



2012/2013 ANNUAL REPORT SUMMARY

the COROMANDEL good for the soul . . .

MESSAGE FROM THE MAYOR AND CHIEF EXECUTIVE

Council has successfully navigated through 2012/2013 which has seen many changes to the laws governing local authorities, and many changes inside Council itself as we continue to establish our new 'community empowerment' model of operating. This model recognises the strong Coromandel need for local decision-making, and more authority over the resources needed to achieve local aspirations.

Preparing an Annual Report is a chance to pause and reflect on how we progressed in the last year of the current elected council's triennium. With their strategic goal of establishing the community empowerment approach largely in place, we worked through the other elected council priorities of cost-restraint in a period of low growth, delivering on priorities, and transforming our customer culture.

Faced with flat development in the District and ever rising costs, Council took a number of serious expenditure measures inside the organisation which led to the reduction of other direct operating expenses from \$38.2m in the previous year to \$35.9m in the current period. That reduction of 6% was achieved without reducing levels of service. Overall we finished the year with a surplus of \$1.2m, which was under the projected surplus of \$3.4m. The key reason for this was not increased expenditure, but the continued drop in expected revenue from development (including consenting). Council responded in the year by dropping its own expenditure significantly, and ended the year in surplus.

Council achieved strong service delivery to its communities. We improved on our achievement of service performance indicators from 72% last year, to 79% this year. With another ten service indicators lying within 3% of being achieved, we are confident in doing even better next year. Our customer satisfaction survey results indicated best ever performance results for core Council services of roads, solid waste, parks and reserves, public conveniences, harbour facilities and cemeteries. The year also saw the Council entering into a major new solid waste contract with our Thames Valley council neighbours (Hauraki and Matamata-Piako Districts) which projects a saving to the ratepayers across the three Councils of \$4.7m over the next decade. Alongside other shared services in civil defence, and insurance to name a few, shows our council trying hard for further cost savings to ratepayers but also being selective in the shared services we choose to enter into.

The Council's main challenge and public shortcoming in the year was around the management of its capital projects. We dealt with a substantial cost overrun on the Mercury Bay Multisport complex which led us to commission an external review. Council is working through those recommendations. This issue highlighted the most serious issue that has been with the Council for a number of years around the budgeting and delivery of our capital works programme. Delivering only two-thirds of our capital programme is not good enough, and neither is the budget estimation of how much projects cost before the figures are put into our planning documents. It is leading to an annual gap between budgeted capital and actual spent of up to \$10m over a number of years throughout the last decade. The Council has undertaken a significant and far-reaching programme internally to address the problems it has in capital project planning, controls and delivery. This is being tightly monitored by the Audit Committee and the Mayor.

This work on our project management is timely as the Council continues to scope some major economic and community development projects to stimulate the local economy and showcase Coromandel's natural attributes to the world; the Coromandel Great Walks (Hot Water Beach to Cathedral Cove leg), Coromandel Wharves development including fast-ferry link to Auckland, and the continuation of the highly successful partnership with our Thames Valley council neighbours in the Hauraki Rail Trail. This investigation will progress further in the following 2013/2014 year. The concentration on key economic development projects will lead the Council to explore how to fund this work within a tight expenditure envelope.

We would like to extend a very big thank you to our staff and elected members for their tireless effort and contribution throughout 2012/2013. It's been a big year for us all and there have been some fantastic outcomes for our communities.

This Annual Report summary only provides a snapshot of Council's performance in 2012/2013. More detailed information can be found in the full Annual Report which is available at www.tcdc.govt.nz or a paper version can be viewed at our customer service centres across the district.



Glenn Leach
Glenn Leach
DISTRICT MAYOR



David Hammond
David Hammond
CHIEF EXECUTIVE

PERFORMANCE OVERVIEW

We organise our services into eleven activity groups which are further divided into 28 activities. For each activity we then define levels of service. There are 85 in total and we measure how we are doing against these by setting targets and performance measures against those targets. The table below is a dashboard view of how we performed against each of these targets. Full details are contained within the Annual Report.

The performance measures use a number of different approaches including a random independent customer satisfaction telephone survey, our responsiveness to customer requests for service, completing tasks within timeframes set through legislation and the quality of our output.



