receipt (that is, historic value). The units are recognised when they have been received and are recognised as income in the Statement of Comprehensive Revenue and Expense. After initial recognition NZUs are measured at cost with an annual review for impairment.

5(c) Shareholdings

Civic Financial Services Limited:

- 13,629 shares of \$1.00 each. Council holds 0.1% of the issued shares.

An estimate of the fair value is based on the Council's share of the net assets.

6. Trade and other receivables

6. Trade and other receivables	Actual	Annual Report
For the year ended: 30 June	2019-2020 \$'000	2018-2019 \$'000
Trade and other receivables		
Sundry debtors	2,753	2,625
Land rates and penalties	6,937	7,389
Water rates and charges	899	803
Dog licences and dog infringements	261	264
Prepayments	1,132	999
Gross Trade and other receivables	11,982	12,080
less Provision for impairment- Land rates	(3,764)	(3,098)
less Provision for impairment - Other debtors	(537)	(665)
Total Trade and other receivables	7,681	8,317

Rates receivable

Debt collection was put on hold during the COVID-19 Alert Levels 4 and 3. Staff encouraged ratepayers facing financial hardship to enter into payment plans and, where they were unable to make any payments, they were advised that penalties would continue to be added to their account but that these penalties would be reviewed under the existing Rates Postponement and Remission Policy once rates are paid up-to-date.

There were also additional practical difficulties. Council offices were closed or had reduced hours preventing some customers from being able to come into the office to make payments.

Water meter readings were unable to be taken during Alert Level 4, and affected ratepayers were advised that invoices would not be issued and were encouraged to make payment to reduce the amount payable on the next invoice. The Council has estimated the amount of water consumption for the COVID-19 lockdown months where a reading was unable to be taken. This has resulted in an increase in water rates accruals in 2020.

Other revenue receivables: fees and charges, development and financial contributions, regulatory fines. Economic activity was depressed due to the COVID-19 restrictions, resulting in lowered revenue in other areas of Council business.

- Some Council services (Kai Iwi Lakes campground, Dargaville Library and Northern Wairoa War Memorial Hall) that would have normally generated income were temporarily closed.
- Property development was slowed, generating less development and financial contributions income.
- Regulatory function was restricted to mitigate health and safety risks for the public and staff, resulting in less fines than projected.

The overall impact of the measure above has resulted in a decrease in rates receivable.

As at 30 June 2020 all overdue receivables, including rates, have been assessed for impairment and appropriate provisions applied. Council holds no collateral as security or other credit enhancements

over receivables but does have rates recovery powers under the Local Government (Rating) Act 2002. Those powers are exercised to recover all rates other than on some Māori land with multiple owners, impairment of which is included in Council's doubtful debt provision.

6. Exchange/Non exchange receivables	Actual	Annual Report
For the year ended: 30 June	2019-2020 \$'000	2018-2019 \$'000
Movement in Impairment Provision		
Opening balance - Impairment provision	(3,764)	(3,089)
Estimated (increase)/decrease in doubtful debts	(537)	(675)
<i>Total Non-current financial assets</i>	<i>(4,301)</i>	<i>(3,764)</i>

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

6. Analysis of Total	Actual	Annual Report
For the year ended: 30 June	2019-2020 \$'000	2018-2019 \$'000
Trade and Other Receivables Ageing		
Not past due	3,583	3,338
Past due 1-30 days	1,245	1,130
Past due 31-60 days	120	132
Past due 60 days	2,733	3,717
<i>Total trade and receivables ageing</i>	<i>7,681</i>	<i>8,317</i>

7. Trade and other payables

7. Trade and other payables	Actual	Annual Report
For the year ended: 30 June	2019-2020 \$'000	2018-2019 \$'000
Trade and Other Payables		
Trade creditors	4,861	3,052
Accrued expenses	2,395	4,419
Deposits held	2,313	2,300
Receipts held in advance	627	765
Income in advance	1,069	683
<i>Total Trade and other payables</i>	<i>11,265</i>	<i>11,219</i>

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

8a. Provisions	Actual	Annual Report
For the year ended: 30 June	2019-2020 \$'000	2018-2019 \$'000
Current provisions		
Landfill closure and aftercare	747	135
Total Current provisions	747	135
Non-current provisions		
Landfill closure and aftercare	1,514	2,526
Total Non-current provisions	1,514	2,526
Total Provisions	2,261	2,661

8b. Provisions - movement in provisions

8b. Provisions - movement in provisions	Landfill closure & aftercare	Total
For the year ended: 30 June	\$'000	\$'000
The movement in the provisions are represented by:		
2020		
Balance as at 1 July 2019	2,661	2,661
Amounts used	(11)	(11)
Release of provision	(239)	(239)
Funding increase	(150)	(150)
Balance at 30 June 2020	2,261	2,261

	Landfill closure & aftercare (before adjustment)	After adjustment	Building repair	Provision for desludging costs	Total
For the year ended: 30 June	\$'000	\$'000		\$'000	\$'000
2019					
Balance as at 1 July 2018	4,691	2,618	17	130	2,765
Passage of time adjustment	250	250	0	0	250
Amounts used	(142)	(142)	(17)	(130)	(289)
Discount rate adjustment	(65)	(65)	0	0	(65)
Funding increase	0	0	0	0	0
Balance at 30 June 2019	4,734	2,661	0	0	2,661

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.

Restatement of Hakaru closure and post-closure costs

The Council has adjusted its comparative financial statements for the year ended 30 June 2020 to reflect the change in closure and post-closure costs.

In the prior years, the provision for Hakaru closure and post-closure costs was based on an independent assessment by VK Consulting Environment Engineers Ltd in 2012/13. In the current year, the provision has been retrospectively restated to reflect an updated estimate for the Hakaru closure and post-closure costs. The updated estimate is based upon an independent assessment performed during the year ended 30 June 2018 by MWH and peer reviewed by Pattle Delamore Partners Limited (PdP) which provided the Council with 5 refuse removal options. During the year ended 30 June 2018 the Council agreed to pursue a combination of options that involve the treatment of leachate onsite and discharge via a wetland area. The restatement is to reflect that the provision should have been lower when the decision to pursue the alternative treatment options were made as these options enable the Council to fulfil its responsibilities under the Resource Management Act 1991 more cost-efficiently than the initial estimate from 2012/2013. Resource consents relating to the alternative treatment option have been received from Northland Regional Council.

The Awakino 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

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

Closure and post-closure responsibilities include the following:

- Final cover and vegetation;
- Drainage control features to minimise infiltration of stormwater;
- Completing facilities for leachate collection and treatment;
- Ongoing monitoring as per discharge consent conditions; and
- Completing facilities for monitoring of landfill gas and ensuring no hazard exists.

Post-closure responsibilities

- Treatment and monitoring of leachate;
- Groundwater and surface water monitoring;

- Gas monitoring and flaring if required;
- Implementation of remedial measures such as needed for settlement and cracking of capping layer;
- Ongoing site maintenance for drainage systems, final cover and vegetation; and
- Ensure closed landfill is suitable for intended future use.

Provision

The cash flows for the landfill post-closures, particularly for Hakaru, are expected to occur up to 2026. The long term nature of the liability means that there are inherent uncertainties in estimating costs that will be incurred. The provision has been estimated taking into account existing technology and is discounted using a discount rate of 5.27% (2019: 5.06%).

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

- The cost of monitoring of surface/groundwater including the removal of leachate; and
- Major remedial works being required at the Hakaru landfill site.

9a. Public debt

9a. Public debt	Actual	Annual Report
For the year ended: 30 June	2019-2020 \$'000	2018-2019 \$'000
Opening balance	45,000	46,000
add Funds raised	6,800	16,500
Total Funds	51,800	62,500
less Repayments	(7,800)	(17,500)
Closing balance	44,000	45,000
Current portion	25,000	1,000
Non-current portion	19,000	44,000
Total Public debt	44,000	45,000
Balances are represented by:		
Bank Loans	0	0
Local Government Funding Agency (LGFA)	44,000	45,000
	44,000	45,000

All term liabilities are secured under a Debenture Trust Deed.

9a. Maturity interest rates for public debt	Maturity	Interest Rates	Actual	Annual Report
For the year ended: 30 June			2019-2020 \$'000	2018-2019 \$'000
Local Government Funding Agency (LGFA)	2019 to 2020	2.14% to 2.38%	0	1,000
Local Government Funding Agency (LGFA)	2021 to 2027	2.44% to 2.84%	0	44,000
Local Government Funding Agency (LGFA)	2020 to 2021	1.94% to 2.11%	25,000	0
Local Government Funding Agency (LGFA)	2022 to 2027	1.16% to 2.59%	19,000	0
Total			44,000	45,000

Undrawn facilities

Undrawn facilities of \$10 million (\$5 million ANZ and \$5 million BNZ) were available at 30 June 2020 (2019: \$10 million).

Loan Covenant

Council has loans that amount to \$44 million at 30 June 2020 (2019: \$45 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.

Due to the impacts of COVID-19 the Government granted an extension to all Councils for the adoption of the 2019/2020 Annual Reports to 31 December 2020. LGFA have, as a result, also granted the Council an extension for the receipt of the 2019/2020 Annual Report.

The LGFA requirement is to deliver a copy of the Annual Report within five months of the financial year end.

No breach of these loan covenants has occurred during the period.

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

9b. Compliance with Liability Management Policy

9b. Compliance with liability management policy	Target	Achievement	Policy Compliance	Comment
	%	%	Y/N	
Debt ratios and limits:				
Net Debt as a percentage of Total Revenue	<170%	69%	Yes	Achieved
Net Interest as a percentage of Total Revenue	<15%	4%	Yes	Achieved
Net Interest as a percentage of Annual Rates Income	<20%	6%	Yes	Achieved
Liquidity (per Treasury policy)	>110%	123%	Yes	Achieved
Debt Interest Rate Policy Parameters (calculated on a rolling monthly basis):				
Less than 12 months	50% - 95%	76%	Yes	Achieved
12 - 36 months	40% - 90%	55%	Yes	Achieved
37 - 60 months	30% - 80%	48%	Yes	Achieved
Greater than 60 month	Nil - 50%	30%	Yes	Achieved
Liquidity/funding Maturity Profile:				
0 - 3 years	15% - 60%	83%	No	Not achieved
3 - 5 years	15% - 60%	9%	No	Not achieved
5 years plus	10% - 60%	7%	No	Not achieved

Council primarily borrows from the LGFA who provides the cheapest debt financing and longest maturity terms for debt financing available. Since 2016 Council has progressively refinanced and repaid debt.

Council borrowed two tranches of \$15 million and \$10 million with maturity date of 15 May 2021, this existing funding maturity is now due within the period of 0 to 3 years, breaching Council's funding and liquidity position. Council is working together with PWC to refinance the borrowings ahead of 15 May 2021.

10a. Property, plant and equipment

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

Property, plant and equipment: 2019	Opening Cost \$'000	Opening Accumulated Depreciation & Impairment Charges \$'000	Carrying Amount \$'000	Additions Current Year	Reclass Current Year	Net Disposals Current Year	Transfer to Assets Held for Sale	Impairments Current Year	Depreciation Current Year	Revaluation Surplus/ (loss) Current Year	Closing Cost/ Revaluation \$'000	Closing Accumulated Depreciation and Impairment Charges \$'000	Carrying Amount \$'000
Property, plant and equipment: 2019	1-Jul-18	1-Jul-18	1-Jul-18								30-Jun-19	30-Jun-19	30-Jun-19
Infrastructural assets													
Roads and Footpaths	477,330	0	477,330	14,373	0	0	0	0	-6,719	41,928	526,913	0	526,913
Stormwater Drainage	32,660	0	32,660	1,076	0	0	0	0	-514	0	33,736	-514	33,222
Flood Protection and Control Works	15,162	0	15,162	108	0	0	0	0	-172	1,555	16,653		16,653
Sewerage and the Treatment and Disposal of Sewage	59,241	0	59,241	2,546	0	0	0	0	-1,326	1,440	61,901	0	61,901
Water Supply	30,627	0	30,627	1,617	0	0	0	0	-1,047	4,942	36,139	0	36,139
Solid Waste	1,317	-1,195	122	311	0	0	0	0	-7	0	1,628	-1,202	426
Work in Progress	4,368	-309	4,060	-2,463	0	0	0	0	0	0	1,904	-309	1,595
Total Infrastructural assets	620,705	-1,504	619,202	17,568	0	0	0	0	-9,785	49,865	678,874	-2,025	676,849
Restricted assets													
Reserves	19,052	-57	18,995	886	0	0	0	0	-54	0	19,938	-111	19,827
Community Housing	2,320	-485	1,834	0	0	0	0	0	-46	0	2,320	-531	1,789
MEF Property	387	0	387	0	0	0	0	0	0	0	387	0	387
Halls	1,763	-519	1,244	12	0	0	0	0	-35	0	1,775	-554	1,221
Total Restricted assets	23,522	-1,061	22,460	898	0	0	0	0	-135	0	24,420	-1,196	23,224
Operational assets													
Land	5,861	0	5,861	948	0	0	0	0	0	0	6,809	0	6,809
Buildings	7,392	-1,736	5,655	158	0	-139	0	0	-146	0	7,411	-1,882	5,529
Building Contents	1,507	-1,242	265	46	0	0	0	0	-47	0	1,553	-1,289	264
Mobile Plant (incl MV's)	1,152	-785	367	161	0	-12	0	0	-139	0	1,301	-924	377
Static Plant	106	-106	0	0	0	0	0	0	0	0	106	-106	0
Library Books	434	-278	156	73	0	0	0	0	-58	0	507	-336	171
Office Equipment	4,503	-3,622	881	635	0	0	0	0	-337	0	5,138	-3,959	1,179
Total Operational assets	20,955	-7,769	13,185	2,021	0	-151	0	0	-727	0	22,825	-8,496	14,329
Total Property, plant and equipment	665,179	-10,334	654,847	20,487	0	-151	0	0	-10,647	49,865	726,119	-11,717	714,402

Property, plant and equipment (continued)

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

Restricted assets are held by Council for the benefit of the community and are not, because of their nature or the title to their ownership, generally available for disposal by Council.

Accounting for revaluations

The most recent valuations were effective as at 30 June 2020. 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)	Valuations and cost escalation adjustments were made to the following asset classes in the 2019/2020 year: <ul style="list-style-type: none"> Roads and footpaths

The methodology base of all infrastructural valuations, other than land, was depreciated replacement cost with reference as necessary to the following standards - PB IPSAS17 (Property, Plant and Equipment), PB IPSAS21 (Impairment of Assets), National Asset Management Steering Group (NAMS Group), NZ Infrastructural Asset Valuation and Depreciation Guidelines (version 2), the Local Government Act 2002, and NZPI Standards.

