



**Whangarei**  
District Council

# PRE ELECTION REPORT 2022





# THIS IS OUR DISTRICT

## TO MĀTOU TAKIWĀ



**90,960**  
Population recorded in  
2018 Census

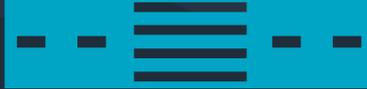
**270,000**  
hectares Land area

**\$21.3 billion**  
Land value of properties in the  
District (at 12 June 2022)

**\$40.9 billion**  
Capital value of properties in the  
District (at 12 June 2022)

**44,309**  
Properties in the District  
(at 12 June 2022)

**\$1.80**  
billion  
of assets



**1049**  
kilometres

Sealed roads



**700**  
kilometres

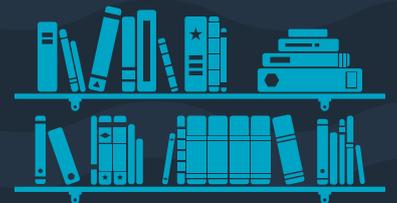
Unsealed roads



**740**  
Reserves and sportsparks

**3,549**   
Carparks in and around the  
City Centre

**55km**  
Maintained walking tracks



**188,059**  
Items available for loan in all  
of our libraries

**763**  
kilometres  
Water distribution  
system



**621**  
kilometres  
Sewerage  
system



**14km**  
Shared paths



*Key dates for  
Elections 2022*

**CANDIDATE NOMINATIONS  
OPEN**

Friday 15 July 2022

**CANDIDATE NOMINATIONS  
CLOSE**

Noon, Friday 12 August 2022

**DELIVERY OF VOTING  
DOCUMENTS**

From Friday 16 September 2022

**CLOSE OF VOTING**

Noon, Saturday 8 October 2022

**PRELIMINARY RESULTS  
AVAILABLE**

Noon, Sunday 9 October 2022

**OFFICIAL DECLARATION  
OF RESULTS**

Wednesday 19 October 2022



**WHAT  
YOU'LL FIND  
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KEI ROTO**

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## **BUILDING ON THE PAST PROVIDING FOR**

# **THE FUTURE**

## **KO NGĀ HUA O UKI HEI KĀMAKA MO ĀPŌPŌ**

*Tēnā koe mō tōu aronga mai ki te tirohanga ā mua o tōu takiwā.  
Thank you for taking an interest in your District's future.*

This Pre-election Report outlines Whangarei District Council's role in your District and informs you about the issues Council faces and the services we provide. We hope it assists you in the choices you make in the upcoming local body election on 8 October 2022.

This Report is a legal requirement and is prepared by the Chief Executive of Whangarei District Council. Current elected Council members have not been involved in its drafting, although the Report discusses the plans of the current Council and previous Councils. The incoming Council may wish to take some activities, projects and policies in a new direction.

The Pre-election Report provides information about the past three years (from 2019-20 through to 2021-22), an overview of the 2022-23 year which began on 1 July 2022, and Council's planned performance during the term of the next Council (from October 2022).

Several Council reports and plans inform this Report, including the 2021-31 Long Term Plan (2021-31 LTP), the 2022-23 Annual Plan (year two of the 2021-31 LTP), and previous Annual Reports.

### **AUDIT OF FINANCIALS**

Council's Long Term Plans and Annual Reports are audited by Audit New Zealand. This Pre-election Report is not audited, although the information used to prepare it has been. It should be noted, however:

- the 2021-22 financial year closed on June 30. The Annual Report for 2021-22 is due to be adopted in September 2022. The information contained in this Report is actual data from Council financial systems, although the year end position has been estimated using actual figures from July 2021 to March 2022 and forecasts for April, May and June 2022. The year end and audit processes will not have been completed by the time this Report is released.
- Figures for the 2022-23 financial year, are based on the Annual Plan which was adopted on 30 June 2022. The Annual Plan itself is not audited however it is based on year two of the audited 2021-31 LTP.



## FURTHER INFORMATION

More information about Council's planned and past performances is available on [www.wdc.govt.nz](http://www.wdc.govt.nz), or by contacting the Call Centre on 0800 WDC INFO (0800 932463).

Documents available are:

- the Long Term Plan(LTP) for 2021-31
- past Annual Plans and Reports
- Sustainable Futures – Kia Toitū ā Mua – Whangārei District Growth Strategy



# MESSAGE FROM THE CHIEF EXECUTIVE HE KŌRERO NĀ TE KAIHAUTŪ

The last two pre-election reports (2016 and 2019) began with statements full of confidence, hope and an eagerness to meet the rising expectations and fulfil the potential of our district's growing population and expanding economy.

In 2016 our population had been growing by about 1000 people a year for over a decade, and we were talking about the kinds of pressures a community (and council) face moving from being a rural service centre to a significant metropolitan centre.

In 2019, we commented on major growth in Tikipunga, Kamo, Three Mile Bush and Maunu. The population of Marsden Point was approaching that of Kaikohe and Dargaville. There was a good possibility that Ruakākā could be bigger than both by 2023.

Key topics of interest included rising community expectations, our strong financial position, the need to prepare for climate change, invest in infrastructure and manage increasing work programmes, improve partnerships with hapū, seal roads and increase parking. We were on a roll, with solid plans, adapting to changing government requirements and striving to meet our community's ambitions.

However, two months after the October 2019 elections, reports started filtering through on the news about a novel coronavirus spreading through other parts of the world. By April 2020 we were in a full national lockdown. Borders were closed, we were working from home, queuing at supermarkets, businesses were struggling, economic factors gave a bleak outlook and families were grieving – it was a shock felt locally.

Almost three years down the track it has been humbling to see how strongly our community has responded, supporting each other, and supporting those whose jobs it has been to ensure business (including the business of running a district) operates as planned.

## **WE ARE ON TRACK**

Our District continues to grow. Council's financial position remains strong, our transport, infrastructure and recreational assets continue to improve and expand as directed by the public through our LTP. Our community continues to actively engage in consultation, helping to ensure our plans, projects and services are meeting the needs of our growing and changing population.

We continue to provide the core services the community expects of a council – water supply, waste and stormwater management, transport – roads, parking, footpaths- regulatory and strategic services from dog control to long-term spatial planning, Building Act and Resource Management Act responsibilities, community and economic development initiatives.

We have also continued to invest in new recreational facilities in neighbourhoods – with the network of cycleways connecting outlying suburbs to the central city, and new parks and playgrounds being added. At the same time, new parking, skateboarding, and park developments have surged around the Hātea Loop. The culmination of these was the opening early this year of Putahi Park, complete with all-abilities play equipment, water park, shade, plantings, lawns and tiered seating.

## **FUTURE OF LOCAL GOVERNMENT**

This term promises to bring the greatest changes to local government New Zealand has seen since 1989. Thirty-three years ago, the government initiated wide-ranging local government reform, which included combining hundreds of smaller local bodies to create larger district and regional councils to carry out different functions in connected geographical areas. Whangarei District Council was one of these. We are now on the threshold of a new set of changes, and while these acknowledge geography, they will focus more on function.

## **THREE WATERS RESPONSE**

When change has not been initiated by us, we have sought to influence its direction. In this most recent term, our Council, together with other councils, have fought to ensure our ratepayers retain the value of their water assets, and have a voice at the table of governance, in response to government's proposed Three Waters Reform. We are waiting for final decisions to be made and passed through legislation; however, it seems likely that a major responsibility for the in-coming council will be to manage the transition of our water systems into the management of a single new entity covering all of Northland and Auckland. It will be one of four such entities to be set up nation-wide.

## **LEGISLATIVE CHANGE**

From day-to-day operation to 50-year planning, district councils have a lot on their plate. Central Government is very aware of this and has clearly signalled many areas for change. The Emergency Management Bill, the National CDEM (Civil Defence and Emergency Management) Plan and Guide, and New Zealand's Roadmap for National Disaster Resilience Strategy are coming up for reform. In the resource management area, a new Natural and Built Environments Act, Strategic Planning Act and Climate Change Adaptation Act are being developed. The Natural and Built Environments Act and the Spatial Planning Act will be formally introduced in 2022. New waste legislation will affect core infrastructure, and changes to services currently provided by councils are also being proposed.

Over the coming term, we can expect policy formulation and delivery mechanisms to shift away from local government to national, subnational and regional organisations. We will see a greater focus on regional strategies and spatial plans rather than our current systems of district planning within regions. Resource management policy will be shifting away from environmental effects and towards outcomes and well-being management for the population. Alongside legislative change, we will continue our work on climate change mitigation and adaptation, and the management of natural hazards in planning for future growth. We've recently collaborated with Northland Regional Council, Kaipara District Council and Far North District Council in adopting the Te Tai Tokerau Climate Adaptation Strategy, which is Aotearoa's first regional climate adaptation strategy to be cocreated and adopted by multiple councils. We will be working closely with tangata whenua to deliver the actions in the strategy.

## **TE TIRITI O WAITANGI**

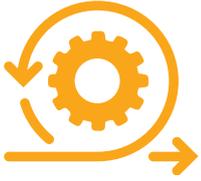
We will also see greater movement toward Te Tiriti o Waitangi, increasing the integral role of tangata whenua in decision making, policy formation and delivery. For the first time in its history Council will also this year include two elected members representing the District's first Māori wards. This change is just one of the areas of great reward opening up to our Council – the opportunity to enrich and deepen relationships between the community and those elected to govern, through a more representative structure.

## **HELP SHAPE OUR FUTURE**

The following pages contain an overview of our aspirations, priorities, projects, partnerships and finances. Whether you are a potential candidate or a voter, please use this report to guide your participation in this year's local government election. With the stage set for significant change in coming years, we have a great opportunity to work together to help shape the future of our District and get the best outcomes for our people and place.