ACTIVITY GROUP	ACTIVITY	1	2	3	4	5	6	7	8	9	ACTIVITY GROUP OVERVIEW
Community Leadership	District Leadership										The strong performance in Local Advocacy reflects the positive impact of the Community Governance model adopted by Council. In District Leadership two measures 'not achieved' related to customer satisfaction and the other was related to a 'Treaty Settlement' matter outside Council's control.
	Local Advocacy										
Planning for the Future	Strategic Planning										There is good performance across the group with only Strategic Planning not meeting all its targets. One of the targets, a 'State of the District' report was held back as part of a work programme reprioritisation, and will be produced in September 2013. The other was a customer satisfaction result.
	Land Use Planning										
	Hazard Management										
Healthy and Safe Communities	Emergency Management										There is mixed performance across these activities with some internal reviews being conducted to address performance issues. Changes were also made in the 2013/2014 Annual Plan to address technical issues with measuring some Building Control targets. Resourcing issues with carrying out Community Health & Safety inspections have been addressed and improvements are anticipated in 2013/2014.
	Building Control										
	Community Health & Safety										
Roads and Footpaths	District Transportation										District Transportation achieved all its targets. For Local Transportation one target performance has fluctuated over the years and this is being addressed with the contractor. The other is the result of the underpinning need for a work programme being subjected to more detailed review.
	Local Transportation										
Community Spaces	Airfields										There was a consistently high performance across all these locally managed activities with only a few relatively minor blemishes. More than half the activities achieved all of their targets. The three that did not achieve 100% each only had one target not met. Community Centres and Halls had two of the three centres marginally below their target. Libraries target was not achieved because one of the small local facilities was closed by the community. Parks and Reserves had issues with the baseline information defined in the 2012-2022 Ten Year Plan for the number of playgrounds.
	Cemeteries										
	Community Centres & Halls										
	Public Conveniences										
	Harbour Facilities										
	Libraries										
	Parks & Reserves										
	Swimming Pools										
Community Development	Economic Development										Those measures not achieved reflected ambitious targets and wider indicators broadly outside of councils direct control, otherwise a strong performance across both these activities.
	Social Development										
Stormwater	Stormwater										There was strong performance in this activity following a few years of variable and inconsistent performance. Land Drainage was incorporated into Council operations for the first time smoothly.
	Land Drainage										
Wastewater	Wastewater										Two new measures for trade waste and biosolds were delayed and could not be measured, this will be resolved by next year.
Land Use	Land Use Management										The Land Use Management activity is undergoing further internal reviews to address the shortfall in its performance. Land Information Memorandum is a consistently high performing activity and the one measure not achieved relating to the 'condition of covenants' will be scrutinised more closely next year before taking corrective action if necessary.
	Land Information Memorandum										
	Natural & Cultural Heritage										
Water Supply	Water Supply										Performance was down on last year in a challenging operating environment with the drought over the summer.
Solid Waste	Solid Waste										One measure was under target by a margin of 1% and the other two related to a planned delay and a technical issue.

Achieved	108	Not Achieved	29	Not Measured	4	Not Measurable	1
----------	-----	--------------	----	--------------	---	----------------	---

COMMUNITY BOARD HIGHLIGHTS

Thames-Coromandel District Council committed itself to greater local accountability through a new community governance model. This is supported by enhanced Area Office capacity and delegating more responsibilities to Community Boards. The following provides an overview for each of the Community Boards in their first year of this new operating model.

Thames Community Board Area

Thames Focus Group, a sub-committee of the Board developed a [Thames Urban Development Strategy](#) to unlock the potential of Thames. The project brought together 100 people in November 2012 to review past community input, heritage, inspirational urban design and realistic business planning for the future of Thames. The draft Plan is now available on Council's website.

Thames is now linked to the [Hauraki Rail Trail](#) at Shortland Wharf which inspired a community initiative to create a rest area there, as the rail trail continues to grow in popularity with locals and visitors. In April 2013, the 400m [link between Kopu Road and the roundabout](#) at the intersection of State Highways 25 and 26 was completed, providing good access for motorists between the State Highway network and the Kopu industrial area.

A major focus for the Board at the turn of the year was [fluoridation of the Thames water supply](#). The Board's request for feedback resulted in over 500 submissions and a full day of presentations by interested parties. A difficult decision to continue with fluoridation was the ultimate decision with the Board appreciative of the efforts made by all submitters.

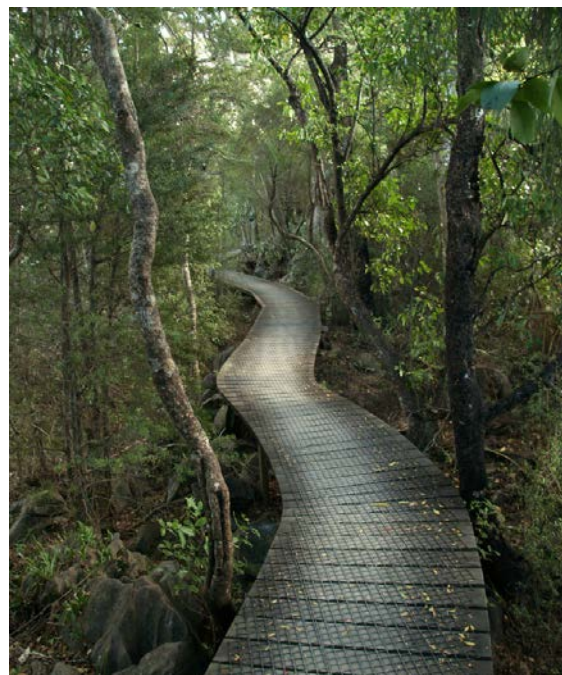
[Te Puru Hall](#) was closed in 2011. Following a public meeting attended by over 100 local people to discuss the future of the hall the community rallied to keep costs down and worked with Council and the community offered support through skills, labour, project management and materials.