Land is revaluated primarily with reference to comparable sales.

Roads and footpaths, stormwater drainage, flood protection and control works, sewerage and the treatment and disposal of sewage and water supply assets are valued under at least 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 under estimating the annual depreciation charge recognised as an expense in the Statement of Comprehensive Revenue and Expense. To minimise the risk, infrastructure asset useful lives have been determined with reference to the International Infrastructure Management Manual for roading assets and the Institute of Public Works Engineering Australasia (IPWEA) guidelines and have been adjusted for local conditions based on past experience.

Category	Methods and key assumptions
Roading	<p>Unit costs are sourced from recent contract costs. Where no recently tendered rates were available, a sanity check was undertaken where they were compared against a neighbouring council to ensure they appeared reasonable.</p> <p>Remaining useful lives have been determined by calculating the difference between the respective asset's Total Useful Life (TUL) and the age of the asset. Note that where an asset's age is unknown, both engineering judgement and local knowledge have been used to assign a remaining life.</p>
Water assets (Sewerage and the treatment and disposal of sewage, Water Supply, Stormwater Drainage) and Flood Protection and Control Works	<p>Depreciated replacement cost is determined through comparing unit replacement values per the previous valuation to recent construction, operation and maintenance costs incurred by Council, and either updating to reflect significant changes or previous valuation unit rates were updated using an overall indicator of sector escalation developed by combining the movements of the underlying labour, other current costs and capital expenditure components.</p> <p>Remaining useful lives have been determined by calculating the difference between the respective asset's Total Useful Life (TUL) and the age of the asset. Note that where an asset's age is unknown, both engineering judgement and local knowledge have been used to assign a remaining life. Only stormwater assets are revalued in the current year.</p>

The impact of COVID-19 has created a greater reliance on the calculation for the Council's valuation of its infrastructure assets. This calculation considered the fair value of infrastructure assets given the largely yet unknown impacts on the domestic and global construction industry. The Council has taken all practical steps and engaged experts where necessary to ensure all estimates and judgements are reasonable.

WSP undertook an assessment of carrying value of water infrastructure assets at 30 June 2020. Full valuation was undertaken in 2018 for stormwater and in 2019 for wastewater, water supply and land drainage. WSP performed a valuation of the Council roading assets in 2020.

WSP noted two potential impacts of the COVID-19 pandemic on the valuation: market prices for construction of infrastructure and level of demand for use.

The COVID-19 pandemic has increased the cost of infrastructure construction due to shortage of skill labour and supply (including temporary immigrant workers), extra health and safety requirements, supply chain disruptions, rising exchange rate leading to higher cost of materials, and more complicated contractual procurement arrangements. However, this increase is likely to be short term and uncertain in the long term.

COVID-19 is unlikely to lead to any reduction in demand for water infrastructure assets.

10b. Property, plant and equipment analysis

10b. Property, plant and equipment analysis	Closing Book Value	Acquisitions Constructed	Acquisitions Vested	Latest Estimate of Replacement Cost
	\$'000	\$'000	\$'000	\$'000
Property, Plant and Equipment: 2020	30-Jun-20	30-Jun-20	30-Jun-20	30-Jun-20
Infrastructural assets				
Roads and Footpaths	613,463	10,144	309	753,296
Stormwater Drainage	34,229	203	1315	0
Flood Protection and Control Works	16,553	73	0	18,666
<i>Sewerage and the Treatment and Disposal of Sewage</i>				
Treatment plants and facilities	22,788	1,988	0	28,063
Other assets	39,826	103	0	59,526
<i>Water Supply</i>				
Treatment plants and facilities	9,181	219	0	16,060
Other assets	26,893	784	0	61,472
Property, Plant and Equipment: 2019	30-Jun-19	30-Jun-19	30-Jun-19	30-Jun-19
Infrastructural assets				
Roads and Footpaths	526,913	13,761	612	663,075
Stormwater Drainage	33,222	1,076	0	0
Flood Protection and Control Works	16,653	108	0	18,593
<i>Sewerage and the Treatment and Disposal of Sewage</i>				
Treatment plants and facilities	21,635	959	0	26,074
Other assets	40,266	1,587	0	59,423
<i>Water Supply</i>				
Treatment plants and facilities	8,674	81	0	15,841
Other assets	27,465	1,536	0	60,687

10c. Capital expenditure and disposals for year

10c. Capital Expenditure (Disposals) for Year	Actual	Annual Report
For the year ended: 30 June	2019-2020 \$'000	2018-2019 \$'000
Capital expenditure		
Community Activities	1,410	1,095
Regulatory Management	0	0
District Leadership, Finance and Internal Services	2,110	1,806
Solid Waste	0	311
The Provision of Roads and Footpaths	9,428	11,928
Stormwater Drainage	1,518	1,076
Flood protection and control works	73	108
Sewerage and the treatment and disposal of sewage	2,092	2,546
Water supply	1,003	1,617
Total Capital expenditure	17,634	20,487
Disposals		
Community Development	0	0
MELA Property	0	0
Other	(3)	(151)
Total Disposals	(3)	(151)

11. Depreciation summary

11. Depreciation summary	Actual	Annual Report
For the year ended: 30 June	2019-2020 \$'000	2018-2019 \$'000
by Groups of activities		
Community Activities	371	329
Regulatory Management	52	49
District Leadership, Finance and Internal Services	704	484
Solid Waste	0	7
The Provision of Roads and Footpaths	7,534	6,719
Stormwater Drainage	510	514
Flood protection and control works	172	172
Sewerage and the treatment and disposal of sewage	1,379	1,326
Water supply	1,068	1,048
Total Groups of activities depreciation	11,790	10,647

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
Roading		
Top surface (seal)	5-100	5%-25%
Pavement (basecourse)		
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 ¹	-
Culverts	40-100	1%-4%
Kerb and channel	25-100	1.25%-4%
Bridges	40-100	1%-2.5%
Signs	12	8.3%
Lights	15-100	2.5%-6%
Footpaths	25-100	1.25%-4%
Drainage	20-100	1%-6%
Water Supply	60-70	1.25%-4%
Wastewater	25-80	1.25%-4%
Stormwater	40-80	0.50%-2%
Landfills and transfer stations	10-100	0%-10%
Halls	50	2%
Community housing	50	2%
Plant, equipment and motor vehicles	5-10	10%-20%
Buildings	50	2%
Building contents	10	10%
Other plant	5	20%
Computer and office equipment	5	20%
Library collection	5	20%

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.

		2020 \$000's	2019 \$000's
A	Total value of assets that are covered by insurance contracts Maximum amount to which these assets are insured	140,380 62,461	138,735 80,179
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
C	Total value of all assets that are self-insured Value of any fund maintained by Council for that purpose	741,383 Nil	634,223 Nil

13. Biological assets

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

Council owns and lease three forest blocks with net stocked area of 127.7 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 (WPC) performed an independent Desktop valuation of the forests as at 30 June 2020. The calculation of the revaluation was fair value less estimated point of sale costs.

Valuation assumptions:

- A discount rate of 9.5% (2019: 9.5%) has been used in discounting the present value of future cash flows;
- Notional land rental costs have been included for freehold land;
- The forest has been valued on a going concern basis and includes only the value of the existing crops on a single rotation basis; and
- Log prices are based upon the valuers latest survey supplemented by local prices to reflect the Northland market and takes into account key price drivers (market prices, exchange rates and shipping).

WPC has noted significant financial uncertainty at the time of valuation as the COVID-19 pandemic has created uncertainty within global financial markets and travel and work restrictions, including in New Zealand. There is a significant short term uncertainty in log pricing, which has resulted in a decrease in log prices and is a factor in valuation, though prices are expected to stabilise over the long term. In the short term, some forestry sales are progressing with timeframes and prices affected. However, the forestry industry can operate under COVID-19 Alert Level 3 or lower and is likely to be positively impacted by the global and New Zealand economic stimulus policies.

The movement in asset value is as follows:

13. Biological assets	Actual	Annual Report
For the year ended: 30 June	2019-2020 \$'000	2018-2019 \$'000
Forestry assets movements		
Opening balance	1,045	1,017
Annual revaluation movement	(79)	28
Harvesting removals	(151)	0
<i>Closing balance</i>	815	1,045

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 \$118,000 (2019: \$nil)

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

14. Reconciliation of Net Cash Flow from Operating Activities to Surplus/(Deficit)	Actual	Annual Report
For the year ended: 30 June	2019-2020 \$'000	2018-2019 \$'000
Surplus/(deficit) for the period		
Surplus/(deficit) for the period	7,862	9,326
add/(deduct) Non-cash movements		
Property, Plant and Equipment vested to Council	(1,684)	(1,560)
(Gain)/Loss on sale of assets	(18)	(317)
Forestry harvesting and revaluation (Gain)/Loss	79	(28)
Increase/(decrease) in Provisions	136	858
Depreciation	11,790	10,647
Unrealised (gain)/loss on interest rate swaps	970	1,568
Other Financial Assets	67	0
Total Non-cash movements	11,340	11,168
add/(deduct) Movements in working capital Items		
Trade and other receivables	100	(2900)
Accrued Revenue	(38)	1,797
Employee Entitlements	(60)	239
Trade and other payables (net of capital accruals)	46	(1,533)
Provisions	0	(289)
Total Movement in working capital Items	48	(2,686)
Net Cash Inflow from Operating Activities	19,250	17,808

15. Capital commitments and operating leases

15. Capital commitments and operating leases	Actual	Annual Report
For the year ended: 30 June	2019-2020 \$'000	2018-2019 \$'000
Capital commitments		
Property, Plant and Equipment	23,169	1,829
Total Capital commitments	23,169	1,951
Operational non-cancellable contracts		
Not later than one year	1,269	2,472
Later than one year and not later than five years	1,226	2,102
Later than five years	227	227
Total Operational non-cancellable contracts	2,722	4,801
Operating leases as lessee		
Not later than one year	211	161
Later than one year and not later than five years	153	265
Total Operating leases as lessee	364	426
Operating leases as lessor		
Not later than one year	196	169
Later than one year and not later than five years	722	445
Later than five years	687	729
Total Operating leases as lessor	1,605	1,406

The operating leases are in relation to Council properties.

16. Contingent liabilities

16. Contingent liabilities	Actual	Annual Report
For the year ended: 30 June	2019-2020 \$'000	2018-2019 \$'000
Contingent Liabilities		
Guarantees to other organisations	903	903
Total Contingent Liabilities	903	903

Guarantees

New Zealand Local Government Funding Agency

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

Council is one of 52 local authority guarantors of LGFA. When aggregated with the uncalled capital of other shareholders, \$20 million is available in the event that an imminent default is identified. Also, together with the other shareholders and guarantors, Council is a guarantor of all LGFA's borrowings. At 30 June 2020, LGFA had borrowings totalling \$11.908 billion (2019: \$9.53 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 2020 was \$84,482.

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.

RB & HE Rogan

RB and HE Rogan v KDC and NRC (CIV-2015-288-182), being an appeal by the ratepayers of a decision from the District Court awarding judgement to the KDC and NRC for unpaid rates. This proceeding was heard in May 2016 and reheard in May 2017. The case was appealed by the Rogan's and was heard in the Court of Appeal on 11 September 2018. The Court of Appeal dismissed the appeal on 6 November 2018. The Rogan's subsequently made various applications to the Court of Appeal for recall and/or review of that Court's decision, these applications were dismissed. The Rogan's applied to the Supreme Court for leave to extend time to appeal which was also dismissed. The Supreme Court awarded costs have been paid to the Council. One of the two remaining stayed proceedings has been settled and the other is proceeding to a hearing.

Weathertightness Northern Wairoa War Memorial Hall

Council had provided a budget of \$500,000, to be collected over a three year period, to fix the weathertightness issues at the Northern Wairoa War Memorial Hall. More precise estimates were gained once the designs had been completed and the cost is now estimated at \$4,038,432. Council has again deferred this work while the options for the future of this building are considered.

Replacement/reinstatement of Murphy/Bowers Stopbank

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

Other legal claims`

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

Community housing caveat

Council undertook the modernisation of 34 of its community housing units, the works programme being completed in March 2009. The programme was funded by the Housing New Zealand Corporation by way of an interest-free suspensory loan, conditional on the completion of the work, after which the liability ceased.

A caveat remains, however, requiring Council to neither withdraw from providing community housing, nor significantly altering its investment in this joint-funded housing modernisation programme.

At this time Council does not expect to withdraw or significantly alter its investment in community housing. The total value of the interest-free suspensory loan is \$1,020,000 which was previously recognised as revenue.

Riskpool exposure

New Zealand Mutual Liability Riskpool (Riskpool) provides public liability and professional indemnity insurance for its members. Council is a member of Riskpool. The Trust Deed of Riskpool provides that if there is a shortfall (whereby claims exceed contributions of members and reinsurance recoveries) in any fund year, then the Board may make a call on members for that fund year.

Earthquake risk to buildings

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

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

17. Statutory disclosures and remuneration and related party transactions

17. Statutory Disclosures and Remuneration and Related Party Transactions	Actual	Annual Report
For the year ended: 30 June	2019-2020 \$'000	2018-2019 \$'000
Chief Executive Remuneration:		
<i>Chief Executive</i>		
Salary	283,692	204,615
Other Benefits	11,579	16,817
Total Chief Executive Remuneration	295,271	221,432
<i>Acting Chief Executive (4 June 2018 - 23 September 2018)</i>		
Salary	0	75,548
Other Benefits	0	2,266
Total Acting Chief Executive Remuneration	0	77,814

Key Management Personnel	Actual	Annual Report
For the year ended: 30 June	2019-2020 \$'000	2018-2019 \$'000
<i>Key management personnel compensation</i>		
Salaries and other short term employee benefits	1,898	1,726
Total Key management personnel compensation	1,898	1,726

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, as part of a normal customer relationship, were involved in minor transactions with Council (such as payment of rates and the reimbursement of minor expenses incurred on behalf of Council).

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

Severance pay	Actual	Annual Report
For the year ended: 30 June	2019-2020 \$'000	2018-2019 \$'000
Severance pay		
Number of Employees	1	1
Redundancy Payments to Employees	2	0

Severance Pay was paid in the following amount: \$23,570 (2019: \$6,664).

