

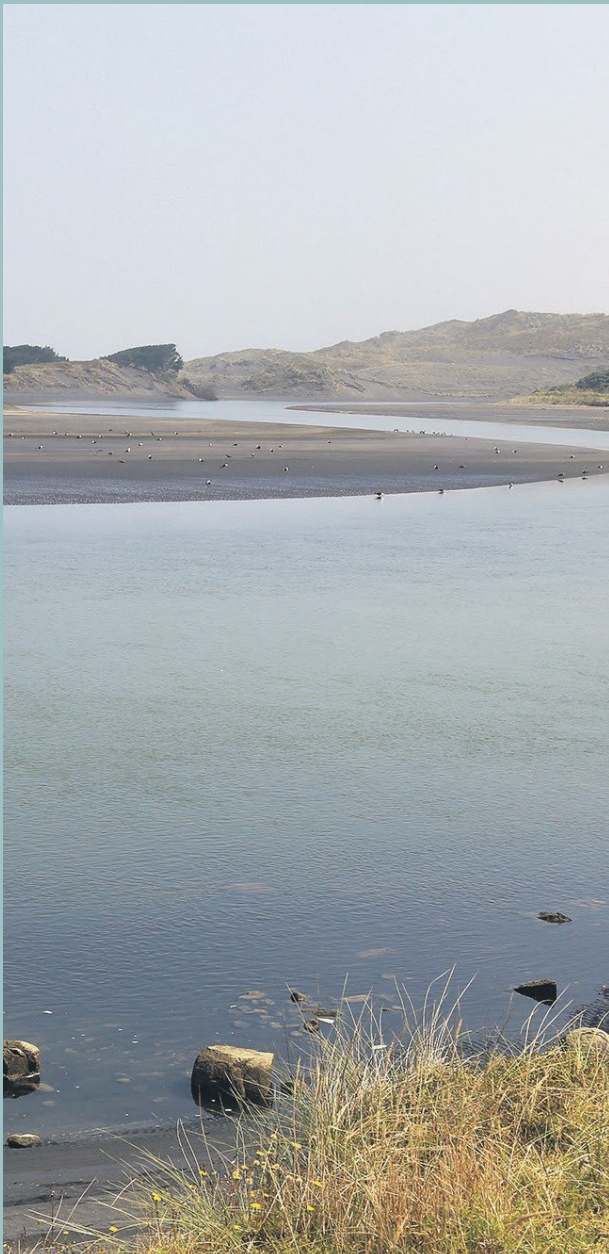


PRE-ELECTION REPORT

2022

Waitomo – a vibrant district

All about the Waitomo District



9,640

DISTRICT POPULATION

5,393

RATEABLE PROPERTIES

354,649ha

SIZE OF DISTRICT

1014kms

TOTAL ROAD NETWORK

Welcome to Waitomo District Council's pre-election report for 2022

This report has been compiled to meet the requirements of the Local Government Act 2002 (LGA) and aims to inform both the community and prospective electoral candidates about some key aspects of the Council's business.

This report includes information previously published in our 10 Year Plan 2021-2031 (10YP), Annual Reports, and Annual Plans. More detail can be found in these documents, which are available on our website www.waitomo.govt.nz

This report also outlines our major projects and expected expenditure programme for this financial year and the three years following the October local body elections. It aims to promote discussion about the issues the council may face, and therefore enable a better informed election debate.



Ben Smit
Chief Executive

At the time of writing the 10YP and undertaking these financial projections Central Government instructions were that Water, Wastewater and Stormwater activities (3 Waters) would continue to be forecasted and accounted for in Council's planning documents.

Central Government have made it clear that these 3 Waters activities will no longer be part of council operations from 1 July 2024. They are still in this Pre-Election Report given Central Government's advice at the time to plan in this way. Removing the 3 Waters activities from Council will have an impact on operations and on the community. Council is heavily involved with planning for these changes with the National Transition Unit.

