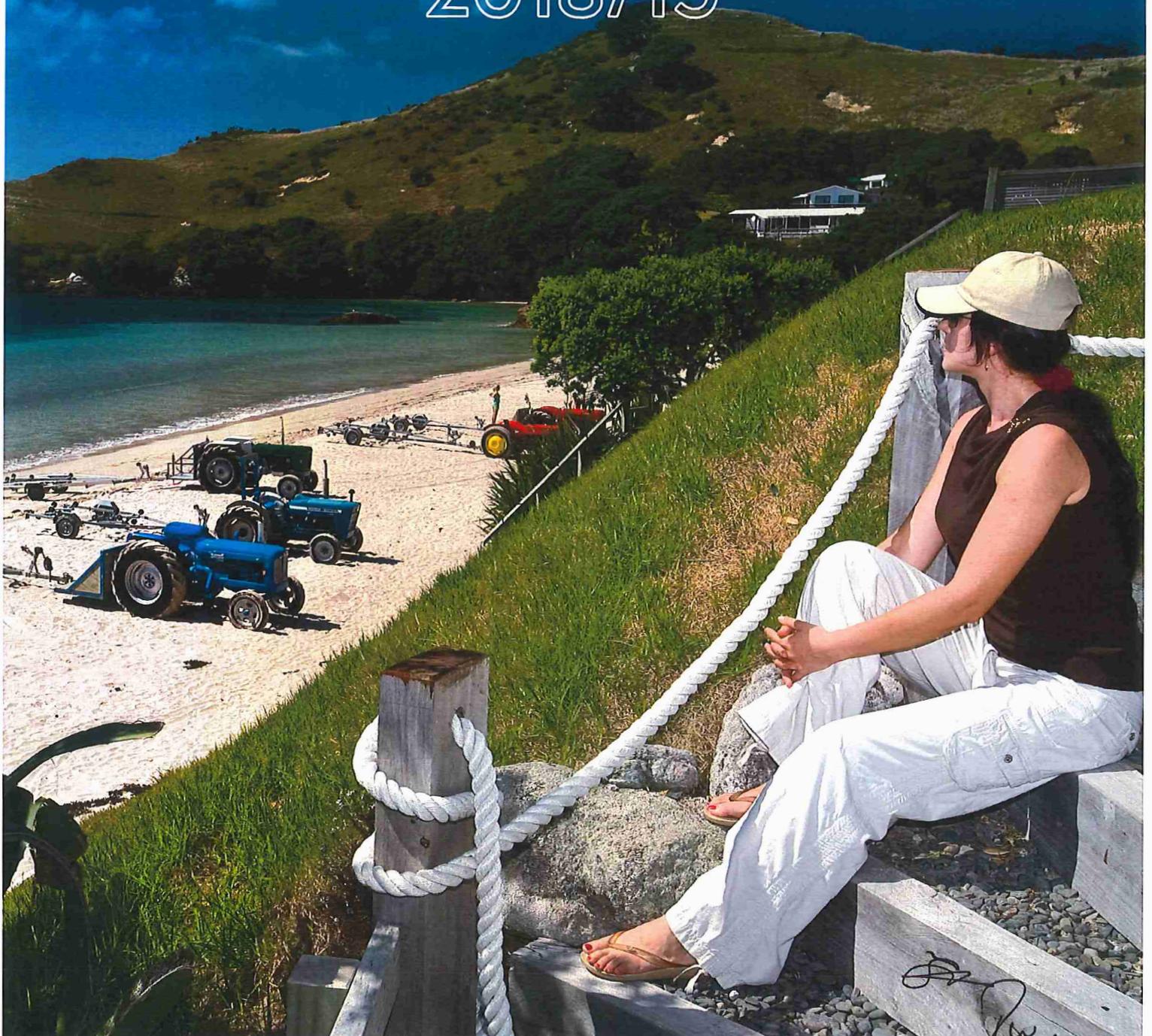


THAMES-COROMANDEL DISTRICT COUNCIL

SUMMARY ANNUAL REPORT 2018/19



tcdc.govt.nz/annualreport



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Message from the Mayor and Chief Executive He karere nā te tumu whakarae	2
Highlights of the year Miramira o te tau o mua	3
Service performance overview Tirohanga whānui o ngā whakahaere ratonga	8
Council benchmarks and where your money was allocated Ngā taumata a kaunihera me te toha toha pūtea	11
Overview of our financial performance Tirohanga whānui ki te whakahaere pūtea	14
Independent Auditor's Report	18




Message from the Mayor and Chief Executive | He karere nā te tumu whakarae

Welcome to our 2018/2019 summary Annual Report. We are pleased to provide this snapshot of what our Council has been delivering over the year 1 July 2018 to 30 June 2019.

This year we delivered year one of our work programme in the 2018-28 Long Term Plan, which focused on delivering the basics and giving each part of the district the support and services they need. This has been a busy year with projects being completed across the district, with a focus on working alongside our communities.

In 2019 we began the review of our Community Plans. We held a series of focus groups in February and March 2019, and during April and May 2019 commenced initial engagement in our various townships across the District. The plans are about what a community can do itself (and advocate for), and what our Council can do in partnership with the community and other organisations.

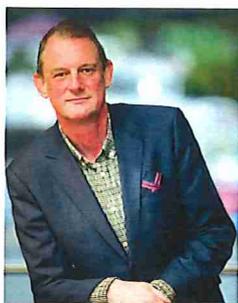
Covering 400 kilometres, our Coromandel district has one of the largest coastlines in the country, and our council is focused on building 'resilient' coastal communities that can respond to and recover from these sorts of hazards, which are common to many parts of New Zealand. As our Council moves into the its new Emergency Management structure, staff have been focusing on building up community resilience around the District.

