

South Waikato District Council Pre-Election Report

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Tikal, age 10
on Waste Water

"If we didn't manage waste water, people would have to clean out their own toilets"



Michael, age 7
on Sportsgrounds

"So the grass is nice to play on"



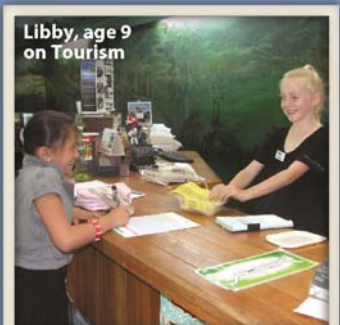
Rivah, age 9
on Toilets

"Cleaning the inside of the toilet is important because everyone does their business in there"



Daniel, age 10
on Te Waihou

"So people enjoy the walk and the water"

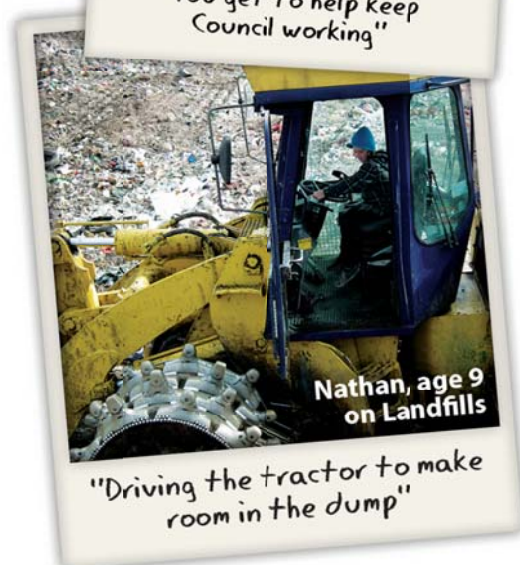
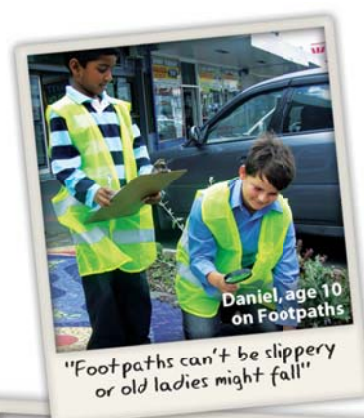


Libby, age 9
on Tourism

"It's nice to show visitors our maps and where they can go"

Contents

A message from the Chief Executive	page 3
Background and Purpose of the Report	page 5
Basis of Preparation.....	page 5
How to Read the Pre-Election Report	page 5
Where to Find out More.....	page 5
About South Waikato District Council.....	page 6
Current Direction	page 8
Council Services and Facilities	page 9
Where will Council's funding come from	page 10
Where will Council spend its funding in 2013-14	page 11
Financial Strategy and Limits.....	page 12
Financial Challenges Ahead.....	page 12
Major Achievements 2010-11 to 2012-13	page 13
Major Projects Planned	page 14
Financial Statements	page 16



A Message from the Chief Executive

If you're reading this Pre-Election Report it may be because you are interested in standing for Council or Community Board, or you may be a voter wanting to be better informed prior to the local body elections. Either way, if you don't find the answers you are looking for in this document, please contact Council, staff will be happy to assist.

A financial overview is detailed in this report. Council has been very successful in keeping rate revenue increases as low as possible. However we have also invested in community infrastructure like sports grounds; and large infrastructure like our road network and water and wastewater treatment plants; that are necessary to respond to economic investment opportunities.

One of our key financial challenges is how best to protect and utilise our investment fund capital of \$25million. Council is currently investigating establishing two external bodies. The first made up of proven and reliable business people who will be provided with one million dollars to identify and seed fund projects that will grow the economic advantages of the district. The second larger body, which is completely separate from Council, is proposed to ensure that the remaining capital is protected for the South Waikato community should amalgamation occur. The size of this decision means that the community will be consulted on using a Special Consultative Procedure over the next few months.

Local government is undergoing significant reform and is in a time of change. Before the end of the calendar year there will be further legislative changes to some key Acts under which Council operates. Central government is sending strong signals about amalgamation and a shared approach to the delivery of many services. Council is keeping a careful eye on these and related developments to ensure the interests of our community are supported.

Building strong relationships will continue as a priority with the Waikato Regional Council and local iwi as the Treaty Settlement process continues; with the Waikato River Authority given our reliance and proximity to the Waikato River; and with our neighbouring Councils, with whom we already work collaboratively on many shared services and projects.

A key focus for Council is to create more jobs and promote the district. Both of these strategic objectives were identified by Council several years ago as the key to economic development district growth and prosperity. And much has happened.

The Waikato River Trails was completed and has received fantastic support from locals, as well as overwhelming use from regional, national and international tourists. Council has been involved with this project from the start and is exceptionally proud of its growing success; there seems no end in sight to how big the trails can get! The South Waikato Sport and Events Centre has been heavily used by the community since it opened its doors in October last year. Asset upgrades to wastewater treatment plants, the road network and waste management systems have all contributed to improving the quality of life for everyone living in the South Waikato.

A large amount of new business development has occurred in the district. This range of development weaves through the many aspects of our lives from generating jobs, income and economic growth to improving our community cohesiveness through social and cultural initiatives and events.

Several years' worth of work on the new District Plan is coming to a close. This document is Council's primary planning and resource management tool for continued district development while protecting our natural environment. Council has worked closely with iwi, local developers and the Waikato Regional Council to achieve a sound document that will be in place for the next 10 years.



And the future is going to bring even more excitement.