A positive aspect to these changes is that Central Government plan to fund \$14.2 million for community wellbeing, climate change and enabling development works for housing projects in the Waitomo District. Council is currently engaging with our communities on how to spend these funds using a refresh of the Town Concept Plans as a way of determining the best use of these funds.

The Local Government Review and RMA reforms will also have an impact the way we operate in the coming years. These reforms will present challenges and opportunities for us as a Council and for the community. Our focus will be on continuing to deliver on the levels of service we have committed to and the key projects outlined in this report.



Our services

We deliver a range of services on behalf of the community in 10 groups of activities. These are:

- Leadership
- Community and Partnerships
- Recreation and Property
- Regulatory Services
- Solid Waste
- Stormwater
- Resource Management
- Wastewater
- Water Supply
- Roads and Footpaths



Major projects

Our major projects currently underway or planned over the next three years are:

Notification of the Proposed Waitomo District Plan and Reserve Management Plan.

Refresh of the five Town Concept Plans (Te Kuiti, Piopio, Waitomo Caves, Mokau and Maniaiti / Benneydale)

Continue implementation of the Vibrant, Safe Waitomo initiative

Earthquake Strengthening of Queen Street Administrative and Civil Defence Building

Roading network repair from February 2022 storm event

New public toilets at Mokau

Renewal of the comprehensive Stormwater consent

Aerodrome Development Plan

Development of new cell and gas extraction at Te Kuiti landfill

Complete construction of the King Country Indoor Sports and Recreation Centre

Development of a walking and cycling strategy for the District

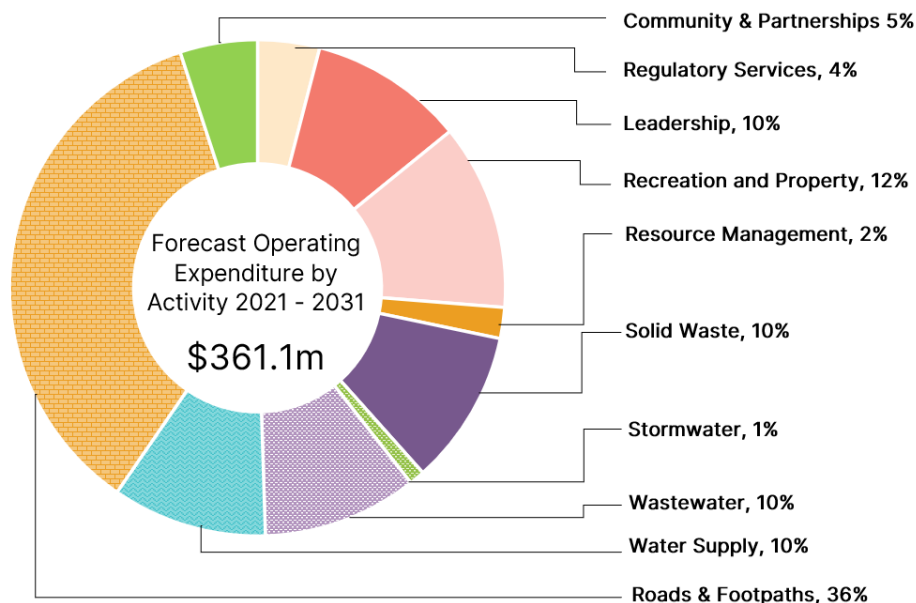
A full list of projects in each activity area can be found in our Long-term Plan 2021-2031 at www.waitomo.govt.nz