Coromandel-Colville Community Board Area

The priorities for the Coromandel-Colville Community Board throughout 2012/2013 have been to develop a strategic approach to [harbour facilities](#), advocate for the needs of the Coromandel-Colville communities and initiate investigations on the [Coromandel Bypass](#). Commitments were made to complete more detailed studies for the bypass in 2013/2014. Another forward looking initiative considered this year was the Coromandel Heritage Town which be developed further and include more engagement with the community throughout 2013/2014.

[Hannaford's wharf](#) was closed in September 2012 after a severe storm damaged the structure. Council approved \$140,000 from its disaster relief fund to pay for the immediate repairs and a further \$275,000 upgrade was then undertaken.

In May 2013 The Coromandel Business Association has signed a Service Level Agreement with the Council to provide [visitor information services](#) at Coromandel Town. The Business Association did a fantastic job last summer to resurrect the centre after the previous Incorporated Society couldn't continue due to cash flow problems.



Mercury Bay Community Board Area

The [Mercury Bay Multi Sport Park](#) has consumed much of the Mercury Bay Community Board's time throughout 2012/2013 after it came to light in late 2012 that there had been significant overspend on the construction of a Multi-Sport Park in Whitianga. Council apologised to the community and explained the situation in detail at a number of community meetings. It also determined that it was committed to completing stage one of the Sport Park - which included developing the sports fields, tennis and netball courts and completing the amenity building.

Several beaches in Mercury Bay have been compromised by severe coastal erosion. Throughout the year a [Coastal Erosion Action Plan](#) was developed to better guide funding decisions and physical works. On a more positive note about beaches, in June 2013, [Hot Water Beach](#) was named in the top 10 mineral bath experiences in the world in the Lonely Planet's 1000 Ultimate Sights guide.

Tairua-Pauanui Community Board Area

Throughout the year, the Tairua-Pauanui Community Board focussed on improving some of the local recreational facilities including the urgent replacement of one of the most popular playgrounds on the Coromandel, the [Pepe Playground](#) alongside Tairua Harbour. This was due to structural risks

An all-tide concrete launch facility to upgrade the facility at [Mary Beach](#) has been much appreciated by boaties. The project was completed at a cost of \$35,000 just before the busy Christmas and New Year period.

Design work on a new [community amenity building](#) adjacent to the CBD in Pauanui continued during the year in order to progress the project to a start date of February 2013. Incorporating the library and information centre together with a meeting room and small office area the amenity building will create a hub that has been sought after for many years.

In late 2012, the Tairua-Pauanui Community Board responded to concerns from the community regarding [equity of collection and distribution of rates](#) between Tairua and Pauanui. Costs are now being identified separately to provide greater transparency and information to the Board and to the communities.

Whangamata Community Board Area

Throughout the year, the Whangamata Community Board focussed on improving relationships between the Board and the business community, creating operational efficiencies as well as championing a number of projects to enhance the attractiveness of Whangmata to residents and visitors.

Two major walkway-Cycleway projects were completed, one at [Wentworth Valley](#) linking Mum's Corner in Whangamata to the many attractions in Wentworth Valley to the south was completed in July this year. Stage one of [Te Ara O Te Wairoa \(Moana Anu Anu Harbour\)](#) was completed this year and has created walking and cycling opportunities through some spectacular local scenery. Thirty pohutukawa trees have been donated from Project Crimson for planting on the walkway and over 7,000 native plants now grace the walkway as it winds around the estuary.

For the time being, the Board decided to suspend further project stages on the walkway plans, exercising [prudent financial management](#) on this and the Whangamata Harbour Committee. The Community Board and the harbour committee members agreed that a formal committee structure was not vital, and formally disestablish the committee saving \$2000 annual costs for advertising, agendas, minute-taking and staff time.

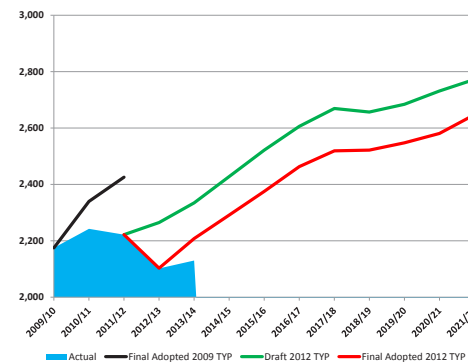
To better understand the impacts of events, both positive and negative, the Board conducted a [survey of the business community](#) during the peak event period being December and January. The survey focussed on what impact peak period events had on the local retail economy. Over 30 business, 10 major events and 120 participants took part in Whangamata and Tairua. The outcome was that peak-time events generally do not contribute to the local economy.

FINANCIAL OVERVIEW

Throughout 2012/2013 we have continued to work hard to keep rate increases to a minimum. This has been achieved without reducing levels of service. It is anticipated that rates will increase (on average across the district) by 1.34% in 2013/2014.

