

HE PŪRONGO I MUA I NGĀ PŌTI 2022 PRE-ELECTION REPORT

THAMES-COROMANDEL DISTRICT
COUNCIL LOCAL ELECTIONS



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HE KUPU NĀ TE MANUKURA | MESSAGE FROM THE ACTING CHIEF EXECUTIVE

TĒNĀ KOUTOU AND GREETINGS

Having recently taken on the role of Acting Chief Executive of the Thames-Coromandel District Council, I'd like to share my thoughts about our Council's Long Term Plan (LTP); its relevance for us and our communities, and significant changes that are being signalled by central government.

Our 2021-2031 LTP provides a guide for the work that lies ahead for our Council, based on the information known when the Plan was prepared and adopted in late 2020 and early 2021, and planning assumptions that we have taken into account.

While it contains our key financial statements and strategy, the LTP is more than just a financial guidebook - it's a vital tool for future planning. It sets the stage for economic directions and for future spending and infrastructure, while providing a meaningful framework that will help us to budget well for the future growth and wellbeing of our district's communities and iwi.

Our goal is to achieve a desirable district to live and do business in, with thriving, resilient communities that are supported by accessible infrastructure and services, yet socially and culturally inclusive. Along with maintaining current levels of service, we are required to budget for our asset renewals programme, and to meet legislative and compliance requirements set out by central government.

The LTP is our road map to get there, but the path ahead is not without challenges. On the wider global stage, we face uncertain world politics, the economic effects of the COVID-19 pandemic, rising inflation, challenging

labour shortages, the rising cost of materials and unpredictable supply chains that can potentially affect our long-term financial forecasting.

At a national level, significant central government reforms lie on the horizon that seek transformative changes to the Resource Management Act, and to the management of the 'three waters' (drinking water, wastewater and stormwater). Not surprisingly, three waters reform is set to be one of the biggest topics for local government this year and beyond, as we transition towards four new multi-regional entities that will oversee water services previously managed at a local level. While it may not impact our operations this year, we can expect to see significant changes that will need to be reflected in our planning for the 2024-2034 LTP.

Equally as important is the ministerial review that has commenced on the future shape of local government, a review that is likely to have a significant impact on the structures, functions and powers of local councils. Almost inevitably, we can expect to see some important and generational changes ahead; the most significant since the 1989 reforms and the introduction of the Local Government Act 2002.

Some of these changes will see our Council taking a larger role in wider issues flagged by reforms; issues as varied as housing shortages, climate change and sea-level rise, social policy and reducing carbon emissions. Our aim is to keep our communities informed about these changes and to make our position clear on the national stage.



Bruce Hinson
Acting Chief Executive

Nationally, we have already begun to see how climate change poses a considerable challenge for our district's economy and for the safety of our local coastal communities, with sea-level rise in Aotearoa New Zealand now predicted to happen twice as fast as expected. Fortunately, our Council has been proactive, developing Shoreline Management Plans to help manage sea-level rise in our worst affected communities, and budgeting in our 2022/23 Annual Plan to begin to implement them.

As we plan for the future, we will need to be proactive, strategic and financially astute, ensuring that we budget for our local communities to be well-designed, resilient to climate change and equipped with the necessary infrastructure they need to thrive.

TŌ TĀTOU TE TARA-A-O-TE IKA-A-MĀUI | OUR COROMANDEL

We're located on the jagged barb of Māui's fish (Te Tara-o-te-Ika a Māui) and stand on the edge of the Waikato Region next to Hauraki District. We are bordered by the Pacific (Te Moana-nui-a-Kiwa) on the East Coast and the Firth of Thames (Tikapa Moana) on the West Coast.



We are about 1.5 hours from three major urban centres: Auckland, Hamilton and Tauranga.



We have one major hospital in Thames with medical services around the district and the **Westpac Rescue Helicopter** based in Whitianga during peak periods.



Our largest employment sectors are retail and accommodation, tourism, building and construction, health, aquaculture, forestry and farming.

We're a favourite destination for domestic and overseas holidaymakers with iconic beaches and islands.



We're the playground for fishing, diving, surfing, boating, hiking and biking with an abundance of natural forests and spaces.



We have 21 schools in our district, five are high schools, one of which provides total immersion Māori classes.



KO WAI TĀTOU? | WHO ARE WE?

- We're the oldest district council in New Zealand, containing more than 50 settlements with about 56,000 residents and ratepayers, as well as more than 60,000 visitors at peak times of the year.
- We're largely an older population, with the average age of 53 years, compared with the average age regionally and nationally of 37 years. Thirty-two per cent of our residents are over 65 years of age and 33 per cent are between the ages of 40-64 years. This means we have a wealth of experience and skills in our community, but also that many people are on a fixed income and support age-friendly infrastructure.
- About 44 per cent of houses in the district are unoccupied outside of peak holiday times, as many of our ratepayers don't live permanently year-round in the district. At the same time, like many other places in New Zealand, there is currently a shortage of housing in our district, which we're working to address.
- Twelve iwi have been recognised as part of the Te Tiriti o Waitangi settlement process and we're committed to working proactively alongside these iwi. About 18.3 per cent of our population identify as Māori.
- In 2019 there were 25,655 dwellings in the district. This is projected to grow by 1,033 to 26,688 dwellings in 2030, before falling back to 25,647 in 2051. Mercury Bay is expected to account for about half of this growth, with the remainder spread across Coromandel-Colville, Tairua-Pāuanui and Thames. The number of dwellings in Thames, Whangamatā and Coromandel-Colville is projected to ease slightly in the long-term.
- Our high rate of retirees and the types of jobs available in the district link to a lower median income (\$23,200) for our resident population compared to the national median of \$28,500. A challenge is to figure out how to attract and keep our working families so that we can build a sustainable labour force and survive and grow as a vibrant place.
- We have delegated local decisions to five highly-engaged Community Boards – Thames, Coromandel-Colville, Mercury Bay, Tairua-Pāuanui and Whangamatā.