Simon Weston,  
Whangarei District Council  
Chief Executive



# WHAT WE'RE WORKING TOWARDS

## E MAHI ANA MĀTOU KI

We've updated our Vision and Community Outcomes as part of our 2021-31 Long Term Plan process to better reflect what we are working towards. This includes adjusting our Community Outcomes to reflect the reinstatement of the four 'well-beings' (social, economic, environmental, and cultural well-being) into the Local Government Act. The reinstatement of the four well-beings into the Act recognises that councils have a significant role to play in lifting the quality of life of our communities, and the health of our environment.

### OUR VISION

*An inclusive, resilient and  
sustainable District.*

# OUR COMMUNITY OUTCOMES

Everything that Council does is guided by our four Community Outcomes – based on what our community tells us is most important to them:



## *Efficient and resilient core services*

- it is easy and safe for everyone to travel around the District
- there are opportunities to walk and cycle
- the District is well prepared for growth and can adapt to change
- services are supplied in ways that benefit the environment.



## *Positive about the future*

- the District has productive land, people and a thriving City Centre
- there is a fair urban/rural balance
- Council has clear, simple documents and rules
- the District embraces new technology and opportunities.



## *Caring for the environment*

- communities work to keep the environment clean and healthy
- access to the coast is protected
- open spaces in parks and streets are places where nature thrives
- the District is positively adapting to climate change.



## *Proud to be local*

- the District is neat, tidy and looks attractive
- public areas feel and are safe
- there is always something to do and see
- there are opportunities for people of all abilities, ages and life stages to be active
- all of our cultures are valued and celebrated.



# OUR ASPIRATIONS FOR WHANGĀREI

## A MĀTOU MANAKO MO WHANGĀREI

Council's job is to take on board the things our community wants and expects from us – like providing services and managing infrastructure (things like roads, parks, playgrounds and water pipes).

We hear this feedback in a variety of ways, through formal consultations and engagement, public meetings, online, service requests or through the conversations our community has with our elected members.

### KEY PRIORITIES

Based on feedback from our community, Council identified a set of priorities to deliver improvements on as part of the creation of the LTP 2021-31:



Transport (roading, public transport and other ways of getting around)



Advocating for future opportunities for our District



Sustainability (including waste minimisation and responding to climate change)



Revitalising our City Centre (creating quality public spaces for people to enjoy shopping, eating out, working and living in the City Centre)



Housing

Key projects that are currently underway to address these key drivers include the Future Development Strategy, which will set the direction of where and when urban development occurs over the next 20-30 years. Alongside this, we are progressing our placemaking programmes (with Hikurangi and Tikipunga completed and with planning currently underway in Waipu and Parua Bay). Work has also started on the Housing Strategy, and initial planning is under way to identify a pilot location for community adaptation planning for climate change.

## STRENGTHENED TE TIRITI RELATIONSHIPS

Councils are working within an evolving relationship landscape with tangata whenua as legislation moves the relationship closer toward the intent of Te Tiriti o Waitangi and as Government and hapū/iwi work through Treaty Settlements. This includes Te Paparahi o te Raki, Ngāti Wai and Kaipara Moana settlements (the Crown is currently in active negotiations with Kaipara Uri and Te Tai Tokerau councils are providing advice in relation to Council functions). At the same time, this area is also evolving with the changes under way as part of the Government's legislative reform programme. Through these processes, there will be increased and changed responsibilities of Council, resulting in stronger/legislated Tiriti relationships with hapū and iwi.

We are taking some positive steps toward elevating the Tiriti relationship with tangata whenua. The development of Te Tai Tokerau Climate Change Adaptation Strategy involved governance oversight of a Joint Climate Change Adaptation Committee, which has equal representation from elected members and tangata whenua representatives from across Te Tai Tokerau.

A co-governance committee of Council made up of elected members and hapū members was established for guidance and decision-making purposes on the Housing Strategy. Both committee structures recognise the journey local government and tangata whenua are on towards elevating Te Tiriti relationship.

We are increasing resourcing in this area to ensure we are developing our policies and practices in a meaningful way that will improve results for the community.





# REGIONAL COLLABORATION AND SHARED SERVICES

## TE TŌPŪTANGA MAHI TAHI O TE TAKIWĀ

Council's focus often sits in areas where we have a direct legislative responsibility, like transport, three waters, resource management, regulation, or building control. We also play a supporting role in areas that sit outside our legislated responsibility. In these instances, we work with other organisations, partnering and advocating for a cause.

### **NORTHLAND TRANSPORTATION ALLIANCE**

Transportation is an area that fits squarely within our Council's portfolio, and one where partnering with others has proven to be the best way to achieve streamlined results.

Our Council, Northland Regional Council, Far North and Kaipara District Councils and Waka Kotahi joined together in 2016 to form the Northland Transportation Alliance (NTA) to streamline and gain efficiencies by working together.

Over the past term the NTA has delivered more than \$300m of maintenance and capital works on the region's Council-owned transportation infrastructure. The \$140m Council, Waka Kotahi and Central Government-funded 2020-21 programme achieved the delivery of more than 95% of the Capital Works planned for the three Northland District Councils during the term.

Works included usual maintenance and improvement works, operating the Region's public transport services, sealing over 40kms of Northland's significant unsealed network, several safety infrastructure improvements, walking and cycling extensions and streetlighting upgrades.

In 2020, the NTA also managed the delivery of the Te Tai Tokerau Worker redeployment programme, a \$10m Central Government-funded project providing additional investment for footpaths, roadside vegetation clearance, roadside and waterway litter collection and providing new employment for over 100 Northland locals.

## TE TAI TOKERAU WHAI KAINGA PARTNERSHIP FRAMEWORK

We are involved in a housing-focused partnership framework alongside Te Kahu o Taonui, the other Northland District Councils and the following Crown agencies:

- Te Tūāpapa Kura Kāinga – Ministry of Housing and Urban Development
- Kāinga Ora – Homes and Communities
- Te Puni Kōkiri
- Ministry of Social Development
- Regional Public Service Lead

The intent is to drive a prioritised programme of community housing and wider associated activities for the recovery and transformation of the wellbeing for the people of Northland.

## CLIMATE ADAPTATION TE TAI TOKERAU

The Te Tai Tokerau Climate Change Adaptation Strategy has been produced collectively, adopted by all Northland councils and endorsed by Northland's Joint Climate Change Adaptation Committee, a formal standing committee under the Local Government Act 2002. The key objective for this group is to align local government climate adaptation policy, information, and methods, and pursue opportunities to enable effective regional adaptation planning.

The Strategy was endorsed for adoption by Te Kārearea Strategic Partnership Forum in March 2022 and adopted by Council in April 2022.





# OUR MAJOR ACHIEVEMENTS OVER THE PAST THREE YEARS

## NGA HUA NUI NO NGĀ TAU E TORU KUA PAHURE

### TRANSPORT

#### *Urban improvements*

This work included resurfacing Mill Road, a major commuter route, and resurfacing of Rewarewa Road, a heavily used route through an industrial area, and completing the Porowini Avenue and Maunu Road intersection safety improvements. We have advanced work on road and bridge widening at Hāhā (Limeburners Creek), which is due to be completed this year.

#### *Sealing gravel roads*

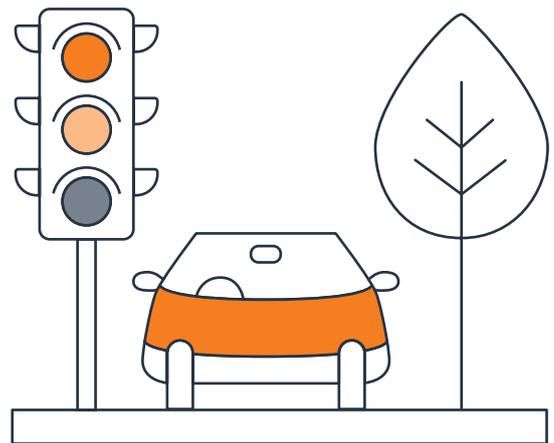
We're investing more in getting around with an increase of \$47m over our 10-year LTP period for sealing gravel roads. We want to increase our level of service in this area, and better meet the expectations of our communities. Over the past three years this has included sealing 10km of new road.

#### *Maintenance*

During the past three years we have rehabilitated 13.3km of existing sealed road, built 3.8 km of new footpaths, renewed 4.9km of existing footpaths, re-metalled 105km of unsealed road and resealed 292 km of sealed road.

#### *City centre revitalisation*

The first of a series of inner-city revitalisation projects included a tactical urbanism project on Vine Street to improve pedestrian flows to and from the bus station into the City Centre, and changes to John, James and Dent Street to improve connections to the Town Basin and the freshly completed Pūtahi Park, beside the Hundertwasser Art Centre.



# OUR THREE WATERS

## *Stormwater*

This year we invested \$1.1m on stormwater lines and manhole renewals to help meet the challenges of climate change and to improve water quality. Other work included replacing a large diameter stormwater line on Kaka St.

## *Wastewater*

The Tarewa storage tank and treatment facility was completed and commissioned, completing a raft of work designed to eliminate wet-weather spills of dilute sewage into the harbour. A main sewer line was replaced in Maunu, improving capacity and service to residents in surrounding areas including Kauika Road. Stage 2 of the Hikurangi Sewer Network upgrade was also completed.

At the Ruakākā wastewater treatment plant two oxidation ponds were reconfigured and new aerators were installed to increase treatment capacity.

A new inlet screen and aerator were fitted at the Ngunguru wastewater treatment plant, efforts were made to reduce ammonia levels and a technology review of current plant and future treatment and capacity options was completed.

At the Hikurangi plant a new inlet screen was installed along with new “curtains” reduce short circuiting in the aeration basin. Filtration plant membrane failures have been investigated.

The resource consent renewal application for the the Kioreroa Road wastewater treatment plant was lodged with the Northland Regional Council in December 2021.