Our Finances

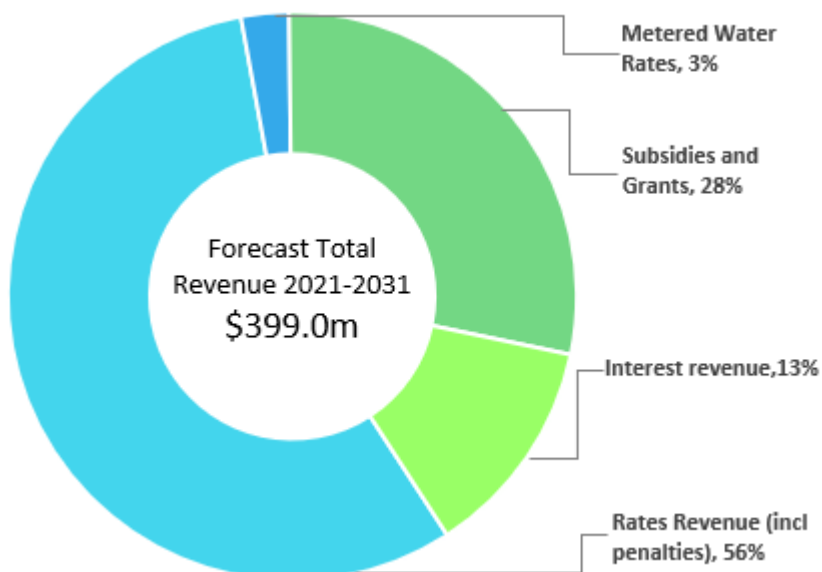
OPERATING EXPENDITURE

The graph below shows the total forecast operating expenditure over the 10 Year Plan 2021-2031.



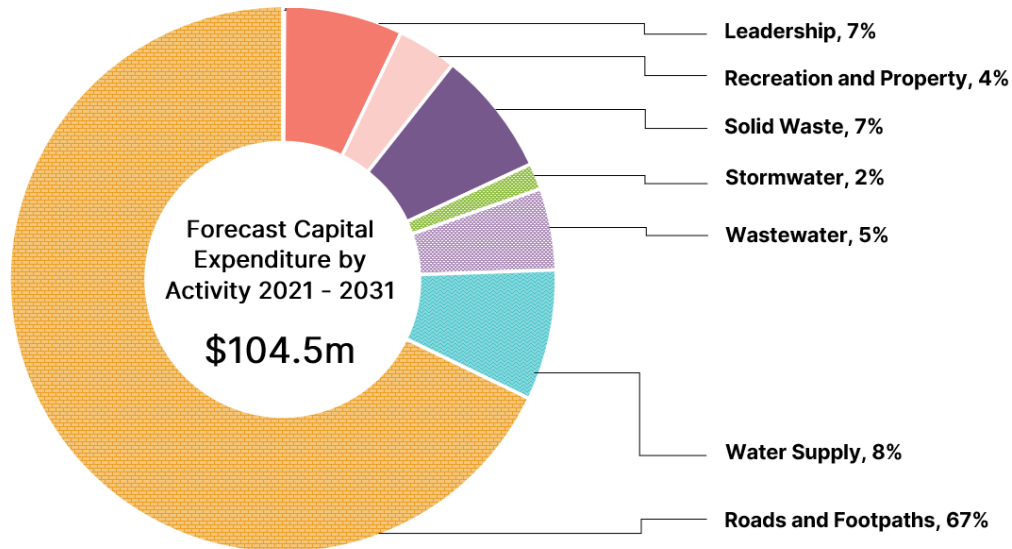
OPERATING REVENUE

The graph below shows the total forecast operating revenue over the 10 Year Plan 2021-2031.



CAPITAL EXPENDITURE BY ACTIVITY

The graph below shows our proposed capital and renewal expenditure for each group of activities over the current 10 Year Plan 2021 - 2031.



Funding Impact Statement

Presented below is the Funding Impact Statement which identifies the sources of funding, the amount from each source and how the funds will be applied. The information has been compiled from 2020/21 Annual Report, 10 Year Plan 2021-2031 and 2022/23 Annual Plan.

