

# BUILDING CONNECTED COMMUNITIES

**PRE-ELECTION REPORT 2022**

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 /WaipaDistrictCouncil

 /Waipā\_NZ

 /Waipā\_DC



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# THE PURPOSE OF THIS REPORT

## **BUILDING CONNECTED COMMUNITIES:**

**is an important read for those thinking of standing in, and voting in, the 2022 Waipā District Council elections.**

It outlines what Council wants to achieve and overviews some of the big challenges and opportunities ahead for our district. It also provides a snap-shot of our finances, including financial information for some of our key projects planned for the next three years.

While this report provides some information, there is also a huge amount of additional and interesting information on our website [www.waipadc.govt.nz](http://www.waipadc.govt.nz). Please jump on and have a look!

Being a Councillor or a Community Board Member is an important responsibility and it is in everyone's interests if candidates, and voters, are well-informed!

This report is legally required by the Local Government Act 2002 and is prepared by the Chief Executive, independently of the Mayor and Councillors.

## **KEY DATES**

<b>Friday July 15</b>	Nominations open
<b>Friday August 12</b>	Nominations close
<b>Friday September 16</b>	Postal voting open
<b>Saturday October 8</b>	Voting closes

# FROM THE CHIEF EXECUTIVE

**Waipā is a wonderful district to be part of. Over the years, elected representatives have guided Council staff in setting our communities on a strong and positive course. But there are always challenges in local government and the coming three years will undoubtedly be more complex than ever.**

The local government sector is in a period of huge and rapid transformation; more than I have ever seen before. Reforms include the repeal of the Resource Management Act (RMA) 1991, an outdated piece of legislation that is no longer fit-for-purpose and which hinders, rather than helps, in the development of our district.

The repeal of the RMA, and the enacting of new laws, will mean a brand new legislative framework for councils and decision-makers to understand and work within.

The Government's three waters reform programme also looks set to deliver fundamental change to the way fresh water, stormwater and waste water services are delivered. Should three waters reforms proceed in the way that is being indicated, this will drive substantial change to Council's operations. The delivery of three waters services makes up about a third of our business, so any change will have a dramatic impact on our organisation.

Meanwhile, the Government is also reviewing the nature of local government itself to ensure that councils like ours deliver what communities most need – not just now but well into the future.

Given that, and given issues like Waipā's growth, this is a pivotal time to be an elected representative. Waipā has some huge opportunities ahead. But the reform

programme alone makes it essential our district has astute, strategic and well-informed leaders.

We need decision-makers who understand the implications of these reforms and will take a considered and long-term approach to important issues and opportunities.

We need people who will put the time and the work in to understand the issues at stake, and to make the best possible decisions on behalf of our entire district.

The decisions they make will determine Waipā's response to some big changes ahead and will set work-plans and budgets for Council staff over the next three years and beyond. That is a significant responsibility, not to be taken lightly.

We also need our voters and our residents to understand the importance of this coming election and the big issues at stake. There is plenty of information available and this pre-election report offers just a taste of it. I implore everyone to do their research and make an informed vote.

Waipā deserves diverse and capable community representatives, able to inspire and lead our district. I look forward to seeing those people elected in October.



**GARRY DYET**  
Chief Executive Waipā

**OUR VISION:**

**WAIPĀ HOME  
OF CHAMPIONS:  
BUILDING  
CONNECTED  
COMMUNITIES.**

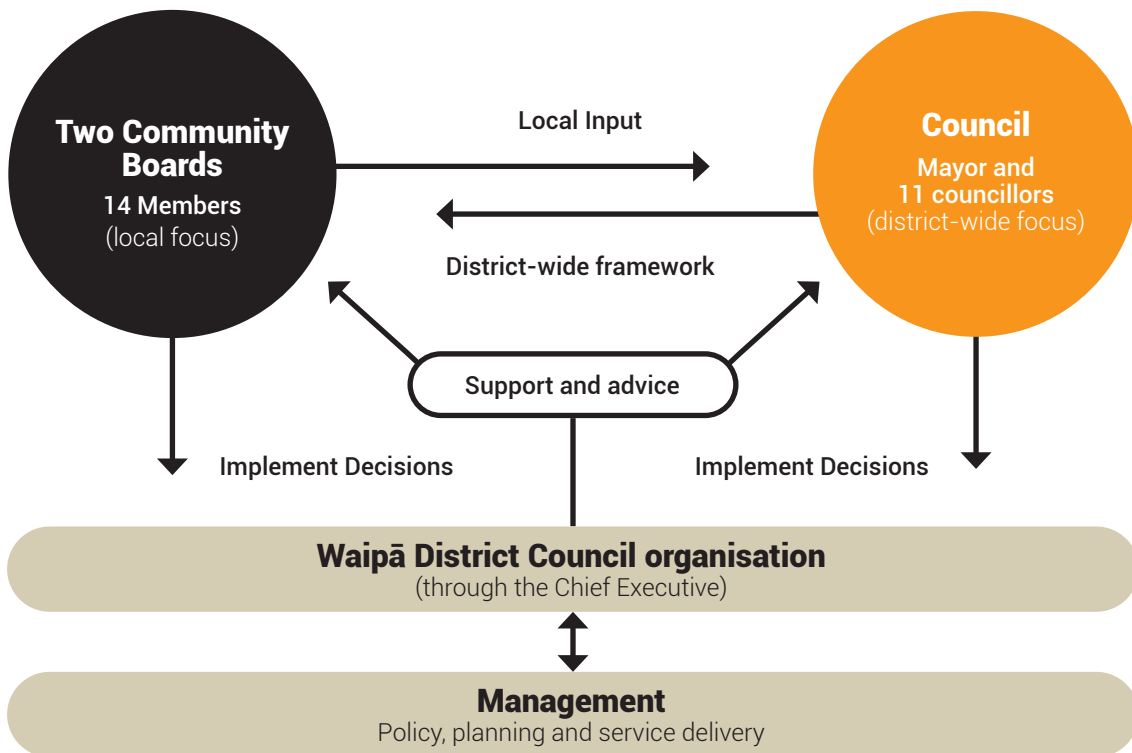
# HOW COUNCIL WORKS

## OUR GOVERNANCE STRUCTURE

**The Mayor is tasked with leading the development of Waipā District Council's plans, policies and budgets.**

Along with the Mayor, Waipā has 11 Councillors who represent five wards, making up the Council. Council focuses on strategic issues and initiatives which affect Waipā as a district. We have 14 Community Board members, spread over two boards, who focus on local issues in their communities.