HE AHA TĀ TĀTOU E MAHI AI? | WHAT DO WE DO?

When you're in our district you probably use Council services. Our purpose is not to be a money-making business. We collect funds and manage our finances so we can deliver services to our communities at the right level and in the most cost-effective way. Here is just a snapshot of what our Council delivers day-in, day-out.



WHERE TO FIND OUT MORE

Our website provides a wide range of information about the district and the Council, including the key source documents for this report.

2021-2031 Long Term Plan (LTP)

Our LTP sets out our financial and project priorities for a period of 10 years, and is updated every three years. In it, you will find information including our Community Outcomes, District Profile, Activity Descriptions, Levels of Service, Forecast Capital Expenditure, Significant Forecasting Assumptions and Financial Information. Some of the financial information within this Pre-Election Report for years 2023/24, 2024/25 and 2025/26 comes from the 2021-2031 LTP.

Financial Strategy

Included in our LTP is our current Financial Strategy. This provides a guide for Council decision-making on funding and expenditure decisions and provides transparency to the community about the overall effects on services, rates, debt and investments.

Infrastructure Strategy

Also included in our LTP is our current Infrastructure Strategy. This provides an overview of issues that we have identified as likely to have a significant impact on our infrastructure over the next 30 years, the options for managing these and the significant capital projects that we expect to undertake over the next 30 years (2021 – 2051). Our strategy is to “right size” our infrastructure assets, ensuring that we manage assets based on quality information, and invest in new infrastructure only where demand is certain and long-term.

Annual Plans

An Annual Plan is developed for each of the two intervening years between our LTPs. An Annual Plan sets out what our Council intends to achieve over the next financial year, how much that will cost, how the cost will be funded and how this differs from what was forecast in the LTP for these years. Some of the financial information within this Pre-Election Report comes from the Draft 2022/23 Annual Plan.

Annual Reports

An Annual Report compares what we did for the year with what we said we were going to do, as set out in either the Annual Plan or the LTP. They are used to keep our community informed about our progress towards achieving our levels of service and provide a summary of the projects we have completed. Some of the financial information within this Pre-Election Report comes from the 2019/20 Annual Report and the 2020/21 Annual Report.

To find out more, visit tcdc.govt.nz/documents

If you have any questions please contact:

Laurna White, Economic Development and Communications Group Manager
on 07 867 2021 or email laurna.white@tcdc.govt.nz.

MŌ TE PŪRONGO I MUA I TE PŌTI | ABOUT THE PRE-ELECTION REPORT

WHAT'S THE PURPOSE OF THIS REPORT?

Our three-yearly local government elections are happening in October 2022. All councils must prepare a pre-election report and include information set out in the Local Government Act 2002. The report is prepared independently of elected members and is not a political document.

If you can vote in our district or are a potential candidate for the election, then this report is an easy reference document to help you understand relevant information about topical issues and the wider legislative changes that lie ahead for our District and New Zealand as a whole. We encourage you to discuss these things with other people who have an interest in our community.

We've provided an overview of our challenges and opportunities; and our planned future direction and focus areas. A set of financial statements cover the three years before and after the elections and the year of the elections is included. A summary of the major projects that are planned over the coming three years provides some context to the financial statements.

WHAT'S IT BASED ON?

The pre-election report is not an audited report, but it does contain a collection of information that has been audited, as well as a revised estimate of the current 2021/22 financial year (unaudited). Financial data and discussion of major projects reflect the policy and service delivery decisions of our current Council.

The information presented in the financial statements within this report comes from the following documents:

- 2019/20 Annual Report
- 2020/21 Annual Report
- Draft 2022/23 Annual Plan
- 2021-2031 Long Term Plan

The 2022/23 Annual Plan is scheduled to be adopted on 28 June 2022 and will contain the final budgets and project priorities and explain the major changes for the financial year, compared to what was set out in the Long Term Plan. See tcdc.govt.nz/annualplan2022 and tcdc.govt.nz/longtermplan2021.

The forecast financial data has been audited as part of the 2021-2031 Long Term Plan and the information about the past two years has been audited through the Annual Report audits. The information for the most recent financial year (2021/22) is a revised estimate and has not yet been formally audited. The Annual Report for 2021/22 will be available later in the year following the elections.

PLANNING ASSUMPTIONS

Forecasting assumptions identify possible significant future events and trends and examine their likelihood and potential impact on our communities and our Council.

These assumptions have been developed specifically for our Council's 10-year planning purposes. Actual results could vary but our assumptions are based on the best-known information at the time. Our forecasting assumptions were informed by independent, expert advice but have not yet been formally audited.

Please refer to the Financial Forecasting Assumptions in our **2021-31 Long Term Plan** to find out more about the assumptions that have provided a basis for our forecasting.



MŌ TE PŌTITANGA | ABOUT THE ELECTION








For the Thames-Coromandel District Council elections, the electors vote for the Mayor, the Councillor(s) in their Ward and Community Board members in their Community Board area.