The graph indicates the average actual rates charged to ratepayers to that originally forecasted in both the 2009-2019 Ten Year Plan and the 2012-2022 Ten Year Plan (draft and final).

While the total rates revenue required by Council has diminished over the last four years, we do have challenges ahead should we wish to hold them near their current levels. One of these challenges relates to the low levels of growth being experienced within the district and consequently, the drop in revenue from development contributions.



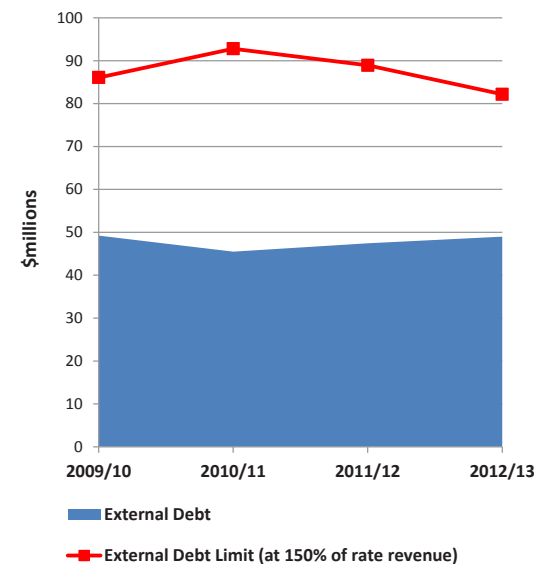
Council plays a significant role in providing infrastructure to support local growth. This infrastructure is funded in part by development contributions and loans (both external and internal). Where this infrastructure has been provided and the growth has not eventuated, Council is then left to fund the shortfall. Included in this 'shortfall' is normally interest on both external and internal loans, and the development contributions themselves. This shortfall is paid back over time as growth eventuates.

In 2009 Council determined that the interest on these 'loans' should be met by a new home buyer (through development contributions) rather than the ratepayer through rates. As such the interest payments have been added to the outstanding principle. Council's main concern going forward will be however, if this limited period of growth continues over an extended period of time, development contributions may increase to a level that could inhibit future growth in the district. This will continue to be an area of focus for us in the year ahead.

Council will seek public feedback on potential solutions to this issue as part of its 2014/2015 Annual Plan process.

We continue to operate well within our prescribed debt limits. Our 'debt ceiling' (as indicated below by the red line in the graph) has lowered during the past year due to a reduction in rates revenue collected. Actual external debt continues to remain below that borrowed in June 2010.

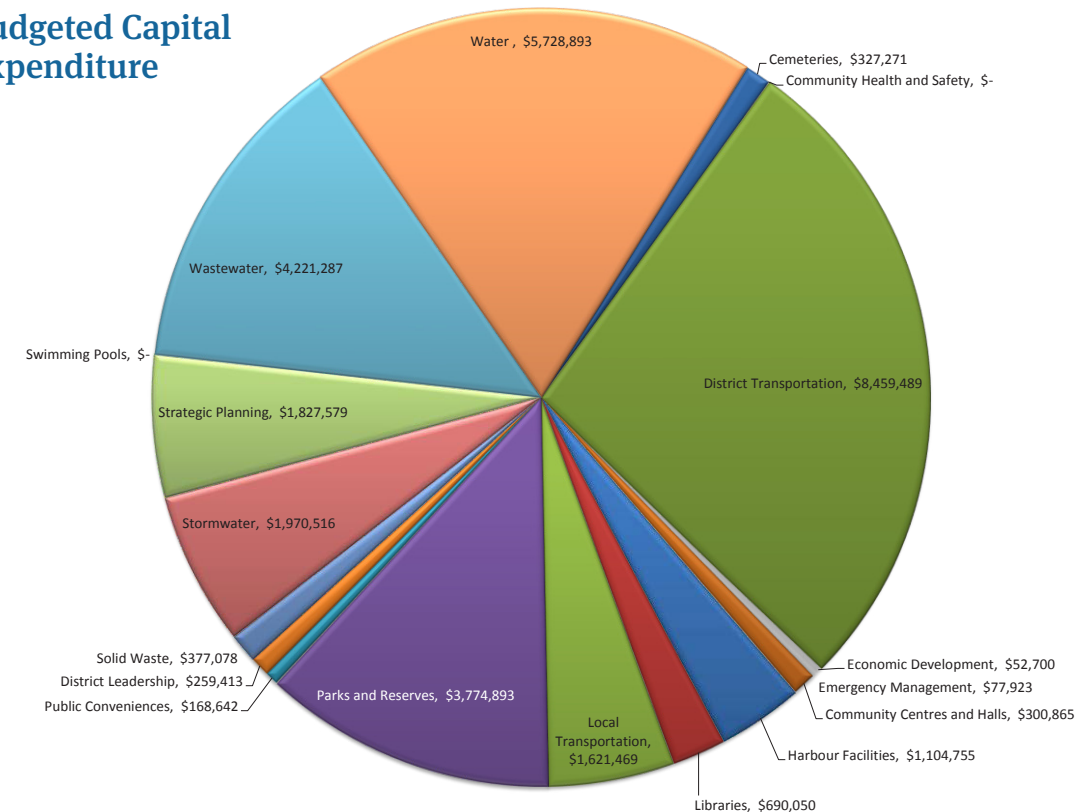
We also continue to experience low interest rates. However, these are not predicted to continue. Council will continue to mitigate the impact of future interest rate increases through hedging. Unfortunately though, any interest rate increase will create upward pressure on rates. Increased interest costs will mean that less money is available to spend on other things - unless we increase rates.