## ELECTED GOVERNANCE



## COMMUNITY BOARDS

Community Boards have an important role to play in our district and in the business of council. A representation review in 2021 saw Councillors choosing to retain the Te Awamutu and Cambridge Community Boards. At that time, Councillors also directed staff to undertake a review of the Boards to improve their role and functions, and ensure they were working effectively.

The coming term is likely to see Community Boards focus heavily on key issues in their own communities. They will be provided with additional support from Council staff and are likely to work more closely with Council overall.

# COMMUNITY OUTCOMES

**Waipā District Council is strongly focused on four community outcomes that people in our community have said are important to them.**

## **SUPPORTING OUR DISTRICT TO BE SOCIALLY RESILIENT**

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The people of our district want Waipā to be a great place to live, work, play and invest; a place that provides a high quality of life for current and future generations. That means investing in hauora (health and wellbeing) as well as supporting the great work community groups already do.

## **BEING PROUD CULTURAL CHAMPIONS**

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Part of our role is to promote our culture and heritage and to champion the unique history of Waipā. That requires Council to have a high level of cultural awareness and partner with tangata whenua. It also means respecting and celebrating the cultural diversity in our district.

## **BEING ACTIVE ENVIRONMENTAL CHAMPIONS**

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We aim to protect and sustain our environment by promoting environmental awareness and responsibility. We support programmes that promote environmental sustainability and are responsive to climate change.

## **BEING ECONOMICALLY PROGRESSIVE**

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We support a thriving, sustainable economy and ensure our decision-making and work programmes are sustainable. We aim to provide new core and community infrastructure and facilities and ensure our services provide excellent value for money. We actively promote our district to enable development, employment, and business opportunities.



# OUR PRIORITIES

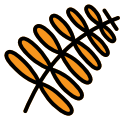
Our 2021-2031 Long-Term Plan (available on our website) outlines what's ahead for Waipā in the coming decade. But in conjunction with our community, we have also set five strategic priorities.

## THESE PRIORITIES ARE:



### CREATING VIBRANT COMMUNITIES

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### NURTURING AND RESPECTING OUR UNIQUE CULTURE AND HERITAGE

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### EFFECTIVELY PLANNING AND PROVIDING FOR GROWING COMMUNITIES

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### PREPARING FOR CLIMATE CHANGE

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### LEADING THE RECOVERY OF WAIPĀ FROM COVID-19

# FIVE IMPORTANT THINGS YOU NEED TO KNOW



## **GROWTH**

**One of the biggest challenges Council continues to deal with is growth.**

We are growing so quickly that we will need 212 additional houses in Cambridge every year and a further 100 houses each year in Te Awamutu/Kihikihi ... just to keep up.

We're also experiencing an influx of new commercial and industrial businesses in Waipā particularly around the Hamilton Airport area. We also have a number of growth areas being developed for residential and large lot residential development.

The challenges for Council include our ability to provide critical infrastructure (pipes, roads, stormwater swales and ponds etc) in a timely way. Over the next decade, we have budgeted to spend around \$2 billion in our district on a range of projects – just under half of that will be funded by rates. Supply chain issues, a very tight labour market and the impact of inflation are making that even more challenging.

Enormous staff resource goes into managing growth. That includes purchasing land, developing and consulting on Structure Plans, and changes to our District Plan. We need to plan for changes to our stormwater systems, as well as consider issues around waste and transport....and much more! Managing growth well is one of the biggest issues elected representatives will need to consider.

## 2

### AHU AKE

**Work is well underway on Ahu Ake, a critical project which will guide the development of our district for the next 30 years.**

Ahu Ake is Waipā's first ever community spatial plan ....a blueprint that will set the scene for how our district develops in the future. It will help guide key planning and investment decisions for our communities and provide elected representatives with a long-term picture of how our district may develop.

This is particularly critical because Waipā is growing so fast. By 2050, Waipā is likely to be home to more than 25,000 new people. That has huge implications for almost everything we do, as well as those things Council is not responsible for, like schools and health services.

Ahu Ake will form the basis of all Council's future planning strategies including the Environment Strategy, Economic Wellbeing Strategy, Long-Term Plans, Annual Plans and more. Ahu Ake is being developed in partnership with Mana Whenua and iwi, and the community.

 For more information go to: [www.ahuakewaipa.nz](http://www.ahuakewaipa.nz)

## 3

### CHANGES TO OUR DISTRICT PLAN

**Waipā's District Plan is a critical document for our district.**

It sets out what people can and can't do with their land and provides rules around development and subdivision. It also seeks to protect important buildings, landscapes and natural areas.

As Waipā changes, our District Plan must also change. Right now, we are considering potential changes to our District Plan (including both Council and private Plan Changes) which will impact on a number of areas in our district. They include the Hautapu Industrial Zones, Carters Flat Industrial/Commercial Zone, and the Hamilton Airport Northern Precinct extension. We are also proposing to enable further papākainga developments to be established throughout our district.

Central government is also driving big changes. Our Council, along with other high-growth councils, will be required to allow much denser housing in some residential parts of Cambridge, Te Awamutu and Kihikihi. In many instances, landowners will be able to build up to three houses, three storeys high, with no resource consent required. These changes will be potentially significant for our neighbourhoods and those who live here.

