



# ANNUAL REPORT SUMMARY 2020/2021



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

The 2020/21 Annual Report describes what we achieved in the 2020/21 work programme during the third year of the 2018-2028 Long Term Plan. The Annual Report provides accountability for Council in achieving its work programme and levels of service to the community.

The COVID-19 pandemic has continued to impact the delivery of services and projects. In particular, the higher than usual domestic tourist numbers have made providing a constant level of service difficult. Delays in getting some required resources through border controls have also in some cases resulted in slower delivery or increased costs for planned projects. Despite all this, our staff and contractors have continued to achieve much of the work programme.

Our Council has successfully engaged with the public on the next Long Term Plan (2021-2031) which was signed off in June this year. The high level of public feedback we have received over the past year has shown that our communities care deeply about and are proud of our district and that they want us to continue to work with them closely to make progress on matters they care about. This feedback continues to shape our work programmes.

## Activity Highlights



**Water Supply:** New water treatment plants have been completed in Coromandel Town, Tairua, Pauanui and Whitianga. Upgrading work at the three water treatment plants in Whangamatā has begun. Upgraded water treatment plants are also planned for Hahei, Onemana and the Thames Valley area. These upgrades will ensure our drinking water quality fully complies with the current NZ Drinking Water standards.



**Public Toilets:** Successful applications to the Tourism Infrastructure Fund (TIF) enabled us to undertake upgrades to a number of our 98 public toilets, including at Te Karo Bay and Pepe Reserve in Tairua as well as Brown Street in Thames.



**Wharves and boat ramps:** We made significant upgrades to a number of boat ramps including the Royal Billy Point and Jacks Point ramps. These upgrades have improved safety, accessibility and usability for the community.

Council staff were successful in putting together two very credible applications to the PGF (Provincial Growth Fund) and those two projects are close to commencing on site at Kōpū and TeAriki Tahī/Sugarloaf Wharf in Coromandel Harbour.

In August 2020 the government provincial growth initiative committed funding of \$8.2 million toward revamping the marine-servicing infrastructure at the Kōpū business precinct. This project is set to create major new economic development opportunities for the district.

The Ariki Tahī/Sugarloaf Wharf project received an additional \$2 million from the Waikato Regional Council regional development fund, on top of the \$19.95 million granted from the Provincial Growth Fund in June 2020. This project will also help with delivering economic benefits to the region, including significant employment.



**Roads and Footpaths:** We delivered \$16.6 million in road maintenance and renewal activity with a Waka Kotahi NZTA subsidy of \$10.4 million in 2020/2021. Waka Kotahi NZTA provided a 90 per cent subsidy as part of the Innovating Streets project to temporarily transform the Thames town centre streetscape. This has been styled as the 'Create the Vibe' project which has received praise locally as well as from around the country.



**Protection of people and the environment:** Our Council is working with the community to develop Shoreline Management Plans based on the Ministry for the Environment's 2017 *Coastal hazards and climate change: Guidance for local government* document. The first co-governance committee for our project was held in October 2020, involving Council and the Pare Hauraki collective. This work would not be possible without the dedicated input from volunteers across the district.



**Community Spaces:** We won an award from Recreation Aotearoa for our fantastic programme encouraging our community to enjoy our local parks during Parks Week 2021 (6-14 March). *"We were impressed by the breadth of Parks Week Events put on by the Thames-Coromandel District Council. They made a real effort to host events that could be done under lockdown conditions and accessed by anyone,"* says Sarah Ford, Recreation Aotearoa Marketing Manager.

The next 12 months will see more changes and challenges as the COVID-19 pandemic response continues to change and new legislative requirements are signalled and introduced. We will continue to build resilience in our organisation as we focus on providing quality services and delivering on our capital projects as included in our 2021-2031 Long Term Plan.



**Sandra Goudie**  
Mayor



**Rob Williams**  
Chief Executive

## Highlights of the year | Miramira o te tau o mua

**We have focused on achieving quality services on a restricted budget. Below are some of the highlights in the 2020/2021 year for each of our activities.**

### Roads and footpaths

We trialed locally quarried materials for resurfacing unsealed roads on the 309 and Tapu-Coroglen routes, which have resulted in improvements to the surface of these roads. This surface treatment using local materials will be rolled out across the networks of unsealed roads in the District as part of the ongoing routine maintenance of these routes.