Elected Representatives Remuneration	Actual	Annual Report
For the year ended: 30 June	2019-2020 \$'000	2018-2019 \$'000
Elected Representatives Remuneration:		
<i>Mayor:</i>		
Jason Smith	113,800	100,624
<i>Deputy Mayor:</i>		
Anna Curnow	48,500	35,263
<i>Councillors:</i>		
Peter Wethey	50,235	58,772
Jonathan Larsen	40,626	29,668
Karen Joyce-Paki	39,792	29,518
Victoria del la Varis-Woodcock	40,764	29,949
Mark Vincent	29,939	0
David Wills	29,939	0
Eryn Wilson-Collins	29,939	0
Andrew Wade	9,853	30,368
Libby Jones	10,954	32,670
Julie Geange	12,001	35,535
	456,342	382,367
Crown Manager Remunerations:		
Peter Winder	4,050	13,699
	4,050	13,699
Audit, Risk and Finance Committee Chair Remuneration:		
Stana Pezic	3,600	4,000
	3,600	4,000

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

Council employees remuneration	Actual	Annual Report
For the year ended: 30 June	2019-2020 \$'000	2018-2019 \$'000
Annual remuneration by band:		
\$0 - \$60,000	49	39
\$60,001 - \$80,000	46	40
\$80,001 - \$100,000	33	27
\$100,001 - \$120,000	15	10
\$120,001 - \$140,000	5	3
\$140,001 - \$200,000	4	7
\$200,001 - \$300,000	2	1
<i>Total Employees by remuneration band</i>	154	127
Number of Employees:		
Full time employees	139	117
Part time employees (FTE)	11.0	5.8
<i>Total Employees (FTE)</i>	150.0	122.8

Fixed term and casuals are excluded from the Total Employees (FTE) above.

18a. Categories of financial assets and liabilities

18a. Categories of financial assets and liabilities	Actual	Annual Report
For the year ended: 30 June	2019-2020 \$'000	2018-2019 \$'000
Loans and Receivables		
<i>Cash and cash equivalents</i>	4,398	1,926
Trade and other receivables	7,681	8,317
LGFA Borrower notes	704	704
Loan	115	115
<i>Total Loans and Receivables</i>	12,898	11,062
Financial assets:		
Fair value through revenue and expense		
Civic Financial Services Ltd	13	22
<i>Total Fair value through revenue and expense</i>	13	22
Financial liabilities measured at amortised cost		
Trade and other payables	11,265	11,219
Public debt	44,000	45,000
<i>Total Financial liabilities measured at amortised cost</i>	55,265	56,219
Financial liabilities measured at fair value through revenue and expense		
Interest rate swaps	6,965	5,995
<i>Total Financial liabilities at fair value through revenue and expense</i>	6,965	5,995

Fair Value Hierarchy	Actual	Level
	2019-2020 \$'000	2019-2020
Interest rate swaps	6,965	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 \$54 million (2019: \$64 million). Included in these totals are forward start interest rate swaps with notional principal of \$17 million (2019: \$17 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.

18b. Financial instrument risks

Financial Instrument Risks	Actual	Annual Report
For the year ended: 30 June	2019-2020 \$'000	2018-2019 \$'000
Council's maximum credit exposure by class		
Cash and cash equivalents	4,398	1,926
Trade and other receivables	7,681	8,317
LGFA Borrower notes	704	704
Loan	115	115
<i>Total Council's maximum credit exposure by class</i>	12,898	11,062

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	Actual	Annual Report
For the year ended: 30 June	2018-2019 \$'000	2017-2018 \$'000
Counterparties with Credit Ratings		
Cash and cash equivalents and LGFA borrower notes:		
AA	0	0
AA-	5,102	2,630
<i>Total cash and cash equivalents and LGFA borrower notes</i>	5,102	2,630

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
Council 2020						
Trade and Other Payables	11,265	11,265	11,265	0	0	0
Public Debt	44,000	44,078	25,854	415	13,695	4,114
Total Council 2020	55,265	55,343	37,119	415	13,695	4,114
Council 2019						
Trade and Other Payables	11,219	11,219	11,219	0	0	0
Public Debt	45,000	48,749	2,149	26,069	13,213	7,318
Total Council 2019	56,219	59,968	13,368	26,069	13,213	7,318

Note: Contractual cash flows includes principal and interest.

18d. Contractual maturity of derivative financial liabilities

Maturity analysis	Principal Carrying Amount	Contractual Cash Flows	Less than 1 year	1-2 years	2-5 years	More than 5 years
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Maturity analysis - Council 2020						
Derivative financial liabilities						
Interest rate swaps	54,000	6,965	64	632	5,045	1,224
Total Derivative financial liabilities	54,000	6,965	64	632	5,045	1,224
Maturity analysis - Council 2019						
Derivative financial liabilities						
Interest rate swaps	64,000	5,995	139	125	1,964	3,766
Total Derivative financial liabilities	64,000	5,995	139	125	1,964	3,766

The fair value of forward start interest rate swaps is \$17 million (2019: \$17 million).

Liquidity risk

Management of liquidity risk

Liquidity risk is the risk that Council will encounter difficulty raising liquid funds to meet commitments as they fall due. Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Council aims to maintain flexibility in funding by keeping committed credit lines available.

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	Actual 2019-2020	Actual 2019-2020	Actual 2019-2020	Actual 2019-2020	Actual 2018-2019	Actual 2018-2019	Actual 2018-2019	Actual 2018-2019
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
	-100bps Profit	-100bps Equity	+100bps Profit	+100bps Equity	-100bps Profit	-100bps Equity	+100bps Profit	+100bps Equity
Financial assets								
Cash and deposits	-44	-44	44	44	-19	-19	19	19
<i>Total financial assets</i>	-44	-44	44	44	-19	-19	19	19
Financial liabilities								
Public debt	7	7	-7	-7	-20	-20	20	20
Swaps interest rate	-8,967	-8,967	5,278	5,278	-3,358	-3,358	3,108	3,108
<i>Total financial liabilities</i>	-9,004	-9,004	5,315	5,315	-3,397	-3,397	3,147	3,147
<i>Total sensitivity to interest rate risk</i>	-9,004	-9,004	5,315	5,315	-3,397	-3,397	3,147	3,147

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.

20. Service concession arrangement

The service concession arrangement with Trility Pty Ltd expired on 29 July 2019. A current arrangement has been negotiated with Broadspectrum, who has taken over the running of the Mangawhai Wastewater Scheme and incorporate it into the 3 Waters Operations and Maintenance Contract 798, which expires on 30 June 2021.

Funding Impact Statement - Whole of Council

Operating Funding	Actual	Annual Plan	Annual Report	Annual Plan
For the year ended: 30 June	2019-2020 \$'000	2019-2020 \$'000	2018-2019 \$'000	2018-2019 \$'000
Sources of operating funding				
General rates, uniform annual general charges, rate penalties	25,169	24,669	23,519	22,930
Targeted rates	12,519	12,214	12,006	12,099
Subsidies and grants for operating purposes	6,871	8,786	5,038	4,584
Fees and charges	6,282	6,498	5,962	5,203
Interest and dividends from investments	18	20	19	20
Local authorities fuel tax, fines, infringement fees and other receipts	393	320	664	320
Total operating funding	51,252	52,507	47,208	45,156
Application of operating funding				
Payments to staff and suppliers	38,152	41,690	35,006	33,548
Finance costs	2,284	2,780	2,510	2,950
Other operating funding applications	0	0	0	0
Total applications of operating funding	40,436	44,470	37,516	36,498
Surplus (deficit) of operating funding	10,816	8,037	9,693	8,658

Funding Impact Statement - Whole of Council

Capital Funding	Actual	Annual Plan	Annual Report	Annual Plan
For the year ended: 30 June	2019-2020 \$'000	2019-2020 \$'000	2018-2019 \$'000	2018-2019 \$'000
Sources of capital funding				
Subsidies and grants for capital expenditure	6,228	23,219	7,115	8,276
Development and financial contributions	2,395	3,019	3,871	2,494
Increase (decrease) in debt	(1,000)	919	(1,000)	1,037
Gross proceeds from sale of assets	89	175	430	175
Lump sum contributions	0	0	0	0
Other dedicated capital funding	0	0	0	0
Total sources of capital funding	7,712	27,332	10,416	11,982
Applications of capital funding				
Capital expenditure - to meet additional demand	2,457	4,772	1,494	5,593
Capital expenditure - to improve the level of service	4,138	18,666	6,975	5,969
Capital expenditure - to replace existing assets	9,140	14,821	10,416	11,532
Increase (decrease) in reserves	2,793	(2,890)	1,224	(2,455)
Increase (decrease) of investments	0	0	0	0
Total applications of capital funding	18,529	35,369	20,109	20,639
Surplus (deficit) of capital funding	(10,816)	(8,037)	(9,692)	(8,658)
Funding Balance	0	0	0	0

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

Reconciliation of Funding Impact Statement to Statement of Comprehensive Revenue and Expense	Actual	Annual Plan	Annual Report
For the year ended: 30 June	2019-2020 \$'000	2019-2020 \$'000	2018-2019 \$'000
Revenue			
Statement of Comprehensive Revenue and Expense			
<i>Total revenue</i>	61,472	78,746	59,783
Funding Impact Statement			
Total operating funding	51,252	52,508	47,208
Total sources of capital funding	8,623	26,238	10,416
add Provisions	1,597	0	2,159
<i>Total revenue</i>	61,472	78,746	59,783
Expenses			
Statement of Comprehensive Revenue and Expense			
<i>Total expenses</i>	53,610	55,145	50,457
Funding Impact Statement			
Total applications of operating funding	40,436	44,470	37,515
less Internal professional services	(411)	(337)	(66)
add Depreciation expense	11,790	11,010	10,647
add Provisions	1,795	2	2,361
<i>Total expenses</i>	53,610	55,145	50,457



PART THREE

Activity Statements

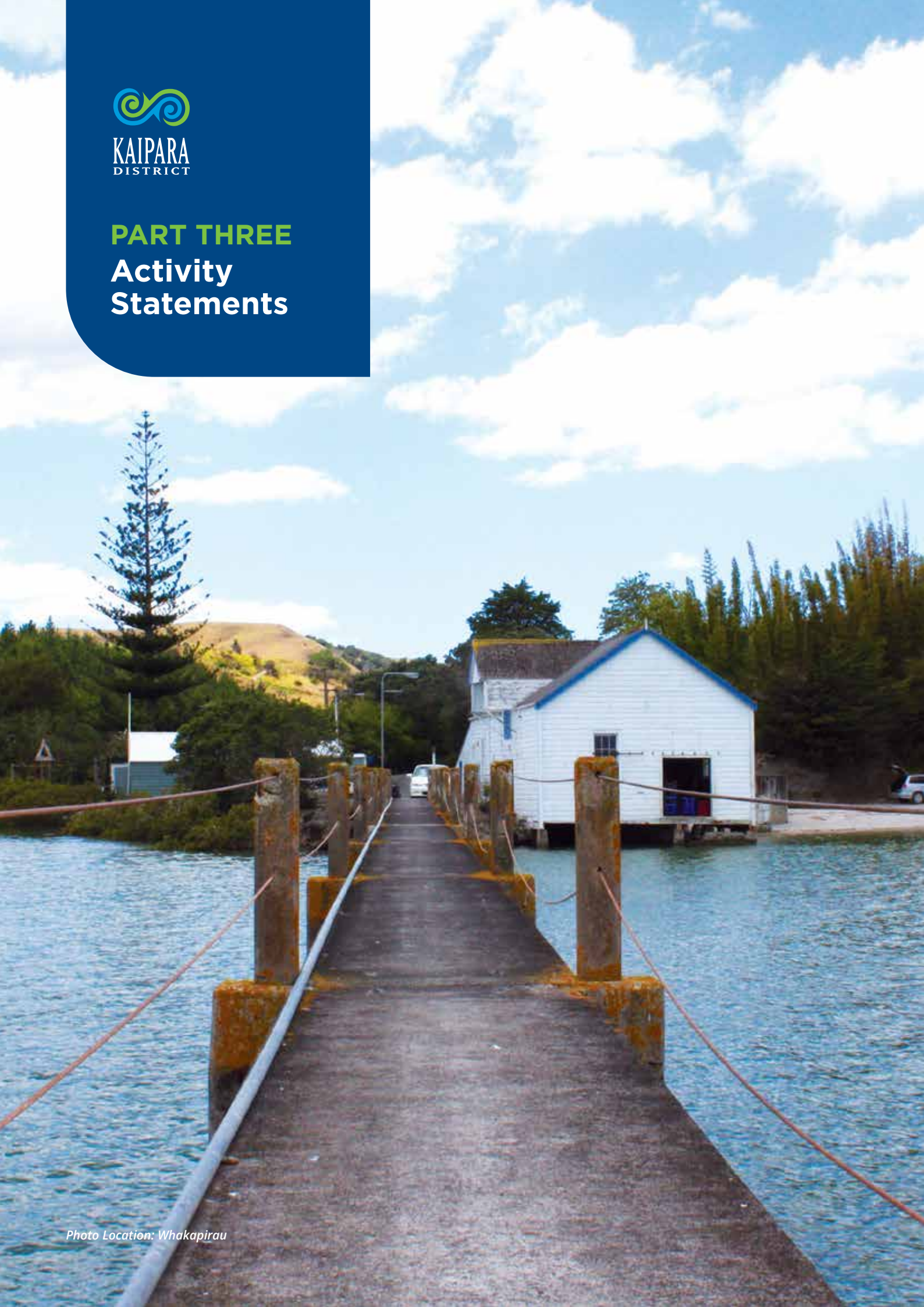


Photo Location: Whakapirau

How to read this section

What is an Activity?