Our Council has taken a major step forward in the delivery of our Coastal Management Strategy with the appointment of international consultancy to support the development of our Shoreline Management Plans, for what will be a milestone three-year project for our Council and New Zealand more broadly. The work our Council is doing is distinct in that we are developing Shoreline Management Plans across our whole district through active involvement of all key stakeholders along our beautiful yet fragile coastline.

We had a number of highlights in the 2018/19 year; which include:

- Whitianga celebrated the completion of stage one of the town centre upgrades in December 2018, and stage two commenced in 2019.
- The unsealed part of Te Kouma Road was sealed so the whole road is now sealed all the way to Hannaford's Wharf.
- A major pedestrian safety problem was remedied with the building of a footbridge at the Flaxmill Bay ford, which means pedestrians no longer have to compete with traffic to walk across on the road.
- The Hahei Visitor car park at the entrance to the village was doubled in size to give a total capacity of close to 500 parks, meaning the pressure on the streets in the village at peak periods has been removed.
- Council received \$2 million of government co-funding towards upgrading tourism related assets (toilets and carparks).
- We're well underway with our programme to upgrade ten water treatment facilities across our district with the first upgraded plant opened in July 2019.
- Community Boards across the District allocated \$178,000 in local grants and to community-based organisations with projects, activities and events aimed at promoting and developing local communities
- The 72 appeals to our District Plan lodged in 2016 have had 37 appeals fully resolved, and 3 appeals have been withdrawn. A further 13 appeals have been partly settled.
- We had 364 resource consent applications during the year compared to 331 lodged over the previous financial year.
- The Building Unit has had an increase in consent applications and inspections this year with the value of building work increasing by 9.5% to nearly \$220 million.

We look forward to the challenges and opportunities of the coming year and to continuing the conversation with our communities on the future of our district and how we as an organisation can meet their needs and expectations.



Rob Williams
Chief Executive



Sandra Goudie
Mayor

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A handwritten signature in black ink, appearing to be 'Rob Williams'.

Highlights of the year | Miramira o te tau o mua

We did a lot in the 2018/19 year. We've had some great highlights, along with a few challenges. These are shared below for each of our activities.

Roads and footpaths

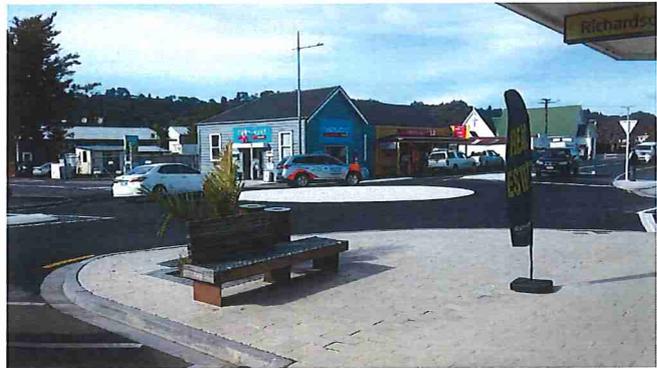
To address road safety concerns raised by the public, a roundabout with a traffic island was installed at the intersection of Campbell Street and Albert Street in the Whitianga CBD.

Designed works commenced for the Wentworth Valley Seal Extension project with physical works scheduled for 2019/2020.

Protection of people and the environment

Coastal and hazard management

Our Council has taken a major step forward in the delivery of our Coastal Management Strategy with the appointment of international consultancy to support the development of our



Shoreline Management Plans. This will be a milestone three-year project for our Council and more broadly, New Zealand.

The work our Council is doing is distinct in that we are developing Shoreline Management Plans across our whole district through active involvement of all key stakeholders along our beautiful coastline. These plans and subsequent action plans are a key outcome of our Coastal Management Strategy. Shoreline Management Plans will provide a large-scale hazard assessment on our flooding and erosion issues and identify subsequent risk to people and the environment for our coastline over the next century. The Plans also identify the possible interventions for managing those risks in a sustainable manner.



Emergency management

As our Council moves into its new Emergency Management structure, staff have been focusing on building up community resilience around the District.

Civil Defence Centre kits are being replaced at six centres - Thames, Te Puru, Coromandel Town, Whitianga, Tairua and Whangamata. They provide all the initial resources should the centres need to be opened during an emergency.

Tsunami information open days were held in June 2019 for the west coast of the Coromandel to give our local communities an opportunity to learn about tsunami and the potential threat to the Firth of Thames.

Community health and safety

The Alcohol Control Bylaw was reviewed this year with some slight changes to permanent locations and new signage being installed. We also undertook three other strategic projects; Lead the Way – a dog bylaw campaign, implemented a Quality Management System for Food Licensing audited by MPI, and a refresh of our district wide dog control signs.

The Bylaws and Compliance team has had an increase in both their core service areas; routine patrols and responding to requests for service. We have issued more infringements than in previous years however we have conducted more patrols and checks and as such the percentage of people being compliant has remained above 90%.

The number of alcohol and food premises applications plateaued this year. It was the final year of the new Food Act transition period which means that all food businesses are now operating under the new Act.



Community spaces and development

Thames

The Swim Cool Swim School at our Council's Thames Centennial Pool has been accredited with Swimming New Zealand's highest-level Quality Swim School mark – Gold. This means that we deliver to the highest possible standards within the Swimming New Zealand structure and that our programme, regulatory and safety standards are the top in the country.

The pool also received \$8,000 worth of life-saving equipment donated by Boat Safety New Zealand. This gear, including a boat and life vests, has been incorporated into swim lessons to teach water safety and life-saving skills.