### Protection of People and the Environment

#### Coastal and hazard management



We are continuing work on the Shoreline Management Plans. Our four coastal panels are at the 'identify pathways and options' phase as they continue to follow the Ministry for the Environment guidelines for preparing for coastal hazards driven by climate change. The four panels are part of our three-year Shoreline Management Plan Project designed to ensure our communities can make sound decisions about our future resilience to climate change.

Our Council is proud to be part of the Coastcare partnership. Along with the Waikato Regional Council (WRC) we work closely with the Department of Conservation (DOC), iwi and ratepayer groups to protect and restore our coast.

#### Emergency management

Council has completed and updated 21 community response plans. These allows us to work with the community during emergencies.

#### Community Health and Safety

For the second year running we have received funding from the Ministry of Business, Innovation and Employment for responsible camping initiatives. This has given us the opportunity to employ a group of Wharf Wardens and Responsible Camping Ambassadors who provided education and advice to campers across the district. There was also funding for additional toilet cleaning and public education material about responsible camping.

The Bylaws and Compliance team continued their focus on responsible dog ownership, and this meant we had an increase in both registered and microchipped dogs. We also continue to see an increase in adoptions for dogs who have passed a temperament test.





## Community spaces and development

All libraries across the district have seen active users across the district increase in numbers despite the budget cutbacks resulting in less new items this year.

### Thames



The Brown Street toilet block was upgraded with four new unisex toilets and an extra men's toilet designed to match the heritage architecture. The new toilet block also has a unisex space, a baby changing space and accessible toilet. The toilet upgrade was co-funded by the government's Tourism Infrastructure Fund.

The Create the Vibe project involved closing part of Mary Street and installation of new street furniture and murals, creating a temporary civic hub to encourage foot traffic and a vibrant town centre. It was 90 per cent funded by Waka Kotahi NZTA and 10 per cent by Thames Ward ratepayers.

Council was granted \$8.2 million from the Provincial Growth Fund to develop the Kōpū Marine Precinct. A detailed design of the facility has been completed.

### Coromandel-Colville

The Ariki Tahi/Sugarloaf Wharf project received a \$2 million dollar grant from the Waikato Regional Council regional development fund, which will help with delivering significant economic benefits to the region, including employment opportunities. The project involves extending and raising the wharf platform to account for rising sea levels, with four new berths to allow for increased commercial activity and a separate facility for launching recreational boats.

We partnered with the Department of Conservation, other entities and local contractors to build and open the Velosolutions Pump Track at the Ride Coromandel Bike Park.

### Mercury Bay

Artist James Webster's 10 pou art installation *Manukarere* will be placed in the Whitianga Town Centre along Taylors Mistake.

Whangapoua boat ramp was rebuilt including a floating pontoon.

### Tairua-Pauanui

The Royal Billy Point wharf and boat ramp had the last section of the concrete access bridge and support piles installed.

The new Pepe Toilets were opened to the public. The project was funded by the government's Tourism Infrastructure Fund.

We widened the Pauanui Pleasant Point boat ramp by four metres, bringing the total width to 10 metres.

### Whangamatā

A small 10m trial section of the Whangamatā Boardwalk extensions/ esplanade was established at the southern end of the existing boardwalk. Consultation with the community on the boardwalk project is ongoing.



## Planning and regulation

### Resource consents

We had 377 resource consent applications during the year, compared to 338 lodged over the previous financial year.

### Building control

We processed 1,351 building consent applications. 99% were processed within the statutory time-frames. The average working days to issue a building consent was 14.1 days.

## Economic development

Our Economic Development activity has been implementing our Council's Productivity Plan (<https://www.tcdc.govt.nz/productivityplan>). The Plan focuses on promoting economic prosperity throughout the district by connecting stakeholders (business, industry, iwi and Council) and facilitating access to Council services.