COUNCIL	Actual 2019/20 (\$000's)	Actual 2020/21 (\$000's)	LTP 2021/22 (\$000's)	AP 2022/23 (\$000's)	LTP 2023/24 (\$000's)	LTP 2024/25 (\$000's)	LTP 2025/26 (\$000's)
Sources of operating funding							
General rates, uniform annual general charges, rates penalties	8,518	9,267	9,256	9,683	9,967	9,593	9,893
Targeted rates	12,498	12,018	11,345	11,564	11,976	13,307	13,406
Subsidies and grants for operating purposes	5,049	5,532	5,480	5,560	5,475	5,785	5,920
Fees and charges	3,846	4,068	3,818	4,126	4,597	4,854	4,998
Interest and dividends from investments	14	11	9	12	9	9	9
Local authorities fuel tax, fines, infringement fees and other receipts	230	205	161	198	170	175	180
Total operating funding (A)	30,155	31,101	30,069	31,143	32,194	33,723	34,406
Applications of operating funding							
Payments to staff and suppliers	21,331	22,091	24,814	25,667	25,164	25,186	25,924
Finance costs	1,435	1,198	1,118	1,258	1,103	1,384	1,292
Other operating funding applications	0	0	0	0	0	0	0
Total applications of operating funding (B)	22,766	23,289	25,932	26,925	26,267	26,570	27,216
Surplus (deficit) of operating funding (A-B)	7,389	7,812	4,137	4,218	5,927	7,153	7,190
Sources of capital funding							
Subsidies and grants for capital expenditure	3,242	5,619	5,674	16,151	4,115	5,034	5,181
Development and financial contributions	0	0	0	0	0	0	0
Increase (decrease) in debt	1,239	(827)	(96)	1,423	(687)	(1,272)	(760)
Gross proceeds from sale of assets	70	158	0	0	0	0	0
Lump sum contributions	0	0	0	41	42	43	44
Other dedicated capital funding	0	0	0	0	0	0	0
Total sources of capital funding (C)	4,551	4,950	5,578	17,615	3,470	3,805	4,465
Applications of capital funding							
Capital expenditure - to meet additional demand	0	0	0	0	0	0	0
Capital expenditure - to improve the level of service	368	985	2,211	4,300	974	554	768
Capital expenditure - to replace existing assets	5,751	9,246	8,139	19,314	8,700	9,623	10,235
Increase (decrease) in reserves	5,821	2,531	(635)	(1,781)	(277)	781	652
Increase (decrease) of investments	0	0	0	0	0	0	0
Total applications of capital funding (D)	11,940	12,762	9,715	21,833	9,397	10,958	11,655
Surplus (deficit) of capital funding (C-D)	(7,389)	(7,812)	(4,137)	(4,218)	(5,927)	(7,153)	(7,190)
Funding Balance ((A-B)+(C-D))	0	0	0	0	0	0	0

Summary Balance Sheet

The summary balance sheet for Council is presented below. It discloses public debt and financial assets separately. The information has been compiled from 2020/21 Annual Report, 10 Year Plan 2021-2031, and 2022/23 Annual Plan.