In other parts of the network, the One Tree Point Pump Station was upgraded, the 4.5 km long Ruakākā rising main renewal was designed and tendered and work is now in progress.

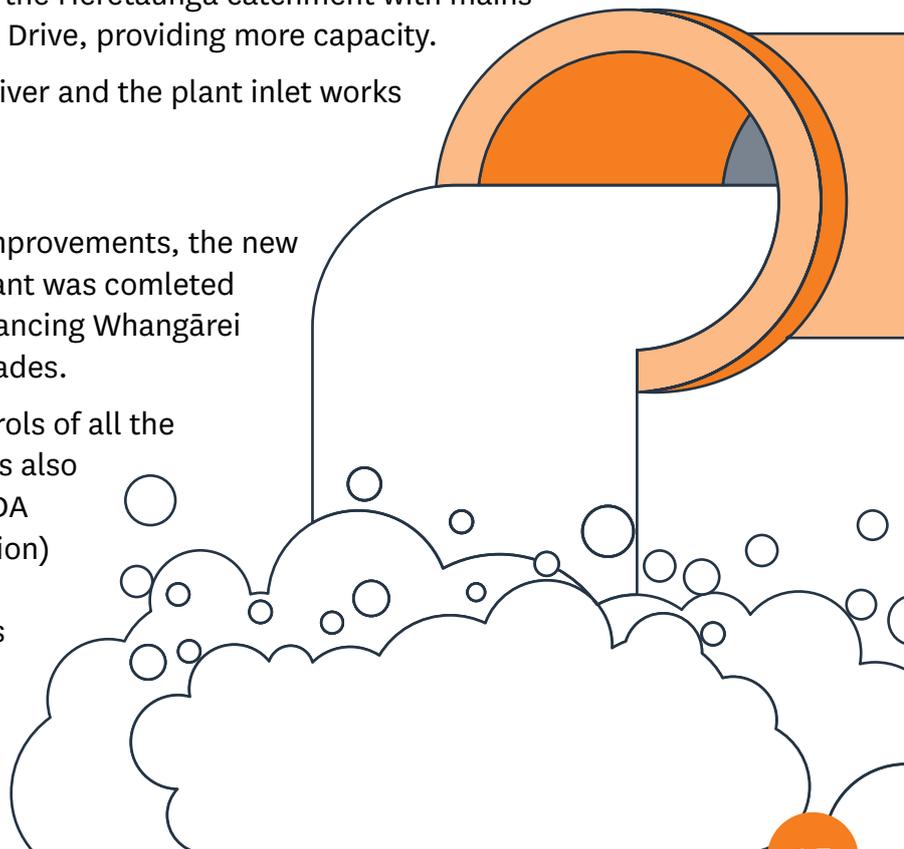
CCTV Investigations were completed in the Heretaunga catchment with mains upgrades completed along Heretaunga Drive, providing more capacity.

At Waipu the rising main between the river and the plant inlet works was renewed.

## *Drinking water*

Capping off several years of capacity improvements, the new \$30m Whau Valley Water Treatment Plant was completed and commissioned, extending and enhancing Whangārei City’s main water supply for future decades.

A two year project to upgrade the controls of all the treatment plants and pumpstations was also completed in 2022. The upgraded SCADA (Supervisory Control and Data Acquisition) system provides better control and monitoring of our treatment systems as required to meet enhanced drinking water standards and rules.



## SPORTSFIELDS, PARKS, RESERVES AND FACILITIES

An enormous amount of work was achieved in the parks and reserves area during the term. Much of this work has created new low- or no-cost facilities and opportunities for people to enjoy the outdoors.

New lights were installed at Otaika, Horahora and Otangarei sportsfields, the parking area at Cobham Oval was sealed and landscaped, providing 184 carparks in readiness for the Rugby World Cup 2021. Nearby, the Bascule Park carpark on the Hātea Loop was upgraded and planted creating a further 72 carparks in the area. New sand carpet fields were developed at Otaika and Tikipunga for football and rugby league use.

New yards were built at Barge Park in time to host the equestrian National One Day Championships.

### *Walkways and tracks*

The Tikipunga walkway was extended from Tikipunga Sports Park to Vinegar Hill and Gillingham Rd to Totara Parklands, extending the 56km of Council's walking tracks, and increasing low-cost opportunities for residents to enjoy nature and healthy activity.

The July 2020 storm caused major damage to tracks and pedestrian bridges around the city resulting in track closures. Funding from central government enabled tracks to be repaired and made more resilient to cope with future weather events.

### *Pūtahi Park and children's playground upgrade*

The long-planned and eagerly awaited, \$5.2m Pūtahi Park, featuring lawns, play equipment, a new boardwalk, tiered seating and a water park that proved an instant hit with families opened this summer. Nearby, the much-improved, refurbished Town Basin children's playground opened in February.

### *Pohe Island redevelopment*

Multiple projects on Pohe Island progressed or were completed during the term. The skatepark completed in March 2021, is getting good use and is now the District's most diverse skating venue. Major work has been completed on elements of the Bike Park, and the Camera Obscura is open for viewing. The towers and other framework and groundwork for the large-scale, new destination playground are taking shape.

### *Stadium upgrades*

To prepare for the Rugby World Cup 2021, improvements were made to the pitch and new \$3.38m lights that meet international broadcasting standards were installed along with a new 46m<sup>2</sup> screen, a new scoreboard and sound system.

The past term of Council also saw a structural change to the management of the Northland Events Centre with four new trustees appointed to set up the Northland Events Centre (2021) Trust and a fifth trustee to be appointed from local hapū.



### *Further afield*

In Ngunguru the new skatepark was completed, as was the Skatepark and Activity Zone in Waipu.

We continue to adapt to climate change by protecting community assets with sand replenishment undertaken again at Matapōuri and seawalls upgraded at One Tree Point and Ruakākā.

Drainage was improved at Hikurangi, Hūkerenui, Ngunguru and Parua Bay sportsfields, and new training lights were installed at Ruakākā. Playgrounds were renewed at Morningside and McLeod Bay.

At Abbey Caves, volunteers planted 10,000 native trees on the 2019 Parihaka fire site with funding from the Matariki Tu Rakau – Million Trees Fund. This complemented a Tourism Infrastructure Funded development of a new parking area and installation of toilets and improvements to road safety.

This array of work cannot be achieved without a clear vision and plan, and the District's Active Recreation and Sports Strategy was adopted during the term.

## **PLANNING AND STRATEGY**

In the past three years, many visionary documents have been produced across our areas of responsibility to guide us into the future.

The Urban and Services plan change, Notable and Public Trees plan change, an updated Growth Strategy, Walking and Cycling Strategy, Active Recreation and Sports Strategy, and our own organisation's Organisational Strategy and Sustainability Strategy, are just a few of those completed in three years. The Te Tai Tokerau Climate Adaptation Strategy was adopted by all four Northland councils. High priority work currently underway includes the Housing Strategy, the Future Development Strategy, Placemaking Plans in Waipu and Parua Bay, and there is ongoing work on the draft Climate Action Plan.

## **COMMUNITY**

### *Community funding*

Community funding was reviewed to provide greater flexibility for community groups in terms of what can be funded, and the nature of support that is available. The community funding scheme has increased investment in the community to \$3m a year and our enhanced grants scheme now offers a broader range of support mechanisms, and improved and equitable access to this support.

Funding is now available to support community facility development (Partnership Fund), support for youth-led community initiatives (Gen Z Fund), and agile support options have been created in response to the financial impacts of COVID-19 and any future emergencies that may arise (Community Emergency Recovery Fund).

### *Community development*

The Community Development Framework, which seeks to support communities to collectively impact positively upon the issues, needs and aspirations they identify as important is now firmly embedded.

## Partnerships

Partnerships with communities have been strengthened through our Community-Led Projects. So far, Otangarei, Kamo and Hikurangi have successfully completed projects and we are now working with Tikipunga, Maungatapere, Raumanga, Waipu, and Onerahi to help build stronger and more connected communities.

We partnered with Police, Multicultural Whangārei, Immigration NZ, Ministry for Ethnic Communities, and community leaders to create the Multi-Ethnic Collective.

All four Northland councils committed to development of a Regional Accessibility Strategy, which seeks to assist our disabled community to live, work, play and more inclusively and equitably participate within our communities.

We partnered on multi-agency projects such as the Kai Ora Fund and Northland Intersectoral Forum initiatives, and community projects such as the inaugural SilverFest and inaugural Whangārei Fringe Festival.

## Tenancies

All 165 housing units for older people achieved full compliance with the Healthy Homes Standards for insulation, heat pumps and extractor fans.

We continued the community facilities upgrade programme, making toilets and entrances at community halls fully accessible, installed heat pumps, upgraded floor coverings, and completed interior and exterior maintenance. We also replaced the Onerahi Hall and Community House roof and installed a new water tank at Ngunguru Memorial Hall.

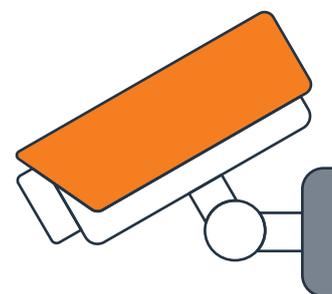
Tenants impacted by the fire at the Old Municipal Building were re-housed while we worked with the insurer on reinstatement of and enhancements to this valued icon and community hub.

## Advisory groups

Our Positive Ageing, Disability, and Youth Advisory Groups were reviewed to improve their effectiveness, diversity and functionality in providing valuable insight on council projects, strategies and practices. Advisory Group initiatives included a Youth Survey that canvassed the thoughts of over 500 young people in our district, and the inaugural Silver Festival celebrating ageing positively.