- Council will continue to put major emphasis on encouraging business and industry by promoting the advantages of the South Waikato... national road, rail and port links; an all-weather, sealed airfield; central North Island location; business development friendly Council through its district plan and other services; outstanding potential for green field industrial expansion; a stable, versatile and skilled workforce; strong dairy, forestry and engineering industries... we really do have it all.
- The way our health service is delivered is changing with the refurbishment of the Tokoroa Hospital and Health Care Centre as a model of delivery of rural hospital and health services to a community.
- Upgrade work at Glenshea Park in Putaruru continues and Lake Moana-nui in Tokoroa is facing a major upgrade with dam repairs and lake silt removal.
- Council is investigating the feasibility of developing the Leith Place area to enhance it as a 'Visitor Gateway' and as an attractive town centre for residents and visitors.
- Council will continue to place importance on improving our air quality and continues to support schemes like Warm Homes Clean Air, Heat Swap and Burnwise. Continued economic growth is dependent on us getting our poor air quality under control.

The wealth of natural beauty, diverse culture, central location, economic opportunity, inexpensive living and passionate people make the South Waikato a wonderful place to live, work and play.

At Council we are committed to our vision; our strategic goals and outcomes. We are working towards these in everything we do to add value to our local communities. We hope you will support, engage and work with us on this journey.



Craig Hobbs
Chief Executive



Vision - Healthy people thriving in a safe, vibrant and sustainable community

Moemoēa - Uhia te haumarū te ngāngahau i te whakamorimoritanga ki te hapori

Background and Purpose of the Report

"The purpose of a Pre-Election Report is to provide information to promote public discussion about the issues facing the local authority" (Section 99A (4), Local Government Act).

In 2010 the Honourable Rodney Hide stated "Pre-Election Reports will enable voters to consider how well the council has performed to date, promote discussion about the issues facing the council in the future, and make it easier for people to vote for candidates whose priorities align with their own" (Decisions for Better Transparency, Accountability and Financial Management of (sic) Local Government).

This report has been generated by the staff of Council and authorised by the Chief Executive of the South Waikato District Council. It is a factual, non-political view of the financial position of the Council. It outlines the achievement of the targets and limits established in the Long Term Plan (LTP) 2012-22.

Basis of Preparation

Preparation and timing of this report is a mandatory requirement of the Local Government Act.

The prospective financial data and discussion of major projects are drawn from the information in the current Annual Plan and LTP and these reflect the policy and service delivery decisions of the current council.

The Pre-Election Report is not audited but much of the information in it has already been audited. In particular:

- The first two years' retrospective financial data (2010-11, 2011-12) have been audited as they have been taken from the respective annual reports
- The three years' prospective financial data (2014-15, 2015-16 and 2016-17) have been taken from the LTP which has also been audited. The major projects listed for these three years were taken from the LTP which was also audited. Some projects have been postponed from 2013-14 LTP to later years.

It is important to note that the following information has not been audited:

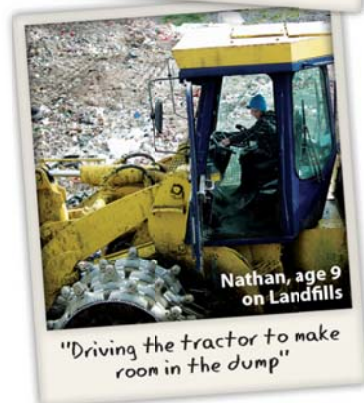
- The Financial Strategy and Limits section of the report shows compliance with the limits contained in the LTP financial strategy.
- The audit of the 2012-13 Annual Report will not begin until 9 September 2013. The Annual Report is planned to be adopted by Council on 3 October 2013 so given the statutory requirement to complete and publish the Pre-Election Report by 2 August 2013 an audited report was not possible. Consequently the financial information on the 2012-2013 year detailed in this report is taken from the 2012-13 Annual Plan.
- The financial information supplied for the 2013-14 year was drawn from the Annual Plan which was adopted in late June 2013. There is no requirement to have Annual Plans audited so this information is unaudited however a large amount of the information is based on the information reported as Year 2 of the LTP which was audited. The 2013-14 Annual Plan document details the changes from Year 2 of the LTP to the 2013-14 Annual Plan.

How to Read the Pre-Election Report

The Pre-Election Report provides historical information for the 2010-2011 and 2011-2012 financial years. Financial information presented in this report for the 2012-13 year is drawn from the 2012-13 Annual Plan. Information from 2014-15 to 2016-17 is drawn from the LTP. The report also highlights the major projects detailed in the 2013-14 Annual Plan and in the 2014-15, 2015-16 and 2016-17 financial years of the LTP.

Where to Find out More

There is a great deal more detailed information available on our website at www.southwaikato.govt.nz. Copies of the Long Term Plan 2012-22, Annual Plan 2013-14 and Annual Reports are available on the website or contact Council on 07 885 0340 for a hard copy.



About South Waikato District Council

The South Waikato District is a medium sized mixed urban-rural district situated in the southern part of the Waikato region in the centre of the North Island of New Zealand.

The district population is currently estimated around 23,000. The settlement population figures are 13,000 people living in Tokoroa, 4,000 people in Putāruru, 700 people in Tirau and 300 people in Arapuni. The remainder of the population live in smaller rural villages or on farms.

The cultural breakdown for the district is 63% European (NZ 67.6%), 31.5% Māori (NZ 14.6%), 12% Pacific Polynesian (NZ 6.9%), 1.8% Asian (NZ 9.2%), 0.2% Middle Eastern (NZ 0.9%).