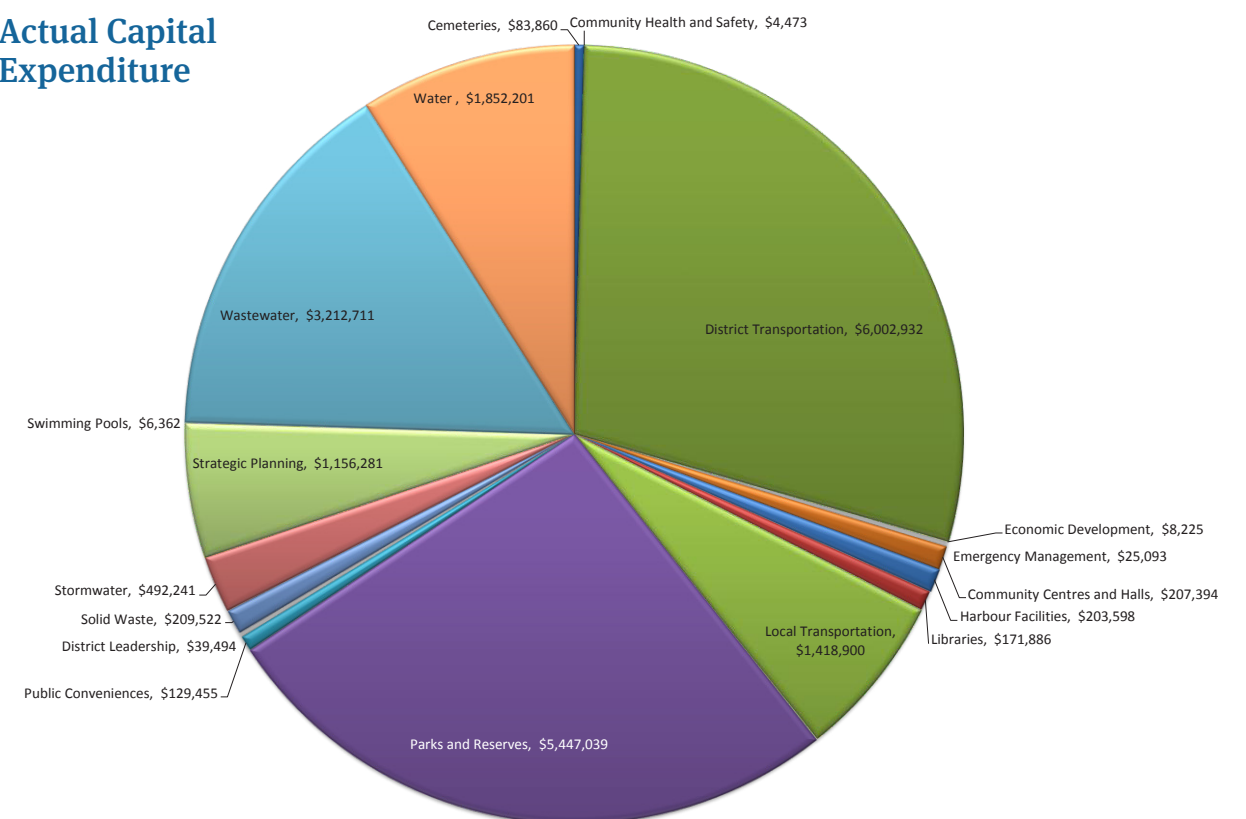
Improvements going forward

An area of improvement for us is to ensure that our capital works programme is realistic and can be reasonably achieved in the timeframe proposed. The Office of the Auditor General estimated that the NZ council average for actual capital expenditure as a percentage of budgeted capital expenditure is in the region of 80% while ours is 66% and it is therefore an area of focus and improvement going forward.

Budgeted Capital Expenditure



Actual Capital Expenditure



DISCLOSURES

Reporting Entity

Thames-Coromandel District Council (Council) is a territorial local authority governed by the Local Government Act 2002. The Council is designated as a public-benefit entity for financial reporting purposes and is considered an individual entity for reporting purposes.

Basis of preparation

Statement of compliance

This Summary Annual Report is for the year ended 30 June 2013 and was authorised for issue by the Chief Executive on 30 October 2013. The full Annual Report was adopted by Council and approved for issue on 2 October 2013.

