



Te kaunihera ā-rohe o  
**matamata-piako**  
district council

# HE PŪRONGO I MUA I NGĀ PŌTI PRE-ELECTION REPORT

2022 Pōtitanga Kawanatanga ā Rohe | 2022 Local Government Elections

# WHAT DO YOU STAND FOR?



**SHAPE YOUR COMMUNITY!**



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## FROM THE CHIEF EXECUTIVE

Whether you're thinking about standing for Council, or reading up ahead of voting in this year's election – welcome. Thanks for taking the opportunity to learn more about our organisation and the work it does.

If you're reading this, I won't need to tell you what a special place Matamata-Piako is. We have everything you need to live or do business locally, with easy connections to Hamilton, Auckland and Tauranga, and you can't beat it for a weekend away with a variety of things to do and enjoy. The district is experiencing rapid growth and visitor numbers continue to steadily increase again. We have some exciting projects on the go to support growth and to encourage communities to enjoy the place they live and work.

Local government is also entering a phase of dramatic change. Planning for the proposed transfer of three waters services (water, waste water and stormwater) to four new entities is underway, RMA reform and changes to spatial planning are also scheduled, and a report into the Future of Local Government is due out later this year.

The newly Elected Council will need to be ready to face these significant changes. Local government is evolving, and we need people who are prepared to play a role in that evolution; we need leaders who can shift and adapt, and help local government adapt to this new future. If you think that sounds like you, we look forward to hearing more about your interest in standing for Council.

In addition, these changes come at a time of high inflation and critical staff and skill shortages. This will require the ability to manage risk and adapt to a shifting environment.

This report should be a helpful resource, providing a clear picture of the key issues we're facing, our major projects, how we're performing, and our forecast financial position. I encourage you to read through it and use the information – along with all the other information for candidates and voters on our website.

A handwritten signature in black ink, appearing to read 'Don McLeod', enclosed within a large, stylized circular flourish.

**Don McLeod**  
Chief Executive

## About the Pre-Election Report:

This report is prepared according to the requirements of the Local Government Act 2002, and has been independently prepared of our Mayor and Elected Members. It is issued by Council's Chief Executive on 26 July 2022.

While this report has not been audited, most of the financial information has been independently audited already, as part of our previous Annual Reports and the Long Term Plan 2021-31. Prospective information provided as part of our forecasted position will be audited as part of Council's Annual Report 2021/22.

## OUR VISION

### Matamata-Piako – The Place of Choice

#### Lifestyle. Opportunities. Home.

In 2020, Council reviewed our vision and community outcomes as part of the Long Term Plan 2021-31. We are continuing to make progress towards this vision, to help make our community a more vibrant and thriving place. One where Matamata-Piako is identified as home – a place we love, a place we are proud of, and a place where we belong.

We have fifteen specific community outcomes we want to achieve that are outlined below:

## OUR COMMUNITY OUTCOMES

### Connected Infrastructure



Infrastructure and services are fit for purpose and affordable, now and in the future.

Quality infrastructure is provided to support community wellbeing.

We have positive partnerships with external providers of infrastructure to our communities.

### Economic Opportunities



We are a business friendly council.

Our future planning enables sustainable growth in our District.

We provide leadership and advocacy is provided to enable our communities to grow.

### Healthy Communities



Our community is safe, healthy and connected.

We encourage the use and development of our facilities.

We encourage community engagement and provide sound and visionary decision making.

### Environmental Sustainability



We support environmentally friendly practices and technologies.

Development occurs in a sustainable and respectful manner considering kawa/protocol and tikanga/customs.

We engage with our regional and national partners to ensure positive environmental outcomes for our community.

### Vibrant Cultural Values



We promote and protect our arts, culture, historic, and natural resources.

We value and encourage strong relationships with Iwi and other cultures, recognising wāhi tapu and taonga/significant and treasured sites and whakapapa/ancestral heritage.

Tangata Whenua with Mana whenua status (those with authority over the land under Māori lore) have meaningful involvement in decision making.

# WE HAVE A VISION FOR OUR DISTRICT

## But we can't do it alone

Since the Long Term Plan was set in 2021, Council has agreed on four, long-term priorities for Matamata-Piako over the next 30 years:

### OUR PRIORITIES

#### A PLACE WITH PEOPLE AT IT'S HEART



##### WHAT WE WANT

To improve the wellbeing of everyone in our community

#### A PLACE TO THRIVE AND PROSPER



##### WHAT WE WANT

Enable our business to attract business

#### A PLACE THAT EMBRACES OUR ENVIRONMENT



##### WHAT WE WANT

To enable a clean, green, environmentally friendly district

#### A PLACE TO BELONG AND CREATE



##### WHAT WE WANT

A district that's easy to live in, explore and connect

We are focused on promoting economic, environmental, cultural and social wellbeing within our district.

Based on these priorities, we have identified areas of work for Council to focus on.

We can't do it all as a Council. We need to recognise where we can lead, enable, partner or advocate. We invite you to consider how you might be part of this work because we all know we will achieve more by working together.

You can view our full strategic direction at [mpdc.govt.nz](https://mpdc.govt.nz)

## WHAT CHALLENGES DO WE FACE IN GETTING THERE?

It's an exciting time as we continue to drive projects to help make our community an even better place to live, but we are also facing challenges. Taking into consideration these opportunities and challenges, we know we can't do everything we want to do, and together with the community, we have to choose what we focus on.