A three year programme was commenced to improve access in Thames by covering some of the open drains. Areas along Cochrane Street and Rolleston Street adjacent to bus stops have been completed. Open drains on Court Street have been converted to kerb and channel.

Track enhancements were completed at Ngarimu and Burke Street reserves.

The tennis courts at Te Puru were resurfaced making them a more suitable facility for the community and a modular skate track was installed.

Cafe decks were installed along Pollen Street in Thames to provide a more vibrant environment on the street for diners and pedestrians.



Coromandel-Colville

The Long Bay playground was replaced in its entirety in April 2019. The main features of the new playground are sand safety surfacing and a thatched roof to link it with its beach location. It also features a circular confidence course, a basket swing and a sand digger. Local stakeholders input helped ensure the playground would meet the needs of the community.

The layout of Sugar Loaf Wharf was improved by changing traffic flow and lanes, reconfiguring parking bays to a different angle, relocating recreational and commercial parking bays, installing semi-permanent fences and gates to separate the commercial handling area from the public and marking footpaths. Sugar Loaf Wharf is one of the district's busiest wharves and is used by the commercial aquaculture industry and recreational fishers.

Upgrading the Coromandel Citizens Hall upgrade was commenced with completion due in September 2019. This is a major restoration of the hall taking it back to its original state as much as possible. It includes removal of the out of character lean too, replacing the floor and internal linings and rebuilding the kitchen.

The walkway at Tuataewa has been restored after storm damage and realigned to make a first class access track to the waterfront area.

The Oamaru Bay public convenience was renewed making it a much more pleasant facility.

Samuel James Reserve received a facelift with new landscaping, a drinking fountain and furniture.



The Barry Brickell Performance Stage was built at Hauraki Reserve to give the opportunity for outdoor performances and activities. This was built to commemorate Barry's contribution to the community and the highly regarded Driving Creek Railway attraction.

The unsealed part of Te Kouma Road was sealed so the whole road is now sealed all the way to Hannaford's Wharf. At the same time the parking area at Hannaford's Wharf was sealed and a new shelter, improved pedestrian access and lighting completed. This was all complemented by the parking area at Herds Bay being developed and sealed giving greater capacity and more convenient parking in the area and providing some relief to the congestion at Hannaford's Wharf.

The first 760 metres of Harriet Kings Road was upgraded to provide much improved vehicular access to the residents.

The Buffalo Cemetery burial area was extended to provide capacity for the future.

Erosion protection works were completed at Waitete Bay to lessen the risk to the beach and the road.

Mercury Bay

Whitianga celebrated the completion of stage one of the town centre upgrades in December 2018, and stage two commenced in 2019. As part of the stage two improvements, The Esplanade Playground was upgraded and now includes water play, a timber boat as well as other modern play equipment and is a real hit with the community. The Esplanade Road has been upgraded with new line markings, marked car parks and a footpath. We constructed a footpath along the waters edge connecting the Esplanade with the town centre through Taylors Mistake. Other improvements have included installing public artwork.

The public convenience on Blacksmiths Lane was upgraded with a bold new exterior providing a facility in keeping with the new town centre.

A major pedestrian safety problem was remedied with the building of a footbridge at the Flaxmill Bay ford, which means pedestrians no longer have to compete with traffic.

The Hahei visitor car park at the entrance to the village was doubled in size to give a total capacity of close to 500 parks, meaning the pressure on the streets in the village at peak periods has been removed. As a result it has been possible to ban parking at the Grange Road, Cathedral Cove car park over the peak period and transport visitors by an extended shuttle bus service from the Visitor Car Park to the start of the Cathedral Cove track.

Car parking has also been improved at Hot Water Beach with the development of 29 car parks on the road edge opposite the main beach car park.

The Sands tennis court facility at Matarangi has been resurfaced, to give the community a much improved facility.

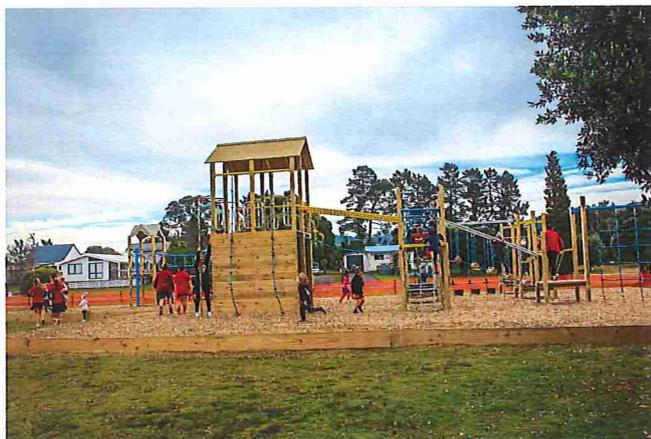
A new public convenience was built at Taputapuatea Stream in Whitianga, giving a much needed comfort stop to the many users of the safe swimming area nearby and walkers at the half way point on the pathway from the Wharf to Brophy's Beach.

The expansion of the Robinson's Road boat ramp was commenced, completion is due in September 2019. This will provide a much improved facility with capacity for larger boats than those that were able to use it previously. This is designed to take some pressure off the main boat ramp at The Esplanade.

The ongoing Mercury Bay coastal erosion and restoration programme continued with plantings at a number of beaches in the Mercury Bay area.



Tairua-Pauanui



period with approx 500 people per day using it at peak times.

Whangamata

A resource consent that enables up to 20 daytime and 7 nighttime events to be held in Williamson Park per year was sought and approved. The consent has a life of 15 years and was approved by an independent RMA commissioner. The consent is consistent with the Whangamata Community Board's policy on the use of Williamson Park which states that there will be no concerts delivered by professional promoters over the period 25 December to 4 January.