The full financial statements of Council have been prepared in accordance with the requirements of the Local Government Act 2002, which includes the requirement to comply with generally accepted accounting practice in New Zealand (NZ GAAP).

They also comply with the New Zealand equivalent to International Financial Reporting Standards (NZ IFRS), and other applicable Financial Reporting Standards, as appropriate for public benefit entities.

Council confirms that all other statutory requirements relating to the Annual Report have been complied with. This Summary Annual Report has been prepared in accordance with the Financial Reporting Standard 43 (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).

Change in reporting format from prior years

There have been no changes in the reporting format from prior years.

Change in accounting policies

There have been no changes in accounting policies during the financial year.

Disclaimer

The specific disclosures in this Summary Annual Report have been extracted from the Council's full Annual Report. The Summary Financial Statements do not include all the disclosures provided in the full Annual Report.

This Summary Annual Report cannot be expected to provide as complete an understanding as provided by the full Annual Report of the financial and service performance, financial position and cash flows of the Thames-Coromandel District Council.

The Summary has been examined for consistency with the full Annual Report that was audited by Audit New Zealand on behalf of the Office of the Auditor-General. The full Annual Report received an unmodified audit opinion on 2 October 2013.

A copy of the full Annual Report can be obtained from any of our customer service centres and libraries or on our website at: www.tcdc.govt.nz

Summary Statement of Comprehensive Income

	2013	2012
	Budget	Actual
	\$000's	\$000's
Total Revenue	78,447	72,865
Finance costs	4,176	3,830
Expenditure exclusive of finance costs	70,793	67,824
Total Expenditure	74,969	71,654
Surplus from operations	3,477	1,211
Share of joint venture surplus/(deficit)	0	12
Net Surplus	3,477	1,223
Gain on property revaluation	27,916	25,881
Total other comprehensive income	27,916	25,881
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	31,393	27,104

Summary Statement of Financial Position

	2013	2012
	Budget	Actual
	\$000's	\$000's
Total Current Assets	6,970	6,901
Total Non-current Assets	1,307,461	1,288,000
Total Assets	1,314,431	1,294,901
Total Current Liabilities	17,842	27,931
Total Non-current Liabilities	70,613	48,786
Total Liabilities	88,455	76,717
NET ASSETS AND TOTAL RATEPAYER EQUITY	1,225,976	1,218,184

Summary Statement of Changes in Equity

	2013	2012
	Budget	Actual
	\$000's	\$000's
Balance at 1 July	1,194,584	1,191,081
Total comprehensive income	31,393	27,104
BALANCE AT 30 JUNE	1,225,976	1,218,184

Components of Equity

	2013	2012
	Budget	Actual
	\$000's	\$000's
Accumulated Funds	370,156	377,703
Other Reserves	855,820	840,481
TOTAL EQUITY	1,225,976	1,218,184

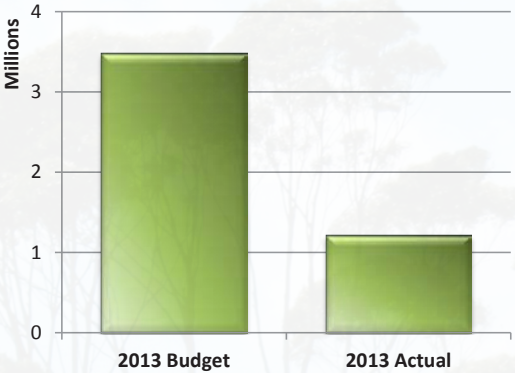
Summary Statement of Movements in Cash Flow

	2013	2012
	Budget	Actual
	\$000's	\$000's
Net cash inflow/(outflow) from operating activities	18,118	20,382
Net cash inflow/(outflow) from investing activities	(30,339)	(22,587)
Net cash inflow/(outflow) from financing activities	12,139	1,545
Net increase/(decrease) in cash and cash equivalents	(82)	(660)
Cash and cash equivalents at the beginning of the year	528	823
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	446	823

EXPLANATIONS FOR KEY VARIANCES FROM THE BUDGET

Surplus from Operations

The Council's final operating result for the 2012/2013 year is a net surplus of \$1.21 million compared with a budgeted surplus of \$3.48 million, resulting in a \$2.27 million variation from the budget. The key reason for this was not increased expenditure, but the continued drop in expected revenue from development (including consenting). Council responded in the year by dropping its own expenditure significantly, and ended the year in surplus.



Revenue Items

Fees, charges, and targeted rates for water supply

Revenue from resource consents was under the budget by \$0.5 million due to the lower number of higher value consents submitted for processing. Building Control consents revenue was under budget by \$0.1 million and monitoring by \$0.1 million due to the reduction in consent applications. Sale of rubbish bags was under budget by \$0.2 million. In Trade Waste, Council budgeted for revenue of \$0.3 million but the charges were not finalised in the financial year and consequently no revenue was received or expenditure incurred.