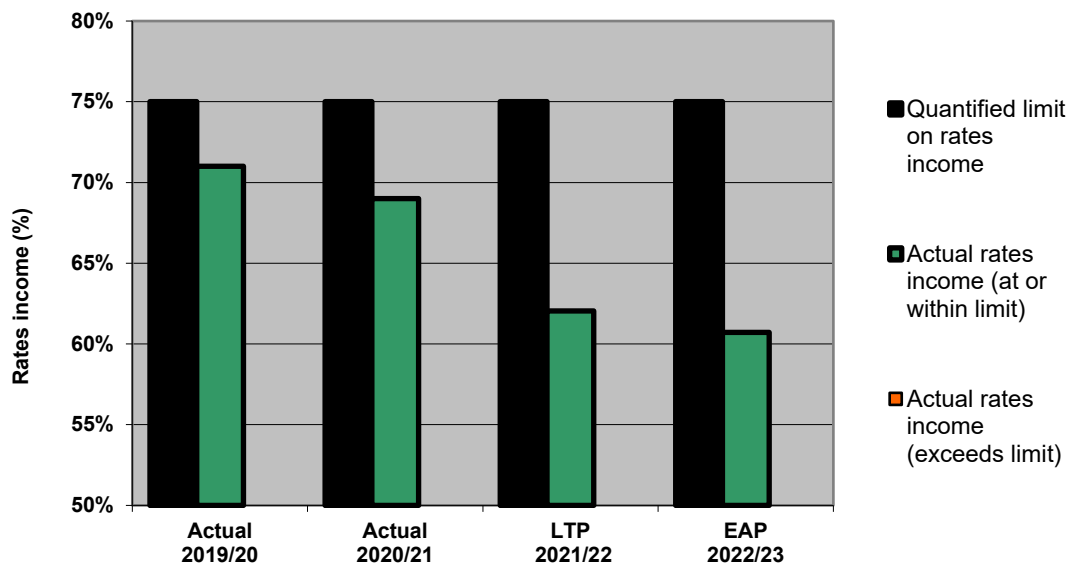
Summary Balance Sheet As at 30 June	Actual 2019/20 (\$000's)	Actual 2020/21 (\$000's)	10YP 2021/22 (\$000's)	AP 2022/23 (\$000's)	LTP 2023/24 (\$000's)	LTP 2024/25 (\$000's)	LTP 2025/26 (\$000's)
ASSETS							
Cash and cash equivalents	4,243	6,379	4,243	3,203	4,243	4,243	4,243
Receivables	4,138	4,748	4,262	4,748	4,498	4,610	4,730
Other current assets	133	111	75	51	79	81	83
Other financial assets	9,355	9,396	9,347	9,392	9,347	9,347	9,347
Non-current assets	362,637	381,747	371,866	426,523	404,454	406,114	433,273
Derivative financial instruments	0	0	0	0	0	0	0
Total Assets	380,506	402,381	389,793	443,917	422,621	424,395	451,676
LIABILITIES							
Other liabilities	4,794	7,095	4,937	7,095	5,210	5,339	5,478
Total borrowings	37,260	34,191	39,545	35,017	38,137	35,480	33,462
Derivative financial instruments	2,941	1,539	2,941	1,539	2,941	2,941	2,941
Total Liabilities	44,995	42,825	47,423	43,651	46,288	43,760	41,881
EQUITY	335,511	359,556	342,370	400,266	376,333	380,635	409,795
Total Liabilities and Equity	380,506	402,381	389,793	443,917	422,621	424,395	451,676

Comparison with Financial Strategy

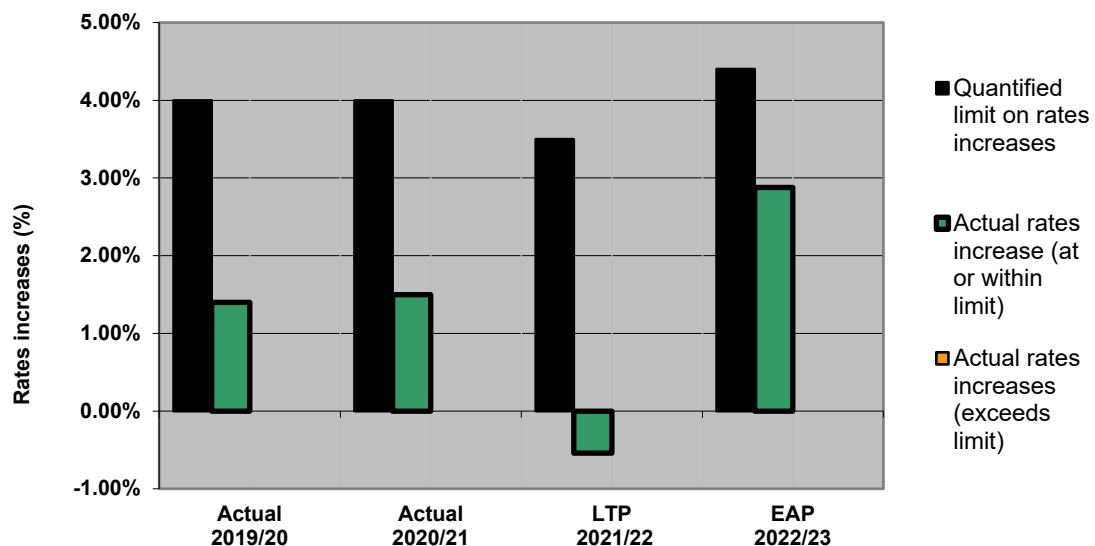
Council has performed well within the quantified limits specified in its Financial Strategy which are contained in the 10 Year Plan 2021-2031. The following graphs depict this performance. The 2021/22 figures have been extracted from the 10 Year Plan 2021-2031 and are Council's forecast operating results and financial position for that financial year. The 2022/23 figures have been extracted from Council's Annual Plan. The actual results have been extracted from the 2021/21 Annual Report.