# 4

## **A PARTNERSHIP FRAMEWORK WITH TANGATA WHENUA**

**The Local Government Act 2002 requires all councils to work closely with our tangata whenua partners.**

At Waipā, we are committed to doing so in a way that recognises Te Tiriti o Waitangi (The Treaty of Waitangi). We know that working in partnership means more meaningful engagement, more informed decision-making, more streamlined processes and better quality outcomes for our whole community.

There is no 'one-size fits all' approach to partnership. We are already working on a model for how we best engage and partner with Mana Whenua and iwi in our district and in doing so, give effect to Te Tiriti o Waitangi.

The coming three-year term will see our first ever Māori ward councillor elected, adding an important perspective to formal decision-making. But we want to strengthen our relationship with Māori at all levels of the organisation and this work aims to develop the best way to do that.

# 5

## **GOVERNMENT REFORM**

**All councils are working through the implications of a wide-ranging Government reform programme. Broadly, there are three key areas in the spotlight.**

The Government's Three Waters reform programme is proposing to shift responsibility for all three waters (drinking water, wastewater and stormwater) services away from councils into four new publicly-owned entities.

Government is also planning to repeal the Resource Management Act 1991 and enact new laws (Natural and Built Environments Act, Spatial Planning Act and Climate Adaptation Act) to provide environmental protection, while allowing development to continue.

Finally, the Government is reviewing the future of local government itself. The review is looking at how our current system of local democracy needs to evolve over the next 30 years to improve the well-being of New Zealand communities while giving effect to Te Tiriti o Waitangi.

 For more information on local government reform go to [www.futureforlocalgovernment.govt.nz](http://www.futureforlocalgovernment.govt.nz)

# SOME KEY PROJECTS

Here's a snap-shot of some (but not all!) key projects now underway at Council.

## HERITAGE CYCLEWAY

A new cycleway from Lake Ngā Roto to Pirongia will showcase some of Waipā's most important natural and historical attractions.

The possible 13.1km route is intended to go from Lake Ngā Roto, along Sing Road, Paterangi Road, Mackay Access Road, Waiare Road, Bird Road and across the Mangapiko Stream into Pirongia.

Along the way, cyclists will have views of Mt Pirongia and the Waiari Pa, also passing the military memorial on Bird Road. The cycleway will connect to Pirongia close to the entrance of Mātakitaki Pa. Most of the cycleway will be on a purpose-built cycle path on publicly-owned road reserve. However, just under 4km will cross private property and those negotiations with landowners are underway.

2022/23 Annual Plan	2023/24 LTP 2021-31 Yr3	2024/25 LTP 2021-31 Yr4	2025/26 LTP 2021-31 Yr5
5.39 million	3.28 million	-	-

## TE ARA WAI

Waipā District Council has already committed to Te Ara Wai, a museum to showcase Waipā and New Zealand history with a focus on the New Zealand Land Wars.

In May 2021, Council purchased the former Bunnings building in Te Awamutu, a high-profile location across the road from Selwyn Park, near the historic St John's Church and close to the Mangaohoi Steam. The purchase means Council is now rethinking its plans and opportunities for the Mahoe Street site which had originally been earmarked for Te Ara Wai. Council also owns this site and what we do with it will have a big influence on how Te Awamutu develops in the future.

In the meantime, Council has budgeted \$12,164,000 in its 2021-2031 Long-Term Plan to support the design and build of Te Ara Wai, noting \$7 million will need to come from fund-raising or other sources.

2022/23 Annual Plan	2023/24 LTP 2021-31 Yr3	2024/25 LTP 2021-31 Yr4	2025/26 LTP 2021-31 Yr5
1.44 million	9.44 million	12.72 million	-

## HOUSING FOR THE ELDERLY

Council owns 93 housing for the elderly units across the district in Cambridge, Kihikihi and Te Awamutu, all for people aged 65 years or older with a genuine housing need. All units are self-funded; they are not subsidised by other ratepayers.

There are already plans and a budget in place to build 10 more one-bedroom housing units in Cambridge. The new units will be next to Council's existing Vaile Court complex. Land has also been purchased in Cambridge Road, Te Awamutu, for more housing for the elderly.

2022/23 Annual Plan	2023/24 LTP 2021-31 Yr3	2024/25 LTP 2021-31 Yr4	2025/26 LTP 2021-31 Yr5
2.16 million	-	-	-

## CAMBRIDGE TOWN HALL UPGRADE

Cambridge Town Hall is an iconic part of Cambridge's story. The hall was built in 1909 and used as the town hall as well as borough offices. The hall is a category-two historic building owned by Council and recognised by Heritage New Zealand Pouhere Taonga.

Council wants to continue to maintain the hall and preserve it for many years to come. We've already set funds aside to undertake further earthquake strengthening as well as make improvements to the facility. While Council retains ownership of the facility, the Town Hall is now managed by the independent Cambridge Town Hall Community Trust.

2022/23 Annual Plan	2023/24 LTP 2021-31 Yr3	2024/25 LTP 2021-31 Yr4	2025/26 LTP 2021-31 Yr5
1.75 million	2.11 million	-	-

## URBAN MOBILITY

Council has made a strong commitment to urban mobility and to reducing our carbon emissions from transport. We want to make it easier for people to have safe, efficient and enjoyable alternatives to private vehicles, especially in our rapidly growing towns. We work closely with Waka Kotahi NZ Transport Agency to secure government funding to help pay for these initiatives.

We know many residents also support ways to improve walking and cycling options and like us, would like to see improved public transport in our district. Council does not manage public transport – that is the responsibility of the Waikato Regional Council.