Elected members come from all walks of life and we want to ensure that this diversity continues, so that our Council and Community Boards represent the richness of our communities. You will need to be community-minded with a commitment to serve and advocate for your local community and district, and a desire to make a difference for others. You'll need a strong strategic, financial and analytical focus, with an understanding of the future challenges that lie ahead for our Council as we negotiate upcoming changes to the government's reform programme.

How to become an elected representative? You must be:

- Enrolled as a Parliamentary elector anywhere in New Zealand; and a New Zealand citizen.
- Nominated by two people on the electoral roll in the ward or community you wish to represent. In the Thames-Coromandel District, we operate a first-past-the-post electoral system, which means that a local government candidate needs to get the majority of the votes to win a place at the Council or Community Board.

The key election dates

-  **Consider being a candidate**
1 October 2021 - 15 July 2022
-  **Friday 15 July 2022**
Nominations open
-  **Friday 12 August 2022**
Nominations close at 12:00 noon
-  **Friday 16 to Wednesday 21 September 2022**
Voting documents posted
-  **Friday 16 September to Saturday 8 October**
Voting is open
-  **Saturday 8 October 2022**
Election Day: voting closes at 12:00 noon
-  **Friday 14 to Saturday 19 October 2022**
Final results announced

Make sure you vote

If you are eligible to vote we encourage you to take the opportunity and exercise your right to have a say. If you own a holiday home here but usually live outside of our district, you can register on the ratepayer roll for a vote in this district. And, if you live in one Community Board area but own a property in a different Community Board area, you can also register on the ratepayer roll to vote in that area too.

See our website for details on how to register:
tcdc.govt.nz/election

NGĀ WERO ME NGĀ KŌWHIRINGA | OUR CHALLENGES AND OPPORTUNITIES



Providing services and facilities in our district to meet the needs and aspirations of our residents, ratepayers and visitors comes with its own set of challenges and opportunities. Our aim is to ensure that projects and services meet community needs, foster more enduring relationships and partnerships, contribute to community wellbeing and outcomes, and maintain the current levels of service.

KEY STRATEGIC ISSUES FOR THE FUTURE

Legislative Changes: Several government-led reviews and reforms are creating changes in how we support the wellbeing and growth of our communities, and how we define the roles and functions of local government. This includes changes to the country's current resource management framework and the management of Three Waters (wastewater, stormwater and water supply). The face of local government and how we manage and deliver services may change not only in our District, but nationwide. Our aim is to keep our communities informed about these changes and make our position clear on the national stage.

Hauraki Treaty Settlements: Our Council assumes that Te Tiriti o Waitangi settlements will take legislative effect by 2023. Hauraki iwi will be one of the most significant landowners in the district and will play an enhanced role in shaping our future and community identity. Many details of the settlements are now public and we encourage our communities to learn more about what this exciting shared future will look like. You can find the settlement documents at govt.nz/treaty-settlement-documents/. We know from the experience of other councils that Te Tiriti o Waitangi settlements provide a huge and positive opportunity for us to improve relationships with local iwi and to advance significant projects for the benefit our communities.

Partnerships and relationships: Our leadership role is changing and so too is the environment we operate in. Developing strong and enduring relationships with iwi, hapū, community and business groups, councils, government departments, industry leaders and others will play a vital role in informing our planning and guiding us through the significant changes that lie ahead.

Three Waters Reforms: The Three Water reforms are now mandatory for councils around Aotearoa New Zealand. This key strategic issue is discussed in more detail under Our Planning and Three Waters.

Reform of the Resource Management Act 1991: A reform of New Zealand's resource management system is expected to be in place by 2023. The Resource Management Act 1991 will be repealed and replaced by three new pieces of legislation that will help manage the environmental and development challenges facing our communities. This is likely to bring significant changes to our responsibilities for resource management and may require different roles and responsibilities for our Council and other agencies involved in the resource management area.



Addressing climate change: Nationally, we have already begun to see how climate change poses a considerable challenge for our economy and for the safety of our local coastal communities, with sea-level rise in Aotearoa New Zealand now predicted to happen twice as fast as expected. This key strategic issue is discussed in more detail under Our Planning and Climate Change.

Economic forces and COVID-19: Higher inflation is affecting every country in the world and New Zealand and the Coromandel is not exempt from this trend. The fallout from the COVID-19 pandemic has seen us facing labour and material shortages, unpredictable supply chains and rising costs for freight and materials that are continuing to impact the delivery of our capital works programme and our long-term financial forecasting. Our Council is also prioritising recruitment and staff retention to enable us to maintain high service levels in the current employment market.

In the LTP for the 2021/22 financial year we budgeted for operating costs of \$104 million. Like the rest of the country, our operations have been affected by economic forces and COVID-19. This means that for the 2021/22 financial year our operating costs are tracking less than budgeted in some areas of our business and we are estimating year-end operating costs to be approximately \$99 million. This is an exception and while maintainable for a short period, is not sustainable to continue delivering services into the future at the current level.

Peak demand and affordability: Affordability is a key issue and we need to balance right-sizing our infrastructure and facilities to meet the needs of residents, ratepayers and visitors, while still keeping it affordable for them. Demand on our district's infrastructure is at its highest during the summer period and over long weekends. How we manage the impact of peak demand on our assets and levels of service, and how we address economies of scale, continues to be a challenge. Our goal is to employ a strategic approach to prioritise key projects and look for ways to optimise business operations, save money and increase revenue.