## Community safety

During the last term we partnered in a bid for more investment in CCTV, securing \$765,000 from the Proceeds of Crime Fund to upgrade the current CCTV network and the community CCTV at Kamo and Hikurangi. We also procured a new CitySafe Community Officer contract with enhanced service delivery on the shared pathways and Hātea Loop. Our community safety initiatives continued to provide a secure presence and sense of safety in the central city. We continued to provide the Summer Safe Carpark programme at our high-risk carparks at Whale Bay, Whangārei Otuihau Falls, A H Reed Memorial Park, Parihaka, Abbey Caves, Ocean Beach, Ruakākā and Waipu Cove.



# ECONOMIC DEVELOPMENT

## *Airport Location Study*

Since 2014 Council has been considering the options available, should the Whangārei Airport at Onerahi need to cease operating because of changes to safety requirements and future aircraft. This has included working with stakeholders including a Mana Whenua Advisory Group of representatives appointed by Te Huinga and a Project Advisory Group including representatives from Ministry of Transport, Waka Kotahi (NZ Transport Agency), Ministry of Business, Innovation and Employment (MBIE), Northland Regional Council, Air New Zealand, Northland Inc, the Chamber of Commerce and others with a particular interest in the project. The aim was to identify a potential future locations for an airport elsewhere in the District.

In April this year Council opened public consultation on three potential sites for consideration; Ruatangata, Ruatangata West and One Tree Point, along with the option of continuing to operate from Onerahi. In August Council is due to consider the feasibility of these sites, hear public submissions and make a decision on the way forward.

## *Whangārei District Airport*

Whangārei District Airport (WDA) is operated as a joint venture between Whangārei District Council and the Crown. Council is the Airport Authority.

Over the past three years airport operations have been significantly impacted by COVID-19 with passenger numbers falling from a record high 108,122 in 2019 to 59,152 in 2020. Numbers built to 82,781 in 2021 and are on track to exceed 92,000 in 2022.

Despite this, development has continued in the past three years. Air New Zealand introduced a fifth daily flight to schedules in 2022, which triggered the requirement for an Airport Rescue Fire Service (RFS). With capital costs funded by the Crown, WDA has established the RFS with a specialist Airport Fire Truck and Support Vehicle and six permanent crew members. Work is underway to design and tender for the construction of an operational building for Airport Rescue Services, with work planned to start over the coming summer. WDA is currently working with NEST to relocate Rescue Helicopter operations to the Airport.

Landing fee negotiations with Air New Zealand are in the final stages of implementation which will see WDA landing fees brought into line with market rates across NZ. This is the first pricing reset since 1997 and will move charges from a per aircraft per landing basis to a per passenger model.



### ***Becoming business-friendly council***

Being a business-friendly organisation is about closely examining what council does, and more importantly, what our customers' journey looks like and what we can do to remove pain points. It is a balance between Council as a regulatory body and enabling development and business. Over the last 18 months, Council staff have worked closely with the private sector and the construction supply chain to implement changes that will assist them to focus on supplying housing and land to meet the District's growing demand as painlessly as possible.

### ***Property portfolio***

Council's property portfolio is a range of freehold and leasehold properties that predominantly came into Council ownership in the mid-1990s as part of the Whangārei Harbour Board's Dryland Endowments. These enable many businesses to operate and those within the Town Basin are arguably the jewel in the crown of Whangārei's commercial property. The overall portfolio is currently valued in the vicinity of \$75m.





# AREAS OF FOCUS FOR THE NEXT THREE YEARS

## KO NGA AROTAHINGA MO NGĀ TAU E TORU E ANGA MAI NEI

Areas of focus during the next term of Council will include:

### PREPARING FOR THE FUTURE

#### *Building a responsive Tiriti framework*

With pending legislation reform and the introduction of two Māori seats, we are gearing up to establish a council which is more responsive to Māori communities. This will involve a Tiriti engagement strategy and the introduction of a cultural capability framework to build the confidence and capability of the organisation in a changing Tiriti environment.

#### *Climate change adaptation programme*

We are initiating a pilot community adaptation project now that Te Tai Tokerau Climate Change Adaptation Strategy has been adopted by all four Northland councils. This project will act as a case study for future adaptation projects.

#### *Hazards and Esplanade Plan Change Package feedback*

We are reviewing the District Plan chapters that relate to natural hazards, hazardous substances and esplanade areas and have asked the public for feedback on initial drafts.

The Northland Regional Council has undertaken work to update the coastal erosion, coastal flooding maps, and the region-wide flooding maps and we are legally required to incorporate the updated hazard maps in our District Plan as soon as practicable. Going forward, revised drafts of the associated District Plan Chapters will be worked through with the community.

#### *Housing for seniors*

We have budgeted \$5.1m for renewal and maintenance of Council's existing pensioner housing, as well as an extra \$4m over the first four years of the Plan for new pensioner housing stock.

#### *Whangārei Housing Strategy*

The Whangārei Housing Strategy will direct how Council will support and enable housing outcomes in Whangārei. The Strategy will represent housing 'need' in Whangārei and how Council can support better pathways for papakainga and community housing initiatives. The Strategy gives direction on how Council will work with Kainga Ora to support its housing delivery in Whangārei.

## THREE WATERS

### *Future proofing our water supply*

As part of our drought resilience work, we will be investing in a full upgrade of the Porotī Water Treatment Plant. This will not only allow the plant to treat more water but also enable treatment of the water from the Wairua River. With the Northern part of the City growing fast we will be constructing new treated water storage reservoirs at Dip Road and Three Mile Bush Road. In addition, new and upgraded water mains will also be provided.

Refining NZ's operational change from oil refinery to import terminal has significantly reduced its water, seriously impacting Council's water income. In addition Council will face significant increases in costs to meet new drinking water standards and compliance rules through the need to employ additional staff and purchase more equipment for monitoring. Sampling and testing costs will also increase.

### *Augmenting Whangārei wastewater treatment*

To maintain our critical infrastructure and to comply with Resource Consent requirements, we will be upgrading the Whangārei Wastewater Treatment Plant over the course of the LTP. This will include odour control work.

### *Upgrading wastewater infrastructure*

To provide additional capacity in our pipe system for new connections and high rainfall events, we are upgrading in the One Tree Point/Ruakākā, Kamo and Whangārei Heads areas. We are also upgrading the technology with which we monitor and remotely control our pump stations to avoid overflows and help keep our harbour clean.

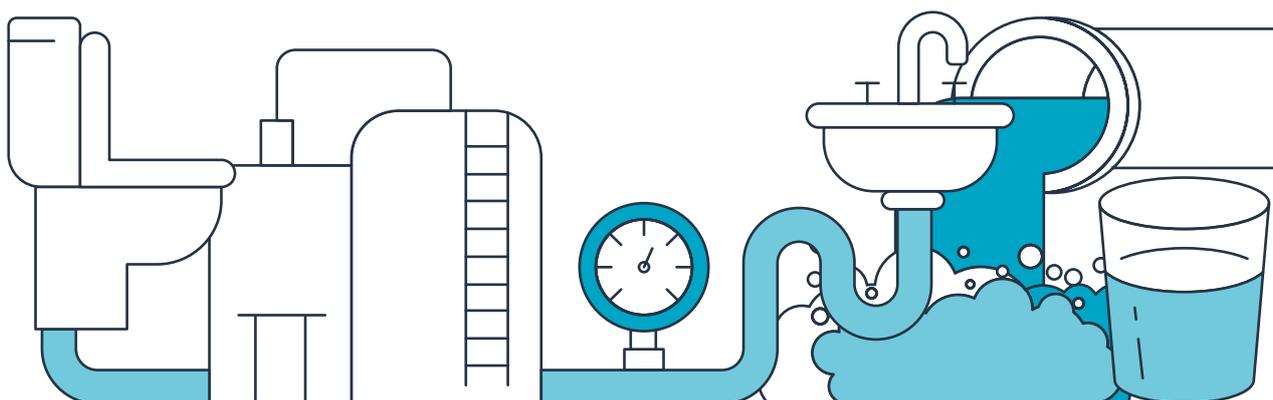
At Ruakākā, future work will include installing an electronic flow meter and converting the wetlands to a floating system to improve nutrient removal and simplify maintenance.

There will be further investigation of an Ocean Outfall.

Work on the Hikurangi wastewater treatment system will continue in consultation with the Northland Regional Council.

Over the next five years the District's largest wastewater treatment plant at Kioreroa, will receive a second aeration basin, upgraded UV plant, improved hydraulic capacity, and new tertiary filtration and work to control odour.

Additional storage capacity will be increased at Parua Bay to prevent localised spills.



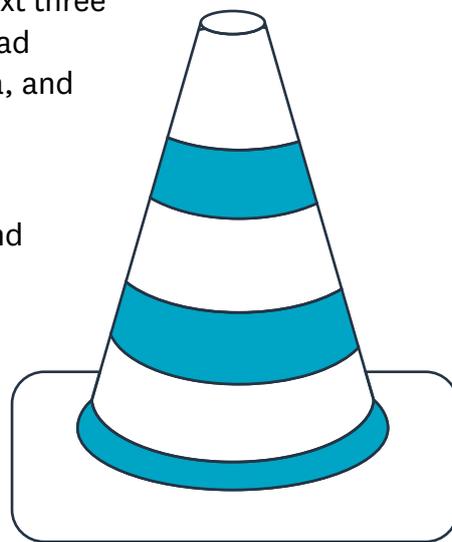
## TRANSPORT

### *More sealed roads*

We're investing more in getting around with an increase of \$47m over our 10-year LTP period for sealing gravel roads. Over the next three years we expect to seal a further 16.5km of our unsealed road network. We aim to increase our level of service in this area, and better meet the expectations of our communities.

### *Improving our cycleway and shared path network*

We have \$37m in the LTP to keep improving our cycleway and shared path network. The final stage of Kamo Shared Path is planned, which will take the path right through to Station Road. We also have plans for new cycleways in Bream Bay (Waipu to Waipu Cove), Raumanga and the City Centre. Much of this work is dependent on subsidies from Waka Kotahi (NZ Transport Agency). If this subsidy is not secured, changes could be made to this programme.