2022/23 Annual Plan	2023/24 LTP 2021-31 Yr3	2024/25 LTP 2021-31 Yr4	2025/26 LTP 2021-31 Yr5
0.79 million	1.60 million	1.65 million	1.70 million

## SKATEPARKS

Work is already underway to revamp our existing skateparks in Cambridge and Te Awamutu, following consultation with our community.

We also have plans to work with local communities to identify locations and complete concept designs for new skateparks in Kihikihi and Pirongia.

2022/23 Annual Plan	2023/24 LTP 2021-31 Yr3	2024/25 LTP 2021-31 Yr4	2025/26 LTP 2021-31 Yr5
1.28 million	-	-	-

## CAMBRIDGE WASTEWATER TREATMENT PLANT

Council currently operates two wastewater plants. The plants take wastewater, treat it and then discharge it. We need a new waste water treatment plant to service residents in Cambridge, Hautapu, Karapiro and Leamington.

Over recent years, Waipā has been part of a multi-council study to determine how best to manage wastewater across the wider region for the decades to come. As part of this study, serious consideration was given to establishing a sub-regional wastewater plant at the Hamilton Airport, which would also deal with Cambridge wastewater.

But the study has now confirmed that a standalone plant, based in Cambridge, just to service the town, is a better option. Plans are now well underway for the Cambridge plant which will meet very high standards, will take up less room and will do everything possible to meet community aspirations for the health of the Waikato River. (Plans are still on the books to build another wastewater plant, at a later time, to service the Hamilton Airport area and Hamilton south.)

The decision confirming a standalone plant in Cambridge was made in June 2022, after the Long-term Plan budget was finalised. It means \$77.38 million for the plant will now be brought forward. The new Cambridge plant is due to become operational in late 2026.

2022/23 Annual Plan	2023/24 LTP 2021-31 Yr3	2024/25 LTP 2021-31 Yr4	2025/26 LTP 2021-31 Yr5
4.42 million	1.38 million	3.32 million	2.85 million

## CAMBRIDGE ROAD URBANISATION

There is already a lot of activity happening on Cambridge Road...and there is much more to come! An upgrade of Cambridge Rd from Vogel St/Green Belt towards Peake Rd is already in the wings. This will connect the new residential areas under development to the existing Cambridge urban area.

The work involves the construction of kerb and channel, footpaths, and a cycleway to ensure safe, efficient transport choices in the future for all residents.

2022/23 Annual Plan	2023/24 LTP 2021-31 Yr3	2024/25 LTP 2021-31 Yr4	2025/26 LTP 2021-31 Yr5
3.58 million	2.57 million	-	-

## CAMBRIDGE CONNECTIONS - A TRANSPORT PLAN FOR CAMBRIDGE (INCLUDING THE THIRD BRIDGE)

Our Waipā Transport Strategy already confirms we need a third bridge in Cambridge.

We have already budgeted for a business case to determine a preferred location that delivers the most benefits, and least environmental impact. This work is already scheduled for the 2022/23 year.

The business case is not just about a new bridge. It must also consider all the surrounding roads and intersections. The work will also take into account ways we can encourage walking, cycling, and scooting as well as improve passenger transport.

The cost of the third bridge will be distributed across all Waipā ratepayers (not just those in Cambridge). So the business case will follow a Waka Kotahi NZ Transport Agency template that will aim to ensure that, when the third bridge is built, Government helps pay.

2022/23 Annual Plan	2023/24 LTP 2021-31 Yr3	2024/25 LTP 2021-31 Yr4	2025/26 LTP 2021-31 Yr5
0.30 million	-	TBD	TBD



# HOW COUNCIL'S FINANCES WORK

**AS AT 30 JUNE 2022, THERE WERE 23,317 RATEABLE PROPERTIES IN THE WAIPĀ DISTRICT.**

**All of Council's projects and activities are paid for from rates, subsidies, grants, interest income, fees and charges, development contributions, financial reserves and loans or a combination of these.**

## **Council's key sources of income**

- General rate - based on capital value of a property to meet a portion of district-wide funding.
- Uniform annual general charge (UAGC) - based on a fixed amount per separately used or inhabited part of a rating unit (SUIP) to meet a portion of district-wide funding.
- Targeted Ward Rate - activities deemed to benefit a particular area and a portion of district-wide funding.
- Other targeted rate - meets the cost of activities targeted to certain parts of our community, for instance water supply and district halls.
- Fees and charges - these are set annually on 1 July so customers pay the cost of the service they receive.
- Subsidies - used to help fund operating and capital works, e.g roading activity receiving Waka Kotahi NZ Transport Agency subsidy.

## **Intergenerational equity**

Sometimes Council needs to spend a significant amount of money to build or maintain an important asset. These are long-life assets and they often include additional capacity to allow for future growth.

Today's ratepayers do not have to pay the full cost of assets that will also benefit future generations. Funding the cost of depreciation and raising debt to fund projects is often the fairest way to ensure intergenerational equity, spreading the cost across multiple generations that will all benefit from that asset.

## **Asset replacement**

Council needs to allow for replacement of assets at the end of their useful lives. The replacement of assets is often funded through depreciation which is sourced from a mixture of targeted rates and, in some cases, fees and charges. Council assesses the value of its assets regularly which generally increases the associated depreciation charge. The revaluation process provides an update on the remaining life of the asset to ensure costs are adequately spread across multiple generations. This also enables assets to be replaced at the appropriate time.

### Internal borrowing

Sometimes instead of borrowing funds for its capital projects, Council is able to use its cash reserve at least for a short-term basis. This is called internal borrowing and it reduces the need for external borrowing from funding agencies such as banks which charge interest on loans. External borrowing is only used as a last resort. Any money borrowed internally is repaid over normal loan terms, 30 years.

### External Debt

External debt is debt owed to organisations external to Council such as banks and the Local Government Funding Agency Limited. At 30 June 2022, Council is forecasting \$265 million over the next year in external debt.