Contributions Revenue

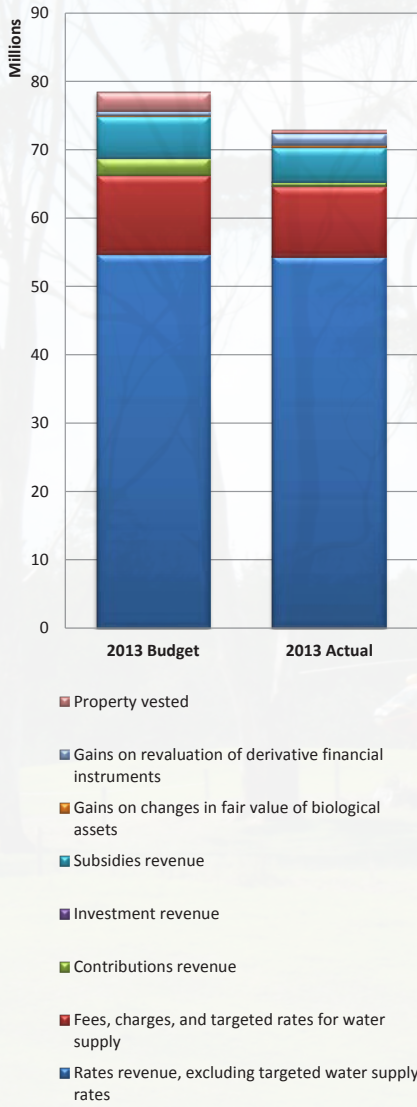
Council budgeted revenue of \$2.5 million for development contributions but actual revenue was \$0.6 million, a shortfall of \$1.9 million. This is mainly due to the lower than expected residential sub divisions.

Subsidy Revenue

The subsidy revenue received from New Zealand Transport Agency was \$1.2 million lower than budgeted, largely due to lower expenditure on maintenance work, pavement treatment and sealed roads. Subsidies are directly related to the amount of money the Council spends on the Roothing activity, whether capital expenditure or operating expenditure.

Vested Assets

Vested assets are mainly infrastructural assets received from developers once a subdivision is complete. This is a non cash item and is subject to the number of subdivisions that are completed during the year. Assets worth \$0.5 million have been vested in the Council which is below the budget due the reduced subdivision activity in the present economic climate.



Expenditure Items

Other Operating Expenditure

Operating expenditure is under budget by \$3.8 million. These are mainly attributable to cost savings across the organisation.

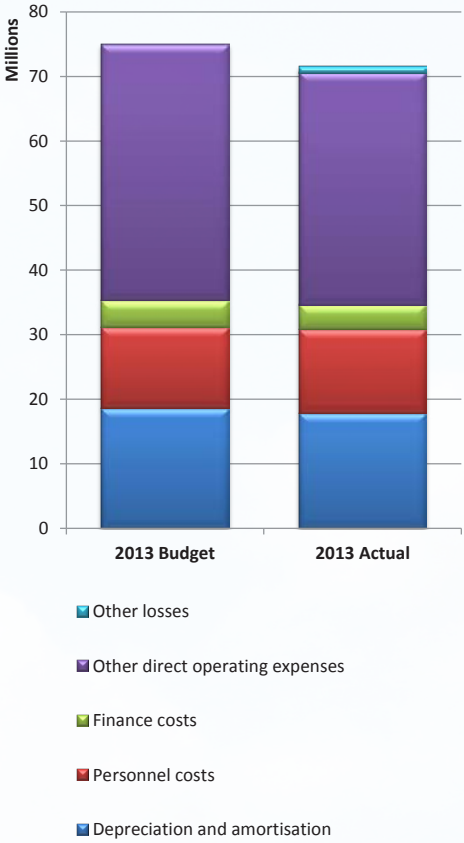
Other losses

During the replacement process of the Council's infrastructural assets, existing assets are often disposed of for minimal or nil value resulting in a loss on disposal which is reflected in the Statement of Other Comprehensive Income. During the 2012/13 financial year these losses amounted to \$1 million.

Other comprehensive income

Revaluation movement

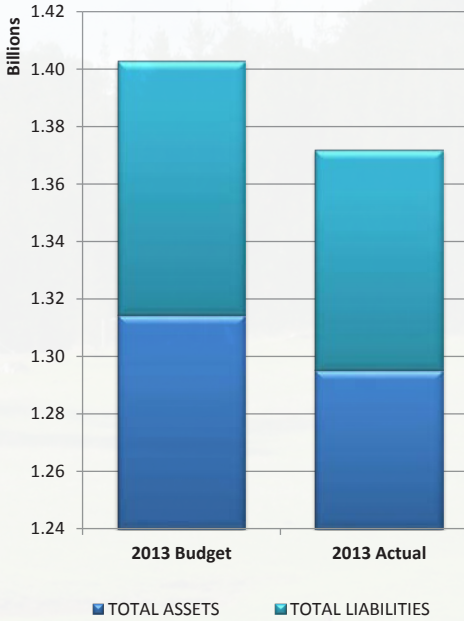
The revaluation gain on property, plant and equipment of \$25.88 million compares to a budgeted gain of \$27.9 million. The budgeted figures were aligned based on a budgeted cost adjustment factor of 3.1%. However, once Statistics New Zealand figures were released, this adjustment factor was revised downwards to 1.76%. This decrease was somewhat offset by an increase in unit rates deemed too low through Council's peer review process.