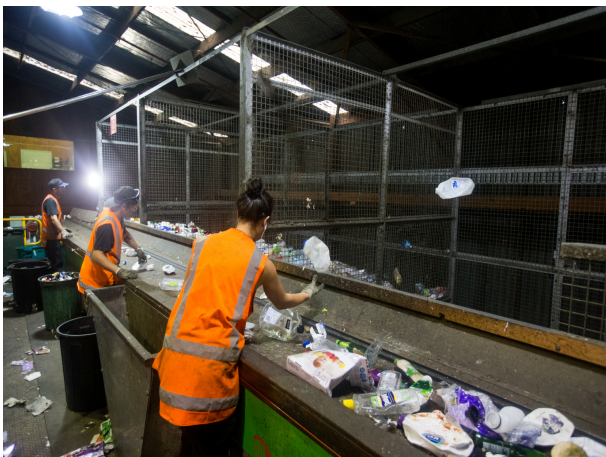
Almost \$30 million of infrastructure work has been allocated from the government's Provincial Growth Fund towards two wharf builds at Kōpū, south of Thames, and Te Ariki Tahī/Sugarloaf in Coromandel Harbour. Resource consents are now being prepared for both wharves.

## Grants and remissions

Our Community Boards allocated \$190,750 in 93 local grants to community-based organisations with projects, activities and events aimed at promoting and developing local communities. These included assistance for local community groups and support for volunteer organisations.



## Solid Waste (rubbish and recycling)



Council continues to deliver solid waste services in line with the the joint Waste Management and Minimisation Plan, in collaboration with Hauraki and Matamata-Piako District Councils.

Record number of visitors during the summer put pressure on the solid waste collection.

Work has started on the civil design for the Whitianga transfer station replacement. This project is due to be completed in the 2021/22 financial year.

## Three Waters (water supply, wastewater, stormwater)

Water Supply work has begun on the Whitianga water meters project with the locating of water connections and work required prior to having a water meter attached to all unmetered properties in Whitianga. The work is being paid for from a Department of Internal Affairs (DIA) water services reform grant of \$4.8 million.

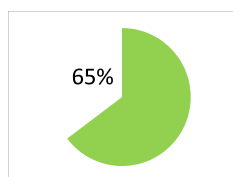
This was year 3 of the Drinking Water Standards Upgrade programme of works to upgrade our water treatment plant facilities to ensure the Coromandel's drinking water quality complies with the NZ Drinking Water Standards. The year saw the completion of the new plants in Pauanui and Coromandel Town and the commencement of works to upgrade the 3 plants in Whangamatā. The Whangamatā plants are all expected to be commissioned in the upcoming year.

To improve stormwater management a culvert headwall was installed in the outlet of a 900 diameter culvert at Onemana.

The preliminary investigations into upgrade options for the Matarangi Wastewater Treatment Plant (based on WRC consent conditions) were started and will be completed next year.