### Accountability

Council aims to be as open and transparent as possible. Council goes through a rigorous audit each year conducted by Audit New Zealand. The audit involves an assessment of the appropriateness of Council's processes and confirms the information disclosed in the Annual Report is a fair reflection of Council's activities and financial position for the period concerned.

### Assets

At 30 June 2022, Council's assets are forecast to be valued at

**\$1,955,313,508**

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#### This is made up of:

Infrastructure assets (roads, bridges, pipeline networks and treatment plants)

**\$1,538,329,331**

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Land and buildings

**\$362,157,033**

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Plant, library books, furniture and equipment

**\$28,989,144**

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Intangible assets

**\$3,454,000**

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Forestry

**\$3,035,000**

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Investment property

**\$19,349,000**

## FINANCIAL STRATEGY

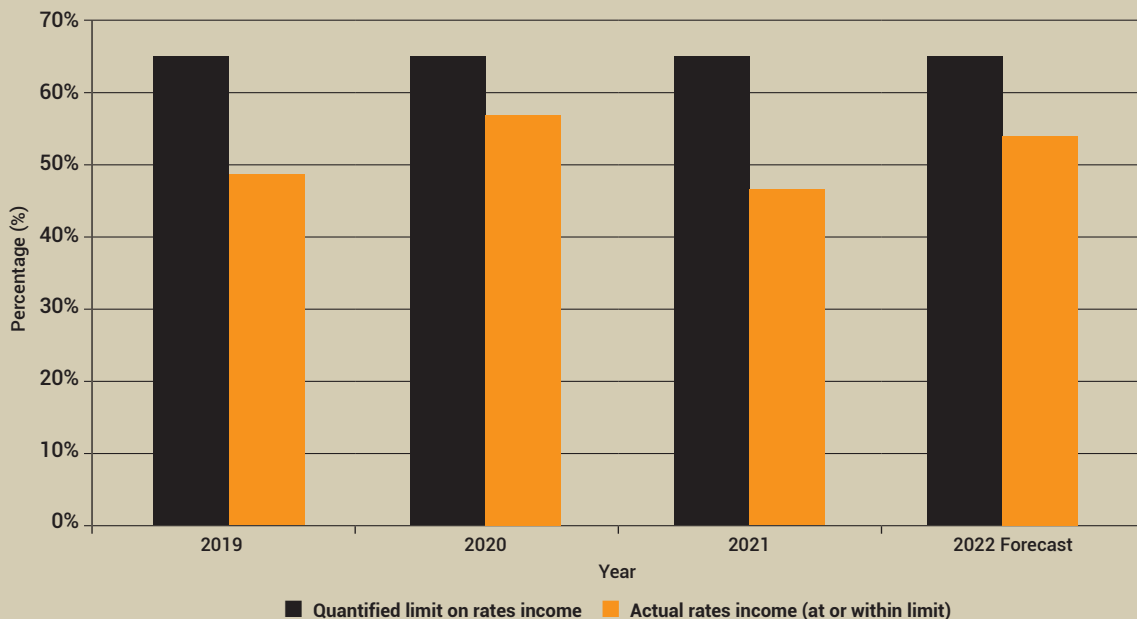
# HOW COUNCIL IS PERFORMING

The Council adopts its financial strategy as part of the 10-Year Plan. The financial strategy includes limits on rates levels, rate increases and borrowing that aim to promote financial stability and affordability. This report provides information on how Council is tracking against the targets and thresholds set in the Financial Strategy. Further benchmarks can be found in Councils 2021-31 10-Year Plan and 2021/22 financial results.

### RATE LIMITS

Setting limits on rates and rate increases is a key part of ensuring financial sustainability. Council sets these limits at levels that provide a focus on maximising revenue from non-rate sources and are affordable given our strategic goals and priorities.

Council is committed to limiting rates levels to a maximum of 65 per cent of its total revenue. The following graph compares the Council's actual rates income with the quantified limit on rates contained in the Financial Strategy.

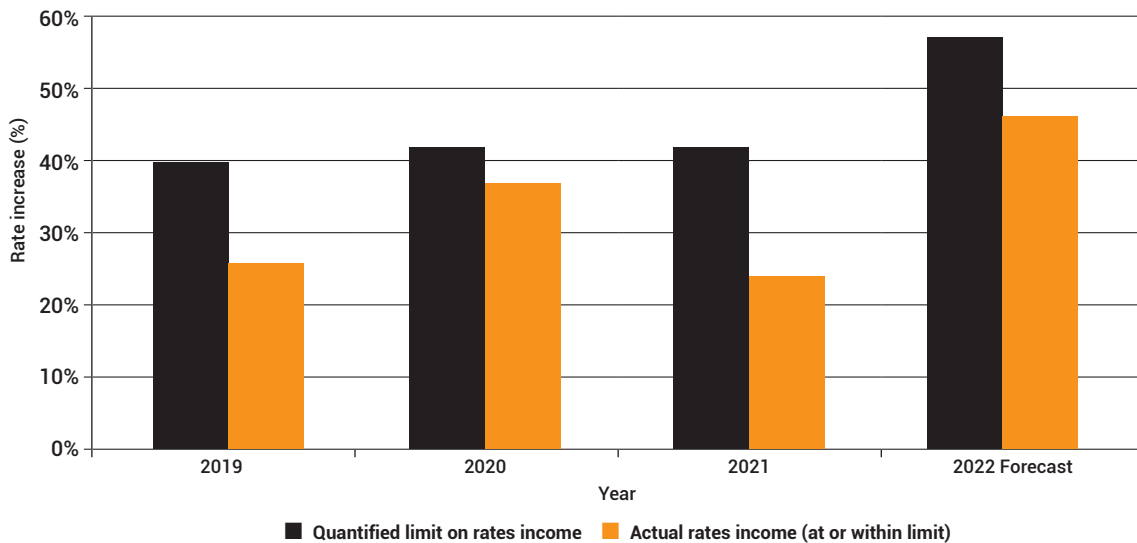


## RATE INCREASES

Council will limit annual increases for existing ratepayers to no more than the forecast Local Government Cost Index for that year plus 2 per cent.