### *Riverside Drive/Onerahi Road*

Populations in Whangārei Heads, Parua Bay and Onerahi are expected to continue growing in the next 10 years. Riverside Drive to Onerahi is a critical route for the connection of these communities to the city. In the coming years we will be upgrading the existing road. The alternative of a bypass could also be considered.

### *Port Rd/Kioreroa Rd intersection improvements*

A \$6.7m roundabout will be built at the intersection of Port Road and Kioreroa Road to improve traffic flows in a heavily used area. This work builds off the Ministry of Business, Innovation and Employment investment to widen the Port Road Bridge, which is nearing completion. Around 53% of the roundabout has been funded by Waka Kotahi, the rest by Whangārei ratepayers.

### *Springsflat Roundabout*

Kāinga Ora has approved a \$20m project to build a roundabout on SH1 at Springs Flat to connect the Pipiwai Rd and Tikipunga residential areas to cater for future residential developments. Funding is to come from the Infrastructure Acceleration Fund.

### *City centre revitalisation*

The City centre revitalisation programme is set to continue with further upgrade projects planned for a Waterfront to City Centre connection, intersection upgrades at Maunu/Water St, Bank/Cameron St and Robert/ Walton St.

### *Road to Zero programme*

Under the Government Road to Zero programme Council will be investing \$23.5M in minor Safety improvement works on the network, focusing on pedestrians, cyclists, footpaths, public transport and road safety education.

## COMMUNITY

### *Animal shelter*

This term we will be constructing a new animal shelter (pound) facility, which will meet all regulatory requirements and animal welfare needs, provide a secure, safe and friendly environment and meet increasing demand as the population grows.

### *Civil Defence and Emergency response*

We have provided for increased investment in the renewal and upgrading of tsunami sirens, along with an operational grant for increased space within the Northland Regional Council's Emergency Operations Centre. This facility will provide greater capacity for Northland to respond to any major emergency events, like tsunami or floods.

### *Funding for communities*

We are continuing to invest in community funding and maintaining our Community Led Project budgets in Tikipunga, Maungatapere, Raumaunga, Waipu and Onerahi.

### *Rugby World Cup 2021 (playing in 2022)*

Whangārei and Auckland were partners in the successful bid by New Zealand Rugby for Rugby World Cup 2021. The tournament will take place between 8 October and 12 November 2022 with the Northland Events Centre hosting a number of matches, including two quarter finals.

### *Investments in our libraries*

We will be investing over \$900k on library resources in the coming year, including book and eBook purchases and IT system upgrades and equipment.

## CREATING CIVIC ASSETS

### *Civic Centre*

The new Civic building in the City Centre, which will provide a welcoming, inclusive and easily accessible customer experience for Whangārei residents. Building this while managing the effects of COVID-19 has been extremely challenging, with significant price increases for the construction sector leading to escalations in our original budget to \$59 million to complete the building in line with our latest forecasts.

### *Civic Centre precinct*

Landscaping improvements to the area, including around the Central Library, Old Library, and Lovers Lane, will ensure there is a cohesive civic precinct that connects the surrounding public spaces and facilities. The Lovers Lane Bridge, which connects Second Ave to the Civic Centre, Central Library and Rust Ave (which will link the Kamo and Raumanga Shared Paths) is being replaced, as are our stormwater assets in this area.

### *Old Municipal Building*

Work is planned to repair the Old Municipal Building following the 2019 fire will include reinstating all fire damaged areas, replacing the roof, completing seismic strengthening, and redesigning the layout to improve accessibility and meeting spaces and installing a lift to allow better access to the upper floor.

# SPORTSFIELDS, PARKS, RESERVES AND FACILITIES

## *Pohe Island development*

More elements of the William Fraser Memorial Park on Pohe Island Master Plan will be delivered, including a destination playground and new toilets. Bike Northland will finalise the last elements of the Bike Park hub, including learn to ride and bike skills areas as well as a revamped bike building, more toilets and bike storage. Future Council projects at Pohe Island will include additional paths to connect activities and facilities and a marine hub area.

## *Skateparks and playgrounds*

We're gathering feedback from the local community on what they'd like to see in the upcoming refresh of the Hikurangi skatepark, a new skatepark at Parua Bay and a new playground at Raumanga Valley Road. Funding has also been allocated to a playground at Ōakura.

## *Ngunguru seawall replacement*

We are investing in climate adaptation by replacing the Ngunguru seawall, which is designed to be modified in response to rising sea levels.

## *Sportsfields*

We are working with the Ministry of Education to develop a community sportsfield at Parua Bay and a second sand field at Tikipunga. We will develop two new fields at Ruakākā and provide funding for carparking at Ruakākā's new Community Wellbeing Centre.





# FINANCIAL STRATEGY

## TE RAUTAKI AHUMONI

Our 2021-31 LTP sets out our Financial Strategy. This strategy outlines what Council believes to be appropriate levels of borrowing, rates and expenditure while also considering affordability and making sure we raise enough revenue to invest in our District.

Before we decide what we want to focus on, the projects we want to deliver, and the choices necessary to balance the needs of the community, we first evaluate and consider a complex set of financial factors. These include what sort of revenue we can raise, including user pays, rates, loans and Government subsidies, and where best to spend that revenue.

We aim to do this in a way that ensures:

- people pay a fair share of the costs through rates
- what we do matches what we can afford
- we are creating a sustainable financial platform for future generations.

The Financial Strategy recognises that our District faces strategic issues and financial challenges now and in the future that require Council to balance limited funding across competing priorities.

### THREE WATERS REFORM PROGRAMME

Our financials have been prepared as if three waters services will continue to be provided by Council as we await final decisions and legislation as part of the Government's Three Waters Reform programme. Future decisions may result in significant changes to the information provided in this report.

## MANAGING OUR GROWTH

Our District is growing, and we expect it to continue to grow by an estimated 1.6% per annum over the next 10 years. This expected growth requires considerable investment in infrastructure, services and community facilities to ensure we have capacity to provide for our increased population.

### *The need to continue focusing on core assets*

To maintain existing levels of service, Council needs to ensure that the assets it already has are maintained and renewed to existing levels of service.

### *Increased expectation of things to see and do across our District*

Our residents not only expect to have things to see and do, they expect them to be attractive, high quality, engaging and appropriate to our people and place.

### *Building a sustainable financial strategy*

Council maintains a sustainable financial strategy by ensuring our income base provides the services that our community expects, without leaving a large backlog of asset maintenance and renewal for later generations to deal with. While that does mean rates rises beyond the level of inflation, we believe they are necessary to provide the range and quality of services our community demands.

### *Inter-generational equity*

Council is a long-term business with a responsibility to consider the interests of the community now as well as into the future. We try to ensure that, as far as possible, today's ratepayers only pay for services they are likely to use and not for benefits that will be received by new ratepayers in the future. This concept of achieving fairness between ratepayers over time is called inter-generational equity, and one of the ways we achieve this equity is through the use of debt.



## A CHANGING CLIMATE

Our climate is changing and the future impacts are likely to be significant and wide-ranging. In Whangārei, our communities are already experiencing climate related impacts, from flooding to prolonged periods of drought. We are still at the beginning of our response to Climate Change and our LTP provides initial funding to ensure we can start to prepare for the changes we expect to see in the future.

## COVID-19 RESPONSE

Key to our response to COVID-19 is being both agile and resilient enough to respond appropriately. Our financial strategy provides us with enough flexibility to react to events such as this without fundamentally changing our strategic direction.

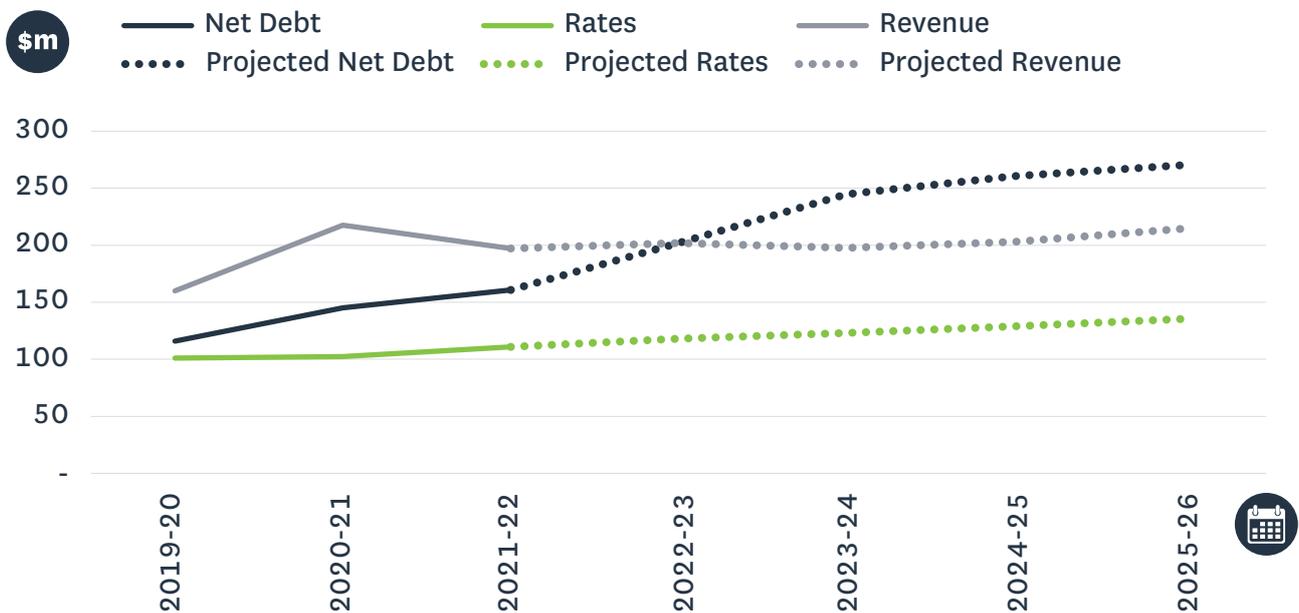
## LOCAL GOVERNMENT REFORMS

There are currently three reform processes underway including Three Waters, Resource Management and Future for Local Government review. These reforms will change the functions and services currently delivered by our Council.