All other cultures (including those identifying themselves as 'New Zealanders') make up 10.1% of the population (NZ 11.1%).*

** This total exceeds 100% - this is because some respondents consider their heritage to be from more than one ethnic or cultural group.*

The top ten employment categories in the district are as follows:

	New Zealand	South Waikato
Manufacturing	13.0%	24.5%
Agriculture, forestry & fishing	8.3%	17.3%
Retail trade	12.1%	12.5%
Education	7.3%	10.8%
Property & business services	11.3%	5.7%
Health & community services	8.1%	4.9%
Construction	6.0%	4.1%
Transport & storage	3.8%	3.7%
Accommodation, cafes, restaurants	4.7%	3.3%
Personal & other services	3.7%	2.7%

The district covers 182,000ha, much of it comprised of rolling hill country and plateau. The soils are naturally volcanic in origin and are the product of many millennia of eruptions.

The Waikato River (meaning 'full flowing waters') marks much of the southern and western boundaries of the district, and is New Zealand's longest river (awa). Several lakes form part of the upper river's shape and flow and the river is dammed in several locations for electricity generation (the earliest dam still in operation being completed at Arapuni in 1929).

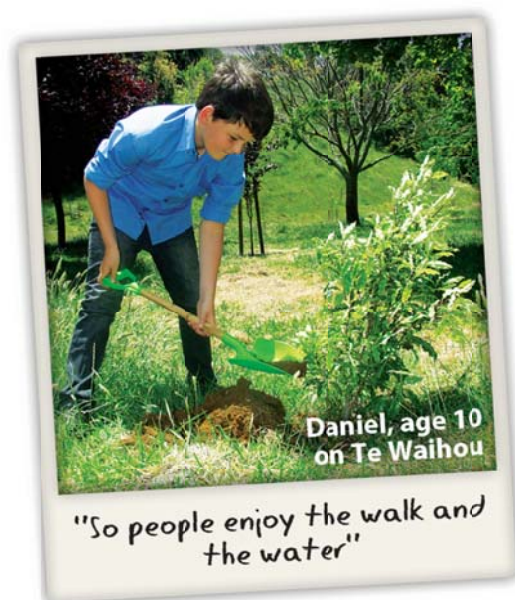
The tangata whenua (meaning 'people of the land'), and its traditional guardians ('kaitiaki') of the area are the Raukawa; people descended from a late 16th to early 17th Century chief called Raukawa.



The Ngāti Tūwharetoa, Raukawa and Te Arawa River Iwi Waikato River Act 2010 established a co-management regime for the upper Waikato River, which includes all of the Waikato catchment within the South Waikato District. This regime sees valuable partnerships established between iwi, the Crown and associated councils.

The district offers good lifestyle choices because of its proximity to other towns and cities; lifestyle attractions such as the rivers, lakes and coast being within a reasonable distance, and a relative closeness to mountains and entertainment centres. It also has a steady industrial sector focussed around natural resources and food, which is thought likely to stabilise the population at its present level in the medium to long term (5-20 years).

The community is ethnically and culturally diverse with significant numbers of Māori from tribal groups other than Raukawa, and Pacific Island residents (particularly from the Cook Islands, Fiji, Niue, Samoa, and Tonga).



Current Direction

Council's vision is to have **'Healthy people thriving in a safe, vibrant and sustainable community'**.

There are nine outcomes Council aims to achieve to make the vision a reality:

1. **Engaged community:** We encourage and support an engaged social community through the provision of our services and facilities.
2. **Safe and healthy community:** We regulate, advocate for, and support where we can, improved safety and health for our people.
3. **Improving image:** We focus on improving the image and perception of the South Waikato District.
4. **Growing economy:** We support and encourage existing businesses and endeavour to attract new businesses to the district.
5. **Diverse economy:** We encourage the economic base in the district to diversify, especially in relation to tourism.
6. **Sustainable environment:** We want the South Waikato District Council to lead the community in sustainable development.
7. **Well managed environment:** Council's infrastructure is sustainable and contributes positively to the district environment.
8. **Celebration of culture:** We celebrate the artistic and cultural achievements of our people, and the diversity of their cultures.
9. **Cultural leadership:** We support and encourage cultural leadership and capacity building.

Council's main role will always be to deliver its core services in a timely, effective and cost efficient way. Given the economic recession, Council has chosen to maintain a 'business as usual' approach to our levels of service but believes that it should play a wider role in the community to contribute to the success of the district over the long term. Council has therefore adopted two key strategic objectives. These are:

1. **More jobs** - Council to support, where we can, the development of more work or jobs for our people
2. **Promotion of the district** - Council to promote (both within the district and to others) and develop the essential qualities that make our community and district special.

Council plans to implement 15 key strategies to help achieve its vision and nine outcomes:

- Stimulate economic development by assisting existing and attracting new businesses
- Utilise financing arrangements and investments to maximise benefit to our community
- Support tourism development
- Encourage and advocate for a safer community
- Encourage and advocate for improved health services for our community
- Enhance communication with our community and stakeholders
- Enhance access to and use of Council's services and facilities
- Manage Council business - do things well
- Encourage education and training to improve employment in our district
- Encourage a sustainable environment
- Sustainability is embedded in all of Council's operations
- Provide sound asset management planning
- Maintain and support our community's art and culture, and support cultural displays and events
- Maintain a strong working relationship with Māori
- Develop partnerships that support the achievement of our vision



Council Services and Facilities

Asset Services

- Road network, including road safety and footpaths - Council manages 426km of rural local roads and 112km of urban road
- Stormwater, including managing stormwater from subdivision, landuse, roading network and urban centres
- Water supply, including water treatment plants in our main towns and water treatment for two smaller communities (Athol and Lichfield)
- Waste water, including four waste water treatment plants, stock effluent disposal site, trade waste disposal
- Landfill and transfer stations - two transfer stations, one landfill, urban household refuse and recycling service, rural recycling stations, CBD and reserves litter control