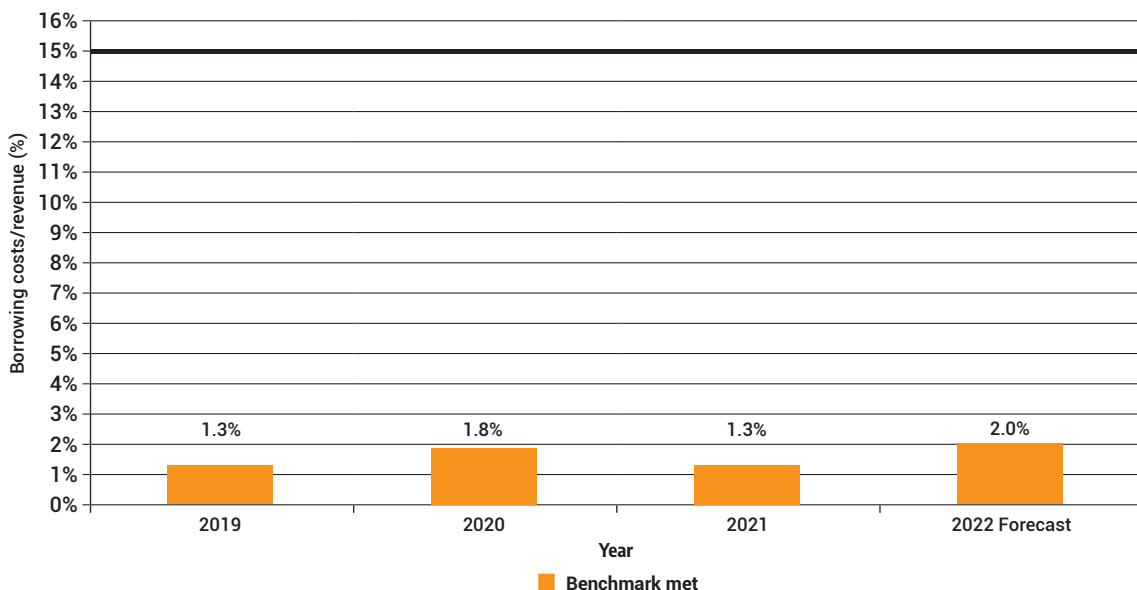
The Local Government Cost Index is an inflation measure based on the cost structures of New Zealand's local authorities. The Local Government Cost Index is different to the Consumer Price Index as it includes goods which consumers would not normally purchase. The Local Government Cost Index is sourced from Business Economic and Research Limited.

The following graph compares the Council's actual rates increases with a quantified limit on rates increases included in the Financial Strategy in the Council's 10-Year Plan.



## DEBT LIMITS

Council's borrowing limits are based on its ability to service the cost of debt as set out in the Treasury Management Policy which states that gross interest expense will not exceed 15 per cent of specific, defined revenue sources.



## DEBT AFFORDABILITY

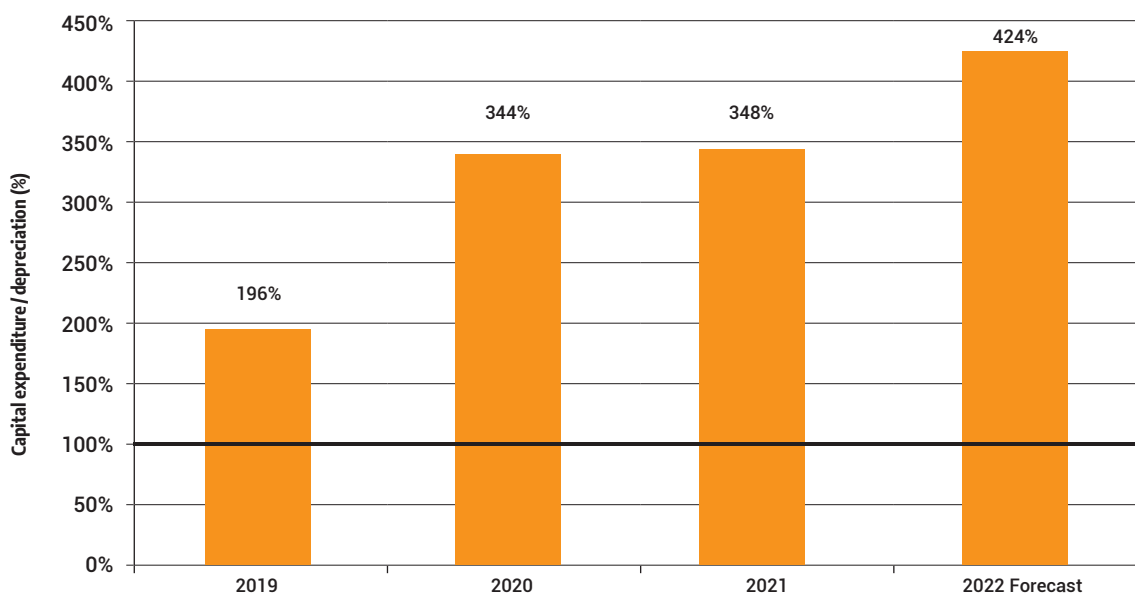
Council meets the debt affordability benchmark if its planned borrowing is within each quantified limit on borrowing.

The following graph compares Council's planned debt against a quantified limit on borrowing. The quantified limit is the total amount of debt Council can borrow in any given year. For years 2019-2021 the quantified limit is set at 175 per cent of total revenue. For the 2022 forecast year the quantified limit is set at 250 per cent of total revenue forecasted, as per the Financial Strategy in our 10-Year Plan. The orange bars in this graph indicate that our planned borrowing is below this limit (black bars) for each year.