Increasing costs of rubbish and recycling: To meet our legal obligations and to achieve more affordable and positive environmental outcomes, we're changing some of our rubbish and recycling services. A district-wide Solid Waste Strategy is being developed to provide a coordinated and sustainable approach to managing and minimising our District's waste. A tender process is currently underway for a new solid waste contractor/s, which will begin on 1 September 2023. Our Council's Waste Management and Minimisation Plan will also be under review later this year. Find out more at tcdc.govt.nz/wmmp.

Keeping communities supplied with potable (drinking) water: Securing additional supplies of water and building storage reservoirs is expensive. We've developed a Water Demand Management Strategy which outlines ways our organisation and our communities can make the most of our supply and promote conservation habits. Find out more at tcdc.govt.nz/waterdemandstrategy. Our Council has included infrastructure extension and water metering projects in our latest Long Term Plan and will continue with the upgrades as these activities transition to the new Three Waters entities.

Planning for sustainable growth: Providing the right infrastructure at the right time is key to supporting the development of our communities. Our Council must plan for an appropriate level of services and infrastructure to support future growth. We will continue to seek external funding sources to assist with delivering housing and supporting infrastructure to our communities. Our Shoreline Management Plan project will also provide guidance for our coastal communities and their future development, ensuring that they are resilient to meet the challenge of climate change.

TE KĀWANATANGA-Ā-KĀINGA Ā MURI AKE NEI | THE FUTURE OF LOCAL GOVERNMENT



A current local government review is seeking to define new approaches to local governance that will create sustainable conditions for communities to prosper and grow.

Local governments around Aotearoa New Zealand are likely to face new challenges, including the need to change their role and functions, and for a stronger emphasis on the four pillars of wellbeing – social, economic, environmental and cultural – in planning for positive community outcomes.

Larger issues such as climate change; relationships between local government, iwi, hapū and Māori; reforms of resource management; water infrastructure; health and education, are all expected to have implications for local governance in the future.

The Local Government Review Panel provided its interim report to the Minister on 30 September 2021, signalling the probable direction of the review and the next key steps. Coming next is a draft report, with initial recommendations to be issued for public consultation on 30 September 2022. The panel will present a final report to the Minister and Local Government New Zealand on 30 April 2023.

Over the next few years, we can expect to see some important and generational changes that will have a significant impact on the current structures, functions and powers of local bodies. Our Council will need to be proactive, strategic and financially astute as we respond to the changing face of local government and plan for the future infrastructure and wellbeing of our communities.

NGĀ WHAKARITENGA MŌ NGĀ WAI E TORU | OUR PLANNING AND THREE WATERS

The three water reforms, which govern how our wastewater, stormwater and drinking water are managed, are now mandatory for all councils around Aotearoa New Zealand.

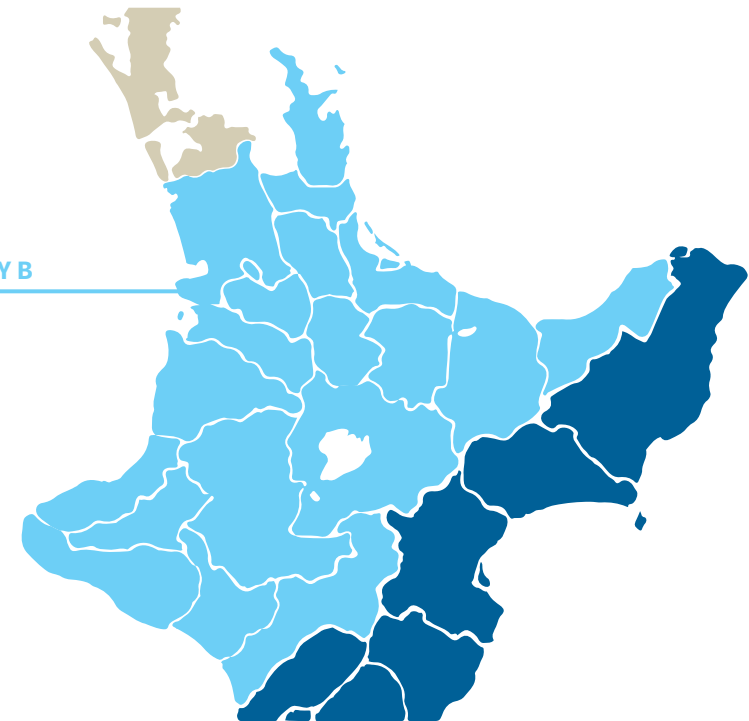
As a result, we can expect to see significant changes that will need to be reflected in our planning for our 2023/24 Annual Plan and the 2024-2034 LTP.

Four publicly-owned, multi-regional entities are being formed across the country and will oversee water services previously managed at a local level. Our region will be covered by Entity B (see right). This will impact the way that water infrastructure and services are delivered in our district. A transitional process is already underway and the new entities will be managing our water services from July 2024.

The government has announced that councils will receive non-financial shares in the new entities, with the allocation based on resident population. As a traditional holiday area subject to sharp population increases during peak periods, this will place our district at a disadvantage financially.

Find out more at tcdc.govt.nz/threewatersreform.

ENTITY B



NGĀ WHAKARITENGA MŌ TE HURINGA HUARANGI

OUR PLANNING AND CLIMATE CHANGE

With rising sea-levels posing a significant threat to our coastal communities, our Council has already begun to plan ahead for climate change.

We are engaging with our coastal communities to develop Shoreline Management Plans that will better define risk from weather events, rising sea levels, erosion and other hazards. These outcomes will help guide us, and our communities, in our response to climate change. They will also inform our infrastructure and financial planning over the medium to long term.