Leisure and Community Facilities

- Swimming pools - one all year round facility (including Learn to Swim, Toddler Tales, Swim Academy programmes and School Holiday programmes), plus two seasonal (summer) pools
- Libraries - three libraries
- Parks and reserves - including sportsgrounds, skateboard parks, walkways, parks, main street plantings, street trees; over 240ha, 48 urban reserves, six lakeside reserves, six sportsgrounds, 12 playgrounds, three skateboard parks, five scenic bush reserves, two recreational reserves, Te Waihou Walkway, a large number of plantation strips, roadside gardens and small beautification areas
- Community art - talking poles, water park, murals and mosaics
- Facilities - including public halls, pensioner housing, cemeteries (four), all weather landing strip, public toilets (36 in total), The Plaza, South Waikato Sport and Events Centre and office service centres

Regulatory Services

- Animal control, stock and dogs
- Environmental health, hairdressers, eating houses etc
- Liquor licensing, including gambling venues
- Planning, resource management
- Building control
- Civil defence and rural fire, including business continuity
- Warm homes, air quality, heating, insulation schemes

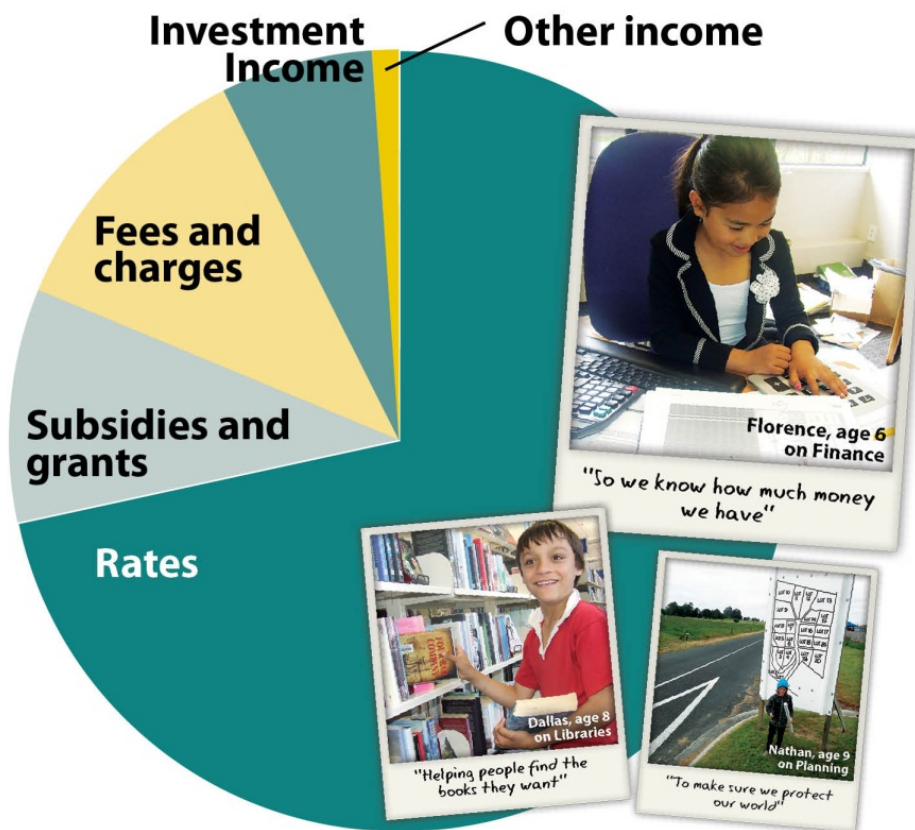
Community and Economic Development

- Community development, including grants, community contracts,
- Economic development, tourism, business friendly, events, community capacity building

Corporate Services

- Customer services
- Election management
- Governance and corporate management
- Strategic planning
- Financial management
- Property management, revaluations, LIMS, property information
- Communications, media liaison, media management, ratepayer communication

Where will Council's funding come from in 2013-14?



Subsidies and grants: what Council collects from government agencies like the New Zealand Transport Agency for roading projects and maintenance.

\$2,811,000 (9.66%)

Fees and charges: what Council collects from things like pool entry, library charges, dog licenses, building consent fees etc.

\$3,298,000 (11.33%)

Investment income: Council has investments that earn income.

\$1,830,000 (6.29%)

Other income: Council receives a small amount of other income from a number of sources, like rate penalties.

\$324,000 (1.11%)