An Activity is an area of focus for Council. Below is a list of the activities under the Long Term Plan 2018/2028:

- Community Activities;
- The provision of Roads and Footpaths;
- Regulatory Management;
- District Leadership, Finance and Internal Services;
- Sewerage and the Treatment and Disposal of Sewage;
- Water Supply;
- Flood protection and control works;
- Stormwater Drainage;
- Solid Waste

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

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

Performance Measures

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

Community Activities

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

Community Outcomes

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

What we planned

What we planned	What we achieved
Community Activities	
Implement the agreed projects in the Mangawhai Community Plan, Kaiwaka Improvement Plan and Dargaville Placemaking Guide	<p>Mangawhai Community Plan</p> <p>Based on community engagement we installed temporary traffic and layout improvements at the Mangawhai Heads town centre over the peak summer season. This will feed into a permanent solution providing safe and easy access to the centre</p> <p>Mangawhai Village Roading: After wide consultation we have finalised the design to resolve roading/issues in the Mangawhai Village, Moir Street, Insley Street and Molesworth Drive intersections.</p> <p>Kaiwaka Township Improvement Plan</p> <p>The Kaiwaka Sports Fitness Trail was funded through Reserve Contributions and installed at the Kaiwaka Domain.</p> <p>The investigation for the upgrade of the Rangiora boat ramp carpark and reserve has commenced. Community consultation has continued the process and concept plans are nearing completion.</p> <p>The feasibility investigation for the Kaiwaka footbridges is underway, community meetings have taken place and consultants are working on the concept plans to present back to the community.</p> <p>The planning for the improvements to the pathways from Oneriri Road to Eutopia Café and under the bridge by Mormors Café is underway including landscaping of the area.</p>

What we planned	What we achieved
Community Activities continued	
	<p>Dargaville Placemaking</p> <p>As the first action within the Memorial Park entrance revitalisation project a new fence has been installed following consultation with neighbours.</p> <p>The upgrade of Welcome to Dargaville signs at three existing locations is underway. Mana Whenua provided input into the final panel design to ensure that images used were a cultural representation of the local area. e.g. gummdiggers, iwi and hapu symbology, local flora and fauna. A diverse range of artists including Te Roroa and Te Kuihi artists were engaged to create the imagery.</p> <p>Phase one of the lighting installation of significant community assets began at Selwyn Park.</p> <p>Second year of seed-funding to Dargaville Community Development Board to provide events that help generate promotion, marketing and branding of Dargaville and surrounding areas was provided.</p>
<p>Continue developing community action plans and supporting communities to implement identified projects</p>	<p>Te Kopuru – Community Activation Plan</p> <p>The focus has been on supporting wider community participation to identify opportunities and implement community-led projects e.g. community orchard/tourist services.</p> <p>We have built capacity through webinars to develop confidence and support communities to strengthen their local economy.</p> <p>Kaihu Valley and surrounding Communities - Conservation Expo</p> <p>Following on from the previous community conversation that identified the top three community priorities, a multi-agency site visit was held to engage with the community to identify support for environmental projects.</p> <p>Paparoa Connections</p> <p>Over fifty locals have been working together throughout the year to implement projects within a shared vision to create safe connections throughout Paparoa Village. Five community-led working groups have been formed to plan and implement prioritised projects within the vision.</p> <p>An off-road bike track is already completed and other projects underway include cycleways and walkways, a community activity hub based at the school, public art and heritage trails and communication networks.</p> <p>Community Reach</p> <p>This year we have increased use of social media to support messaging from Council reaching communities to inform, educate and promote participation in community and Council initiatives e.g. local Facebook pages and regular district promotions e-flier.</p> <p>Spatial Planning</p> <p>Community engagement in the spatial planning sessions aimed at promoting representative participation in each township.</p>

Performance measures

What we planned	What we achieved
Community Activities continued	
Deliver the Walking and Cycling Strategy: Develop, promote and manage the Kaihu Valley Trail; and continue developing the Mangawhai Heads to Mangawhai Village all-tide coastal walkway	<p>The Mangawhai Coastal Walkway feasibility study was completed and the community were engaged in route prioritisation with an advisory group established. Stakeholder engagement in the concept design for stage one occurred, including boat ramp upgrade and toilet design.</p> <p>A Wayfinding Strategy has been created and a community initiating group formed to lead the community engagement process, which will identify themes and priority projects.</p> <p>We completed a funding strategy to secure a multi-year subsidy from NZTA (61%) to deliver the full shared path/cycleway route from Insley Street bridge to the beach at Mangawhai Heads.</p> <p>Kaihu Valley Trail identified as an economic development project. Funding sought from central government for implementation within the larger Ancient Kauri Trail.</p>
Reserves and Open Space	
Deliver capital projects with funding consistent with the Reserve Contributions Policy	<p>Continued to deliver projects as per the Reserves Contributions (Use of) Policy. Several projects have required additional community consultation.</p> <p>Completed several projects that secured additional funding from the Tourism Infrastructure Fund (TIF).</p> <p>Successful in receiving more funding from TIF for several toilet projects across the district, these projects are ongoing.</p>
Deliver a programme of works in partnership with Taharoa Domain, Mangawhai Community Park (MCP) and Pou Tu Te Rangi Harding Park (PTTRHP) Governance Committees	<p>Projects agreed with the individual Governance Committees were delivered. Below is a list of some bigger projects completed:</p> <ul style="list-style-type: none"> • Taharoa Domain: New toilet and caravan dump station facilities, powered sites extended. • MCP: Trees milled, an Urban Landscape Design Plan was developed. • PTTRHP: New tracks, carpark upgrades, planting and vegetation clearance.
Deliver a reserves carpark/accessway renewal programme	Memorial Park: Stage 1 sealing and carparking completed.
Ensure all wastewater systems (toilets and campgrounds) are compliant and fit for purpose	All toilet and campground wastewater systems under Parks and Reserves were monitored and reports sent to Northland Regional Council which showed compliance.
Deliver the toilet renewal programme	Upgrades undertaken to the toilet facilities at Mangawhai Heads, Te Kopuru, Selwyn Park and Whakapirau.
Deliver the Reserves and Open Space Asset Management Improvement Plan	<p>Asset data collection is ongoing, with updated asset information being added to Council's asset management system (AssetFinda).</p> <p>Condition assessments on some assets are being undertaken regularly through the maintenance contract with independent audits on the toilets and playgrounds occurring bi-annually.</p> <p>Coastal structure information is still being collated and checked for validity. Expiring wastewater resource consents were renewed.</p>

What we planned	What we achieved
Reserves and Open Space continued	
Ongoing review of service levels and consequential contract amendments	Contracts have been revised and performance monitored.
Library	
Investigate a branch library with paid staff in southern Kaipara district	Investigation ongoing.
Offer reciprocal free membership between Kaipara and Whangarei libraries	This came into force from 01 July 2020.
Continue supporting community libraries to improve and develop their services	Through quarterly meetings, weekly book exchanges, attending AGMs and providing technical training and support, we continue to support our community libraries.
Develop a "floating collection" between the libraries	Goal revised to sharing the collection. Members from any library can borrow from any library. We have successfully achieved this.
Develop "one card for Kaipara" across libraries	Kaipara library cards can be used at any Kaipara library, giving residents flexibility on where they borrow books.
Pensioner Housing	
Deliver selected long term option for Mangawhai pensioner housing units and implement a property maintenance strategy	We sought expressions of interest for the provision of housing for the elderly in Mangawhai and are currently working with a potential partner.
Northern Wairoa War Memorial Hall	
Deliver Northern Wairoa War Memorial Hall (Dargaville Hall) /Municipal Building property maintenance strategy.	This was put on hold due to an investigation of the weathertightness problems with the hall. The cost of repairs has now proved problematic and costly and this will be considered as part of the next Long Term Plan 2021-2031.

Capital Works Programme

Location	Actual 2019/2020	Budget from Annual Plan 2019/2020	Project description
Kai Iwi Lakes - Campground	\$64,013	\$100,000	Various projects within the campground include new picnic tables, shade sails and building upgrades
Development Programme	\$71,227	\$400,000	
Mangawhai Public Toilet Amenities	\$5,655	\$250,000	New toilets Lincoln Street, Alamar Crescent and Mangawhai Community Park, design and planning
Pensioner Housing General	\$0	\$11,000	Budget unused and carried over to next year
District Parks and Reserves	\$317,304	\$451,000	Various projects across the district, Memorial Park accessway reseal, replacement playground equipment, district-wide park improvements, i.e. picnic tables, shade sails and fitness trail equipment
District Public Toilet Amenities	\$150,067	\$170,000	Maungaturoto toilet replacement, designs, consents, planning, ongoing project. Toilet renewals, upgrades to existing toilets
Libraries	\$88,554	\$209,000	Library book replacement and H&S redevelopment budget. Book purchasing complete and redevelopment started. Library H&S redevelopment was not completed because of delays due to COVID-19
Pensioner Housing - Mangawhai	\$0	\$26,000	Budget unused and carried over to next year
Mangawhai Parks and Reserves	\$434,543	\$736,217	Coastal walkway, develop Mangawhai coastal tracks and linkages, new pump track MAZ, Mangawhai Community Park improvements including urban landscape design plan, Esplanade development. This work is ongoing
Taharoa Domain	\$135,053	\$100,000	New public toilets at Lake Waikare and caravan dump station. Native planting throughout the Domain
Harding Park	\$95,496	\$100,000	New walking tracks, native plantings throughout the reserve and landscaping development
Dargaville Parks and Reserves	\$79,589	\$90,000	Developing the Ancient Kauri Trail and new carparking at Memorial Park

Community Grants

Organisation	Amount Approved 2019
Ararua Hall Committee	\$1,338.74
Baylys Beach Society Inc.	\$204.00
Dargaville Arts Association	\$8,000.00
Dargaville Menz Shed	\$6,000.00
Dargaville Community Cinema Charitable Trust	\$5,000.00
First Dargaville Scout Group	\$2,800.00
Hakaru Community Hall & Domain Society Inc.	\$10,357.50
Kaihu Valley War Memorial Hall Inc.	\$8,239.63
Kauri Coast Recreational Society Inc.	\$3,000.00
Kumarani Productions Trust	\$3,965.16
Mangawhai Artists Inc.	\$1,091.50
Mangawhai Heads Volunteer Lifeguard Service Inc.	\$2,259.28
Maungaturoto Residents Association	\$7,986.73
Northern Wairoa A&P Association	\$2,573.00
Northern Wairoa Association Football Inc	\$3,855.00
Northern Wairoa Geneology Society	\$2,731.25
Northland Field Days	\$3,849.79
NW Maori, Maritime and Pioneer Museum Society Inc	\$10,000.00
Ruawai Promotions & Development Group	\$1,493.83
Te Iwi o Te Roroa	\$8,411.52
Tinopai Community Hall Society Inc	\$2,148.44
Whitebait Connection	\$1,500.00
Volunteering Northland	\$2,500.00
Total	\$99,305.37

Mangawhai Endowment Lands Account - MELA

Organisation	Amount Approved 2019
Mangawhai Activity Zone	\$36,065.00
Mangawhai Domain	\$26,259.02
Mangawhai Heads Volunteer Lifeguard Service Inc.	\$12,822.25
Mangawhai Historic Village Trust	\$1,470.43
Mangawhai Museum and Historical Society Inc.	\$12,836.00
Mangawhai Public Library	\$6,461.85
Mangawhai Tennis Club	\$2,840.00
Mangawhai Tracks Charitable Trust	\$20,000.00
Total	\$118,754.55

Creative Communities Grant

Organisation	Amount Approved 2019
Art Studio Ruawai	\$800.00
Dargaville Arts Association	\$216.50
Dargaville Community Cinema Charitable Trust	\$1,341.00
Dargaville High School	\$3,500.00
Josie Scott- Baylys Beats	\$1,150.00
Mangawhai Artists Inc.	\$1,846.00
Maungaturoto Residents Association	\$1,150.00
Oliver Knox	\$1,265.00
Otamatea Kauri and Pioneer Museum Board	\$2,392.89
Topaz Camille Johnson	\$850.00
Total	\$14,511.39

Rural Sports Travel Grant

Organisation	Amount Approved 2019
Aranga School	\$454.55
Dargaville Intermediate School	\$900.00
Dargaville High School	\$4,500.00
Mangawhai Beach School	\$1,150.00
Mangawhai Football Club	\$600.00
Maungaturoto Amateur Swimming Club	\$700.00
Northern Wairoa Association Football Club	\$1,000.00
Northern Wairoa Rugby League and Sports Club	\$1,500.00
Otamatea Hawks IMB	\$800.00
Otamatea High School	\$3,654.78
Pouto School	\$255.00
Ruawai College	\$2,075.66
Ruawai Primary School	\$400.00
Southern Rugby and Netball Club	\$1,600.00
Te Kopuru Amateur Swimming Club	\$1,000.00
Total	\$20,589.99

Reserve Contributions Contestable Fund

Organisation	Amount Approved 2019
Kaipara Cycling Inc.	\$20,000.00
Mangawhai Activity Zone	\$170,000.00
Paparoa Lions Club	\$45,000.00
Total	\$235,000.00

Performance Measures

Community Activities measured by	LTP Year 2 Target 2019/2020	Actual 2019/2020		Actual 2018/2019	Comments for 2019/2020
Pensioner Housing					
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 cost	Zero cost	Achieved	Achieved	Costs for activity were met by rental income from all units.
Pensioner housing annual occupancy rate	90%	99%	Achieved	Achieved 99%	Occupancy higher for Mangawhai than Dargaville and Ruawai.
Reserves and Open Space					
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%	81.66%	Not achieved	Achieved 89%	Rubbish within the parks and fields is a common complaint and we are investigating options to reduce this.
Percentage of residents who are very/fairly satisfied with the district's public toilets	≥70%	79%	Achieved	Achieved 82%	Those using these services are mostly satisfied with the facilities.
Parks maintenance contract: a safe working environment is provided for those delivering the service, number of health and safety audits per month	Contractor: 4 Council: 1	Contractor 3.92 Council 1.08	Not achieved	Not achieved	We are working with our contractors to ensure H&S audits are completed according to our measures. The results are calculated by taking the full number of H&S audits done and dividing them by 12.
Compliance with parks maintenance contract specifications – monthly audits	90%	95%	Achieved	Not achieved	We have improved compliance with contract specifications.

Community Activities measured by	LTP Year 2 Target 2019/2020	Actual 2019/2020		Actual 2018/2019	Comments for 2019/2020
Libraries					
Percentage of library users who are very satisfied or satisfied with the district's library services.	85%	80.33%	Not achieved	Achieved 91%	Lack of space particularly in the Dargaville Library is the main area of concern. We continue to investigate options for another library in Dargaville.