Our Council also continues to consider its role in meeting New Zealand's target to reduce greenhouse gas emission by 50 per cent by 2030, and to reduce carbon emissions to zero by 2050. A Greenhouse Gas Reduction Plan is being developed, with funding provided from existing activity budgets.

The 2022/23 Annual Plan also includes some funding to help progress actions identified in the Greenhouse Gas Reduction Plan.

Find out more about our Shoreline Management Plans at tcdc.govt.nz/smp and tcdc.govt.nz/climatechange.



TE HOROPAKI RAUTAKI | OUR STRATEGIC CONTEXT

Our approach to delivering services and managing our infrastructure is guided by our Council's vision, values and outcomes.

TE MOEMOEĀ-A-KAUNIHERA | OUR VISION

Our Council will provide reliable services to support a vibrant, connected and sustainable district through strong governance.

NGĀ HUA O TE KAUNIHERA | OUR OUTCOMES

Kia hihiri te takiwā | A vibrant district

- The Coromandel is a desirable place to live, work and play.
- Our district offers thriving, resilient communities.
- We support and encourage culturally diverse and inclusive communities.

Kia tuia te takiwā | A connected district

- Our communities are supported through accessible infrastructure and services.
- We use our influence and networks to advocate for our communities.
- We recognise our relationships and partnerships with the district's iwi and work towards ensuring they are enduring, effective and valued.

Kia toitū te takiwā | A sustainable district

- The Coromandel's natural and built environments are managed sustainably and provide a unique sense of place.
- We recognise and celebrate the vital role our natural environment plays in supporting well-being in the district.

NGĀ MĀTĀPONŌ-A-KAUNIHERA | OUR VALUES

- Financially responsible with ratepayers' money.
- Integrity, transparency and accountability in our actions.
- Creating strong partnerships with our district's iwi.
- We support and encourage culturally diverse and inclusive communities.
- Working with and having meaningful relationships with both our resident and non-resident communities.
- Being an effective, innovative and responsive organisation.



Image: Nattelle Lidgard

TE WHAKANGAO I TE WHAKAWHANAKE OHAOHA

INVESTING IN OUR ECONOMIC DEVELOPMENT



We want to show our communities that our actions have a positive influence on our district's social and economic prosperity – including enabling job growth and providing sufficient income levels and resources to achieve a healthy standard of living and a good quality of life.

Back in 2019 our Council signed off on our Productivity Plan, outlining how we can partner with central and regional government agencies, other local councils, industry, iwi, as well as working with our communities to create positive changes. Underpinning the Productivity Plan is support for Māori business aspirations, to enable commercial opportunities for our iwi and tangata whenua. tcdc.govt.nz/business

OUR PRODUCTIVITY PLAN

Our Productivity Plan focuses on high-value opportunities, with five targeted work streams:

- **Land use:** We know there's an urgent need for quality, affordable housing to support local business growth, and we're actively pursuing funding and partnerships to bring new homes for our working families to the market. This includes spatial and infrastructure planning for the development of a housing corridor between Thames and Hauraki District.
- **Land productivity:** We're looking at ways we can increase income from our district's land. This includes identifying high value investment opportunities, such as the cultivation of flowers, honey, native plants, timber and certified organic production areas as well as supporting local food producers and providers.
- **Connected journeys:** We're working alongside providers to get better connectivity into homes, as well as investigating further potential in electric vehicle infrastructure, air, water and public transport routes.
- **Aquaculture:** We're supporting our critical aquaculture industry with the development of commercial wharf infrastructure for marine industries, which will support growth in that sector and our seafood industry (mussels, oysters and fish) and develop potential in other aquaculture byproducts including seaweed and sea cucumbers.
- **Destination management and tourism:** Alongside our Regional Tourism Organisation Destination Coromandel we're developing Destination Management Plans, so our local tourism sector is managed sustainably and visitors can enjoy a more holistic experience. We manage a major events fund and help event organisers run successful and well-managed concerts, fairs and market days. We run a Tracks and Trails forum every two years and support the development of local tourism product. We support the running of six information centres around the district through Service Level Agreements. We have successfully obtained \$4 million from the government's Tourism Infrastructure Fund, over the past few years to help upgrade facilities that get high visitor use.

TE RAUTAKI HANGAHANGA | OUR INFRASTRUCTURE JOURNEY

Our approach to managing our existing assets efficiently and effectively includes ensuring good stewardship of the investments that we have already made, “right-sizing” our infrastructure assets and only investing in new infrastructure where demand is certain and long-term.

To read our Infrastructure Strategy in full, see our 2021-2031 Long Term Plan, page 119 – tcdc.govt.nz/longtermplan2021.

WHAT WE HAVE ACHIEVED OVER THE PAST THREE YEARS:

- Made significant investment in our water treatment plants in response to the new drinking water standards. Upgrades have been completed at Whitianga, Tairua, Pāuanui, Coromandel Town and Whangamatā. The remaining treatment plants are programmed to be upgraded over the next three to four years
- Improved the performance of real-time monitoring for our water and wastewater treatment systems
- Continued with investigations into the underground three waters assets. This recently included receipt and review of Thames wastewater and stormwater CCTV information to help inform renewal planning
- Lodged a resource consent for the new wastewater treatment plant at Matarangi
- Developed a new water supply bylaw, which was adopted by our Council in December 2019
- Developed a new water demand strategy, which was adopted by our Council in December 2020
- Secured three waters stimulus funding from central government for the installation of water meters in Whitianga and Whangamatā as part of the water reform process
- Secured operational funding to develop a Shoreline Management Plan and made significant progress on the project. The project is expected to influence the strategic direction and long-term adaptation of Council’s infrastructure and help prepare our coastal communities to cope with the anticipated effects of climate change
- Proceeded to consenting phase for two commercial wharf and recreational boat ramp projects, totaling more than \$30 million – at the Kōpū Business and Marine precinct, south of Thames and Te Ariki Tahi/Sugarloaf Wharf in the Coromandel Harbour
- Awarded a new roading professional services contract with Pinnacles Civil, early in 2019. As part of this contract, a co-located model with Pinnacles Civil was established
- Continued the development of consistent asset management processes and practices to guide how all assets are managed
- Completed Reserve Management Plans (RMP) for four of our Community Board areas. The RMP for Tairua-Pāuanui is on track for completion this year.

TE WHAKANGAO I NGĀ HANGAHANGA | INVESTING IN OUR INFRASTRUCTURE

The project list below includes our major projects coming up for the next three years. Financial data and discussion of projects are drawn from the information in the current LTP and they reflect the policy and service delivery decisions of our current Council.

In 2021 our Council consulted on a 'no frills' budget for the 2021-2031 LTP. Following consideration of submissions our Council adopted a capital expenditure budget for the 10 years of the LTP of about \$455 million, an increase of about \$63 million from what was proposed. Some of the key capital projects for the next three years are listed below and have been updated through our 2022/23 Annual Plan process.

OUR MAJOR PROJECTS

District-wide projects

- **Council » Kōpū marine project** – (funded through Crown Infrastructure Provincial Growth funds) – \$7.6 million 2022/23
- **Water supply » renewals** – \$10.9 million over 2022/23, 2023/24, 2024/25 and 2025/26
- **Water supply » universal water metering** – \$5.1 million over 2022/23, 2023/24, 2024/25 and 2025/26
- **Water supply » drinking water standards upgrades** – \$12.7 million over 2022/23 and 2023/24
- **Stormwater » renewals** – \$6.1 million over 2022/23, 2023/24, 2024/25 and 2025/26
- **Wastewater » renewals** – \$15.5 million over 2022/23, 2023/24, 2024/25 and 2025/26
- **Transportation » minor safety projects** – \$4.4 million over 2022/23, 2023/24, 2024/25 and 2025/26
- **Transportation » area-wide pavement treatment** – \$7.5 million over 2022/23, 2023/24, 2024/25 and 2025/26
- **Transportation » maintenance chip seals** – \$6.9 million over 2022/23, 2023/24, 2024/25 and 2025/26
- **Solid waste** » \$1.7 million over 2022/23, 2023/24, 2024/25 and 2025/26



Coromandel-Colville

- **Roads and footpaths » Coromandel Town bypass** – \$3.4 million over 2023/24 and 2024/25
- **Roads and footpaths » Pottery Lane west sealing** – \$64,500 in 2022/23

Mercury Bay

- **Wastewater » Matarangi Treatment Plant** – \$18.8 million over 2022/23, 2023/24, 2024/25 and 2025/26
- **Wastewater » Hāhei Extension** – \$3.1 million over 2022/23, 2023/24, 2024/25 and 2025/26
- **Wastewater » Cooks Beach Treatment Plant** – \$1.4 million over 2022/23, 2023/24 and 2024/25
- **Wastewater » Whitianga Treatment Plant improvements:**
 - Third reactor » \$2.8 million over 2024/25 and 2025/26
 - Screw press upgrade » \$642,000 over 2022/23 and 2023/24
- **Water supply » Wharekaho Supply Extension** – \$2.3 million over 2023/24, 2024/25 and 2025/26
- **Solid waste » Whitianga refuse station** – \$1.5 million in 2022/23
- **Roads and footpaths » Cycleway development** – \$270,000 over 2022/23 and 2023/24
- **Harbour facilities » Whitianga wharf pontoon** – \$906,000 in 2024/25
- **Public conveniences » Cooks Beach front toilet upgrade** – \$373,000 in 2023/24

Tairua-Pāuanui

- **Stormwater » Holland Stream improvements, Pāuanui** – \$3.6 million over 2022/23, 2024/25 and 2025/26
- **Harbour facilities » Paku boat ramp, Tairua** – \$109,000 in 2022/23
- **Parks and reserves » Manaia Road hub (library extension), Tairua** – \$459,000 over 2022/23 and 2023/24
- **Parks and reserves » Tairua skatepark** – \$406,000 in 2022/23
- **Parks and reserves » Pāuanui skate bowl renewal** – \$501,000 in 2023/24

Whangamatā

- **Stormwater » improvements** – \$6.5 million over 2022/23, 2023/24, 2024/25 and 2025/26
- **Roads and footpaths » Nib kerb construction** – \$2.4 million over 2022/23, 2023/24, 2024/25 and 2025/26
- **Roads and footpaths » Cycle track from Hetherington Road Causeway Bridge to Mountain Bike Park** – 2.4 million over 2022/23, 2023/24, 2024/25 and 2025/26
- **Parks and reserves » Whangamatā Boardwalk Extension** – \$1.2 million over 2023/24 and 2024/25