Bar-b-ques and sun shades were installed in Williamson Park this year which completes the redevelopment project after removing overly mature and dangerous pine trees and redesigning the inner roading and parking areas.

Storm damage repairs of approximately \$330,000 were completed across the Whangamata reserves following the storms from 2017/18.

Funding from the government's Tourism Infrastructure Fund was secured for the replacement of the Pepe Reserve Toilet Block.

The Tairua Information Centre moved into the Tairua Library.

In Pauanui the Given Grove playground was replaced which is the first of six playground replacements due in Pauanui.

The rebuild of the Royal Billy Point boat ramp and jetty was commenced with completion due in October 2019. The boat ramp will also be widened to reduce congestion during the peak busy holidays and summer weekends for boat launching.

The Hikuai District Trust was granted \$100,000 towards Stage 3 of the Pauanui to Tairua cycleway/walkway. A further 2.2km has been completed this year taking the overall length of the trail to 6.4km from the waterways to a point near to the Tairua River. The trail has been very well utilised over the holiday

Designs and consents were completed for the replacement of the Onemana public toilets ahead of construction works in 2019/20. The Council received a grant of \$108,000 from the government's Tourism Infrastructure Fund as a contribution to the project.

A project to install five security cameras in Whangamata and one in Onemana completed the scoping and design with physical works scheduled for August 2019. New street lights were installed at the cul-de-sac heads on St Patricks ROW and Kotuku Street.

Planning and regulation

Strategic planning

In 2019 we have begun the review of our Community Plans. We held a series of focus groups in February and March 2019, and during April and May 2019 began initial engagement across the District. The plans are about what a community can do itself (and advocate for), and what our Council can do in partnership with the community and other organisations.

The 10 yearly review of the Council's Reserve Management Plans commenced with the general policies and objectives reviewed and approved. The review of the first Community Board area's reserve management plans, Coromandel-Colville was also completed. The next area for review is Thames followed by Mercury Bay, Tairua-Pauanui and Whangamata.

The five year review of the Council's Alcohol Control Bylaw was undertaken. The next review is now due in 10 years. The Nuisances Bylaw review was undertaken with a decision to change the bylaw to the Animal Nuisances Bylaw. The new bylaw is due for adoption in October 2019.

District plan

The 72 appeals lodged in 2016 have had 37 appeals fully resolved and 3 appeals have been withdrawn. A further 13 appeals have been partly settled. Between July 2018 and June 2019 there were 7 appeals fully settled. The Environment Court decision issued on the Golf (2012) Ltd appeal is subject to further proceedings in the High Court. The Department of Conservation appeal was fully settled but the Environment Court has directed Council to do further consultation on including additional rules to protect kauri trees in zones that were not within the scope of this appeal.

Nine draft Consent Orders have been filed with the Environment Court to settle 22 remaining appeals, where agreement has been reached between parties. Approval of these consent documents awaits decisions from hearings held the Natural Character and Coastal Environment topics.

A decision was issued for Variation 2 which related to the Whitianga Airfield and no appeals were received.

Resource consents

We had 364 resource consent applications during the year compared to 331 lodged over the previous financial year.

Building control

The Building Unit has had an increase in consent applications and inspections this year. 1311 building consent and amendments were issued. Inspections increased by 17% to 7,666 inspections and the value of work increased by 9.5% to \$219,248,932. We were able to complete the core functions within our statutory timeframes.

Online consenting has been in place for one year and has been accepted positively by our customers and the wider industry. It has provided our customers with greater access and transparency in the consenting process.

Potentially earthquake-prone buildings have been identified and we will be contacting owners in the near future. Public consultation was completed on our Dangerous and Insanitary policy and to decide the appropriate level of risk for our community on priority routes for identified earthquake-prone buildings.

Economic development

Our Economic development team has been working on a Productivity Plan for the District which focuses on high value opportunities across five targeted work streams: land use; land productivity; connected journeys; aquaculture; and destination management/tourism product development. The Plan outlines how we can partner with central and regional government agencies, local councils, industry, iwi (to facilitate maori economic development) and the community to catalyse a positive change that stretches outside our normal remit as a Council. tcdc.govt.nz/productivityplan





In the past year we have been successful in seeking approximately \$4.1 million of government grants from the Tourism Infrastructure Fund and Responsible Camping Fund to assist with costs in expanding our public toilet assets around the district and expanding our car parking in high tourist demand areas, along with improving responsible camping initiatives around the entire district. We are also awaiting a decision (due October/November 2019) on three Provincial Growth Fund (PGF) applications that our Council is involved in around marine and aquaculture related projects, one at Kopu, and the other two in Coromandel Harbour - at the Sugarloaf Wharf and the Coromandel Marine Gateway. In 2018 the PGF invested \$924,000 to fund the businesses cases for the three projects and the latest applications, if successful will help progress to consent and build. tcdc.govt.nz/kopumarineproject tcdc.govt.nz/coroharbourproject

Representation

Grants and remissions

The Community Boards allocated \$178,000 in local grants and to community-based organisations with projects, activities and events aimed at promoting and developing local communities. These included grants for local artists to promote their work, assistance for local community groups, support for volunteer organisations, environmental initiatives, assistance for youth groups and events to promote local communities.

Solid waste (rubbish and recycling)

Council continues to deliver the joint Waste Management and Minimisation Plan in collaboration with Hauraki and Matamata-Piako District Councils. Waste reduction continues to be a challenge as we look to actively encourage more recycling by our communities.

The solid waste contract is the subject of commercial negotiations and a number of issues in relation to it are being investigated. Council is taking expert advice to resolve all issues.

We extended our weekday opening hours for the Tairua Refuse Transfer Station to 9am to 4pm.