Council's Financial Strategy contains the following limits:

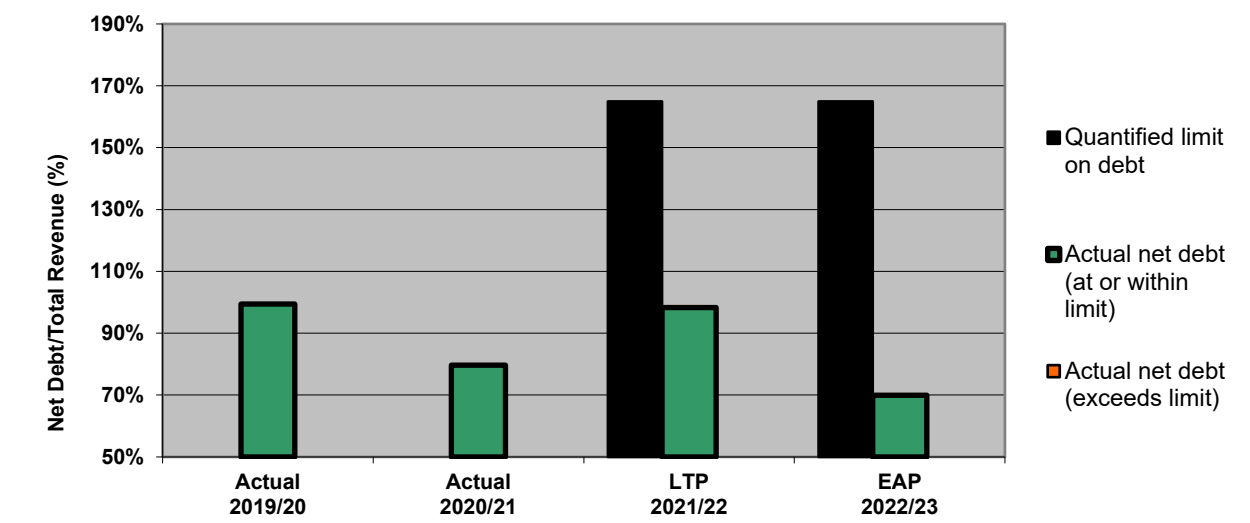
Total rates revenue will be limited to an average of 75% of total operational expenditure.