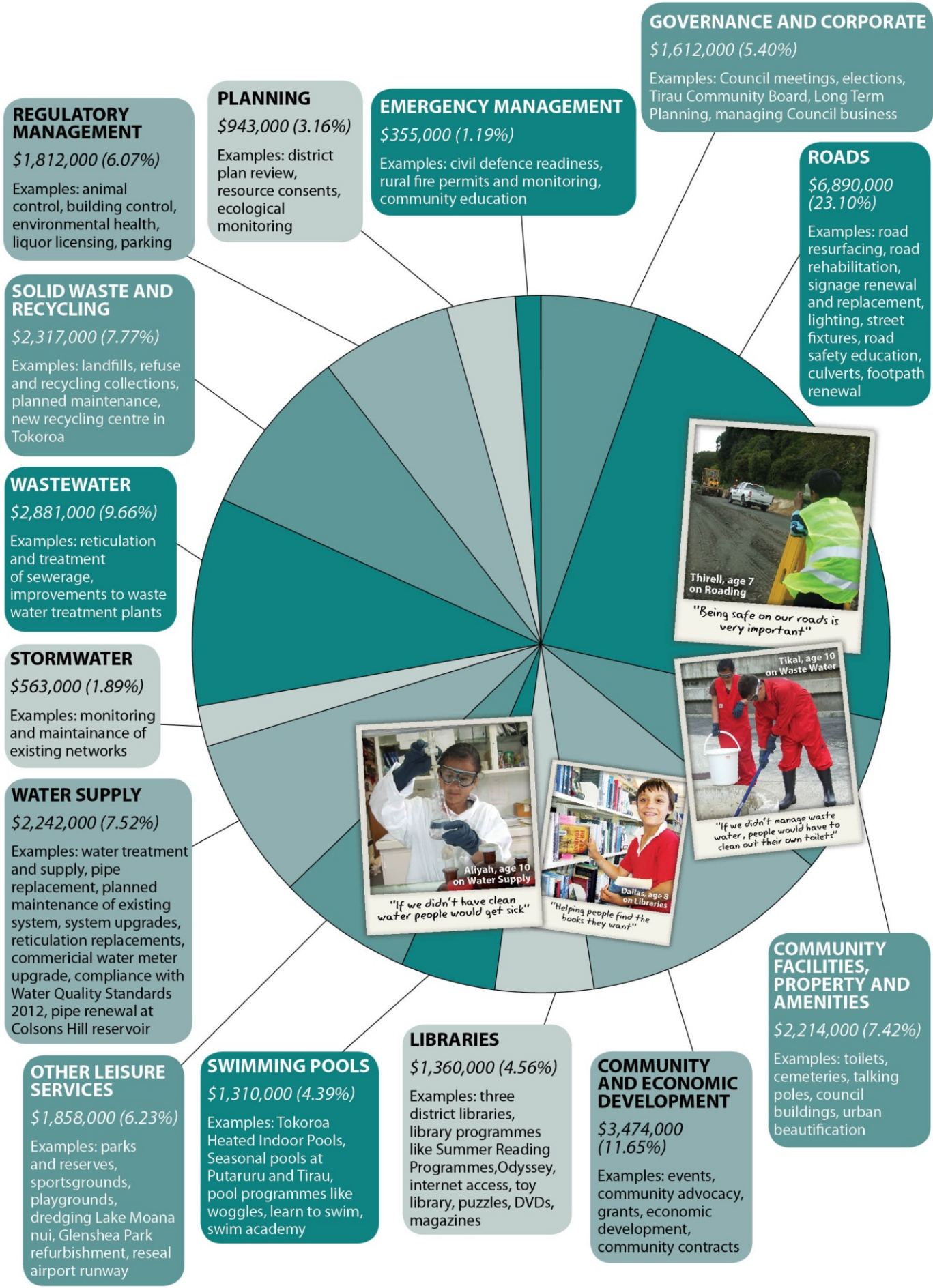
Rates: what Council collects from you through your rates bill.

\$20,839,000 (71.61%)

Total Council proposed spend for the 2013-14 year: \$29,102,000

This funding not only covers the cost of providing services to its community and the direct costs of operating Council business, but also funding to replace future assets as they come up for renewal, and the interest and repayments on loans raised to provide assets and services from the past.

Where will Council spend its funding in 2013-14?



REGULATORY MANAGEMENT
 \$1,812,000 (6.07%)
 Examples: animal control, building control, environmental health, liquor licensing, parking

PLANNING
 \$943,000 (3.16%)
 Examples: district plan review, resource consents, ecological monitoring

EMERGENCY MANAGEMENT
 \$355,000 (1.19%)
 Examples: civil defence readiness, rural fire permits and monitoring, community education

GOVERNANCE AND CORPORATE
 \$1,612,000 (5.40%)
 Examples: Council meetings, elections, Tirau Community Board, Long Term Planning, managing Council business

ROADS
 \$6,890,000 (23.10%)
 Examples: road resurfacing, road rehabilitation, signage renewal and replacement, lighting, street fixtures, road safety education, culverts, footpath renewal

SOLID WASTE AND RECYCLING
 \$2,317,000 (7.77%)
 Examples: landfills, refuse and recycling collections, planned maintenance, new recycling centre in Tokoroa

WASTEWATER
 \$2,881,000 (9.66%)
 Examples: reticulation and treatment of sewerage, improvements to waste water treatment plants

STORMWATER
 \$563,000 (1.89%)
 Examples: monitoring and maintenance of existing networks

WATER SUPPLY
 \$2,242,000 (7.52%)
 Examples: water treatment and supply, pipe replacement, planned maintenance of existing system, system upgrades, reticulation replacements, commercial water meter upgrade, compliance with Water Quality Standards 2012, pipe renewal at Colsons Hill reservoir

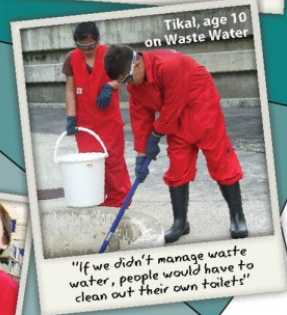
OTHER LEISURE SERVICES
 \$1,858,000 (6.23%)
 Examples: parks and reserves, sportsgrounds, playgrounds, dredging Lake Moana nui, Glenshea Park refurbishment, reseal airport runway

SWIMMING POOLS
 \$1,310,000 (4.39%)
 Examples: Tokoroa Heated Indoor Pools, Seasonal pools at Putaruru and Tirau, pool programmes like woggles, learn to swim, swim academy

LIBRARIES
 \$1,360,000 (4.56%)
 Examples: three district libraries, library programmes like Summer Reading Programmes, Odyssey, internet access, toy library, puzzles, DVDs, magazines

COMMUNITY AND ECONOMIC DEVELOPMENT
 \$3,474,000 (11.65%)
 Examples: events, community advocacy, grants, economic development, community contracts

COMMUNITY FACILITIES, PROPERTY AND AMENITIES
 \$2,214,000 (7.42%)
 Examples: toilets, cemeteries, talking poles, council buildings, urban beautification



Financial Strategy and Limits

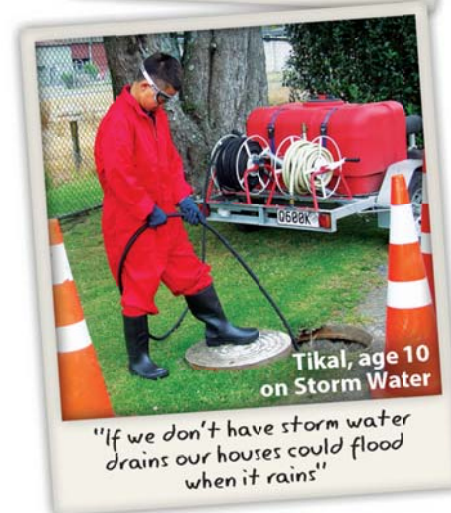
In its LTP Council developed a financial strategy that led to its focus on job creation and district promotion and which details the 15 strategies outlined in Current Direction section on page 8.