Funding Impact Statement

Operating Funding	Actual	Annual Plan	Annual Report
For the year ended: 30 June	2019-2020 \$'000	2019-2020 \$'000	2018-2019 \$'000
Sources of operating funding			
General rates, uniform annual general charges, rate penalties	4,406	4,406	3,864
Targeted rates	341	322	314
Subsidies and grants for operating purposes	48	43	43
Fees and charges	1,257	1,001	996
Internal charges and overheads recovered	482	482	427
Total operating funding	6,534	6,255	5,645
Application of operating funding			
Payments to staff and suppliers	4,362	4,856	4,265
Finance costs	45	45	50
Other operating funding applications	1,249	1,249	1,068
Total applications of operating funding	5,656	6,150	5,383
Surplus (deficit) of operating funding	878	104	262

Funding Impact Statement

Capital Funding	Actual	Annual Plan	Annual Report
For the year ended: 30 June	2019-2020 \$'000	2019-2020 \$'000	2018-2019 \$'000
Sources of capital funding			
Subsidies and grants for capital expenditure	0	0	0
Development and financial contributions	1,342	1,000	500
Increase (decrease) in debt	0	193	(80)
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Other dedicated capital funding	0	0	0
Total sources of capital funding	1,342	1,193	420
Application of capital funding			
Capital expenditure - to meet additional demand	852	1,736	1,397
Capital expenditure - to improve the level of service	352	506	370
Capital expenditure - to replace existing assets	238	400	190
Increase (decrease) in reserves	778	(1,345)	(1,275)
Increase (decrease) of investments	0	0	0
Total applications of capital funding	2,220	1,297	682
Surplus (deficit) of capital funding	(878)	(104)	(262)
Funding Balance	0	0	0

The Provision of Roads and Footpaths

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

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

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

Community Outcomes

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

What we planned

What we planned	What we achieved
New asset data acceptance standards: Review adequacy of developers (subdivision and land development) handover requirements contained within NZ Engineering Standards	Environmental Engineering Standards for KDC are under review to improve the quality of what Council accepts as a vested asset and gain consistency across Northland with the two other district councils. This is still in progress.
Identify a programme to enhance acceptance standards, including asset schedules and capital cost recording for each asset created	As per above.

Capital Works Programme

Location	Actual 2019/2020	Budget from Annual Plan 2019/2020	Project Description
Bridges and Structures	\$2,014,194	\$3,610,000	Tomarata Bridge Repair was successfully completed. The bridge can now withstand HPMV and 50MAX heavy vehicles and is resilient for use as a detour for the State Highway.
Road Works - Unsealed	\$2,188,803	\$3,120,000	87 kilometres of the rural unsealed network was rehabilitated, or the Level of Service was improved to the requirement of the maintenance contract through heavy maintenance activities. This included improvements to surface water tables and other drainage features.
Road Works - Minor Improvements	\$2,101,336	\$5,220,000	Footpaths were built at Mt Wesley Road in Dargaville. School zone safety improvements were carried out at Dargaville Primary, Dargaville High and Dargaville Intermediate Schools, Te Kopuru, Pouto and Selwyn Park Schools. Associated safety, geometry and alignment improvements were carried out across the network in conjunction with the sealed road rehabilitation and resealing programme.
Road Works - Drainage	\$487,652	\$800,000	Drainage improvements were carried out district-wide as part of the maintenance contract. This is a challenging aspect of the network maintenance mainly due to the network's topography, but when done right offers the biggest return on investment in terms of resilience and asset preservation and the team.
Road Works - Sealed Resurfacing	\$1,173,000	\$2,288,000	The COVID-19 lockdown disrupted the full delivery of the resurfacing programme. 17 of 25 kilometres was resealed, with the remaining 8 kilometres deferred into the 2020/2021 programme.
Road Works – Sealed Rehabilitation	\$945,375	\$1,354,000	The COVID-19 lockdown disrupted the full delivery of the rehabilitation programme. One site on Ararua Road was not started, which has been deferred into the 2020/2021 programme. A second site on Matakoho East Road began construction but had to be abandoned due to the lockdown. The contractors are managing this site as an open site and it will be held as an unsealed surface until the construction season recommences after September.
Traffic Services	\$199,252	\$175,000	A full network remark was carried out this financial year along with sign replacements when damages occur or if the signs were out of specification for reflectivity and compliance.

Performance Measures

The provision of Roads and Footpaths measured by	LTP Year 2 Target 2019/2020	Actual 2019/2020		Actual 2018/2019	Comments for 2019/2020
Safety					
The transportation network is designed and managed for safe use with low crash and injury rates.					
There are no fatalities and serious injury crashes on the local network that are directly contributable to road condition.	0	-	Unknown	Achieved 0	Note: 1 fatal accident still under investigation with the coroner and not likely to have an outcome before this report is released.
The change from the previous financial year in the number of fatalities and serious injury crashes on the local road network.	≥10	4	Achieved	Not achieved 4	There were 16 total fatalities and serious injury crashes in 2018/2019. There were 12 total fatalities and serious injury crashes in 2019/2020. The change from the previous year is 16 – 12 = 4.
Road Condition (Smoothness)					
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	92%	Achieved	Achieved 91%	Smooth travel improved slightly for the current year vs last year. This is an indication that appropriate maintenance and timed rehabilitation and resealing programmes are being targeted at the right area and right timing.

The provision of Roads and Footpaths measured by	LTP Year 2 Target 2019/2020	Actual 2019/2020		Actual 2018/2019	Comments for 2019/2020
Road Condition (Smoothness) continued					
The average quality of ride on a sealed local road network, measured by smooth travel exposure.					
The percentage of the sealed local road network that is resurfaced.	>6.7%	17.082km (3.8%)	Not achieved	Achieved 12%	Our process of programme development and validation is now a modelled and prioritised process that addresses the network need rather than resurfacing a certain percentage of the network. This is NZTA's preferred method of programme development and assists Council in attracting the NZTA subsidy to the programme. COVID-19 Level 4 lockdown occurred in the middle of the resurfacing programme delivery and forced not yet started sites and some sites that were in the process of delivery to be suspended and/or deferred until 2020/2021 sealing season.
Maintenance of the sealed local network					
Measured by the actual spent to budget percentage for the surfacing renewal budget	≥95% - ≤103%	65%	Not achieved	Not achieved 147.64%	COVID-19 lockdown resulted in some of the sites in the 2019/2020 programme being deferred. Of the \$1,800,000 budget, \$1,168,485 was spent on actual surfacing renewal in the year 2019/2020
Maintenance of the unsealed local network					
The length of the unsealed local network that is graded for:					Achievement was only made on Low Volume roads across the district. The current maintenance contract has an inspection led, find and fix process rather than grading on a cyclic programme to achieve a targeted KPI. Grading is also only targeted and undertaken when conditions on the network such as pavement moisture content are favourable to do so, this is generally Spring and Autumn. This approach reduces the damage and gravel loss caused by too much grading and often results in lower than KPI achievement.
Secondary collector road	140km min	119.7km	Not achieved	Achieved 141.2km	
Access road	1,200km min	1,281.78km	Achieved	Not achieved 1,109.7km	
Access (low volume) road	750km min	681.96km	Not achieved	Achieved 756.2km	

Performance Measures continued

The provision of Roads and Footpaths measured by	LTP Year 2 Target 2019/2020	Actual 2019/2020		Actual 2018/2019	Comments for 2019/2020
Execution of capital works programme					
Maximum uptake, within the three-year planning programme, of the approved NZTA budget for Kaipara district, provided Council can also fund the local share.	≥95%	80.6% uptake this financial year	Not Achieved	Achieved 100%	This target is based on using 95% of the budget over the three year programme. Any budget not utilised within a year will be carried over to the next. Of the approved budget \$19,955,294, \$16,074,329 was spent on the NZTA budget for Kaipara district for year 2019/2020. COVID-19 disrupted some of the maintenance and capital programme delivery whilst development of a Network Operating Framework and Business cases to satisfy the NZTA investment assessment process was required to be able to uptake the expenditure on some of the improvements programme. The improvements programme is still on target to be fully utilized by the end of the three-year planning programme and any maintenance and renewals activities that were disrupted due to COVID-19 are scheduled to occur in the 2020/2021 Financial Year.
Footpaths					
Percentage of residents who are fairly/very satisfied with footpaths.	73%	46.33%	Not achieved	Not achieved 56%	Lack of maintenance is the main concern. This year 255m of footpaths were renewed and 1,374m of new footpaths build.
Response to Service Requests					
The percentage of customer service requests relating to roads and footpaths to which the Council responds within the specified timeframe.	90%	96.67%	Achieved	Achieved 93.87%	Of all service requests received, 96.67% of service requests were responded to by the Contractors within the set timeframe. The specific timeframe may vary depending on the type of request received.

Funding Impact Statement

Operating Funding	Actual	Annual Plan	Annual Report
For the year ended: 30 June	2019-2020 \$'000	2019-2020 \$'000	2018-2019 \$'000
Sources of operating funding			
General rates, uniform annual general charges, rate penalties	9,966	9,966	9,458
Targeted rates	389	390	390
Subsidies and grants for operating purposes	4,838	6,072	4,541
Fees and charges	232	0	0
Internal charges and overheads recovered	1,413	2,099	2,103
Total operating funding	16,838	18,528	16,491
Application of operating funding			
Payments to staff and suppliers	8,671	9,722	8,125
Finance costs	85	85	51
Other operating funding applications	4,458	4,690	4,142
Total applications of operating funding	13,214	14,497	12,318
Surplus (deficit) of operating funding	3,624	4,030	4,173

Funding Impact Statement

Capital Funding	Actual	Annual Plan	Annual Report
For the year ended: 30 June	2019-2020 \$'000	2019-2020 \$'000	2018-2019 \$'000
Sources of capital funding			
Subsidies and grants for capital expenditure	5,960	18,974	8,062
Development and financial contributions	140	103	102
Increase (decrease) in debt	0	629	371
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Other dedicated capital funding	0	0	0
Total sources of capital funding	6,100	19,706	8,535
Application of capital funding			
Capital expenditure - to meet additional demand	629	1,372	2,274
Capital expenditure - to improve the level of service	1,485	11,937	2,930
Capital expenditure - to replace existing assets	6,902	11,309	8,343
Increase (decrease) in reserves	707	(881)	(839)
Increase (decrease) of investments	0	0	0
Total applications of capital funding	9,724	23,736	12,708
Surplus (deficit) of capital funding	(3,624)	(4,030)	(4,173)
Funding Balance	0	0	0



Photo Location: Dargaville

Regulatory Management

The regulatory management activity includes building, environmental planning, environmental health and animal management.

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

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

The animal management activity contributes to having a safe and enjoyable environment in which animals, animal owners and the wider community live together in harmony.

Community Outcomes

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

What we planned

What we planned	What we achieved
Building Control	
Continue collating the earthquake-prone buildings register	We are collaborating with Whangarei District Council and Far North District Council on the register. The process of what information is gathered has been agreed and work with continue in the coming years.
Regulatory Services - Environmental Health	
Continue collating and addressing the wastewater bylaw database register for compliance	We reviewed the wastewater bylaw database which allows us to continue the wastewater audits and ensure community health is maintained. 37 properties with onsite wastewater systems were audited in 2019/2020.

Any additional work:

- Animal Management services were brought in-house. This provides a better service to the Community ensuring we have locals on the ground ready to assist.

Performance Measures

Regulatory Management measured by	LTP Year 2 Target 2019/2020	Actual 2019/2020		Actual 2018/2019	Comments for 2019/2020
Building Control Inspections, Compliance and Enforcement 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	75%	50.33%	Not achieved	Not achieved 58%	The % is the average over the 3 survey results received, which were Q1= 41%, Q2 = 55% and the last results was 55%. Around 400 residents are surveyed each year however only 68 of those residents had gone through the building consent process. Hence it's a small % of the total residents surveyed.
Responsiveness To process applications within statutory timeframes.					
Percentage of Building Consents (BC) processed within 20 working days.	100%	99%	Not achieved	Not achieved 95.4%	Up 3.6% on financial year 2018/2019. The majority of overdue BC's have been attributed to waiting on completion of specialist engineering services.
Quality Monitoring of BC applications and inspections to ensure projects comply with the New Zealand Building Code.					
Illegal activity/ unauthorised work complaints investigated within three working days.	90%	96.9%	Achieved	Achieved 92.44%	KPI has been achieved.
Resource Consents, Monitoring and Enforcement Ensure effective response to customer enquiries about District Plan/Resource Consent requirements. Responsiveness: To process applications in accordance with statutory timeframes.					
Percentage of non-notified Resource Consents processed within 20 working days.	100%	81%	Not achieved	Not achieved 70.25%	This was an increase on the previous year of 10.75%. Processes were externally reviewed in 2019 and compliance with statutory time frames continues to improve.
Percentage of Land Information Memoranda (LIM) processed within 10 working days.	100%	100%	Achieved	Achieved 100%	556 LIMs were processed during the year with an average processing time of 6 days compared to 515 LIMs processed with an average time of 7 days in 2018/2019.

Performance Measures continued

Regulatory Management measured by	LTP Year 2 Target 2019/2020	Actual 2019/2020		Actual 2018/2019	Comments for 2019/2020
Resolving of complaints concerning breaches of conditions of Resource Consent and other non-compliance with the District Plan.					
Percentage of resource consent complaints regarding unconsented works and non-compliance with the District Plan and Resource Consent investigated within five working days.	90%	100%	Achieved	Achieved 100%	43 complaints were received and investigated within timeframes.
Percentage of all new granted Resource Consents are audited each year to ensure they comply with relevant conditions.	15%	29%	Achieved	Achieved 25%	237 resource consents were granted for 2019/2020, of which 68 resource grants were audited against their pre-commencement conditions.
Percentage of s224(c) certificates for new land titles processed within 10 working days	97%	100%	Achieved	Achieved 100%	Statutory measures met with 100% compliance.
Environmental Health					
Health and Safety Customer Service: Regulate commercial operations to protect public health.					
Percentage of food premises inspected or audited at least once per year under the Food Hygiene Regulations or Food Act.	100%	86%	Not achieved	Not achieved 85%	Results since February have been 100% following the appointment of a second Environmental Health Officer. Overall result of 86% is due to smaller number of food premises inspections carried out prior to February.
Percentage of alcohol premises inspected at least once per year.	100%	100%	Achieved	Achieved 100%	There were 74 alcohol premises to inspect and all 74 were inspected.

Funding Impact Statement

Operating Funding	Actual	Annual Plan	Annual Report
For the year ended: 30 June	2019-2020 \$'000	2019-2020 \$'000	2018-2019 \$'000
Sources of operating funding			
General rates, uniform annual general charges, rate penalties	2,992	2,992	1,710
Targeted rates	0	0	0
Subsidies and grants for operating purposes	0	0	0
Fees and charges	3,668	4,771	3,481
Internal charges and overheads recovered	584	584	380
Total operating funding	7,251	8,352	5,576
Application of operating funding			
Payments to staff and suppliers	5,965	6,550	4,416
Finance costs	0	0	0
Other operating funding applications	1,752	1,752	1,146
Total applications of operating funding	7,717	8,302	5,562
Surplus (deficit) of operating funding	(465)	50	14

Funding Impact Statement

Capital Funding	Actual	Annual Plan	Annual Report
For the year ended: 30 June	2019-2020 \$'000	2019-2020 \$'000	2018-2019 \$'000
Sources of capital funding			
Subsidies and grants for capital expenditure	0	0	0
Development and financial contributions	0	0	0
Increase (decrease) in debt	0	0	0
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Other dedicated capital funding	0	0	0
Total sources of capital funding	0	0	0
Application of capital funding			
Capital expenditure - to meet additional demand	0	0	0
Capital expenditure - to improve the level of service	0	0	0
Capital expenditure - to replace existing assets	0	0	0
Increase (decrease) in reserves	(465)	50	14
Increase (decrease) of investments	0	0	0
Total applications of capital funding	(465)	50	14
Surplus (deficit) of capital funding	465	(50)	(14)
Funding Balance	0	0	0



Photo Location: Pouto Lighthouse

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.