Stormwater

In Whangamata, works to optimise the stormwater network's effectiveness was commenced. The works were primarily within Williamson Park. This work is intended to ease increasing demand on this part of the network, a need highlighted in the 2017/18 storm events. A larger investigation is underway that is looking at the feasibility of introducing more stormwater assets into the town's network.

We've improved drainage and reduced surface flooding in Whangapoua by constructing a kerbside dish channel and soakage pits along a section of Tangiora Avenue from the shops to Opera Place.

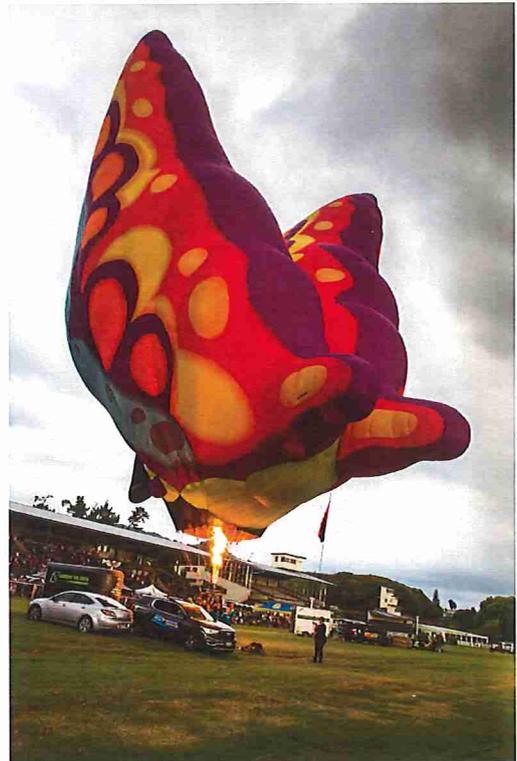
Investigations were undertaken into alleviating pressure on the stormwater assets in and around Holland Close, Pauanui. A programme of works has been prepared and will be delivered in stages with assessment of the effectiveness of each stage before proceeding to implementing more works.

Wastewater

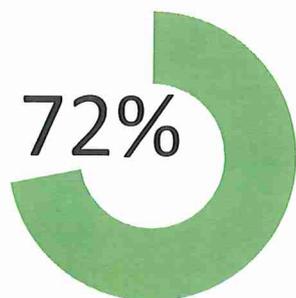
Council has commenced a programme of CCTV work to assess the condition of wastewater pipes in Thames. Scheduled wastewater asset renewal works were completed at a cost of \$1.9 million against a budget of \$1.8 million.

Water supply

We're well underway with our programme to upgrade ten water treatment facilities across our district. The first plant to be upgraded was our Whitianga water treatment plant. The replacement on the same site cost \$2.8 million and utilises the latest technology and methodologies for treating our water. This plant was opened in July 2019.



Service performance overview | Tirohanga whānui o ngā whakahaere ratonga



Our projects and work programmes are contained within 13 groups of Council activities. This table summarises how we did, where we met expectations and where we need to improve. Our performance measures provide us with targets to meet, such as responsiveness, safety, timeliness, meeting statutory requirements and compliance. This year we achieved 72% (2018: 69%) of our service performance targets.

Group of Activity	No. of measures	Achieved	Not Achieved	Not Measured
Roads and footpaths	6	33%	33%	33%
Stormwater	9	89%	0%	11%
Wastewater	12	83%	17%	0%
Water supply	40	70%	15%	15%
Rubbish and recycling	5	20%	80%	0%
Council	8	88%	13%	0%
Planning and regulation	6	100%	0%	0%
Protection of people and the environment	7	57%	29%	14%
Coromandel-Colville	6	67%	33%	0%
Mercury Bay	9	67%	33%	0%
Tairua-Pauanui	9	56%	33%	11%
Thames	12	83%	8%	8%
Whangamata	7	100%	0%	0%

Commentary on the performance measures

There are a number of reasons why some performance measures are not achieved each year. The reasons range from situations such as extreme weather events, or a change to the planned work programme, through to issues with our systems for measuring the results. Below is a brief explanation of the reasons why some of our performance measures have not been achieved this year. For more details refer to the introduction and statement of service performance sections in our full annual report.