The financial strategy also set limits around certain financial measures. These are outlined below:

Financial Area	Financial Limit	Achievement
Rates Revenue	Not to exceed \$31m by 2021-22	Rates set for 2013-14 are \$21.371m. It is not planned that rates exceed \$31m by 2021-22.
Rates Increase	Not to exceed 8.5% in any year and should be in the range 2% - 8.5%	Rates increase for 2013-14 was 3.75%
External Debt	External loans not to exceed \$15m	External loans forecasted for 2013-14 were \$8.2m
Internal Debt	Limited to percentages detailed in the investment policy.	Limits not exceeded

Financial Challenges Ahead

- A stable, but potentially reducing, population will result in Council finding it more difficult to fund future development through rates. This is further heightened by increasing ratepayers' expectations for services.
- This drives the need for more emphasis on economic development and district promotion to create jobs and wealth in the district and improve the image of the South Waikato.
- Keeping rate revenue increases to a minimum for our lower than average socio-economic population while there is pressure on costs from:
 - price increases outside Council control such as roading materials, fuel and new pipework
 - cost increases from central government driven compliance costs and other requirements,
 - ever increasing money spent on infrastructural assets and building funds to replace existing assets in the future, and provide new infrastructure to support economic development.
- Future potential constraints around nutrient run-off into the Waikato River will consume Council resources and potentially have major implications for the future land use of the district.
- Recent changes in the Local Government Act could mean major changes in the governance of the district because of the increased possibility of amalgamation.



Major Achievements 2010-11 to 2012-13

- The successful construction of the South Waikato Sport and Events Centre ahead of schedule and on budget. \$1,550,000 was raised from initial sponsored funding and nearly \$700,000 has been raised from the community and corporate sponsors after this time.
- Council has been a major contributor to the Waikato River Trails being completed and opened. 100km of trails meander from Karapiro to Atiamuri. Last year saw the Taniwha, a new mountain-biking, running and walking event, run on the trails.
- Upgrade to 14 public toilet blocks across the district at a cost of \$1,231,900. Council has commenced on the upgrade of the public toilets in The Dog in Tirau and we also completed work on the Glenshea Park toilet block at a cost of \$35,000.
- Significant upgrade to the Tokoroa waste water treatment plant including the installation of a drum filter, dewatering plant and ultra-violet treatment plant.
- Roading programme continued successfully. Over the last four years Council assumed ownership and control of 46km of forestry roads.
- Joint management agreement signed with Iwi parties and Waikato Regional Council for the protection of the Waikato River.
- The development and consultation of the new District Plan has occurred. Hearings are currently taking place.
- Involvement in the shared services initiatives with other Councils to reduce costs and improve services for our ratepayers.
- Continued success and expansion of the Trade Training Centre.
- Continued funding and management of the Warm Homes Clean Air programme for low socio-economic householders and the implementation of the Heat Swap scheme to incentivise the removal of non-compliant wood burners and the Burnwise scheme to promote the sale of dry firewood.
- A large amount of new business development has occurred in the district, including some fairly big developments like the two new supermarkets, a new Z petrol station, a new Farmlands, Robert Harris, Subway, the rail siding in Wawa Road.
- The strategic decision to phase out subsidising general rates from the South Waikato Investment Fund (SWIF) has allowed this funding to be used for economic development and district promotion.
- A group of experienced business leaders will be set up to support economic development. One million dollars will be used from the SWIF to support this initiative.
- Low rate revenue increases and low levels of debt by comparison across other Councils, supporting our continued efforts toward sound financial management and the principals that underpin our financial policies.
- Council being the first council to be recognised as Motorhome Friendly by the Motorhome Association.
- Urban centres move to using recycling bins and change to user pays refuse bags to improve cost effectiveness and service.



Major Projects Planned

Council's major projects, including the purchase of assets, are detailed below.

Supporting our community through change

Council is planning for the potential impacts of possible future council amalgamations so that the interests of the current people of the South Waikato are preserved should any potential amalgamation occur in the future.

Potential to move SWIF to external entity

During the next few months Council will ask for community input (using the prescribed Special Consultative Procedure required for a decision of this size) on whether the \$25million SWIF investment should be passed to an organisation completely independent of Council. Moving the fund would allow the \$25million investment to stay for the long term benefit of the people of the current South Waikato district. The proposal is that the funds be held by an external newly formed organisation that would manage and distribute the funds for economic and community development and district promotion for the benefit of our current community.

Economic development business leaders group

During the Annual Plan process it was decided that a new organisation, made up of a group of experienced high calibre business leaders, would be set up to energise and support economic development in the district. One million dollars will be funded from the SWIF to establish and initially support this initiative. In the longer term it is envisaged that funding for this group's initiatives and operations would come from the SWIF investments either from Council or from the external organisation as described in the point above.