Community Outcomes

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

What we planned

What we planned	What we achieved
Policy and District Planning	
Complete the plan change required to implement and give effect to the Regional Policy Statement (RPS) (two-year timeframes)	<ol style="list-style-type: none"> 1. Completed Significant Natural Areas (SNAs): Stage 1, desktop analysis to identify and map SNAs in the Kaipara district. Completed some site-specific Stage 2 ground truthing. 2. Completed the Outstanding Natural Features (ONF) assessment report identifying ONF in Kaipara. 3. Coastal Environment and Natural Character: Drafting a plan change to replace the current Coastal and Harbour overlay maps with the Coastal Overlay according to the RPS mapping; to provide for Natural Character Areas in the District Plan in accordance with the RPS provisions. 4. Coastal Erosion, Hazards and Flood Inundation: The lidar data has now been captured and is being analysed so NRC can provide Council mapping on natural hazards in Kaipara. This and other necessary work to address climate change challenges and opportunities will ensure the Council fulfils its obligations under the RMA and the Zero Carbon Act. KDC is an active member of Climate Adaptation Tai Tokerau. A collaborative Council Working Group drafting a policy, strategy, risk assessment methodology and Maori climate change framework.

What we planned	What we achieved
Policy and District Planning continued	
Continue plan change/s associated with the Mangawhai Community Plan (MCP)	The comprehensive review of the District Plan is based on a five-year programme, which will result in public notification of the final draft Plan for formal consultation currently scheduled for 2023. This comprehensive process means, after direction from Council, all proposed amendments to the current Operative District Plan will be publicly notified as a complete Plan package consisting of approximately 70 plan changes. Any changes specific to the MCP will only proceed as part of the whole draft District Plan.
Notification of plan changes resulting from the Efficiency and Effectiveness Review (EER)	A draft EER report was completed in June 2020. Supported by the review, Council has made Clause 20A RMA amendments to the operative plan to correct minor errors.
Start implementing the national planning standards (NPS) through a plan change	The new and proposed NPSs are being incorporated into the spatial planning and review focus chapters.
Notify plan changes for re-zoning in Dargaville	Spatial planning is the first step which helps provide input into rezoning changes in Dargaville. Community workshops held in Dargaville to collect information on values held for Dargaville and its surrounds. Spatial planning for Dargaville has started and will identify opportunities and constraints for sustainable urban development. Council's website now defines the specific geological features of Dargaville and any associated geotechnical hazards. Hazard warnings are communicated and what actions will be required to satisfy applications to Council for property or land development.
Commence growth planning for other locations across the district based on prioritisation set in Needs Assessment	Environmental scan completed to provide an understanding of current growth trends and patterns. This information utilised as part of spatial planning for Mangawhai, Kaiwaka, Maungatūroto and smaller coastal and rural towns and settlements. Consultation was complete for Maungatūroto and Kaiwaka in 2019, Mangawhai consultation will take place during 2020.

Capital Works Programme

Programme Description	Actual 2019/2020	Budget from Annual Plan 2019/2020	Project Description
Council Properties	\$102,580	\$300,000	Upgrades to Council properties.
Fleet Management	\$278,714	\$250,000	This is to cover replacement of vehicles as they come due. New Animal control vehicles were also purchased.
Information Services	\$1,526,543	\$1,625,000	<p>Council has made significant progress with the digital workplace transformation programme. Hardware systems to support the initiative have been rolled out to the Mangawhai office, with the Dargaville office to follow.</p> <p>Council's primary ERP system has transitioned from on premise to the Cloud improving accessibility and reliability while delivering cost savings.</p> <p>Electronic Document Records Management system (EDRMS) which will be the official record storage system, and a Human Resource Information system (HRIS) which will support our Human Resource Management are two medium-term projects continue on schedule and on budget for delivery in 2021.</p> <p>Isovist Isoplan which is an online District Planning system will be completed in Q3 of 2020 resulting in improved public access to district planning documents.</p> <p>Information services has also achieved other improvements in the management of the wastewater bylaw, and dog registration systems.</p>

Performance Measures

District Leadership measured by	LTP Year 2 Target 2019/2020	Actual 2019/2020		Actual 2018/2019	Comments for 2019/2020
Governance					
Compliance with legal requirements around formal meetings of Council and its Committees.					
Percentage of residents that are very/fairly satisfied with how rates are spent on services and facilities provided by Council.	65%	52.33%	Not achieved	Achieved 73%	There was a reduction this year with lack of services and road maintenance in rural areas as a key theme.
Long Term Plan, Annual Plan and Annual Reports will be adopted within timeframes set in the Local Government Act 2002.	Achieved	Achieved	Achieved	Achieved	The Annual Report 2018/2019 was adopted at the September 2019 Council Meeting. The Annual Plan was adopted at the June 2020 Council meeting and the next LTP is due to be adopted June 2021.
Civil Defence Management					
Conduct Civil Defence training exercises.	1 per year	1	Achieved	Achieved 1	There was one Civil Defence training exercise conducted in 2019/2020.

Funding Impact Statement

Operating Funding	Actual	Annual Plan	Annual Report
For the year ended: 30 June	2019-2020 \$'000	2019-2020 \$'000	2018-2019 \$'000
Sources of operating funding			
General rates, uniform annual general charges, rate penalties	4,938	4,438	5,043
Targeted rates	0	0	0
Subsidies and grants for operating purposes	1,984	2,671	0
Fees and charges	548	139	139
Internal charges and overheads recovered	8,937	8,351	6,779
Local authorities fuel tax, fines, infringement fees and other receipts	404	335	335
Total operating funding	16,811	15,933	12,296
Application of operating funding			
Payments to staff and suppliers	14,111	13,979	11,045
Finance costs	-823	-327	-190
Other operating funding applications	1,380	912	452
Total applications of operating funding	14,668	14,564	11,306
Surplus (deficit) of operating funding	2,143	1,368	990

Funding Impact Statement

Capital Funding	Actual	Annual Plan	Annual Report
For the year ended: 30 June	2019-2020 \$'000	2019-2020 \$'000	2018-2019 \$'000
Sources of capital funding			
Subsidies and grants for capital expenditure	0	4,000	0
Development and financial contributions	0	0	0
Increase (decrease) in debt	(1,000)	5,263	(2,111)
Gross proceeds from sale of assets	89	175	175
Lump sum contributions	0	0	0
Other dedicated capital funding	0	0	0
Total sources of capital funding	-911	9,438	-1,936
Applications of capital funding			
Capital expenditure - to meet additional demand	0	0	0
Capital expenditure - to improve the level of service	1,573	5,640	995
Capital expenditure - to replace existing assets	335	535	320
Increase (decrease) in reserves	(676)	4,631	(2,261)
Increase (decrease) of investments	0	0	0
Total applications of capital funding	1,213	10,806	-946
Surplus (deficit) of capital funding	(2,124)	(1,368)	(990)
Funding Balance	0	0	0

Sewerage and the Treatment and Disposal of Sewage

Council provides schemes which collect, treat and dispose of wastewater from residential properties, businesses and public facilities.

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

We provide wastewater collection and treatment systems in:

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

Community Outcomes

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

What we planned

What we planned	What we achieved																		
Develop a central database and geospatial framework for condition assessment information and generate a renewal programme from the system	Work ongoing with AssetFinda and our consultant Eagle to ensure that GIS is up to date. AssetFinda is the database that holds all our asset information, Eagle are the consultants we work with for our GIS system and GIS refers to the Geographical Information system that shows our assets as a map. The new GIS shared service with NRC is working well, and our information is being updated, data cleansing project for Mangawhai Wastewater, still working on links between GIS, AssetFinda and MagiQ.																		
Complete the data cleansing project to reduce the number of unknown asset attributes (including asset lives to aid renewal planning)	<p>Wastewater CCTV completed in 2019/2020</p> <table><tr><th>Town</th><th>Metres CCTV'd since 2018</th><th>Approx. metres left to be CCTV'd</th></tr><tr><td>Dargaville</td><td>24,078</td><td>8,262</td></tr><tr><td>Te Kopuru</td><td>2,028</td><td>2,578</td></tr><tr><td>Mangawhai</td><td>0 (Work currently in progress)</td><td>49,254</td></tr><tr><td>Kaiwaka</td><td>1,865 (work currently in progress)</td><td>2,421 (completed as of June)</td></tr><tr><td>Maungaturoto</td><td>0 (some done in 2017)</td><td>10,042</td></tr></table> <p>In the coming year, we plan to do 3-4km of wastewater CCTV in Maungaturoto, 8km in Dargaville and Managwhai and if feasible another 2km in Te Kopuru. The remaining CCTV will be rolled out over the coming years.</p>	Town	Metres CCTV'd since 2018	Approx. metres left to be CCTV'd	Dargaville	24,078	8,262	Te Kopuru	2,028	2,578	Mangawhai	0 (Work currently in progress)	49,254	Kaiwaka	1,865 (work currently in progress)	2,421 (completed as of June)	Maungaturoto	0 (some done in 2017)	10,042
Town	Metres CCTV'd since 2018	Approx. metres left to be CCTV'd																	
Dargaville	24,078	8,262																	
Te Kopuru	2,028	2,578																	
Mangawhai	0 (Work currently in progress)	49,254																	
Kaiwaka	1,865 (work currently in progress)	2,421 (completed as of June)																	
Maungaturoto	0 (some done in 2017)	10,042																	

What we planned	What we achieved
Wastewater modelling (Kaiwaka). Scoping exercise to determine needs and level of detail required for development of hydraulic model	A modelling strategy was developed and completed which advises which type of modelling we should undertake. The actual modelling has yet to be completed but will begin in the coming year.
Wastewater modelling (Dargaville, Maungaturoto and Kaiwaka). Develop, test and implement hydraulic model to identify capacity issues, optimisation of pumping stations, manage growth	As per the above. The modelling strategy was completed. This was a district wide exercise and determines which type of modelling we should undertake. The actual modelling will begin in the coming years.
Commence the desludging of the Dargaville Wastewater Oxidation Pond	The resource consent has been received and works have started.
Complete the upgrade of the Mangawhai Community Wastewater scheme (MCWWS) existing reticulation system and pump stations	To be started after the modelling is completed.
Complete the upgrade of the MCWWS treatment plant	Aeration upgrade completed.

Any additional work:

- Kaiwaka WWTP Upgrade – including Power Supply Upgrade. This was completed to ensure compliance with resource consent.

Capital Works Programme

Programme Description	Actual 2019/2020	Budget from Annual Plan 2019/2020	Project Description
Mangawhai Wastewater Development	\$1,129,885	\$2,025,000	Wastewater renewals, not many identified due to lack of modelling and condition assessments. Aeration WWTP upgrade completed. Continuing concept design for balance tank. These capital works projects are not related to the modelling strategy or work discussed above. These projects are upgrades and renewals that were planned for 2019.
Maungaturoto Wastewater Scheme	\$157,164	\$221,000	Renewed WWTP built, obtaining final commissioning. These capital works projects are not related to the modelling strategy or work discussed above. These projects are upgrades and renewals that were planned for 2019.
Kaiwaka Wastewater Scheme	\$415,590	\$413,000	Upgraded WWTP built, getting final commissioning. These capital works projects are not related to the modelling strategy or work discussed above. These projects are upgrades and renewals that were planned for 2019.
Dargaville Wastewater Scheme	\$384,071	\$240,000	Wastewater pipe renewals completed, pump station 2 built, obtaining final commissioning. These capital works projects are not related to the modelling strategy or work discussed above. These projects are upgrades and renewals that were planned for 2019.
Te Kopuru Wastewater Scheme	\$5,870	\$12,200	Upgrade of aerator not undertaken as it was outside of budget. These capital works projects are not related to the modelling strategy or work discussed above. These projects are upgrades and renewals that were planned for 2019.

Performance Measures

Sewerage and the Treatment and Disposal of Sewage measured by	LTP Year 2 Target 2019/2020	Actual 2019/2020		Actual 2018/2019	Comments for 2019/2020
System and adequacy Legal compliance with all resource consents for discharges into the environment from Council systems. The exception provided for in the consent is severe weather events and power failure.					
The number of dry weather sewage overflows from Council's sewerage system, expressed per 1,000 sewerage connections to that sewerage system.	<1	1.425	Not achieved	Not achieved 0	Based on 8 dry weather sewage overflow: $8/5.614 = 1.425$. Reason: During the course of the year overflows from pump stations and treatment plants upgrade occurred caused by wet wipe blockages, equipment and power failure
Discharge compliance Compliance with Council's resource consents for discharge from its sewerage system.					
The number of abatement notices, infringement notices, enforcement orders and convictions received by Council in relation to its resource consents for discharge from its sewerage systems.	0	0	Achieved	Achieved – infringement, enforcement and convictions Not achieved - 1 Abatement notice	All aspects were achieved this year.
Fault response times 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	1 hour, 51 minutes	Achieved	Achieved 32 minutes	There were a number of notifications that took longer than the previous year. In addition to this, contract resources were low over the summer period meaning an increase in the attendance and resolution time. Note if the service request is to be actioned in different stages, attendance time is calculated based on the time that service personnel reached the site to complete the last stage of work for the purpose of this performance measure.