## Service performance overview | Tirohanga whānui o ngā whakahaere ratonga

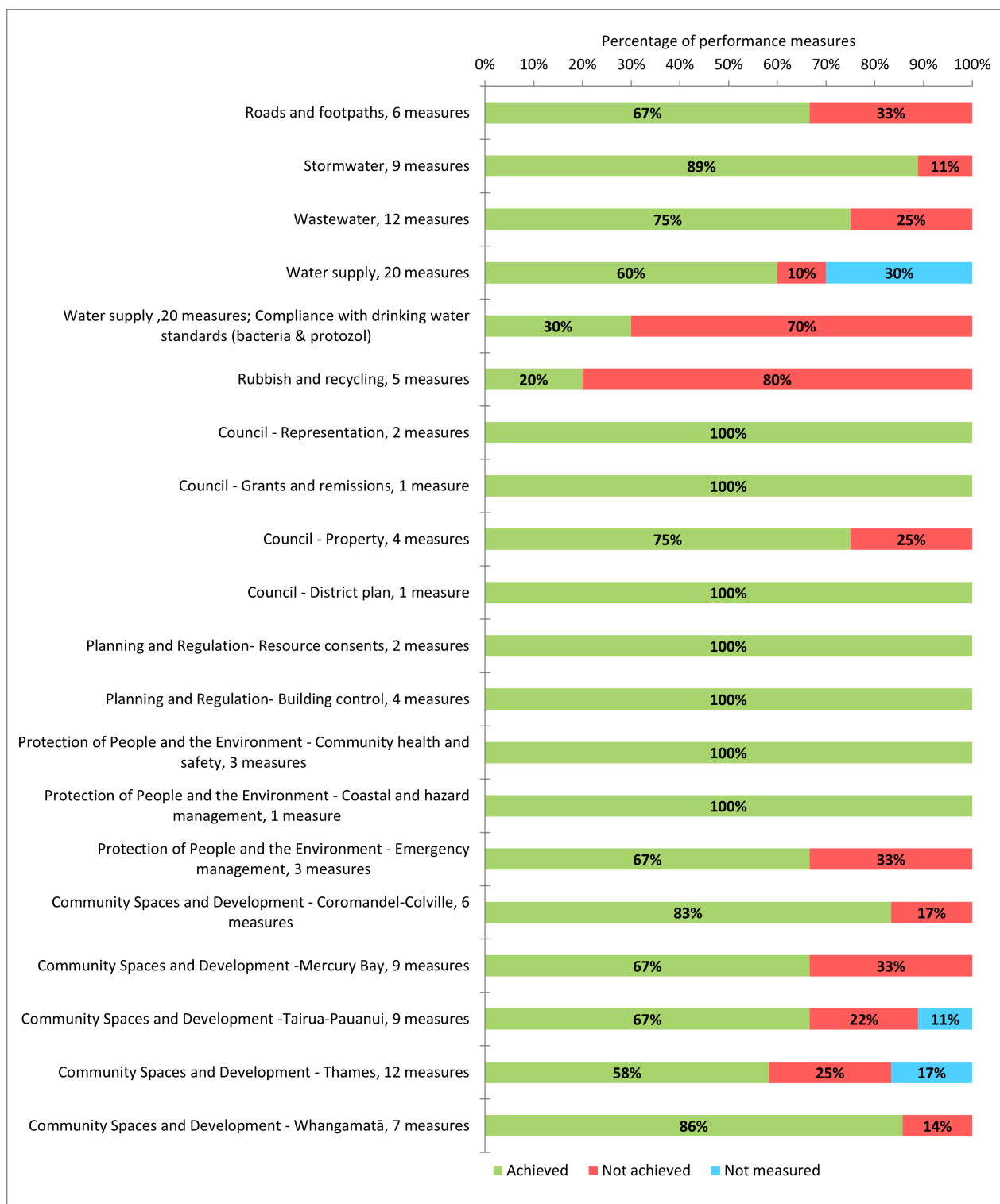


Our projects and work programmes are contained within 13 groups of Council activities. This table summarises how we did, where we met expectations and where we need to improve. Our performance measures provide us with targets to meet, such as responsiveness, safety, timeliness, meeting statutory requirements and compliance. This year we achieved 65% of our service performance targets.

Group of Activity	No. of measures	Achieved	Not Achieved	Not Measured
Roads and footpaths	6	67%	33%	0%
Stormwater	9	89%	11%	0%
Wastewater	12	75%	25%	0%
Water supply	40	45%	40%	15%
Rubbish and recycling	5	20%	80%	0%
Council	8	87%	13%	0%
Planning and regulation	6	100%	0%	0%
Protection of people and the environment	7	86%	14%	0%
Coromandel-Colville	6	83%	17%	0%
Mercury Bay	9	67%	33%	0%
Tairua-Pauanui	9	67%	22%	11%
Thames	12	58%	25%	17%
Whangamatā	7	86%	14%	0%