As these reforms progress, Council will gain more clarity about what the future will look like. This will require a complete review of our existing Financial Strategy and the way we operate.

## FUNDING OUR ACTIVITIES

Rates, debt, Government subsidies, development contributions and user charges are the major sources of funding available for projects and carrying out day-to-day operations.



Note that for all graphs and tables in this section, data for 2021-22 is estimated, data for 2022-23 onwards is projected. See comment on page 26 regarding the Three Waters Reform programme.

## ECONOMIC CLIMATE

During every term of Council unique economic and social factors will evolve and interact to affect our capacity to deliver our very large work programmes. This was front-of-mind leading up to adoption of the 2021-31 Long Term Plan (LTP) and the risks associated with setting a large and ambitious capital programme were frequently discussed. Council’s ability to deliver such a large programme comes under strain as delays caused by the pandemic including industry capacity, internal resources and supply chain issues, bite. This has seen a high percentage of projects carried forward from the current year into the 2022-23 Annual Plan, likely to create a ‘bow wave’ of carried forward projects in following years.

As large capital programmes generate income from government subsidies, the failure to complete programmes in turn reduces the level of subsidy received, stretching the ability to guarantee a balanced budget.

## RATES

Rates remain our largest funding source.

Recent increases are consistent with our Financial Strategy. In the 2021-31 LTP, we retained our approach of applying an annual general rates increase of 2% beyond inflation. However, in year 1 of the LTP (2021-22), we included an additional 2% increase to catch-up for reducing our rates increase to inflation-only for 2020-21 as part of our pandemic response. Rates were also increased 0.5% in 2021-22 to cover increased spend allocated as part of Council's LTP deliberations following requests for funding from the community. We also allow for growth of 1% in the rating base to reflect our growing District. This approach allows Council to increase its operating revenue to reflect the cost of services provided to our community.

### *How do our rates compare?*

For many years our residential rates have been among the lowest in the country, with benchmarking surveys conducted by the Taxpayers Union confirming this. While they have not published 2022 results yet, the rates movement in the 2022-23 year is once again lower than most other councils. Since 2015 our financial strategy has been to have consistent levels of rates increases that are based on inflation plus 2% each year; allowing us to keep raising the standard of the services we deliver to the Whangārei District, while still remaining at affordable levels based on the demographics of our community.

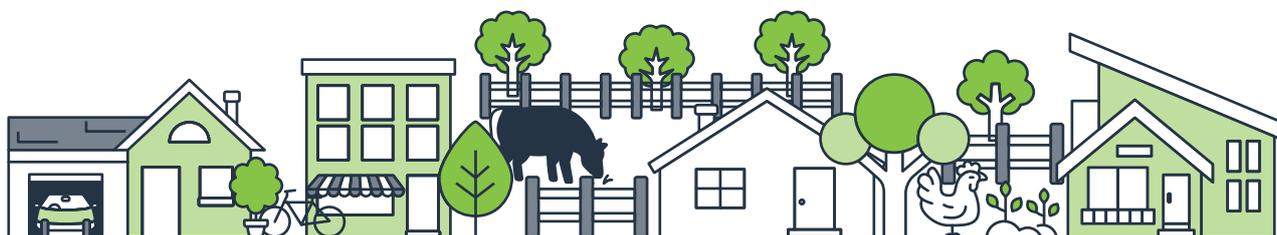
### *Impact of property revaluations*

Property revaluations are carried out every three years to reflect changing market values. The 2021 general revaluation recognised the movement in property values from 1 August 2018 to 1 July 2021. The average changes in property land values were around 45% for Residential, 49% for Commercial and Industrial properties, and 23% for Rural properties.

While these movements were significant, they do not automatically lead to corresponding increases to overall rates income for Council, or the amount paid by each sector, as total rates income and the share paid by each sector is set independently of property values. The sector splits are:

- Residential, lifestyle, other 66.5%
- Commercial and industrial 24.6%
- Rural 8.9%

However, the movement of an individual property's value within each of these sectors can lead to changes in the rates charged. In simple terms, if a property value moves more than its sector average, rates for that property will increase more than others. If the movement is less than the average, rates may even decrease.



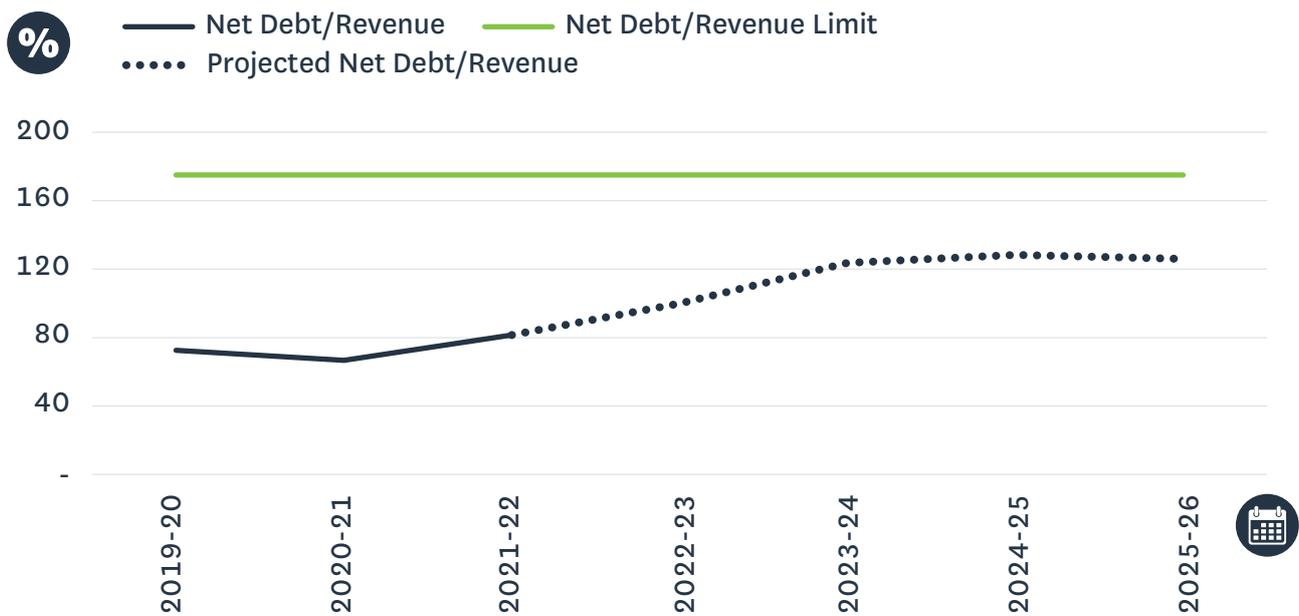
# DEBT

We borrow money to pay for large items of expenditure that last for many years. If these assets were paid for solely from rates for that year, today's ratepayers would be paying the entire cost of assets that our future ratepayers would use in the years ahead. Using debt to fund major assets allows Council to share the assets' cost between all users. In other words, all the people using an asset pay for it over its lifetime. Spreading of costs over multiple years is known as 'inter-generational equity' and is standard practice throughout the local government sector.

The Financial Strategy 2021-31 sees net debt increase from \$145.0 million on 1 July 2021 to \$348.6 million by 30 June 2031. While our debt has increased, we have considerable capacity to raise debt to deal with abnormal events and emergencies.

At the time of preparing this report, the forecast net debt position for the end of the 2021-22 financial year is \$160.6 million compared to a budget of \$182.4 million. Council's lower debt position is driven by a reduced capital programme delivery, which will result in projects being carried forward into 2022-23.

## Net debt as a percentage of total revenue



Council debt limit is that our net debt to revenue ratio will remain below 175%.

## OTHER FUNDING SOURCES

### *Fees and charges*

Council will increase most fees and charges annually to align with the Local Government Cost Index inflation rate. In some areas, such as food inspections and liquor licensing, Council will seek to recover actual costs, which may result in increases beyond inflation. Council's fees and charges are reviewed on an annual basis.

### *Development contributions*

Council's practice is to fund most of the growth component of capital expenditure through development contributions, with the remainder funded through rates, subsidies and debt. Over the past few years, Whangārei has experienced growth with correspondingly higher development contribution revenue. As a result, we have budgeted for increased revenue in this area.

### *Grants and subsidies*

Subsidies from central government are a critical source of funding for our transportation activities, including things like road construction and repair. Waka Kotahi (NZ Transport Agency) subsidies represent 53% of the gross cost of both operating and capital expenditure on a wide range of eligible roading projects.

## EXPENDITURE

Council's expenditure is classified as either 'operating' (funding day-to-day operations) or 'capital' (acquiring, renewing and increasing the capacity of assets).

Council's approach to forecasting operational expenditure is a balancing act. Local government costs continue to increase meaning Council must rise to the challenge of meeting levels of service while at the same time looking to save costs wherever it can in order to keep rates affordable and achieve a balanced budget.