Thames

- **Roads and footpaths » Pollen Street infrastructure upgrade** – \$4.5 million over 2023/24 and 2024/25
- **Stormwater » Pollen Street infrastructure upgrade** – \$4.3 million over 2023/24 and 2024/25
- **Water supply » Pollen Street infrastructure upgrade** – \$3.0 million over 2023/24 and 2024/25
- **Water supply » Thames South system improvements** – \$3.6 million over 2022/23 and 2023/24
- **Water supply » Thames South treatment plant Puriri** – \$13.7 million over 2023/24 and 2024/25
- **Wastewater supply » Thames Treatment Plant upgrade** – \$3 million over 2022/23 and 2023/24
- **Roading » Tōtara Valley Road service extensions** – \$3.6 million over 2022/23
- **Community spaces and development activities » Thames sub-regional aquatic facility** - \$7.1 million over 2025/26
- **Community spaces and development activities » Thames sports precinct** - \$165,000 in 2024/25
- **Coastal and hazard management » Moanataiari coastal protection seawall renewal** – \$2.3 million in 2024/25

TE RAUTAKI PŪTEA | OUR FINANCIAL STRATEGY

Our Financial Strategy has been set to manage a range of issues and challenges over the 10 years of our Long Term Plan including our change in resident population, our housing and rating unit growth and land use. The financial data is drawn from the information in the current Long Term Plan and reflects the policy and service delivery decisions of our current Council.

Our over-arching strategy is to:

- utilise our existing infrastructure capacity
- maintain our assets
- manage our costs around service levels
- spread the burden of rates fairly and equitably
- be conservative and balance our budget over the long term
- prioritise essential services.

We have adopted a set of financial limits and targets that compares some key debt, rates and investment return parameters as set out in our Financial Strategy. The debt and rate parameters have been prepared on the same basis used to prepare our annual reports and in accordance with the Local Government (Financial Reporting and Prudence) Regulations 2014.

| Benchmark | 2019/2020 | | 2020/2021 | | 2021/2022 | |
|---|-----------|---------------|-----------|---------------|-----------|----------------|
| | Target | Annual Report | Target | Annual Report | Target | March Revision |
| No more than 80% of operating revenue to come from rates | ≤80% | 76% | ≤80% | 71% | ≤80% | 74% |
| Average cumulative district rate increase of less than or equal to *LGCI plus 2% | ≤5% | 3% | ≤3% | 4% | ≤3% | 9% |
| Net external debt will not be anymore than 150% of total revenue | ≤150% | 53% | ≤150% | 48% | ≤150% | 62% |
| Net interest expense on external debt as a percentage of annual rates revenue will not exceed 15% | ≤15% | 4% | ≤15% | 2% | ≤15% | 3% |
| Net interest expense (both internal and external - after interest rate risk management costs/benefits) on external debt as a percentage of annual operating revenue will not exceed 15% | ≤15% | 7% | ≤15% | 4% | ≤15% | 4% |

*LGCI: The goods and services that councils need to purchase to deliver services are a different mix than for households (for example, asphalt for roads) so local government inflation is typically different and higher. This rate of inflation is referred to as the Local Government Cost Index or LGCI. The 2020-21 Annual Plan and the 2021-2031 Long Term Plan signalled that we would exceed the quantified limit, as part of returning to a balanced budget and because of cost increases in contracted services.

Investments

On occasion our Council has surplus daily cash balances which needs to be held short term for future cash flow purposes. The surplus daily cash balances are invested as short-term investment securities. Council's primary objective when investing in these short term securities is to protect its investment - this means it's a low risk investment (investing with banks) which generally means lower returns.

TE TAUĀKĪ PŪTEA | OUR FUNDING IMPACT STATEMENT

Funding Impact Statement - for the year ending 30 June

The Funding Impact Statement (FIS) pulls together all the information from each of the different groups of activities and sets out in a single statement the sources of both the operating and capital funding for everything that our Council does. The format of this statement has been prescribed in the legislation and does not have to meet the normal accounting requirements. The intention is that this format provides a more understandable picture of what we are spending money on and how those expenditures are funded.

Table: Source and application of operating and capital expenditure

| | 2019/2020 Annual Report (\$000) | 2020/2021 Annual Report (\$000) | 2021/2022 March Revision (\$000) | 2022/2023 Annual Plan (\$000) | 2023/2024 Long Term Plan (\$000) | 2024/2025 Long Term Plan (\$000) | 2025/2026 Long Term Plan (\$000) |
|---|--|--|---|--|---|---|---|
| SOURCES OF OPERATING FUNDING | | | | | | | |
| General rates, uniform annual general charges, rates penalties | 23,293 | 23,673 | 27,641 | 30,400 | 30,565 | 31,786 | 32,719 |
| Targeted rates | 44,757 | 48,147 | 51,995 | 54,138 | 62,529 | 66,775 | 72,800 |
| Subsidies and grants for operating purposes | 3,786 | 4,772 | 4,121 | 3,954 | 4,254 | 4,657 | 4,779 |
| Fees and charges | 11,997 | 14,349 | 14,272 | 15,578 | 13,907 | 14,109 | 14,748 |
| Interest and dividends from investments | 125 | 96 | 26 | 26 | 12 | 12 | 12 |
| Local authorities fuel tax, fines, infringement fees and other receipts | 637 | 693 | 527 | 657 | 646 | 662 | 679 |
| Total operating funding (A) | 84,595 | 91,730 | 98,583 | 104,753 | 111,913 | 118,002 | 125,738 |
| Applications of operating funding | | | | | | | |
| Payments to staff and suppliers | 70,424 | 71,071 | 76,716 | 87,464 | 84,979 | 86,660 | 91,672 |
| Finance costs | 2,758 | 1,781 | 2,044 | 2,622 | 3,765 | 4,809 | 6,117 |
| Other operating funding applications | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total applications of operating funding (B) | 73,182 | 72,852 | 78,760 | 90,086 | 88,744 | 91,469 | 97,789 |
| Surplus (deficit) of operating funding (A - B) | 11,414 | 18,878 | 19,823 | 14,667 | 23,170 | 26,532 | 27,949 |