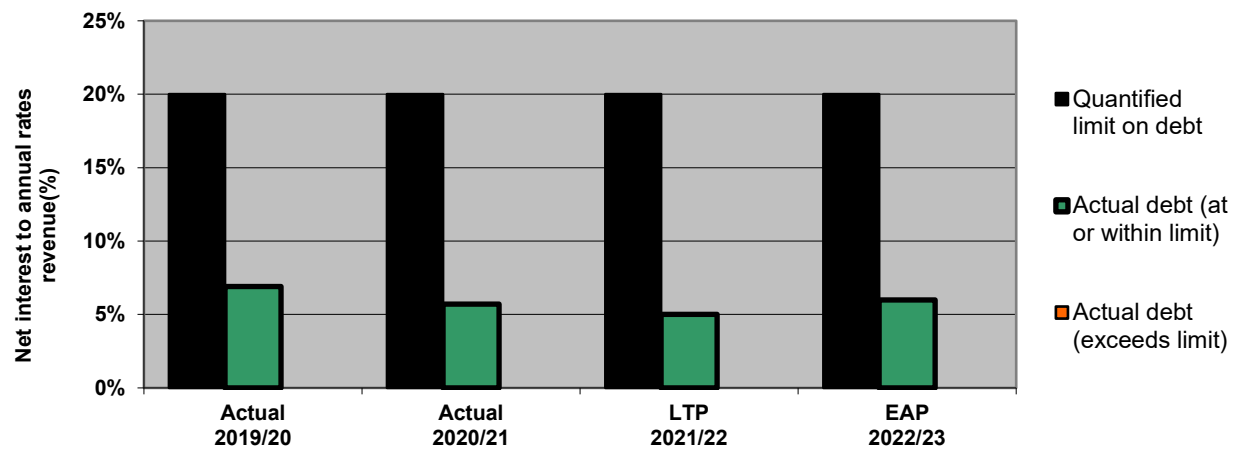
Total rates increase will be limited to a cap of Local Government Cost Index (LGCI) plus 2%



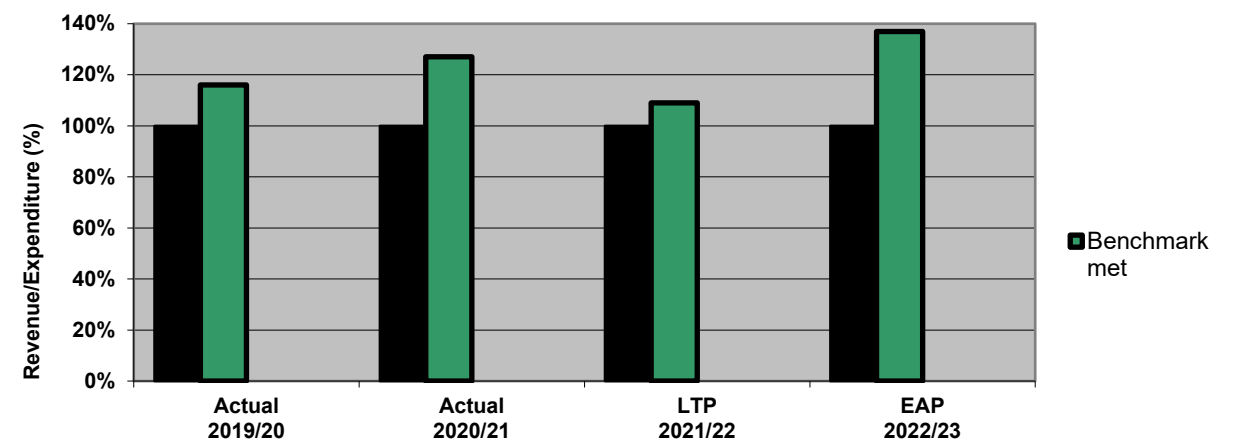
Net debt to total revenue will not exceed 165%
(NB: This is a new measure for the 10YP, therefore no planned limit is set in prior years.
Prior years actual data has been provided for comparative purposes).



Net interest will not exceed 20% of annual rates.