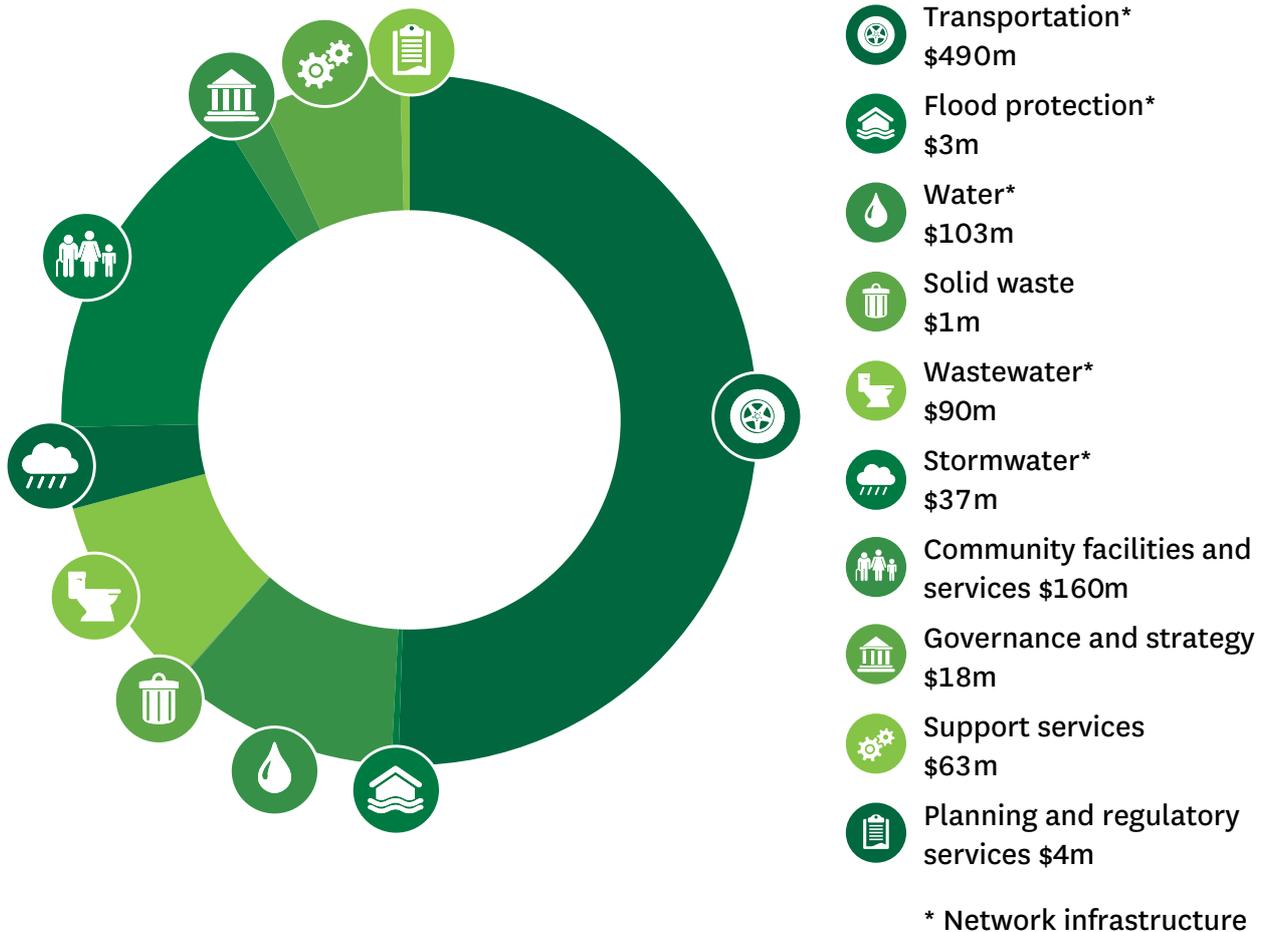
Council also needs to allow for the effects of population growth, community expectations, operating costs associated with new assets and finance costs on additional debt in preparing its budgets.

Council's total annual capital expenditure ranges from \$83.8 million to \$132.6 million over the 10 years of the LTP.

Over the life of the LTP, 39% of capital expenditure is for the renewal of existing assets and upgrades to extend their useful life. Council will continue to monitor asset performance to ensure renewals are completed to maintain service levels in the foreseeable future and avoid leaving a significant backlog of asset replacement for future generations.

The graph below shows that over the life of the LTP, 75% of capital expenditure is focused on network infrastructure, reflecting Council's recognition that it still must invest considerable amounts in our core assets to meet the service levels the community expects.

## Capital expenditure by activity (\$m)



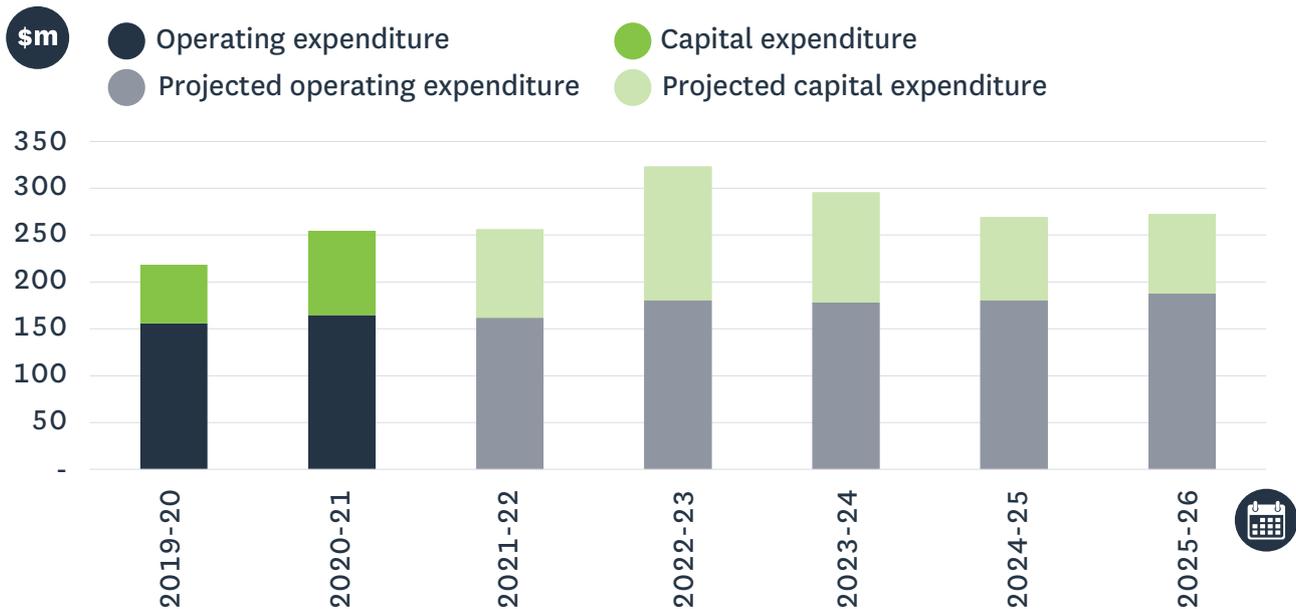
Council's LTP includes a very ambitious capital programme. Our ability to achieve this programme continues to be challenged, particularly with additional delays caused by the pandemic, including industry capacity, internal resource and supply chain issues.

As a result of this, Council continues to see a high percentage of projects carried forward into future years. The large capital programme also assumes a certain level of subsidy revenue. This anticipated revenue is included as part of Council's balanced budget benchmark. This puts Council's ability to achieve a balanced budget result at risk, and if subsidised projects are not delivered, the associated revenue will not be realised.

Future consideration as to how to manage this will be needed when the Annual Plan is prepared for Year 3 (2023-24), and ultimately during the preparation of the next LTP.

The following graph shows Council's actual and projected total expenditure.

## Operating and capital expenditure



Investment property purchases of \$18.5m in 2020-21 have been excluded from this graph.

See comment on page 26 regarding the Three Waters Reform programme.

## FINANCIAL PARAMETERS

Our financial parameters in the 2021-31 Financial Strategy are to:

- set a balanced budget in every year (as defined in the Financial Prudence Regulations)
- provide sufficient funding through debt and operating surpluses to complete the planned capital expenditure programme without reliance on selling assets
- have net debt no higher than 175% of total revenue
- limit overall rates revenue (excluding water) to a maximum of 70% of total revenue
- increase general rates each year by inflation, growth (1%) plus an additional 4.5% in Year 1 (2% is a COVID-19 catch-up) and 2% for all remaining years
- increase wastewater rates each year by inflation, growth (0.8%) plus an additional 4% in Year 1 (2% is a COVID-19 catch-up) and 2% in Years 2 and 3
- increase flood protection rates by inflation only for the Hikurangi Swamp Scheme. The Annual Plan 2022-23 has reduced this targeted rate to an amount that provides sufficient revenue to fund the operating and capital expenditure budgeted for the activity in 2022-23. This targeted rate will be reviewed after the working group explores potential options for future operations
- increase water rates each year by inflation and growth (0.8%). The Annual Plan 2022-23 contains a 31% one-off increase to the water consumption charge to cover reduced revenue from the refinery changing its operating model and increased costs from new drinking water requirements.

Looking back over preceding years, Council has achieved all benchmarks set in the 2018-28 Financial Strategy with the exception of a balanced budget in 2019-20 as detailed below:

<span style="color: green;">●</span> Achieved <span style="color: orange;">●</span> Not achieved	Financial Strategy Limit 2018-28	Annual Report 2019-20	Annual Report 2020-21
Balanced budget	100%	95% <sup>1</sup>	118%
Rates (income) affordability	70%	54%	41%
Rates (increases) affordability	5.2%	4.47%	1.87%
External net debt to revenue	175%	72%	67%
External net debt per capita	\$2,241 in 2019-20, \$2,290 in 2020-21	\$1,208	\$1,475
Net interest to rates revenue	25%	7%	4%

Information for 2021-22 is not available at the time of this report.

<sup>1</sup> COVID-19 significantly impacted Council's revenue during the last quarter of the financial year. Minimal roading activity was able to be undertaken during lockdown. This resulted in roading programmes being deferred to the 2020-21 financial year. NZTA subsidies attached to these projects have also been carried forward, which resulted in reduced subsidy revenue for the 2019-20 financial year.