Tokoroa's Leith Place development

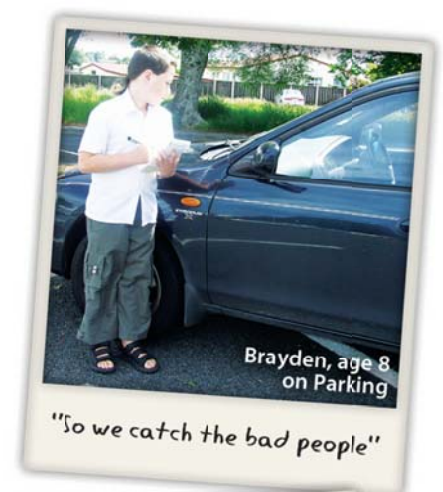
Council is investigating the feasibility of developing the Leith Place area (the visible town centre of Tokoroa) to enhance it as a 'Visitor Gateway', take advantage of state highway bypass initiatives in other districts (eg by-pass of Taupo) and make it an attractive town centre for residents. The impact of each development option on traffic, pedestrian and public transport flows, parking needs, the link to the rest of the town and on the Talking Poles will be assessed against the visual impact and business and community payback for each option. The redevelopment of public toilets and the Leith Place Tokoroa i-Site will be included in this project.

Clean Air

Tokoroa, and to a lesser extent Putāruru, has air quality issues that not only affect the health of our residents but will have a potential impact on new commercial businesses being able to set up in these areas. Council has raised funds from rates and worked hard to secure funding from the Waikato Regional Council to support the Warm Homes Clean Air project (clean heating appliances for low socio-economic home occupants). Council has also established a Heat Swap scheme that gives ratepayers the opportunity to replace non-compliant heating with clean heating appliances and pay for the cost of this through their rates in future years. The most recent development is the introduction of a Council accredited dry wood provider scheme called Burnwise. These and other initiatives will continue to be a focus for Council in the coming years.

District Plan Implementation

District Plan Hearings are underway now so the next step will be the implementation of the changes. The largest challenge for our Council and the district from an environmental perspective is the improvement in the water quality of the Waikato River while still enabling our rural sector to develop and use the land that acts as a water catchment for the river. The Ngāti Tūwharetoa, Raukawa, and Te Arawa River Iwi Waikato River Act 2010 requires the establishment of a Joint Management Agreement with local authorities (including South Waikato).



Major Capital Projects

Major Capital Project	Year(s)	Annual Plan 2013-14 \$000	LTP 2014-15 to 2016-17 \$000
Roading			
Renewals of local roads	Ongoing programme	2,361	7,788
Road formation widening	Ongoing programme	403	1,494
Improvements to local roads	Ongoing programme	291	1,152
Kerb and channel renewals	Ongoing programme	82	241
Roading - seal widening	Ongoing programme	21	221
Footpath renewals	Ongoing programme	46	137
Roading - seal extensions	Ongoing programme in alternate years	-	165
Christmas/feature lighting replacement	Ongoing programme	41	54
Infrastructure			
Tokoroa Wastewater Treatment Plant - nitrogen removal enhancement	2013-14	281	-
Tokoroa stormwater discharge quality improvements	2015-16	-	256
Tokoroa water reticulation replacements	Ongoing programme	513	750
Tokoroa Water - Colsons Hill Reservoir water rising main	2013-14	259	-
Property, Parks and Reserves			
Upgrade Tokoroa Leith Place	2014-15	-	512
Walkway development	2013-14 to 2014-15	276	97
Glenshea Memorial Park facilities replacement	2013-14	80	-
Lake Moana-nui silt removal and prevention work	2013-14 to 2015-16	85	190
Other			
Library collection annual renewal	Ongoing programme	138	441
Pensioner housing upgrades	Ongoing programme	92	308
Organisation wide software replacement	2013-14 to 2014-15 *	101	800
Information technology core infrastructure hardware	Ongoing programme	79	164
Information technology desktop hardware	Ongoing programme	48	181
Information technology servers hardware	Ongoing programme	63	187
Information technology productivity software	Ongoing programme	55	73
Information technology storage hardware	Ongoing programme	-	143
Vehicle replacement	Ongoing programme	290	956

*NB: This project is currently on hold.

Financial Statements

Cash Flow Statement

The Cash Flow Statement shows how cash has flowed in and out of Council business over each year. It shows where cash has come from, and what it has been applied to. The balance (presented in the bottom line) indicates the Council's ability to pay its bills. The cash in this statement means 'liquid' assets - assets that can readily be turned into cash.

STATEMENT OF CASHFLOWS

For the year ended 30 June

	Actual 2011 \$000	Actual 2012 \$000	LTP 2013 \$000	A'Plan 2014 \$000
Cash flow from operating activities				
<i>Cash was provided from:</i>				
Rates	18,231	19,246	20,852	21,672
Subsidies and grants	2,904	4,270	3,053	2,811
Fees and charges	3,311	2,794	3,224	3,322
Other income	161	148	-	-
Interest received	1,603	1,458	1,310	1,316
Dividend received	179	69	-	-
	26,389	27,985	28,439	29,121
<i>Cash was applied to:</i>				
Interest paid	337	293	408	474
Net GST paid	479	1,683	-	-
Payment to suppliers and employees	19,216	18,220	23,006	22,402
	20,032	20,196	23,414	23,876
Net cash inflows / (outflows) from operating activities	6,357	7,789	5,025	5,245
Cash flow from investing activities				
<i>Cash provided from:</i>				
Proceeds from investments	2,500	700	1,053	2,132
Property, plant & equipment sales	38	38	-	-
	2,538	738	1,053	2,132
<i>Cash was applied to:</i>				
Purchase of investments	8,391	520	4,348	165
Purchase of property, plant & equipment	7,624	11,710	8,920	6,178
	16,015	12,230	13,268	6,343
Net cash inflows / (outflows) from investing activities	(13,477)	(11,492)	(12,215)	(4,211)
Cash flow from financing activities				
<i>Cash was provided from:</i>				
Loans raised	1,206	2,754	1,502	353
	1,206	2,754	1,502	353
<i>Cash was applied to:</i>				
Loans repaid	127	2,458	292	373
Net cash inflows / (outflows) from financing activities	1,079	296	1,210	(20)
Net increase / (decrease) in cash and cash equivalents	(6,041)	(3,407)	(5,980)	1,014
Cash and cash equivalents at the beginning of the year	14,648	8,607	9,553	944
Cash and cash equivalents at the end of the year	8,607	5,200	3,573	1,958