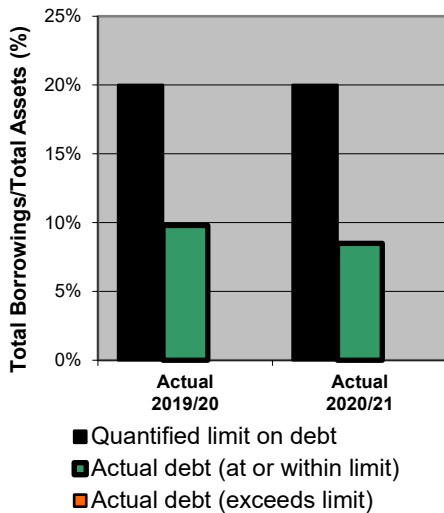


Balanced budget –planned revenue is greater than planned operating expenses

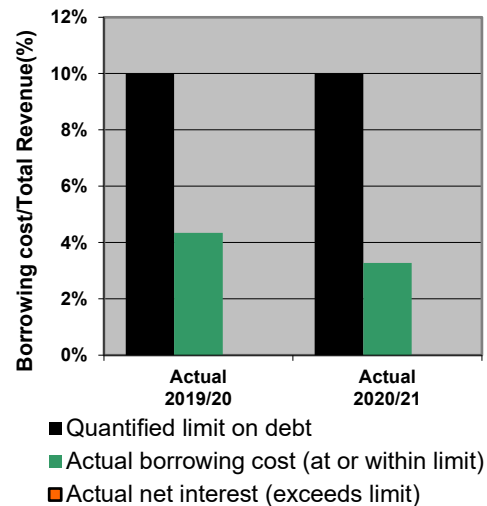


Comparative graphs giving the reported results from the 2020/21 Annual Report against the previous Financial Strategy contained in the 2018-28 Long Term Plan are depicted below as the previous Financial Strategy included a number of additional limits that are no longer included in the current Financial Strategy.

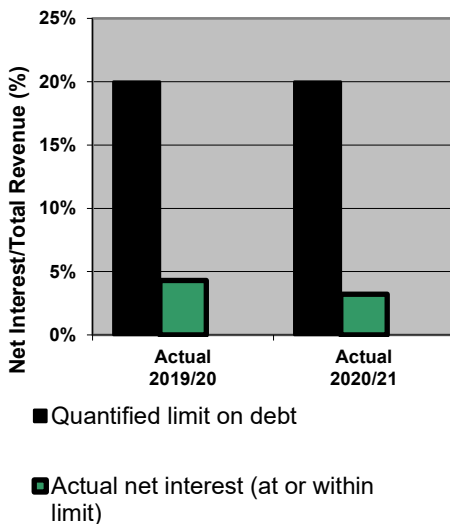
Borrowings must not exceed 20% of total assets



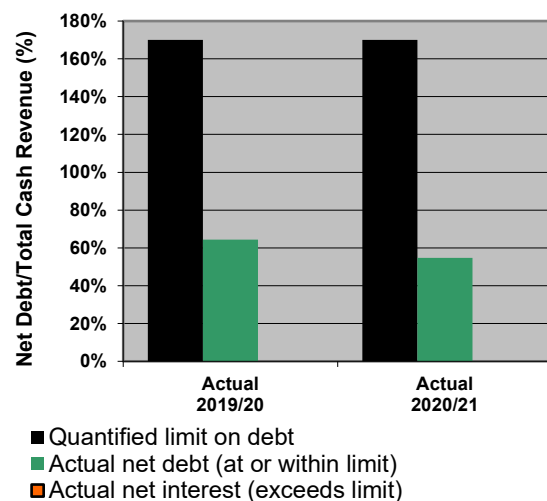
Total borrowing cost will not exceed 10% of total revenue



Net interest will not exceed 20% of total revenue



Net debt to total cash revenue will not exceed 170%



Return on investment

The current Financial Strategy determines there is a nil target rate of return on Council's shareholding investments in Inframax Construction Ltd, Waikato Local Authority Shared Services Ltd (WLASS, now renamed Co-Lab) and Civic Financial Services Ltd. The objective of holding these shareholdings is for economic benefit such as job creation thereby furthering community outcome; ensuring Co-Lab remains viable as a provider of shared services within the Waikato region and contributing towards the local government sector.

Key Election Dates

15 July 2022
Candidate nominations open and roll opens for public inspection
12 August 2022 at 12 noon
Candidate nominations close and roll closes
17 August 2022
Public notice of candidates' names
16 – 21 September 2022
Voting documents delivered
4 October 2022
Last Day for posting vote by mail. After this date votes must be returned to council's secure ballot boxes.
8 October 2022 Election Day – voting closes midday
8 October 2022 from 12 noon
Preliminary results
13-19 October 2022
Declaration of results
October/November 2022
Elected members' swearing in ceremonies

Waitomo District Council Electoral Officer

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