## PAST, PRESENT AND FUTURE FINANCIALS

### *Basis of Preparation*

This section provides an overview of the basis for preparation of the financial statements for 2019-20 to 2025-26:

- Council's audited financial position and performance have been taken from our Annual Reports for 2019-20 and 2020-21.
- information for 2021-22 has been estimated as this report was prepared prior to the end of the 2021-22 financial year. It uses information provided in the March 2022 monthly financial report, supplemented with full year forecasts and the most accurate information available at the time of this report. Assumptions around asset valuations for infrastructure assets, pensioner housing, investment properties and financial derivatives may vary significantly from the actual valuation undertaken in June 2022.
- 2022-23 is from the 2022-23 Annual Plan approved by Council on 30 June 2022.
- the forecast financial position and performance for the next three years (2023-24, 2024-25 and 2025-26) has been extracted from years 3 to 5 of the 2021-31 LTP, and has been audited. This prospective financial data and discussion of major projects are drawn from the information in the current LTP and they reflect the policy and service delivery decisions of the current council at that time.

## Summary Funding Impact Statement

\$'000

	Annual Report 2019-20	Annual Report 2020-21	Estimated Actuals 2021-22	Annual Plan 2022-23	LTP Year 3 2023-24	LTP Year 4 2024-25	LTP Year 5 2025-26
<b>Sources of Operating Funding</b>							
General rates, uniform annual general charges, rates penalties	58,536	59,409	73,634	78,124	81,367	85,864	90,610
Targeted rates	42,447	42,961	37,187	40,019	41,586	43,063	44,588
Subsidies and grants for operating purposes	7,643	27,191	16,434	8,400	8,656	8,973	9,172
Fees and charges	14,751	16,978	17,558	17,027	17,169	17,635	18,068
Interest and dividends from investments	2,516	1,909	1,793	2,283	1,643	1,709	1,760
Local authorities fuel tax, fines, infringement fees and other receipts	7,829	11,993	9,945	9,123	9,701	10,133	10,250
<b>Total Operating Funding</b>	<b>133,723</b>	<b>160,441</b>	<b>156,551</b>	<b>154,976</b>	<b>160,122</b>	<b>167,376</b>	<b>174,447</b>
<b>Applications of Operating Funding</b>							
Payments to staff and suppliers	99,692	111,971	106,538	117,987	116,225	115,532	118,588
Finance Costs	7,677	4,981	5,336	8,992	8,440	9,410	10,715
Other operating funding applications	-	-	-	-	-	-	-
<b>Total Applications of Operating Funding</b>	<b>107,368</b>	<b>116,952</b>	<b>111,874</b>	<b>126,979</b>	<b>124,665</b>	<b>124,942</b>	<b>129,304</b>
<b>Surplus / (Deficit) of Operating Funding</b>	<b>26,354</b>	<b>43,489</b>	<b>44,677</b>	<b>27,997</b>	<b>35,457</b>	<b>42,434</b>	<b>45,144</b>

	Annual Report 2019-20	Annual Report 2020-21	Estimated Actuals 2021-22	Annual Plan 2022-23	LTP Year 3 2023-24	LTP Year 4 2024-25	LTP Year 5 2025-26
<b>Sources of Capital Funding</b>							
Subsidies and grants for capital expenditure	12,379	17,446	18,387	31,541	21,889	19,189	23,328
Development and financial contributions	6,386	8,112	11,500	7,078	7,078	7,622	7,622
Increase / (decrease) in debt	10,000	20,000	20,000	42,000	32,611	16,125	9,545
Gross proceeds from sale of assets	1,399	780	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-
<b>Total Sources of Capital Funding</b>	<b>30,164</b>	<b>46,338</b>	<b>49,887</b>	<b>80,619</b>	<b>61,578</b>	<b>42,936</b>	<b>40,494</b>
<b>Applications of Capital Funding</b>							
Capital expenditure							
to meet additional demand	8,935	14,710	10,822	23,822	27,762	18,238	18,855
to improve levels of service	23,144	32,690	39,336	74,614	44,321	37,447	31,292
to replace existing assets	30,255	42,681	44,394	44,332	45,354	33,154	35,148
Increase / (decrease) in reserves	(5,816)	(18,820)	12	(34,152)	(20,402)	(3,468)	343
Increase / (decrease) of investments	-	18,566	-	-	-	-	-
<b>Total Applications of Capital Funding</b>	<b>56,518</b>	<b>89,827</b>	<b>94,564</b>	<b>108,616</b>	<b>97,035</b>	<b>85,370</b>	<b>85,638</b>
<b>Surplus / (Deficit) of Capital Funding</b>	<b>(26,354)</b>	<b>(43,489)</b>	<b>(44,677)</b>	<b>(27,997)</b>	<b>(35,457)</b>	<b>(42,434)</b>	<b>(45,144)</b>
<b>Funding Balance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

See comment on page 26 regarding the Three Waters Reform programme.

## Statement of Financial Position

	\$'000						
	Annual Report 2019-20	Annual Report 2020-21	Estimated Actuals 2021-22	Annual Plan 2022-23	LTP Year 3 2023-24	LTP Year 4 2024-25	LTP Year 5 2025-26
<b>Assets</b>							
<b>Current assets</b>							
Cash and cash equivalents	36,060	27,001	31,358	32,196	26,443	25,318	24,774
Debtors and receivables	19,871	15,962	16,593	16,898	19,941	20,457	21,696
Derivative financial instruments	-	-	-	-	-	-	-
Other financial assets	532	487	487	487	532	532	532
Other current assets	1,369	907	1,480	1,180	1,069	1,069	1,069
Assets held for sale	-	-	-	-	-	-	-
<b>Total current assets</b>	<b>57,832</b>	<b>44,357</b>	<b>49,918</b>	<b>50,761</b>	<b>47,985</b>	<b>47,376</b>	<b>48,071</b>
<b>Non current assets</b>							
Derivative financial assets	-	98	98	98	-	-	-
Other financial assets:							
- Investments held in joint ventures and subsidiaries	11,512	10,825	10,828	10,707	11,172	10,644	10,158
- Investments held in other entities	3,046	3,760	3,760	3,760	3,046	3,046	3,046
Other non current assets	-	-	3,434	3,434	-	-	-
Property plant and equipment	1,742,346	1,797,763	1,985,320	2,064,979	2,082,890	2,207,749	2,268,479
Intangible assets	11,361	11,963	8,087	12,575	11,741	11,318	10,695
Forestry assets	819	854	854	854	819	819	819
Investment properties	56,347	90,369	97,353	99,853	85,951	85,951	85,951
<b>Total non current assets</b>	<b>1,825,431</b>	<b>1,915,632</b>	<b>2,109,734</b>	<b>2,196,260</b>	<b>2,195,619</b>	<b>2,319,527</b>	<b>2,379,148</b>
<b>Total assets</b>	<b>1,883,263</b>	<b>1,959,989</b>	<b>2,159,652</b>	<b>2,247,021</b>	<b>2,243,604</b>	<b>2,366,903</b>	<b>2,427,219</b>

	Annual Report 2019-20	Annual Report 2020-21	Estimated Actuals 2021-22	Annual Plan 2022-23	LTP Year 3 2023-24	LTP Year 4 2024-25	LTP Year 5 2025-26
<b>Liabilities</b>							
<b>Current liabilities</b>							
Payables and deferred revenue	31,121	33,440	27,145	29,053	28,030	26,449	26,806
Derivative financial instruments	142	452	452	452	142	142	142
Current borrowings	33,000	30,000	30,000	28,000	30,000	30,000	30,000
Employee benefits liabilities	3,062	3,245	3,407	3,489	3,249	3,314	3,381
Provisions	43	1,112	69	114	45	31	41
<b>Total current liabilities</b>	<b>67,368</b>	<b>68,249</b>	<b>61,073</b>	<b>61,108</b>	<b>61,466</b>	<b>59,936</b>	<b>60,370</b>
<b>Non current liabilities</b>							
Derivative financial instruments	20,923	12,571	12,571	12,571	20,923	20,923	20,923
Non-current borrowings	119,000	142,000	162,000	206,000	241,000	256,000	265,000
Employee benefits liabilities	412	464	487	499	437	446	455
Provisions	524	749	697	600	336	314	281
Payables and deferred revenue	90	343	343	343	90	90	90
<b>Total non current liabilities</b>	<b>140,949</b>	<b>156,127</b>	<b>176,098</b>	<b>220,013</b>	<b>262,786</b>	<b>277,773</b>	<b>286,749</b>
<b>Total liabilities</b>	<b>208,317</b>	<b>224,376</b>	<b>237,171</b>	<b>281,121</b>	<b>324,252</b>	<b>337,709</b>	<b>347,119</b>
<b>Net assets</b>	<b>1,674,946</b>	<b>1,735,613</b>	<b>1,922,481</b>	<b>1,965,900</b>	<b>1,919,352</b>	<b>2,029,194</b>	<b>2,080,100</b>
<b>Equity</b>							
Retained earnings	927,396	1,001,156	1,020,482	1,046,529	1,043,041	1,052,083	1,063,210
Other reserves	74,020	54,237	70,461	65,955	59,678	73,266	89,161
Asset revaluation reserve	673,530	680,220	831,538	853,416	816,633	903,845	927,729
<b>Total equity attributable to Council</b>	<b>1,674,946</b>	<b>1,735,613</b>	<b>1,922,481</b>	<b>1,965,900</b>	<b>1,919,352</b>	<b>2,029,194</b>	<b>2,080,100</b>

See comment on page 26 regarding the Three Waters Reform programme.



## **THANK YOU**

Thank you for taking the time to read this report. It's important that we all participate in shaping the future of our district and community.



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