## 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.



## INVESTMENTS

We currently hold investments in four companies. The principal reason for holding these investments is to achieve efficiencies and community outcomes rather than for a financial return on investment.

The table below shows how our investments performed against budgets in the three years preceding the 2022 Council elections.

Entity	Shareholding/ Control %	Principal reason for investment	Targeted Return	2019/20 Actual	2020/21 Actual	2021/22 Estimate
Waikato Regional Airport	15.63%	Economic Development	16,000	46,875	Nil	16,000
Waikato Local Authority Shared Services Ltd	8.33%	Efficient service provision	Nil	Nil	Nil	Nil
NZ Local Government Funding Agency Ltd	0.40%	Optimal borrowing arrangements	4,000	4,620	3,514	4,000
Civic Financial Services Ltd	1.35%	Staff wellbeing	Nil	Nil	Nil	Nil

# FINANCIAL TERMS AND STATEMENTS

**Waipā District Council is in a strong financial position with a relatively low level of debt. Council has stayed within projected rates and debt increases as indicated in the Long-Term Plan which allows us to continue to provide the district's core infrastructure while still being able to invest in community facilities.**

The financial statements contain information for the three years prior to the election (retrospective) and information for the year of the election and the three years after (prospective). Due to the timing of this report, the financial information for the 2021/22 financial year is based on forecasts made in February 2022. The actual results achieved for this year will be in the 2021/22 Annual Report and are likely to vary from the information presented. Those variances may be material depending upon the circumstances that arise during that period.

The funding impact statement for this and the next three years has been prepared in accordance with Schedule 10 of the Local Government Act 2002, as well as sections 13 to 19 of the Local Government (Rating) Act 2002 and sets out:

- The revenue and financing mechanisms used
- An indicative level or amount of funding for each mechanism
- A summary of the total rates requirement
- The application of funding methods to Council activities

## FUNDING IMPACT STATEMENTS - RETROSPECTIVE

	2019/20 Annual Report \$000	2020/21 Annual Report \$000	2021/22 Forecast \$000
<b>Sources of operating funding</b>			
General rates, uniform annual general charges, rates penalties	35,363	37,474	40,416
Targeted rates	24,859	26,631	32,840
Subsidies and grants for operating purposes	3,548	6,879	4,197
Fees and charges	15,754	18,890	16,100
Interest and dividends from investments	910	14	79
Local authorities fuel tax, fines, infringement fees, and other receipts	724	1,022	412
<b>Total sources of operating funding (A)</b>	<b>81,158</b>	<b>90,910</b>	<b>94,044</b>
<b>Applications of operating funding</b>			
Payments to staff and suppliers	58,094	59,975	68,648
Finance costs	1,464	1,332	2,141
Other operating funding applications	2,057	1,782	2,108
<b>Total applications of operating funding (B)</b>	<b>61,615</b>	<b>63,089</b>	<b>72,897</b>
<b>Surplus (deficit) of operating funding (A - B)</b>	<b>19,543</b>	<b>27,821</b>	<b>21,147</b>
<b>Sources of capital funding</b>			
Subsidies and grants for capital expenditure	6,056	11,226	9,536
Development and financial contributions	5,448	10,137	12,398
Increase (decrease) in debt	38,471	44,381	70,400
Gross proceeds from sale of assets	4,896	28,880	7,601
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
<b>Total sources of capital funding (C)</b>	<b>54,871</b>	<b>94,624</b>	<b>99,935</b>
<b>Applications of capital funding</b>			
Capital expenditure			
- to meet additional demand	15,863	16,538	85,136
- to improve the level of service	56,933	58,653	24,937
- to replace existing assets	11,766	15,550	22,013
Increase (decrease) in reserves	(10,148)	31,704	(11,004)
Increase (decrease) of investments	-	-	-
<b>Total applications of capital funding (D)</b>	<b>74,414</b>	<b>122,445</b>	<b>121,082</b>
<b>Surplus (deficit) of capital funding (C - D)</b>	<b>(19,543)</b>	<b>(27,821)</b>	<b>(21,147)</b>
<b>Funding balance ((A - B) + (C - D))</b>	<b>-</b>	<b>-</b>	<b>-</b>



## FUNDING IMPACT STATEMENTS - PROSPECTIVE

	2022/23 Annual Plan Election Year \$000	2023/24 LTP Year 3 \$000	2024/25 LTP Year 4 \$000	2025/26 LTP Year 5 \$000
<b>Sources of operating funding</b>				
General rates, uniform annual general charges, rates penalties	40,862	45,977	48,902	49,248
Targeted rates	36,212	37,831	41,342	44,718
Subsidies and grants for operating purposes	3,567	3,278	3,971	4,101
Fees and charges	14,687	14,001	14,465	15,484
Interest and dividends from investments	35	35	70	70
Local authorities fuel tax, fines, infringement fees, and other receipts	412	412	412	412
<b>Total sources of operating funding (A)</b>	<b>95,775</b>	<b>101,534</b>	<b>109,162</b>	<b>114,033</b>
<b>Applications of operating funding</b>				
Payments to staff and suppliers	72,662	70,999	77,555	76,635
Finance costs	2,892	3,895	3,722	4,035
Other operating funding applications	1,762	2,097	1,436	1,458
<b>Total applications of operating funding (B)</b>	<b>77,316</b>	<b>76,991</b>	<b>82,713</b>	<b>82,128</b>
<b>Surplus (deficit) of operating funding (A - B)</b>	<b>18,459</b>	<b>24,543</b>	<b>26,449</b>	<b>31,905</b>
<b>Sources of capital funding</b>				
Subsidies and grants for capital expenditure	12,419	9,031	6,369	5,232
Development and financial contributions	25,540	29,764	35,864	35,006
Increase (decrease) in debt	105,000	27,400	10,200	(20,100)
Gross proceeds from sale of assets	10,348	2,245	2,288	2,303
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
<b>Total sources of capital funding (C)</b>	<b>153,307</b>	<b>68,440</b>	<b>54,721</b>	<b>22,441</b>
<b>Applications of capital funding</b>				
Capital expenditure				
- to meet additional demand	118,267	42,127	31,058	26,217
- to improve the level of service	32,971	31,255	24,226	9,156
- to replace existing assets	24,499	19,932	22,136	20,854
Increase (decrease) in reserves	(3,971)	(331)	3,750	(1,881)
Increase (decrease) of investments	-	-	-	-
<b>Total applications of capital funding (D)</b>	<b>171,766</b>	<b>92,983</b>	<b>81,170</b>	<b>54,346</b>
<b>Surplus (deficit) of capital funding (C - D)</b>	<b>(18,459)</b>	<b>(24,543)</b>	<b>(26,449)</b>	<b>(31,905)</b>
<b>Funding balance ((A - B) + (C - D))</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**BALANCE SHEET RETROSPECTIVE**