Funding Impact Statement - for the year ending 30 June (continued)

| | 2019/2020 Annual Report (\$000) | 2020/2021 Annual Report (\$000) | 2021/2022 March Revision (\$000) | 2022/2023 Annual Plan (\$000) | 2023/2024 Long Term Plan (\$000) | 2024/2025 Long Term Plan (\$000) | 2025/2026 Long Term Plan (\$000) |
|---|--|--|---|--|---|---|---|
| SOURCES OF CAPITAL FUNDING | | | | | | | |
| Subsidies and grants for capital expenditure | 5,142 | 9,839 | 8,482 | 10,153 | 3,608 | 5,412 | 5,164 |
| Development and financial contributions | 4,277 | 1,941 | 1,525 | 3,218 | 3,797 | 3,935 | 3,827 |
| Increase (decrease) in debt | 10,000 | 0 | (4,336) | 20,989 | 23,177 | 27,634 | 12,683 |
| Gross proceeds from sale of assets | 406 | 1,177 | 0 | 0 | 0 | 0 | 0 |
| Lump sum contributions | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Other dedicated capital funding | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total sources of capital funding (C) | 19,825 | 12,957 | 5,671 | 34,361 | 30,582 | 36,981 | 21,674 |
| Applications of capital funding | | | | | | | |
| Capital expenditure | | | | | | | |
| - to meet additional demand | 200 | 275 | 1,781 | 8,640 | 5,295 | 9,444 | 8,373 |
| - to improve the level of service | 15,965 | 20,955 | 9,092 | 28,020 | 21,337 | 25,247 | 21,461 |
| - to replace existing assets | 15,787 | 12,451 | 26,540 | 17,645 | 28,464 | 30,317 | 21,252 |
| Increase (decrease) in reserves | (714) | (1,846) | (11,919) | (5,277) | (1,345) | (1,494) | (1,463) |
| Increase (decrease) in investments | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total applications of capital funding (D) | 31,239 | 31,835 | 25,494 | 49,028 | 53,751 | 63,514 | 49,624 |
| Surplus (deficit) of capital funding (C - D) | (11,414) | (18,878) | (19,823) | (14,667) | (23,170) | (26,533) | (27,949) |
| FUNDING BALANCE ((A - B) + (C - D)) | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

TE TAURITE O NGĀ PŪRONGO PŪTEA

OUR STATEMENT OF FINANCIAL POSITION

Statement of financial position for the year ending 30 June

The Statement of Financial Position is also known as the balance sheet. It shows what our Council owns (assets) and what it owes (liabilities) at the end of each financial year. The total sum of assets and liabilities is referred to as 'net assets' – this is the net worth of our Council – providing a snapshot of our financial position at this particular point in time.

| | 2019/2020 Annual Report (\$000) | 2020/2021 Annual Report (\$000) | 2021/2022 March Revision (\$000) | 2022/2023 Annual Plan (\$000) | 2023/2024 Long Term Plan (\$000) | 2024/2025 Long Term Plan (\$000) | 2025/2026 Long Term Plan (\$000) |
|--------------------------------------|--|--|---|--|---|---|---|
| Current financial assets | 12,986 | 10,754 | 10,748 | 10,454 | 11,723 | 12,413 | 13,201 |
| Other current assets | 106 | 99 | 99 | 99 | 112 | 112 | 112 |
| Total current assets | 13,092 | 10,853 | 10,847 | 10,553 | 11,835 | 12,525 | 13,313 |
| Investments in other entities | 1,250 | 1,323 | 1,323 | 1,323 | 1,112 | 1,112 | 1,112 |
| Other non-current assets | 1,638,505 | 1,706,072 | 1,757,592 | 1,846,653 | 1,815,672 | 1,900,580 | 1,955,558 |
| Total non-current assets | 1,639,755 | 1,707,395 | 1,758,915 | 1,847,976 | 1,816,784 | 1,901,692 | 1,956,670 |
| Total assets | 1,652,847 | 1,718,248 | 1,769,762 | 1,858,530 | 1,828,620 | 1,914,217 | 1,969,983 |
| Borrowings | 8,000 | 6,000 | 4,000 | 5,000 | 6,000 | 6,000 | 6,000 |
| Other current liabilities | 23,931 | 22,323 | 23,948 | 23,169 | 23,839 | 23,855 | 24,074 |
| Total current liabilities | 31,931 | 28,323 | 27,948 | 28,169 | 29,839 | 29,855 | 30,074 |
| Borrowings | 53,000 | 55,000 | 67,069 | 86,712 | 106,384 | 134,019 | 146,702 |
| Other non-current liabilities | 10,367 | 8,413 | 5,991 | 5,777 | 5,599 | 5,615 | 5,631 |
| Total non-current liabilities | 63,367 | 63,413 | 73,060 | 92,488 | 111,983 | 139,633 | 152,332 |
| Total liabilities | 95,298 | 91,736 | 101,008 | 120,657 | 141,822 | 169,488 | 182,407 |
| NET ASSETS AND TOTAL EQUITY | 1,557,549 | 1,626,512 | 1,668,754 | 1,737,872 | 1,686,798 | 1,744,729 | 1,787,576 |

WHAKAPĀ MAI | CONTACT US



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