## Categorical breakdown of Activity Groups



## Commentary on the performance measures

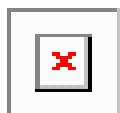
There are a number of reasons why some performance measures are not achieved each year. The reasons range from situations such as budget and COVID-19 restrictions, or a change to the planned work programme, through to some measurements not occurring every financial year. Below is a brief explanation of the reasons why some of our performance measures have not been achieved this year. For more details please 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 of the measures not achieved relate to serious injuries on the roading network. There have been ten serious injuries recorded over the last financial year, however none were related to roading issues. The other measure that was not achieved was the quality requirements for unsealed roads. Quality compliance for unsealed roads can vary within a week following storm events or due to abnormal traffic (typically farming or logging operations).
Stormwater	One of the nine measures was not achieved. It relates to our ongoing compliance with operational resource consent conditions. The body of work addressing the previous non-compliances was delivered to Waikato Regional Council on 30 September 2020. The 2021 compliance report delivered to the Regional Council on 28th June 2021 resulted in the abatement notice being lifted which is an improvement over the 2020/2021 financial year.
Wastewater	Three of the 12 measures were not achieved. The measure relating to blockages was not achieved as the performance target was reduced from less than 5 complaints per 1000 connections to less than 3 in the 2019/20 financial year. The measure relating to odour is a recurring issue in one area of Whitianga that the team have worked on, with a permanent resolution proposed in the 2021/22 budget. The other performance measure not achieved was compliance with operational resource consent conditions. 16 consent conditions are still subject to enforcement action, but this has reduced from previous years.
Water supply	16 of the 40 measures were not achieved. Two of the unachieved measures relate to the real water loss from the networked reticulation system. The 2021/22 budgets include an allocation for specific leak detection work to improve these results. There were also 12 performance measures relating to Drinking Water Standard compliance where the target changed from 'not compliant' to 'compliant'. Council is continuing to work towards compliance. A three year programme to progressively upgrade water treatment plants to meet parts 4 and 5 of the standards is progressing well.
Solid waste	Four of the five measures were not achieved. Two measures relate to missing collections and responding to requests for service. These results were impacted by higher than normal domestic tourist numbers during the 2020/2021 holiday period, which made it harder to achieve the targets. The other two measures relate to recycling and total waste per rating unit. The ability to achieve these measures has been impacted by the non-collection of grades 3 to 7 plastics reducing the amount of waste being diverted from landfills.
Protection of people and the environment	One of the seven measures were not achieved. The measure related to the completion of an introductory civil defence course for new staff. A trial online course was offered but did not have satisfactory attendance. Due to low numbers of new staff, the introductory course is now only run quarterly, meaning some staff do not complete the course within six months due to schedule conflicts.
Community Spaces	Each of the community spaces did not achieve the same measures relating to new library items and requests for service. Budget restrictions prevented the new library materials from meeting the minimum measure. The other two unachieved measures relate to response times to requests for service for cemetery interments and public toilets.
Council Property	One of the four measures was not achieved. Full compliance with legislative requirements is through achieving an annual Building Warrant of Fitness. Council was within 1% of achieving its target of 90% of Council buildings having a Building Warrant of Fitness.
Not measured	<p>There were 9 performance measures that were not measured across our Council activities. This is because performance against these measures only happens on either a two or three yearly cycle. The Civil Aviation inspection for our airfields was due to happen, but was cancelled due to COVID-19 restrictions, while the measure relating to the safety of Thames' harbour facilities was not measured as Council no longer owns the Shortland Wharf and the Kōpū Wharf is still under development.</p> <p>Six performance measures that were not measured relate to the real water loss from the networked reticulation system. This is due to the absence of universal metering outside of Pauanui, Coromandel Town and Thames.</p>

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

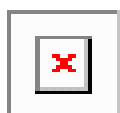
Part 2 of The Local Government (Financial Reporting and Prudence) Regulations require us to disclose our financial performance in relation to various benchmarks. A complete picture of the results can be obtained from the full Annual Report. The following is a snap shot of the results that were obtained in the 2020/21 financial year.

## Rates affordability benchmarks



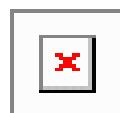
- 71% of total revenue received by Council was rates income. Rates received is capped at 80% of total revenue received.
- Rates rose by 4.45% for existing ratepayers. Council's limit was that rates must not rise by more than 3% in the 2020/21 financial year.

## Debt affordability benchmarks



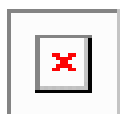
- Total net external debt was \$56.8 million as at 30 June 2021 and was equivalent to 48% of total revenue. This is \$118.3 million under our total external debt cap of \$175.1 million (150% of total revenue).
- Net external interest on external debt was 2.4% of rates revenue. This was well within the limit set of 15%.
- Net interest on external debt was 4.5% of operating revenue. This was well within the limit set of 15%.

## Balanced budget benchmark



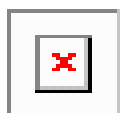
- Council's revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant and equipment) was 105% of total operating expenditure (excluding vested expenditure). Council met this benchmark as revenue (as a proportion) of total operating expenses was more than 100%.

## Essential services benchmark



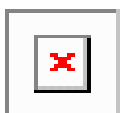
- Council met this benchmark for the 2020/21 financial year as capital expenditure on network services was 147% of depreciation expenditure on network services.
- Council is continuing to fund depreciation in order to build depreciation reserves so that costs towards major renewals can be met without additional borrowings.