Activity	Summarised commentary on "not achieved" and "not measured" performance measures
Roads and footpaths	Two of the six measures were not achieved. One fatality and nine serious injury crashes were reported. In order to achieve the target, the number of crashes reported needed to be less than or equal to the previous financial year (which was five). Council has limited ability to reduce road crashes resulting in fatalities or serious injury due to the number of human factors involved. A review of the car crash statistics showed no common cause between each crash. The second measure not met was the area of the sealed local road network resurfaced which needed to be greater than 149,254m ² or 5%. However, only 4 % or 131,251m ² was achieved. The work programme included a 10% contingency for variable site dimensions. If the contingency is deducted from the programme quantity then the area of resurfacing achieved is 98% of the target area.
Wastewater	Two of the 12 measures were not achieved. One was in relation to the number of operational resource consent conditions not complied with and the other with the number of abatement notices. We did not comply with 25 consent conditions and received three abatement notices. Work is underway to address the non-performance.
Water supply	Six of the 40 measures were not achieved. Three related to Drinking Water Standard compliance, two related to water loss and one to continuity of supply. There were also 18 performance measures relating to Drinking Water Standard compliance where the target was to be not compliant. These performance measures were achieved because Council was not compliant. A three year programme to progressively upgrade water treatment plants to meet part 4 and 5 of the standards is underway.
Rubbish and Recycling	Four of the five measures were not achieved. These measures related to kerbside pickup services, waste minimisation and one resource consent issue relating to a closed landfill. Performance of kerbside pick up suffered in the second part of the year due to enforcement of the rules around the collection of bags and a delay in the close off of requests for service. There has also been an increase in the disposal of construction waste. Council are working with Waikato Regional Council to ensure resource consents are complied with.
Council	One of the eight measures was within 5% achieved. This measure related to the updating of Eplan. The target is that less than or equal to 90% of Eplan is updated within two months of changes to the District Plan being approved. The result was 86%. Of the seven decisions released six were reflected in Eplan within the two month timeframe. The decision that was outside the timeframe coincided with a heavy workload of requests from the Courts for more hearing information.
Protection of people and the environment	Two of the seven measures were not achieved. One was in relation to the completion of an introductory civil defence course for new staff and the second was in relation to the delivery of capital expenditure for the Coastal and Hazard Management activity. Nine new staff did not receive introductory training within six months of their start date and consenting works held up the completion of physical works on one project.
Coromandel-Colville	Two of the six measures were not achieved. One public convenience request for service went outside the contractual timeframe and the Coromandel Wharf's condition was assessed as grade 4 (very poor).
Mercury Bay	Three of the nine measures were not achieved. The Whitianga Hall was booked for 36% of the total available time and three public convenience requests for service went outside the contractual timeframes. The baseline membership for active library members has decreased.
Tairua-Pauanui	Three of the nine measures were not achieved. One of the four ashes interments was not responded to within one day, one public convenience request for service went outside the contractual timeframe and the Roayl Billy Point wharf's condition assessment was assessed as grade 4 (very poor).
Thames	One of the 12 measures were not achieved. The Thames wharf's condition was assessed as grade 4 (very poor).

Activity	Summarised commentary on "not achieved" and "not measured" performance measures
Not measured	There were 12 performance measures that were not measured across the Council activities. This is because the measurement of these performance measures are only performed on a cyclical basis. Some are measured every two years and some every three. The stormwater measure on median response times to flooding events was deemed not measured because there were no flooding events reported for the period.



Council benchmarks and where your money was allocated | Ngā taumata a kaunihera me te toha toha pūtea

Part 2 of The Local Government (Financial Reporting and Prudence) Regulations require us to disclose our financial performance in relation to various benchmarks. A complete picture of the results can be obtained from the full Annual Report. The following is a snap shot of the results that were obtained in the 2018/2019 financial year.

Rates affordability benchmarks



- 73% of total revenue received by Council was rates income. Rates received is capped at 80% of total revenue received.
- Rates rose by 3.65% for existing ratepayers. Council's limit was that rates must not rise by more than 4.8% in the 2018/2019 financial year.

Debt affordability benchmarks



- Total net external debt was \$47.4 million as at 30 June 2019 and was equivalent to 45% of total revenue. This is \$111.1 million under our total external debt cap of \$158.5 million (150% of total revenue).
- Net external interest on external debt was 3% of rates revenue. This was well within the limit set of 15%.
- Net interest on external debt was 5.5% of operating revenue. This was well within the limit set of 15%.

Balanced budget benchmark



- Council's revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant and equipment) was 98% of total operating expenditure. Council did not meet this benchmark as revenue (as a proportion) of total operating expenses was less than 100%. This is due to unbudgeted increased operating costs in the water, wastewater, stormwater, roading and solid waste activities.

Essential services benchmark



- Council met this benchmark for the 2018/2019 financial year as capital expenditure on network services was 177% of depreciation expenditure on network services.
- Council is continuing to fund depreciation in order to build depreciation reserves so that costs towards major renewals can be met without additional borrowings.

Debt servicing benchmark



- Council's borrowing costs are 2.7% of its operating revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant and equipment). Council meets this benchmark if its borrowing costs equal or are less than 10% of its revenue.