	2019/20 Annual Report \$000	2020/21 Annual Report \$000	2021/22 Forecast \$000
<b>Current Assets</b>			
Cash and cash equivalents	2,961	14,060	4,879
Other Financial Assets	-	-	-
Investments in CCOs	-	-	-
Assets held for sale	85	85	85
Trade and other receivables	9,982	8,969	3,597
<b>Total Current Assets</b>	<b>13,028</b>	<b>23,114</b>	<b>8,561</b>
<b>Non Current Assets</b>			
Trade and other receivables	13	12	12
Property plant and equipment	1,791,131	1,896,484	2,020,129
Intangible assets	2,938	3,454	3,454
Forestry assets	2,559	2,997	3,035
Investment property	15,942	19,025	19,349
Investment in CCOs	17,748	25,323	25,323
<b>Total Non Current Assets</b>	<b>1,830,331</b>	<b>1,947,295</b>	<b>2,071,302</b>
<b>Total Assets</b>	<b>1,843,359</b>	<b>1,970,409</b>	<b>2,079,863</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and other payables	19,820	16,620	12,575
Provisions	252	163	1,455
Employee benefit liabilities	2,106	2,127	1,983
Borrowings	13,530	8,000	9,000
<b>Total Current Liabilities</b>	<b>35,708</b>	<b>26,910</b>	<b>25,013</b>
<b>Non Current Liabilities</b>			
Trade and other payables	15,298	500	500
Derivative financial instruments	1,292	797	797
Provisions	699	759	759
Borrowings	40,089	90,000	163,500
<b>Total Non Current Liabilities</b>	<b>57,378</b>	<b>92,056</b>	<b>165,056</b>
<b>Total Liabilities</b>	<b>93,086</b>	<b>118,966</b>	<b>190,069</b>
<b>Equity</b>			
Retained earnings	518,652	575,655	604,044
Other reserves	1,231,621	1,275,788	1,285,250
<b>Total Equity</b>	<b>1,750,273</b>	<b>1,851,443</b>	<b>1,889,294</b>

**BALANCE SHEET PROSPECTIVE**

	2022/23 Annual Plan Election Year \$000	2023/24 LTP Year 3 \$000	2024/25 LTP Year 4 \$000	2025/26 LTP Year 5 \$000
<b>Current Assets</b>				
Cash and cash equivalents	2,615	3,037	6,835	5,005
Trade and other receivables	790	1,958	1,958	1,959
Investment in CCOs	1,890	-	-	-
Non Current Assets held for sale	-	-	-	-
<b>Total Current Assets</b>	<b>5,295</b>	<b>4,995</b>	<b>8,793</b>	<b>6,964</b>
<b>Non Current Assets</b>				
Trade and other receivables	13	14	14	14
Property plant and equipment	2,217,267	2,356,955	2,469,822	2,566,655
Intangible assets	2,913	5,881	4,735	3,387
Forestry assets	3,075	2,677	2,717	2,757
Investment property	19,823	17,256	17,666	18,076
Investment in CCOs	23,433	18,786	18,786	18,786
<b>Total Non Current Assets</b>	<b>2,266,524</b>	<b>2,401,569</b>	<b>2,513,740</b>	<b>2,609,675</b>
<b>Total Assets</b>	<b>2,271,819</b>	<b>2,406,564</b>	<b>2,522,533</b>	<b>2,616,639</b>
<b>Liabilities</b>				
<b>Current Liabilities</b>				
Trade and other payables	12,470	16,617	16,618	16,620
Provisions	162	452	452	452
Employee benefit liabilities	2,032	1,744	1,744	1,744
Borrowings	37,000	42,000	121,000	102,900
<b>Total Current Liabilities</b>	<b>51,664</b>	<b>60,813</b>	<b>139,814</b>	<b>121,716</b>
<b>Non Current Liabilities</b>				
Trade and other payables	250	-	-	-
Derivative financial instruments	-	-	-	-
Provisions	759	699	699	699
Borrowings	228,000	266,300	197,500	195,500
<b>Total Non Current Liabilities</b>	<b>229,009</b>	<b>266,999</b>	<b>198,199</b>	<b>196,199</b>
<b>Total Liabilities</b>	<b>280,673</b>	<b>327,812</b>	<b>338,013</b>	<b>317,915</b>
<b>Equity</b>				
Retained earnings	605,987	687,418	729,462	767,770
Other reserves	1,385,159	1,391,334	1,455,058	1,530,954
<b>Total Equity</b>	<b>1,991,146</b>	<b>2,078,752</b>	<b>2,184,520</b>	<b>2,298,724</b>



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