## Debt servicing benchmark



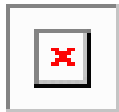
- Council's borrowing costs are 1.8% of its operating revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant and equipment). Council meets this benchmark if its borrowing costs equal or are less than 10% of its revenue.

## Debt control benchmark



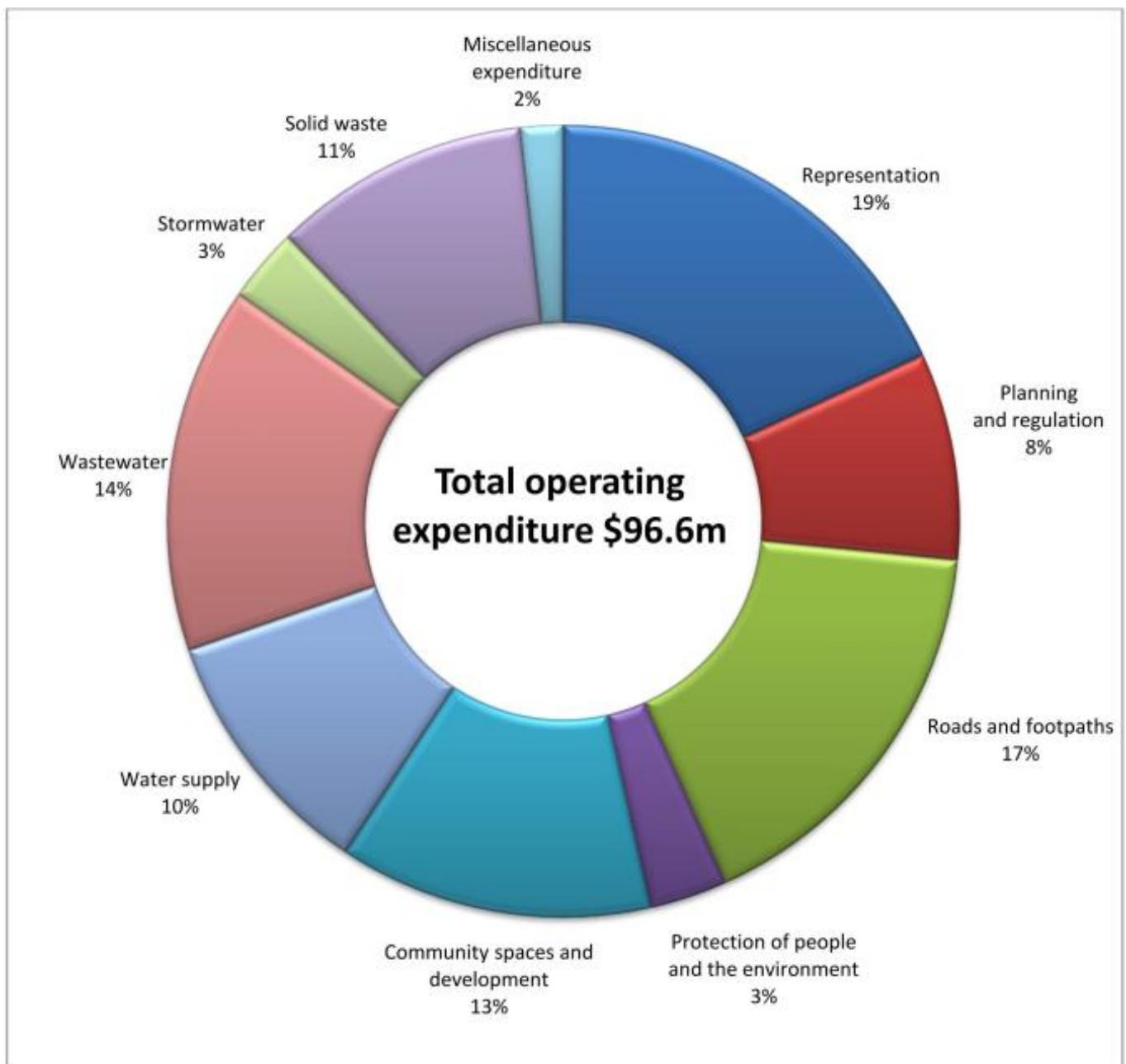
- Council's actual net debt of \$80.1 million was 97% of its planned net debt as at 30 June 2021. Net debt means financial liabilities less final assets (excluding trade and other receivables). Council met this benchmark as actual net debt was less than 100%.