Debt control benchmark



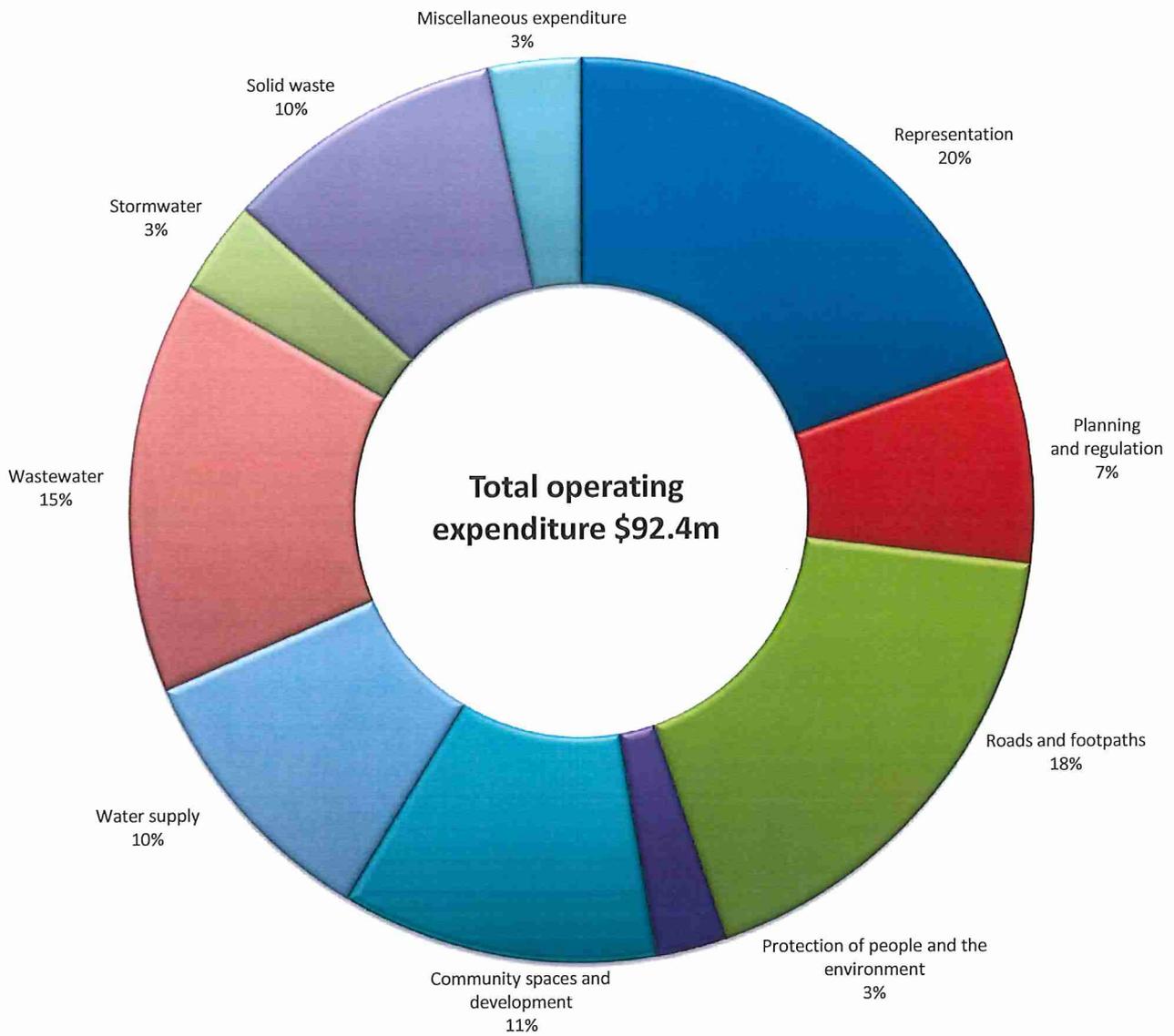
- Council's actual net debt of \$73.5 million was 109% of its planned net debt as at 30 June 2019. Net debt means financial liabilities less final assets (excluding trade and other receivables). Council did not meet this benchmark as actual net debt was more than 100%. This is due to increased borrowing required to fund the capital works programme.

Operations control benchmark



- Council's net cash flow from operations was \$25.1 million which was \$1.3 million more than budgeted. Council met the operations control benchmark as its actual net cash flow from operations was more than its planned net cash flow from operations (105%).

Where your money was allocated



Overview of our financial performance | Tirohanga whānui ki te whakahaere pūtea

Summary financial statements for the financial year ending 30 June 2019

	2019	2019	2018
Statement of comprehensive revenue and expense	Budget	Actual	Actual
For the year ended 30 June 2019	\$000's	\$000's	\$000's
Rates revenue	65,732	65,458	62,786
Fees and charges	11,362	12,142	11,435
Other revenue	16,648	28,062	16,630
Total revenue	93,742	105,663	90,851
Personnel costs	18,441	17,433	17,535
Depreciation and amortisation	21,288	20,465	19,350
Finance costs	2,540	2,460	2,470
Other expenses	43,538	52,090	47,116
Total expenditure	85,807	92,449	86,471
Share of joint venture surplus/(deficit)	0	4	(22)
Surplus/(deficit)	7,935	13,218	4,357
Gains on revaluation of property, plant and equipment	24,925	84,024	44,794
Gains on revaluation of financial assets	0	0	15
Total other comprehensive revenue and expense	24,925	84,024	44,809
TOTAL COMPREHENSIVE REVENUE AND EXPENSE	32,860	97,242	49,166

	2019	2019	2018
Statement of financial position	Budget	Actual	Actual
As at 30 June 2019	\$000's	\$000's	\$000's
Total current assets	9,271	13,232	17,917
Total non-current assets	1,545,363	1,603,467	1,491,089
Total assets	1,554,634	1,616,698	1,509,007
Total current liabilities	19,596	23,195	34,816
Total non-current liabilities	55,385	60,801	38,730
Total liabilities	74,981	83,996	73,546

NET ASSETS AND TOTAL EQUITY	1,479,652	1,532,703	1,435,460
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	2019	2019	2018
Statement of changes in equity	Budget	Actual	Actual
For the year ended 30 June 2019	\$000's	\$000's	\$000's
Balance at 1 July	1,446,792	1,435,459	1,386,293
Total comprehensive revenue and expense for the year	32,860	97,242	49,166
BALANCE AT 30 JUNE	1,479,652	1,532,703	1,435,459
Equity represented by:			
Accumulated funds	403,615	400,077	393,109
Reserves	1,076,037	1,132,627	1,042,271

	2019	2019	2018
Statement of cash flows	Budget	Actual	Actual
For the year ended 30 June 2019	\$000's	\$000's	\$000's
Net cash inflow/(outflow) from operating activities	23,886	25,146	21,288
Net cash inflow/(outflow) from investing activities	(34,584)	(27,183)	(31,584)
Net cash inflow/(outflow) from financing activities	10,568	5,400	10,400
Net increase/(decrease) in cash and cash equivalents	(130)	3,363	104
Cash and cash equivalents at the beginning of the year	584	199	95
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	454	3,562	199




Summary financial statements

The summary financial statements were extracted from the full audited financial report of Thames-Coromandel District Council for 30 June 2019.

The summary financial statements do not include all the disclosures provided in the full financial statements and cannot be expected to provide as completed an understanding as provided by the full financial statements.

The full annual report was authorised for issue by Council on 31 October 2019.

The full annual report is available from the Council offices or can be downloaded at www.tcdc.govt.nz.

An unmodified audit report was issued on the full financial statements.