Sewerage and the Treatment and Disposal of Sewage measured by	LTP Year 2 Target 2019/2020	Actual 2019/2020		Actual 2018/2019	Comments for 2019/2020
Fault response times (continued)					
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	3 hours, 10 minutes	Achieved	Achieved 1 hour 29 minutes	There were a number of calls that took longer to complete compared to the previous year. In addition to this, contract resources were low over the summer period meaning an increase in the attendance and resolution time. Note if the service request is to be actioned in different stages, resolution time is calculated based on the time that service personnel completes the last stage of work for the purpose of this performance measure.
Customer satisfaction					
The total number of sewerage system complaints received by Council.					
The total number of complaints received by Council about sewage odour. Expressed per 1,000 sewerage connections to that sewerage system.	<10	2.7	Achieved	Achieved 1.1	Based on 15 complaints for the year district wide, expressed per 1,000 connections
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	Faults 8.9 Blockages 15.5 Total 24.4	Achieved	Achieved 7.3	Based on 137 faults and blockages for the year district wide, expressed per 1,000 connections

Performance Measures continued

Sewerage and the Treatment and Disposal of Sewage measured by	LTP Year 2 Target 2019/2020	Actual 2019/2020		Actual 2018/2019	Comments for 2019/2020
Customer satisfaction (continued)					
The total number of sewerage system complaints received by Council.					
The total number of complaints received by Council about response to issues with its sewerage system. Expressed per 1,000 sewerage connections to that sewerage system.	<50	0	Achieved	Achieved 7.3	No complaints received.
Major capital projects are completed within budget.	Achieved	Achieved	Achieved	Achieved	This performance measure looks at whether CAPEX spend of projects with budgets approved of \$250k or over falls within the budget for current year. These projects were the Kaiwaka Treatment Plant (budget of \$250k, actual spent \$253k), Mangawhai Wastewater Treatment Plan (budget \$800k, actual spent \$667k), upgrade to the existing reticulation (budget \$1m, actual spent \$64k). The under spend in this area was due to COVID-19 delays, decision not to proceed with the project (reticulation) and forming the professional panel which extended the time to begin the work. Of the \$2050k budgeted, \$994k (48%) was spent in the current year.

Funding Impact Statement

Operating Funding	Actual	Annual Plan	Annual Report
For the year ended: 30 June	2019-2020 \$'000	2019-2020 \$'000	2018-2019 \$'000
Sources of operating funding			
General rates, uniform annual general charges, rate penalties	1,324	1,324	1,337
Targeted rates	6,313	6,248	6,150
Subsidies and grants for operating purposes	0	0	0
Fees and charges	37	9	9
Internal charges and overheads recovered	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	0	0	0
Total operating funding	7,674	7,581	7,497
Application of operating funding			
Payments to staff and suppliers	1,717	3,165	2,449
Finance costs	2,474	2,474	2,584
Other operating funding applications	1,446	1,446	1,175
Total applications of operating funding	5,637	7,085	6,209
Surplus (deficit) of operating funding	2,037	495	1,288

Funding Impact Statement

Capital Funding	Actual	Annual Plan	Annual Report
For the year ended: 30 June	2019-2020 \$'000	2019-2020 \$'000	2018-2019 \$'000
Sources of capital funding			
Subsidies and grants for capital expenditure	0	0	0
Development and financial contributions	905	1,909	1,885
Increase (decrease) in debt	0	-675	-71
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Other dedicated capital funding	0	0	0
Total sources of capital funding	905	1,234	1,814
Applications of capital funding			
Capital expenditure - to meet additional demand	925	1,655	1,915
Capital expenditure - to improve the level of service	528	388	748
Capital expenditure - to replace existing assets	639	869	1,041
Increase (decrease) in reserves	850	(1,182)	(601)
Increase (decrease) of investments	0	0	0
Total applications of capital funding	2,942	1,730	3,102
Surplus (deficit) of capital funding	(2,037)	(495)	(1,288)
Funding Balance	0	0	0



Photo Location: Taharoa Domain, Kai Iwi Lakes.

Water Supply

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

Dargaville (including Baylys);

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

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

- Asset management;
- Treatment plant operation and maintenance;
- Network operations and maintenance;
- Capital and refurbishment programme;
- Water billing; and
- Consent monitoring and compliance.

Community Outcomes

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

What we planned

What we planned	What we achieved
Continue developing a central database and GIS mapping for condition assessment information and generate a renewal programme	As with wastewater this work is ongoing with AssetFinda and Eagle to ensure that the GIS is up-to-date. The new GIS shared service with NRC is working well, and our information is being updated, data cleansing and asset information updates are underway.
Review and update the water safety plans for all five water supply schemes using the latest requirements from NDHB	These have been submitted under the old framework for Water Safety Plans, and a new framework submission is required by the end of 2021.
Continue with the condition assessments of water supply assets in alignment with wastewater and stormwater services, and feed into the renewals programme	This has been overtaken by the need to focus on wastewater and stormwater assets. Asset condition is being identified by the maintenance contractor as repairs to the network are undertaken.
Continue developing hydraulic computer models for Dargaville, Maungaturoto and Ruawai reticulation networks, predicting pressures and flows to confirm network capacity and manage growth	Modelling strategy has been adopted with work on models yet to start.

What we planned	What we achieved
Review data management procedures and include development of system for recording maintenance and costs at asset component level in the asset register	We are now creating work plans, work requests, asset data capture when the contractor when contractors on Asset. We have copied hundreds of water meters onto the asset management system. We are creating new water meter short IDs and this work is 30% complete. We managed to added about 30-40% of assets (mainly in Stormwater) onto our asset management data base. The Asset Management Software Provider has proposed a easier way of capturing water meter reads which we are reviewing
Water loss management by ensuring the contractor adheres to reactive timeframes for leak requests and is proactive in leak detection and effective meter reading	This has been achieved as can be shown by the Levels of Service targets that have been reached in the response times shown below, except for the non-urgent call outs.

Capital Works Programme

Programme Description	Actual 2019/2020	Budget from Annual Plan 2019/2020	Project Description
Dargaville Water Supply	\$631,581	\$1,236,000	Monitor drainage of rivers and streams, ensure minimal flood risk and coastal erosion to the community.
Maungaturoto Water Supply	\$265,326	\$362,000	Backwash discharge at WTP and raw watermain renewal completed.
Ruawai Water Supply	\$104,509	\$340,000	New 350m ³ water tank at WTP. Contractor engaged and working through preliminaries like foundation design and consenting. Watermain renewal in adjacent Reeves Street with design of renewals for future years underway.
Mangawhai Water Supply	\$0	\$2,000	No specific projects identified. This is a budget for consent compliance and drinking water standards maintenance.
Glinks Gully Water Supply	\$1,500	\$2,000	No specific projects identified. This is a budget for consent compliance and drinking water standards maintenance.

Performance Measures

Water Supply measured by	LTP Year 2 Target 2019/2020	Actual 2019/2020	Actual 2018/2019	Comments for 2019/2020	
Fault Response Times					
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	34 minutes	Achieved	Achieved 42 minutes	The response times have improved from last year. Note if the service request is to be actioned in different stages, attendance time is calculated based on the time that service personnel reached the site to complete the last stage of work for the purpose of this performance measure.
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, 28 minutes	Achieved	Achieved 1 hour 55 minutes	The response times are longer than last year. This is due to reduced contract resources over the summer period meaning an increase in the attendance and resolution time. Note if the service request is to be actioned in different stages, resolution time is calculated based on the time that service personnel completes the last stage of work for the purpose of this performance measure.
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	19 hours, 39 minutes	Not achieved	Achieved 58 minutes	Contractor did not meet all monthly attendance timeframes to water requests. This was due to less contractor resources being available over the summer period meaning a few calls had a longer response time.

Water Supply measured by	LTP Year 2 Target 2019/2020	Actual 2019/2020		Actual 2018/2019	Comments for 2019/2020
Fault Response Times (continued)					
Where Council attends a callout in response to a fault or unplanned interruption to its networked reticulation system.					
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	48 hours, 21 minutes	Achieved	Achieved 2 hours	The response times are longer than last year. Note if the service request is to be actioned in different stages, resolution time is calculated based on the time that service personnel completes the last stage of work for the purpose of this performance measure. Again this is due to fewer contractors being available over the summer period, hence there were a few calls that took longer to respond to, pushing the medium response time up.
Customer Satisfaction					
The total number of water supply complaints received by Council.					
The total number of complaints for the district received by Council about drinking water quality. i.e. clarity, odour, taste, pressure or flow and continuity of supply. Expressed per 1,000 water connections.	≤40	12.8	Achieved	Achieved 6.4	Based on 46 complaints for the year, expressed per 1,000 water connections.
Total number of complaints received by Council about Council's response to any of these issues. Expressed per 1,000 water connections.	≤40	1.9	Achieved	Achieved 0.6	Based on 7 complaints for the year, expressed per 1,000 water connections.

Performance Measures continued

Water Supply measured by	LTP Year 2 Target 2019/2020	Actual 2019/2020		Actual 2018/2019	Comments for 2019/2020
Demand Management					
The average consumption of drinking water per day per resident within Kaipara District = Billed metered consumption (m ³) x 1,000 number of connections x 365 x 2.5 (occupancy rate).	Dargaville 275 Maungaturoto 340 Ruawai 130 Glinks Gully 52 Mangawhai 230	Dargaville 323 Maungaturoto 297 Ruawai 114 Glinks Gully 67 Mangawhai 660	Not achieved Achieved Achieved Not achieved Not achieved	Not achieved 304 Achieved 268 Achieved 116 Not achieved 76 Not achieved 597	It should be noted the high consumption in Mangawhai is due to one of the 17 connections being a campground, and also the increasing growth. The performance measure target for Mangawhai is due for revision within the next LTP.
Major capital projects are completed within budget.	Achieved	Achieved	Achieved	Achieved	This performance measure looks at whether CAPEX spend of projects with budgets approved of \$250k or over falls within the budget for current year. Major capex projects are those over \$250k. Water supply projects budgeted totaled \$1089k, of that \$545k (50%) was spent on capital projects. These projects included Dargaville racecourse water main (budgeted \$400k, spent \$179k), Maungaturoto water main renewal (budgeted \$339k, spent \$102k) and raw water main renewal (budgeted \$350k, spent \$264k). Delays were caused by COVID-19 and a delay to the consent being granted.

Water Supply measured by	LTP Year 2 Target 2019/2020	Actual 2019/2020		Actual 2018/2019	Comments for 2019/2020
Demand Management (continued)					
Water take consents.	100% compliance with NRC water take consents	100%	Achieved	Achieved 100%	Source: NRC
Safety of drinking water in accordance with NZDWS (bacteria compliance criteria)					
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	All compliant	Achieved	Achieved	These results are based on the 2018/2019 results which is the latest report received from the NDHB; the 2019/2020 results will be available in December 2020.
The extent to which Council's drinking water supply complies with part 5 of the NZDWS (protozoal compliance criteria).	Dargaville Maungaturoto Ruawai Mangawhai Glinks Gully	All compliant	Achieved	Achieved Not achieved Achieved Achieved Acheived	These results are based on the 2018/2019 results which is the latest report received from the NDHB; the 2019/2020 results will be available in December 2020.
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.	≤ 30%	22.5%	Achieved	Achieved 21.7%	Source: 2020 Water Balance Report

Funding Impact Statement

Operating Funding	Actual	Annual Plan	Annual Report
For the year ended: 30 June	2019-2020 \$'000	2019-2020 \$'000	2018-2019 \$'000
Sources of operating funding			
General rates, uniform annual general charges, rate penalties	0	0	0
Targeted rates	3,273	3,056	3,157
Subsidies and grants for operating purposes	0	0	0
Fees and charges	451	491	491
Internal charges and overheads recovered	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	0	0	0
Total operating funding	3,725	3,548	3,648
Application of operating funding			
Payments to staff and suppliers	1,659	1,298	1,307
Finance costs	274	274	261
Other operating funding applications	710	710	749
Total applications of operating funding	2,642	2,282	2,317
Surplus (deficit) of operating funding	1,082	1,265	1,331

Funding Impact Statement

Capital Funding	Actual	Annual Plan	Annual Report
For the year ended: 30 June	2019-2020 \$'000	2019-2020 \$'000	2018-2019 \$'000
Sources of capital funding			
Subsidies and grants for capital expenditure	267	245	214
Development and financial contributions	0	0	0
Increase (decrease) in debt	0	189	386
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Other dedicated capital funding	0	0	0
Total sources of capital funding	267	434	600
Applications of capital funding			
Capital expenditure - to meet additional demand	0	0	0
Capital expenditure - to improve the level of service	65	22	13
Capital expenditure - to replace existing assets	938	1,591	1,866
Increase (decrease) in reserves	347	86	53
Increase (decrease) of investments	0	0	0
Total applications of capital funding	1,350	1,699	1,931
Surplus (deficit) of capital funding	(1,082)	(1,265)	(1,331)
Funding Balance	0	0	0

Flood Protection and Control Works

In conjunction with the members of the local drainage districts, Council helps to facilitate the management and operation of 29 Land Drainage Districts

Protect people and property from flooding:

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

Community Outcomes

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

What we planned

What we planned	What we achieved
Continue development of a central database and Geographic Information Systems (GIS) mapping for condition assessment information and generate a renewal programme	We have added approximately 40% of the drainage district information onto the GIS maps.
Continue assessing floodgates within target areas such as Raupo and Dargaville	Completed programmed floodgate assessments apart from Kaihu Valley as we could not source material and a contractor. This is an annual and ongoing work.
Continue assessing existing stopbanks, levels and conditions to help prepare for climate change and sea level rise	All programmed stopbank assessment completed. This is annual and ongoing work.
Assess existing drainage districts and identify possible reductions or amalgamations	Four floodgates were completed this year being Te Hapai (reinstated 2018/2019), Horehore, Lawrie and Sunnynook.
Assess existing stopbanks, levels and conditions to help prepare for climate change and sea level rise	Report completed. The surveying of stopbanks to assess the existing stopbank levels and conditions to help prepare for climate change and sea level rise is progressing.
Where required, hydraulic analysis of specific catchments to assess future upgrades to existing flood protection systems.	Not completed. We set up an engineering panel where expertise for this work will be hired.

Capital Works Programme

Programme Description	Actual 2019/2020	Budget from Annual Plan 2019/2020	Project Description
Land Drainage – District-wide			
Land drainage general	\$16,730	\$45,000	Tinopai floodgate door replacement and Beach Road floodgate replacement. Materials paid for one future floodgate.
Raupo Land Drainage Scheme			
Replacement Murphy/Bowers stopbank	\$19,400	\$376,000	Not completed. This is subject to legal proceedings which need time to find a workable resolution before proceeding.

Performance Measures

Flood Protection and Control Works measured by	LTP Year 2 Target 2019/2020	Actual 2019/2020		Actual 2018/2019	Comments for 2019/2020
Monitor drainage of rivers and streams, ensure minimal flood risk and coast erosion to the community.					
The number of flood events not contained by the drainage schemes.	0	0	Achieved	Achieved 0	There were no flooding events.
Service requests for additional cleaning of drains i.e. missed by the monitoring and maintenance programmes.	<5 requests per year	0	Achieved	Achieved 1	There were no service requests for additional drainage cleaning.
Biannual inspection of our drainage network to ensure it can contain a 1:5 year flood.	Twice yearly inspections	2	Achieved	Achieved 2	Achieved as per the inspection contract report received in June.
Targeted maintenance of the stopbank system in the Raupo Drainage District to prevent tidal flows from inundating private property during high tide and/or when the river is in flood.	Achieved	Achieved	Achieved	Achieved	Minimum yearly inspections and targeted maintenance completed.