## Operations control benchmark



- Council's net cash flow from operations was \$35.9 million which was \$5.9 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 (117%).

## 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 2021

	2021	2021	2020
Statement of comprehensive revenue and expense	Budget	Actual	Actual
For the year ended 30 June 2021	\$000's	\$000's	\$000's
Rates revenue	72,378	71,820	68,051
Fees and charges	12,228	14,749	11,997
Other revenue	15,921	31,168	27,453
<b>Total revenue</b>	<b>100,527</b>	<b>117,737</b>	<b>107,501</b>
Personnel costs	18,818	19,266	18,508
Depreciation and amortisation	24,093	22,034	22,027
Finance costs	2,459	1,781	2,758
Other expenses	53,453	53,844	53,640
<b>Total expenditure</b>	<b>98,823</b>	<b>96,925</b>	<b>96,933</b>
Income tax expense	0	328	0
<b>Surplus/(deficit) after tax</b>	<b>1,704</b>	<b>20,484</b>	<b>10,568</b>
Gains on revaluation of property, plant and equipment	28,950	48,185	14,278
Gain/loss on financial asset revaluation	0	0	0
Deferred tax credit on revaluation	0	328	0
<b>Total other comprehensive revenue and expense</b>	<b>28,950</b>	<b>48,513</b>	<b>14,278</b>
<b>TOTAL COMPREHENSIVE REVENUE AND EXPENSE</b>	<b>30,653</b>	<b>68,997</b>	<b>24,846</b>

	2021	2021	2020
Statement of financial position	Budget	Actual	Actual
As at 30 June 2021	\$000's	\$000's	\$000's
Total current assets	10,132	10,853	13,092
Total non-current assets	1,637,910	1,707,395	1,639,755
<b>Total assets</b>	<b>1,648,042</b>	<b>1,718,248</b>	<b>1,652,847</b>
Total current liabilities	28,841	28,323	31,931
Total non-current liabilities	70,310	63,413	63,367
<b>Total liabilities</b>	<b>99,151</b>	<b>91,736</b>	<b>95,298</b>
<b>NET ASSETS AND TOTAL EQUITY</b>	<b>1,548,892</b>	<b>1,626,512</b>	<b>1,557,549</b>

	2021	2021	2020
Statement of changes in equity	Budget	Actual	Actual
For the year ended 30 June 2021	\$000's	\$000's	\$000's
Balance at 1 July	1,518,239	1,557,549	1,532,703
Adjustments on adoption of PBE IPSAS 41*	0	(34)	0
Total comprehensive revenue and expense for the year	30,653	68,997	24,846
<b>BALANCE AT 30 JUNE</b>	<b>1,548,892</b>	<b>1,626,512</b>	<b>1,557,549</b>
<b>Equity represented by:</b>			
Accumulated funds	407,980	416,755	404,659
Reserves	1,140,912	1,209,756	1,152,891

	2021	2021	2020
Statement of cash flows	Budget	Actual	Actual
For the year ended 30 June 2021	\$000's	\$000's	\$000's
Net cash inflow/(outflow) from operating activities	21,365	35,886	22,173
Net cash inflow/(outflow) from investing activities	(31,411)	(35,351)	(32,106)
Net cash inflow/(outflow) from financing activities	9,394	0	10,000
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(653)</b>	<b>535</b>	<b>67</b>
Cash and cash equivalents at the beginning of the year	843	3,629	3,562
<b>CASH AND CASH EQUIVALENTS AT END OF THE YEAR</b>	<b>190</b>	<b>4,164</b>	<b>3,629</b>

## Summary financial statements

The summary financial statements were extracted from the full audited financial report of Thames-Coromandel District Council for 30 June 2021.

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 9 December 2021.

The full annual report is available from the Council offices or can be downloaded at [www.tcdc.govt.nz](http://www.tcdc.govt.nz).

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

## Explanations for key variances from the budget

### Revenue

#### Fees and charges

Fees and charges revenue received was \$2.1 million more than budget due to an increase in solid waste, building and resource consent revenue.

#### Subsidies and grants

Subsidy and grant revenue received was \$6.9 million more than budget due to an increase in subsidies received of \$3.2 million from Waka Kotahi and unbudgeted capital cost contributions of \$3.7 million for a number of community facilities, water, roading and economic development projects.