Explanations for key variances from the budget

Revenue

Other revenue

Other revenue was more than budgeted by \$9.4 million mainly due to vested assets. The budget for vested assets is based on a rolling five year average. In three of the previous five years less than \$1 million in assets were vested.

Expenses

Personnel costs

Personnel costs came in \$1 million under budget mainly as a result of vacancies in the infrastructure, regulatory and corporate services activities.

Other expenses

Other expenses were \$8.5 million higher than budgeted. There was an unbudgeted loss on disposal of property, plant and equipment of \$1.7 million including work in progress. The loss was mostly related to roading assets that were replaced before the end of their useful lives. The remaining variance is a result of an increase in operating expenditure as a result of contractual increases in the delivery of roading, water, wastewater stormwater and solid waste services.

Other comprehensive revenue and expense

Gain on property, plant and equipment revaluations

A gain on revaluation was budgeted but the actual asset revaluation movements were higher than budgeted by \$59.1 million. This is mainly attributable to the increase in roading land value across the district.

Assets

Cash and cash equivalents

The closing cash position was \$3.1 million higher than budgeted mainly as a result of unbudgeted cash reserves held at year end for the payment of creditors.

Property, plant and equipment

Property, plant and equipment is \$58.6 million higher than budgeted. This is mainly attributable to the increase in land values and roading assets across the district.

Intangible assets

Intangible assets were \$1 million less than budgeted mainly because of a movement towards software as a service products which are not capitalised.

Liabilities

Payables and deferred revenue

The closing payables position was \$2.3 million higher than budgeted mainly because of large infrastructure accruals to record expenditure that occurred prior to year end where invoices had not been received.

Derivative financial instruments

There is inherent difficulties in predicting valuation derivatives. The notional outstanding interest rate swap contracts were higher than budgeted and the 90 day bank bill market (BKBM) rate was significantly lower than budgeted.

Borrowings

The total debt is \$2.6 million more than budgeted as a result of an increase in the capital works programme. The Annual Plan budget for capital works was \$34.5 million. Changes to the work programme during the year resulted in a year end capital spend of \$38.1 million.

Disclosure

Reporting entity

Thames-Coromandel District Council (Council) is a territorial local authority established under the Local Government Act 2002.

Basis of preparation

Statement of compliance

The Summary Annual Report is for the year ended 30 June 2019 and was authorised for issue by the Chief Executive on 31 October 2019. The full Annual Report was adopted by Council and approved for issue on 31 October 2019. The full financial statements of Council have been prepared in accordance with the requirements of the Local Government Act 2002, which include the requirement to comply with generally accepted accounting practice in New Zealand (NZ GAAP). They also comply with Tier 1 PBE accounting standards. All other statutory requirements relating to the Annual Report have been complied with. This Summary Annual Report has been prepared in accordance with the PBE Financial Reporting Standard 43 (PBE FRS 43) Summary Financial Statements.

Measurement base

The financial statements have been prepared on an historical cost basis, modified by the revaluation of land and buildings, certain infrastructural assets, investments, forestry assets and certain financial instruments (including derivative instruments).

Functional and presentation currency

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars (\$000's).

Contingent liabilities

Contingent liabilities, which are dependent on other future events, are \$2.87 million (2018: \$3.17 million). Of this \$1.67 million (2018: \$1.95 million) relates to possible future claims against Council for damages relating to leaky buildings and \$1.12 million (2018: \$1.11) relates to financial guarantees given to community organisations.

Subsequent events after balance date

There have been no post balance date events up to the date of the adoption of the Annual Report that are known to have a material effect on the financial statements and notes to the financial statements of the Council.



Independent Auditor's Report

To the readers of Thames-Coromandel District Council's summary of the annual report for the year ended 30 June 2019

The summary of the annual report was derived from the annual report of the Thames-Coromandel District Council (the District Council) for the year ended 30 June 2019.

The summary of the annual report comprises the following summary statements on pages 8 to 10 and pages 14 to 17:

- the summary statement of financial position as at 30 June 2019;
- the summaries of the statement of comprehensive income, statement of changes in equity, statement of cash flows and summary of contingent liabilities for the year ended 30 June 2019;
- the notes to the summary financial statements that include accounting policies and other explanatory information; and
- the summary statement of service performance.

Opinion

In our opinion:

- the summary of the annual report represents, fairly and consistently, the information regarding the major matters dealt with in the annual report; and
- the summary statements comply with PBE FRS-43: *Summary Financial Statements*.

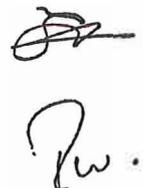
Summary of the annual report

The summary of the annual report does not contain all the disclosures required by generally accepted accounting practice in New Zealand. Reading the summary of the annual report and the auditor's report thereon, therefore, is not a substitute for reading the full annual report and the auditor's report thereon.

The summary of the annual report does not reflect the effects of events that occurred subsequent to the date of our auditor's report on the full annual report.

The full annual report and our audit report thereon

We expressed an unmodified audit opinion on the information we audited in the full annual report for the year ended 30 June 2019 in our auditor's report dated 31 October 2019.



Council's responsibility for the summary of the annual report

The Council is responsible for preparing the summary of the annual report which includes preparing summary statements, in accordance with PBE FRS-43: *Summary Financial Statements*.

Auditor's responsibility

Our responsibility is to express an opinion on whether the summary of the annual report represents, fairly and consistently, the information regarding the major matters dealt with in the full annual report and whether the summary statements comply with PBE FRS 43: *Summary Financial Statements*.

Our opinion on the summary of the annual report is based on our procedures, which were carried out in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board.

Other than in our capacity as auditor, we have no relationship with, or interests in the District Council.



Carl Wessels
Audit New Zealand
On behalf of the Auditor-General
Auckland, New Zealand
14 November 2019






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