Statement of Financial Position

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

SUMMARY STATEMENT OF FINANCIAL POSITION

As at 30 June	Actual 2010- 11 \$000's	Actual 2011- 12 \$000's	LTP 2012- 13 \$000's	Annual Plan 2013-14 \$000's	LTP 2014- 15 \$000's	LTP 2015- 16 \$000's	LTP 2016- 17 \$000's
ASSETS							
Current Assets							
Financial	18,648	14,373	8,839	12,097	8,921	8,531	8,551
Other	181	173	190	182	200	619	638
Total Current Assets	18,829	14,546	9,029	12,279	9,121	9,150	9,189
Non Current Assets							
Financial	18,691	19,675	22,763	20,135	26,492	29,966	34,439
Other	320,221	318,161	348,379	348,632	379,674	386,103	406,471
Total Non Current Assets	338,912	337,836	371,142	368,767	406,166	416,069	440,910
TOTAL ASSETS	357,741	352,382	380,171	381,046	415,287	425,220	450,099
LIABILITIES							
Current Liabilities:							
Borrowings	2	6,873	1,035	905	1,337	1,402	1,437
Other	4,809	5,200	4,957	5,258	5,251	5,414	5,587
Total Current Liabilities	4,811	12,073	5,992	6,163	6,588	6,816	7,024
Non Current Liabilities							
Borrowings	6,574	-	6,556	8,223	8,014	7,794	7,389
Other	819	925	888	1,001	903	910	917
Total Non Current Liabilities	7,393	925	7,444	9,224	8,917	8,704	8,306
TOTAL LIABILITIES	12,204	12,998	13,436	15,387	15,505	15,520	15,330
NET ASSETS	345,537	339,384	366,735	365,659	399,782	409,700	434,769
PUBLIC EQUITY	345,537	339,384	366,735	365,659	399,782	409,700	434,769

Funding Impact Statement

The Funding Impact Statement shows how everything Council does will be funded. It shows:

- where the funding comes from, including income from rates
- the amount each source is expected to produce
- how those funds will be applied

FUNDING IMPACT STATEMENT - WHOLE OF COUNCIL

For the year ending 30 June	LTP 2012- 13 \$000's	Annual Plan 2013- 14 \$000's	LTP 2014- 15 \$000's	LTP 2015- 16 \$000's	LTP 2016- 17 \$000's
SOURCES OF OPERATING FUNDING					
Rates Revenue					
General Rates, Uniform Annual General Charges, rates penalties	15,888	16,538	17,952	18,823	19,336
Targeted Rates					
Stormwater	422	435	444	526	599
Sewerage	2,489	2,548	2,812	2,940	3,207
Water supply (excluding water billing)	1,844	1,913	2,020	2,105	2,379
Refuse collection	196	282	243	240	248
Public and community halls	32	28	34	35	36
Tirau community board	15	15	15	17	18
Business promotion Tokoroa ward	25	18	19	27	28
Business promotion Putāruru ward	70	69	73	76	78
Recycling	390	271	420	430	451
Heat swap	19	51	79	94	106
Less elimination of internal Council rates	(487)	(505)	(550)	(578)	(604)
Other Revenue					
Subsidies & grants for operating purposes	2,648	2,652	2,767	3,114	3,161
Fees, charges & targeted rates for water billing	3,089	3,144	3,497	3,686	3,838
Interest & dividends from investments	1,502	1,456	1,705	1,975	2,359
Local authorities fuel tax, fines, infringement fees, and other receipts	107	154	122	132	169
TOTAL OPERATING FUNDING (A)	28,249	29,069	31,652	33,642	35,409
APPLICATION OF OPERATING FUNDING					
Payments of staff & suppliers	20,198	21,424	21,208	22,120	22,917
Finance costs	408	474	488	490	483
Other operating funding applications (net of rates on Council property)	290	401	514	565	594
TOTAL APPLICATIONS OF OPERATING FUNDING (B)	20,896	22,299	22,210	23,175	23,994
SURPLUS (DEFICIT) OF OPERATING FUNDING (A-B)	7,353	6,770	9,442	10,467	11,415
SOURCES OF CAPITAL FUNDING					
Subsidies & grants for capital expenditure	1,820	1,557	1,628	1,840	1,864
Development & financial contributions	23	23	24	25	26
Increase (decrease) in debt	2,335	716	730	577	305
Gross proceeds from sale of assets	-	-	-	-	-
Lump sum contributions	-	-	-	-	-
TOTAL SOURCES OF CAPITAL FUNDING (C)	4,178	2,296	2,382	2,442	2,195

APPLICATION OF CAPITAL FUNDING

Capital expenditure:

- to meet additional demand	449	406	471	708	541
- to improve the level of services	2,888	785	985	778	881
- to replace existing assets	5,586	5,641	5,158	5,621	5,644
Increase (decrease) in reserves	(5,476)	(4,879)	(4,230)	(4,582)	(4,695)
Increase (decrease) in investments	8,084	7,113	9,440	10,384	11,239
TOTAL APPLICATIONS OF CAPITAL FUNDING (D)	11,531	9,066	11,824	12,909	13,610
SURPLUS (DEFICIT) OF CAPITAL FUNDING (C-D)	(7,353)	(6,770)	(9,442)	(10,467)	(11,415)
FUNDING BALANCE ((A-B) + (C-D))	-	-	-	-	-