#### Other revenue

Other revenue was more than budgeted by \$9.4 million as a result of increased vested assets of \$5.6 million, interest rate swap gains of \$2.0 million, Ariki Tahi Sugarloaf Wharf Limited vested assets income of \$1.0 million and forestry asset revaluation gains of \$0.8 million. The budget for vested assets is based on a rolling 5 year average.

#### Expenses

##### Depreciation and amortisation

Depreciation and amortisation expenses were \$2.1 million less than budgeted mainly as a result of revaluation movements in roading, water and community facilities assets.

Other comprehensive revenue and expense

##### Gain on property, plant and equipment revaluations

The actual revaluation movement was higher than budget by \$19.2 million. This is mainly attributable to the biannual revaluing of land which took place this financial year, along with higher increases in indexes than expected.

### Assets

#### Cash and cash equivalents

The closing cash position is \$3.3 million higher than budgeted mainly as a result of unbudgeted cash reserves held at year end for payment of creditors.

#### Receivables

Receivables were \$3.3 million lower than budgeted due to enacting powers under the Local Government Rating of Whenua Maori Amendment Act (2021) in relation to rates receivables and partly due to the collection of long term debt.

#### Property, plant and equipment

Property, plant and equipment is \$68.4 million higher than budgeted. \$40 million is attributable to the increase in value of land assets. Other significant asset value increases include water, roading, building and reserve improvements.

#### Liabilities

#### Borrowings

Total external secured loans are \$8.0 million lower than budgeted, partly due to completing 80% of the capital works programme, increased revenue from capital cost contributions and savings in expenditure negating the need to borrow to meet cashflow demands.

## 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 2021 and was authorised for issue by the Chief Executive on 9 December 2021. The full Annual Report was adopted by Council and approved for issue on 9 December 2021. 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 \$2.03 million (2020: \$3.13 million). Of this \$0.95 million (2020: \$2.01 million) relates to possible future claims against Council for damages relating to leaky buildings and \$1.10 million (2020: \$1.10 million) relates to financial guarantees given to community organisations.

### Subsequent events after balance date

On 27 October 2021, the Local Government Minister announced that central government will proceed with the three waters service delivery reforms using a legislated "all in" approach. The three waters reform involves the creation of four statutory water services entities to be responsible for the service delivery and infrastructure from local authorities from 1 July 2024. There is still a number of uncertainties associated with the new three waters delivery model including the mechanism for how assets will be transferred to the newly established entities, and the control and governance of these entities. Notwithstanding the current uncertainty the announcement once legislated will mean Council is no longer responsible for the delivery and infrastructure of three water services from 1 July 2024.

Waka Kotahi has advised that they are reducing funding approximately 60% for Low Cost/Low Risk (LC/LR) roading capital projects for the 2021-2024 period, this will result in council having to reduce these capital projects in line with the reduction in funding.





# Independent Auditor's Report

## Independent Auditor's Report

### To the readers of Thames Coromandel District Council's summary of the annual report for the year ended 30 June 2021

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 2021.

The summary of the annual report comprises the following summary statements on pages 7 to 15:

- the summary statement of financial position as at 30 June 2021;
- the summaries of the statement of comprehensive revenue and expense, statement of changes in equity and statement of cash flows for the year ended 30 June 2021;
- the notes to the summary financial statements that include accounting policies and other explanatory information; and
- the service performance overview.

### 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 2021 in our auditor's report dated 9 December 2021. Our auditor's report on the full annual report also includes an emphasis of matter paragraph drawing attention to the disclosures about the Government's three waters reform programme announcement as set out in the full annual report in note 23 to the financial statements. The Government announced it will introduce legislation to establish four publicly owned water services entities to take over responsibilities for service delivery and infrastructure from local authorities from 1 July 2024. The impact of these reforms, once legislated, will mean that the District Council will no longer deliver three waters services. These matters are addressed in the Subsequent events after balance date on page 16 of the summary financial statements.

## **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.

In addition to our audit and our report on the disclosure requirements, we have carried out engagements in the areas of a limited assurance engagement related to the District Council's debenture trust deed and the audit of the 2021-2031 long term plan, which are compatible with those independence requirements. Other than our audit and these engagements, 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  
9 December 2021



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