Assets

Property Plant and equipment

Property Plant and Equipment increased by \$28.32 million, net of depreciation during the year. \$25.88 million relates to property revaluations. The increase in Property Plant and Equipment is lower than that budgeted by (\$20.65 million) due to (a) fewer assets vested (lower by \$2.2 million) as a result of lower number of subdivisions and (b) the deferral capital works. Revaluation of Property Plant and Equipment is also lower than that budgeted. Further explanations regarding the movement in revaluations can be located above under movements in Other Comprehensive Income.



Liabilities

Borrowings

Borrowings (current and long-term combined) are \$16.14 million lower than that budgeted principally due deferral of capital works and savings in operating expenses.

Provisions

Significant upward movements in the weather tight homes provision and reserve contributions provision over the previous two years has resulted in a higher opening position than that originally budgeted for.

Independent Auditor's Report

To the readers of Thames-Coromandel District Council's summary annual report for the year ended 30 June 2013

The summary annual report was derived from the annual report of the Thames-Coromandel District Council (the District Council) for the year ended 30 June 2013. We have considered whether the summary annual report represents, fairly and consistently, the information regarding the major matters dealt with in the annual report.

The annual report included full audited statements, and the summary annual report includes summary statements. We have audited the following summary statements reported in the summary annual report on pages 2 to 13:

- the summary statement of financial position as at 30 June 2013;
- the summaries of the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended 30 June 2013;
- the notes to the summary financial statements that include accounting policies and other explanatory information; and
- the summary statement of service provision (referred to as the Performance Overview) of the District Council.

We expressed an unmodified audit opinion on the District Council's full audited statements in our report dated 2 October 2013.

Opinion

In our opinion:

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

Basis of opinion

Our audit was carried out in accordance with the Auditor-General's Auditing Standards, which incorporate the International Standards on Auditing (New Zealand), and in particular with the International Standard on Auditing (New Zealand) 810: Engagements to Report on Summary Financial Statements. These standards require us to carry out procedures to confirm whether the summary annual report contains the information necessary, and at an appropriate level of aggregation, so as not to be misleading.

The summary statements and the full audited statements from which they were derived, do not reflect the effects of events that occurred subsequent to our report dated of 2 October 2013 on the full audited statements.

The summary statements do not contain all the disclosures required for full audited statements under generally accepted accounting practice in New Zealand. Reading the summary statements, therefore, is not a substitute for reading the full audited statements in the annual report of the District Council.

Responsibilities of the Council and the Auditor

The Council is responsible for preparing the summary annual report so that it represents, fairly and consistently, the information regarding the major matters dealt with in the annual report. This includes preparing summary statements, in accordance with FRS-43 (PBE): Summary Financial Statements. The Council is also responsible for the publication of the summary annual report, whether in printed or electronic form.

We are responsible for expressing an opinion on whether the summary annual report represents, fairly and consistently, the information regarding the major matters dealt with in the annual report and whether the summary statements comply with FRS 43 (PBE): Summary Financial Statements.

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



B H Halford,
Audit New Zealand
On behalf of the Auditor-General
Tauranga, New Zealand
30 October 2013

TERMS EXPLAINED

Rates

Rates are set annually by resolution of Council.

Activity Revenue

Activity Revenue includes Development Contributions and Subsidies as well as Fees and Charges for Council services. Development Contributions are collected to fund capital expenditure required to meet increased demand for community facilities resulting from growth and new development within the District. Subsidies are received from the NZ Transport Agency to assist in the funding of approved roading programmes.

Vested Assets

Infrastructure assets and land given to Council by Developers

Finance Costs

Costs of external debt such as interest charges

Operating Expenditure

Day-to-day expenses such as the phone, power bills and rubbish collection costs.

Other Losses

Non-cash items arising principally from the revaluation of Council's interest rate swaps and any loss on disposal of fixed assets during the year.

Net Surplus

Net surplus is the difference between revenue and expenditure for the current year. It does not include capital transactions such as the purchase or construction of assets. It includes some non-cash items such as depreciation.

Assets

Property we own, such as roads, parks and buildings

Liabilities

The amount we owe to others.

Net Assets

Net assets equals total assets less total liabilities.

Equity

What we own, less what we owe.

Operating Activities

Is the difference between operating revenue and operating expenses.

Investing Activities

Is the difference between buying and selling assets.

Financing Activities

Is the difference between borrowing and repayment of loans.

Capital Expenditure

Funds used to acquire an asset or improve the useful life of an existing asset.

515 Mackay Street, Thames 3500
Private Bag, Thames 3540
Phone: 07 868 0200 Fax: 07 868 0234
customer.services@tcdc.govt.nz
www.tcdc.govt.nz