Funding Impact Statement

Operating Funding	Actual	Annual Plan	Annual Report
For the year ended: 30 June	2019-2020 \$'000	2019-2020 \$'000	2018-2019 \$'000
Sources of operating funding			
General rates, uniform annual general charges, rate penalties	63	63	48
Targeted rates	646	647	698
Subsidies and grants for operating purposes	0	0	0
Fees and charges	4	8	8
Internal charges and overheads recovered	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	0	0	0
Total operating funding	714	718	754
Application of operating funding			
Payments to staff and suppliers	430	475	465
Finance costs	0	0	0
Other operating funding applications	100	100	90
Total applications of operating funding	530	575	555
Surplus (deficit) of operating funding	184	142	200

Funding Impact Statement

Capital Funding	Actual	Annual Plan	Annual Report
For the year ended: 30 June	2019-2020 \$'000	2019-2020 \$'000	2018-2019 \$'000
Sources of capital funding			
Subsidies and grants for capital expenditure	0	0	0
Development and financial contributions	0	0	0
Increase (decrease) in debt	0	0	32
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Other dedicated capital funding	0	0	0
Total sources of capital funding	0	0	32
Applications of capital funding			
Capital expenditure - to meet additional demand	0	0	0
Capital expenditure - to improve the level of service	0	0	0
Capital expenditure - to replace existing assets	73	421	159
Increase (decrease) in reserves	111	(279)	73
Increase (decrease) of investments	0	0	0
Total applications of capital funding	184	142	232
Surplus (deficit) of capital funding	(184)	(142)	(200)
Funding Balance	0	0	0

Stormwater Drainage

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

Stormwater is managed differently across the district :

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

Community Outcomes

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

What we planned

What we planned	What we achieved
Continue with development of capability, asset information capture and Asset Management Information System (AMIS) population of first three items above from 2018/2019	60% of Dargaville piped stormwater assets condition assessment complete and Kaiwaka 80% complete. AMIS in continual improvement. Process improvements made to maintenance workflow, multiple asset cleansing jobs underway, 500 manhole levels logged and 3km of new piped assets added in the first half of 2020.
Complete and adopt an updated SWCMP for Kaiwaka and Maungaturoto	Not completed. Now budgeted for 2022/2023 LTP year.
Develop a template for operations and maintenance manual for ponds with key information required for developers	Currently in draft.
Development of Soakage Design Manual including engineering design standards and SWCMP references	Environmental Engineering Standards still in review. Soakage design standard not started.

What we planned	What we achieved
Review and assessment of levels of deferred maintenance	Not completed due to time constraints.

Additional information

- All asset data has address information updated and formatted
- The meta-data standard is in draft.
- 2018 unit rate data has been applied to the stormwater database
- Draft online overland flow paths and depressions published for Mangawhai using new LIDAR. Old OLFP are now available on LocalMaps for Mangawhai.
- Dargaville stopbanks are now represented as assets in the database. This will allow the maintenance and condition programme.
- Dargaville and Mangawhai stormwater catchments have been digitised and can be available on LocalMaps.

Capital Works Programme

Programme Description	Actual 2019/2020	Budget from Annual Plan 2019/2020	Project Description
Dargaville Stormwater Scheme			
Dargaville Stormwater	\$89,704	\$66,000	Multiple small projects completed across Dargaville.
Baylys Stormwater Scheme			
Chases Gorge Investigations	\$44,450	\$150,000	Planning underway with first community engagement complete. Remaining budget carried over to next year.
Mangawhai Stormwater Scheme			
Mangawhai Stormwater	\$68,347	\$100,000	Eveline Street stormwater on hold to accommodate the local landowner's application to widen the path to the beach.

Performance Measures

Stormwater Drainage measured by	LTP Year 2 Target 2019/2020	Actual 2019/2020		Actual 2018/2019	Comments for 2019/2020
System adequacy To provide stormwater drainage systems in urban areas with the capacity to drain water from normal rainfall events and cope with a 1 in 10 year rain event.					
For each flooding event, using a 1:5 year for Urban (Average Recurrence Interval 20%) and 1:10 year for Rural (ARI 10%), the number of habitable floors affected. (Expressed per 1,000 properties connected to the Council's stormwater system).	<10	0	Achieved	Achieved 0	No flooding of urban areas within the reporting year.
Discharge compliance 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	Achieved 0	Source: NRC
The number of infringement notices received by Council in relation to those resource consents.	0	0	Achieved	Achieved 0	Source: NRC
The number of enforcement orders received by Council in relation to those resource consents.	0	0	Achieved	Achieved 0	Source: NRC
The number of convictions received by Council in relation to those resource consents.	0	0	Achieved	Achieved 0	Source: NRC
Response times The median response time in a flooding event.					
Measured from the time that the territorial authority receives notification to the time that service personnel reach the site.	<2 hours for urgent events	0	Achieved	Achieved 0	No flooding events. District-wide drought
Customer satisfaction The total number of stormwater system complaints received by Council.					
The number of complaints received by Council about the performance of its stormwater system, expressed per 1,000 properties connected to the territorial authority's stormwater system.	≤18	9.9	Achieved	Achieved 13	58 Actual Result based on 5,846 stormwater serviced population (58/5.84)

Funding Impact Statement

Operating Funding	Actual	Annual Plan	Annual Report
For the year ended: 30 June	2019-2020 \$'000	2019-2020 \$'000	2018-2019 \$'000
Sources of operating funding			
General rates, uniform annual general charges, rate penalties	263	263	223
Targeted rates	1,557	1,551	1,390
Subsidies and grants for operating purposes	0	0	0
Fees and charges	(3)	0	0
Internal charges and overheads recovered	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	0	0	0
Total operating funding	1,816	1,814	1,612
Application of operating funding			
Payments to staff and suppliers	471	799	612
Finance costs	211	211	173
Other operating funding applications	179	179	288
Total applications of operating funding	861	1,189	1,073
Surplus (deficit) of operating funding	955	624	540

Funding Impact Statement

Capital Funding	Actual	Annual Plan	Annual Report
For the year ended: 30 June	2019-2020 \$'000	2019-2020 \$'000	2018-2019 \$'000
Sources of capital funding			
Subsidies and grants for capital expenditure	0	0	0
Development and financial contributions	10	7	7
Increase (decrease) in debt	0	(233)	(233)
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Other dedicated capital funding	0	0	0
Total sources of capital funding	10	(226)	(226)
Applications of capital funding			
Capital expenditure - to meet additional demand	51	9	7
Capital expenditure - to improve the level of service	136	174	114
Capital expenditure - to replace existing assets	15	33	49
Increase (decrease) in reserves	763	182	144
Increase (decrease) of investments	0	0	0
Total applications of capital funding	966	398	314
Surplus (deficit) of capital funding	(956)	(624)	(540)
Funding Balance	0	0	0

Financial comments:

Expenditure on Quail Way improvements brought forward from future years.



Photo Location: Ripiro Beach

Solid Waste

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

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

Community Outcomes

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

What we planned

What we planned	What we achieved
Contract 706 expires in November 2019 when we will put a new, improved contract out to tender	Contract 706 is the contract awarded for the company who collects Kaipara waste. In May 2019 Council approved the extension of Contract 706 until 30 June 2021. This is to allow time for required consultation which will determine requirements for any new contract. Changes will coincide with Year 1 of the 2021-2031 LTP.
Complete consent compliance requirements for Dargaville Closed Landfill	Completed October 2019

Capital Works Programme

Programme Description	Actual 2019/2020	Budget from Annual Plan 2019/2020	Project Description
District Closed Landfills	\$65,302	\$50,000	Hakaru Closed Landfill leachate treatment improvements. Design and preparation for tender process completion.

Performance Measures

Solid Waste measured by	LTP Year 2 Target 2019/2020	Actual 2019/2020	Actual 2018/2019	Comments for 2019/2020	
Reliability					
To provide regular community kerbside collections.					
Percentage of residents who are very satisfied or satisfied with waste management.	75%	59.33%	Not achieved	Not achieved 65%	We will review this service in the next LTP.
To encourage recycling and reduction of waste to landfill.					
Total amount of recycling (diverted from landfill) as a percentage of total waste collected.	1% more than previous year	25%	Achieved	Not achieved 21.3%	In 2018/2019, waste collected was not separated into Kaipara specific waste and North Shore waste that was being taken via Hakaru to the Purwera landfill. However, since October 2019, waste is now being split, with current year's result of 25% solely relating to Kaipara refuse and recycling.
Closed landfill activities meet legislative compliance. No resource consent abatement notices, infringement notices, enforcement orders or convictions.	0	0	Achieved	Achieved 0	There are only minor non-compliances that relate to heavy metal exceedances, these have not resulted in any abatements etc, Council is working with NRC to address these issues.

Funding Impact Statement

Operating Funding	Actual	Annual Plan	Annual Report
For the year ended: 30 June	2019-2020 \$'000	2019-2020 \$'000	2018-2019 \$'000
Sources of operating funding			
General rates, uniform annual general charges, rate penalties	1,216	1,216	1,247
Targeted rates	0	0	0
Subsidies and grants for operating purposes	0	0	0
Fees and charges	89	79	79
Internal charges and overheads recovered	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	0	0	0
Total operating funding	1,305	1,295	1,326
Application of operating funding			
Payments to staff and suppliers	768	846	865
Finance costs	18	18	21
Other operating funding applications	142	142	145
Total applications of operating funding	928	1,006	1,031
Surplus (deficit) of operating funding	377	288	295

Funding Impact Statement

Capital Funding	Actual	Annual Plan	Annual Report
For the year ended: 30 June	2019-2020 \$'000	2019-2020 \$'000	2018-2019 \$'000
Sources of capital funding			
Subsidies and grants for capital expenditure	0	0	0
Development and financial contributions	0	0	0
Increase (decrease) in debt	0	(38)	(37)
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Other dedicated capital funding	0	0	0
Total sources of capital funding	0	(38)	(37)
Applications of capital funding			
Capital expenditure - to meet additional demand	0	0	0
Capital expenditure - to improve the level of service	0	0	800
Capital expenditure - to replace existing assets	0	0	0
Increase (decrease) in reserves	377	249	(542)
Increase (decrease) of investments	0	0	0
Total applications of capital funding	377	249	258
Surplus (deficit) of capital funding	(377)	(288)	(295)
Funding Balance	0	0	0



Appendix



Photo Location: Mangawhai

Council Directory

Main Office

42 Hokianga Road
Dargaville 0310

Mangawhai Service Centre

Unit 6 The Hub
6 Molesworth Drive
Mangawhai 0505

Northland Transportation Alliance

5 Railway Road
Walton Plaza
Whangarei 0110

Postal Address

Private Bag 1001
Dargaville 0340

Telephone 09 439 3123 or 0800 727 059

Email council@kaipara.govt.nz

Website www.kaipara.govt.nz

Bankers

Bank of New Zealand

69-71 Victoria Street
Dargaville 0310

ANZ Bank Ltd

Private Bag 92210
Victoria Street West
Auckland 1010

Auditors

Deloitte on behalf of the Auditor-General

Private Bag 115033
Auckland 1140

Management Team

KAIPARA DISTRICT COUNCIL 30 JUNE 2020



Louise Miller
Chief Executive



Jason Marris
*General Manager
Engagement and
Transformation*



Sue Davidson
*General Manager
Sustainability, Growth
and Investment*



Darlene Lang
*General Manager
Customer Experience*



Jim Sephton
*General Manager
Infrastructure
Services*



Hannah Gillespie
*General Manager
People and Capability*

Council Committee Structures

KAIPARA DISTRICT COUNCIL 30 JUNE 2020

Audit, Risk and Finance Committee

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

Purpose: To oversee the risk management and internal control, audit functions, financial and other external corporate reporting and compliance with legislation
To monitor Council's financial performance against the Long Term Plan and Annual Plan.

Awards and Grants Committee

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

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

District Licensing Committee

Members: Mark Farnsworth (Chair)
Gordon Lambeth
Mark Vincent

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

Harding Park Committee

Members: *Te Uri o Hau representatives*
Rex Nathan (Chair)
Georgina Connolly
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 Harding Park and Old Mount Wesley Cemetery Reserve areas

Kaipara Horizons Committee

Members: Mayor Jason Smith (Chair)
Deputy Mayor Anna Curnow
Councillor Karen Joyce-Paki
Councillor Mark Vincent

Purpose: To bring forward a focus on long-term 'on the horizon' matters of scale for Kaipara District

Mangawhai Community Park Governance Committee

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

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

Raupo Drainage Committee

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

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

Remuneration and Development Committee

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

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

Taharoa Domain Governance Committee

Members: Councillor Jonathan Larsen (Chair)
Councillor Karen Joyce-Paki
Te Kuihi representative
Te Roroa representative

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

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)	7	7	7	7	7	7	7	7	7	6
Kaipara District Council (Emergency)	1	1	1	1	1	1	1	1	0	1
Council Briefings	7	7	7	6	3	7	7	7	7	7
Council Workshops	5	5	5	4	4	4	5	5	4	5
Long Term Plan Briefing	3	3	3	3	2	3	3	3	1	3
Hearings and Deliberations	1	-	1	-	-	1	1	-	-	-
Audit Risk and Finance Committee	2	2*	2	-	-	2	-	2	2	2
Awards and Grants Committee	2	1*	-	2	2	-	2	2	-	-
District Licensing Committee	1	-	-	-	-	-	1	-	-	-
Harding Park Committee	1	-	-	-	1	-	-	1	-	-
Mangawhai Community Park Governance Committee	1	1*	1	1	-	1	-	-	-	0
Raupo Drainage Committee	1	1*	1	-	-	-	-	-	1	-
Remuneration and Development Committee	2	2	2	-	-	-	-	2	2	2
Taharoa Domain Governance Committee	1	-	-	-	1	1	-	-	-	-

This table shows meeting attendance from the Local Government Elections in October 2019 to 30 June 2020. As Committees were being newly established for this triennium, there was a pause in most committee meetings in late 2019.

Emergency meetings are meetings that are added to the adopted meetings schedule of Ordinary meetings due to urgent business. See page 64 for elected representatives remuneration.

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

Key:

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

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



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Photo Location: Ripiro Beach