As a community, we face a range of external factors that can influence our decision making. As part of our Long Term Plan 2021-31, we identified four main challenges that we must consider as we aim to balance affordability with resilience, growth and demand and compliance. These challenges have an impact across all of our activities.



### Affordability

Our communities are ageing, which means more people on fixed incomes, and there is also a limit as to what our community in general can afford to pay for. This means that with all of the decisions we make, we have to ask "can we afford to pay for this?"



### Resilience

The global Covid-19 pandemic and its impact on the economy is a prime example of why it's important that we plan for emergencies – our strong financial position means that we are able to keep cost increases affordable. During this time of uncertainty, we are still driving projects forward.

We need to make sure that as an organisation we are in the best position we reasonably can be in case the worst does happen. The same applies to infrastructure resilience, ensuring that our infrastructure assets continue to deliver services to our community amidst our changing environment e.g. increased frequency and severity of flooding and drought events.

Council is undertaking resilience planning within our waste water/water assets. By completing our budgeted renewal programme and providing additional infrastructure, we are improving the resilience of our current network, assets and services.



### Growth and demand

Although our population is ageing, we are also experiencing steady population growth in our urban areas, while rural areas remain static or will decline over time. We also experience demand from industries that want to locate themselves in our district. Our communities also have different priorities and expectations that we need to consider.

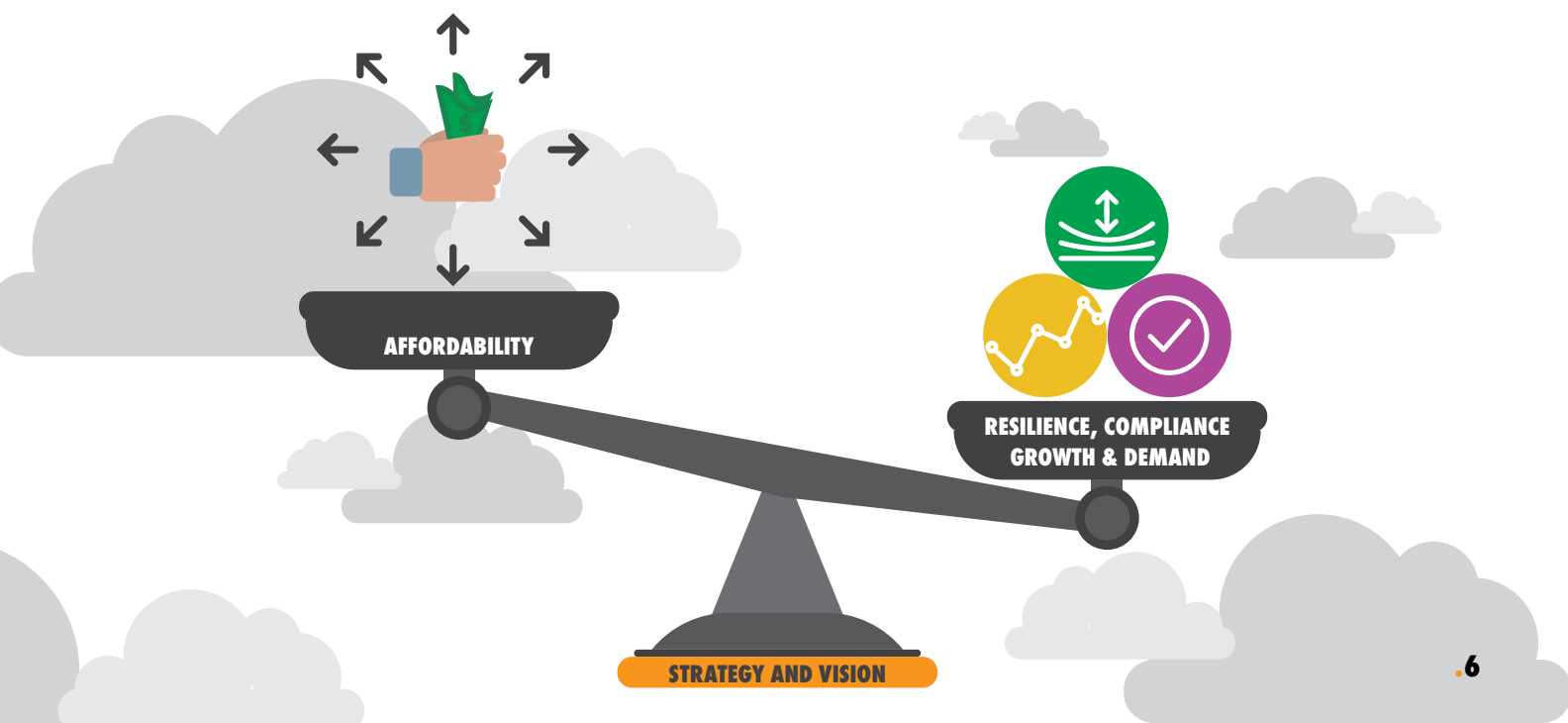
Council is undertaking master planning to ensure adequate and continued water and waste water supply to our communities.



### Compliance

We face pressure in the need to comply with increasing environmental, health and other standards. How we meet those standards and the cost of doing so is an ongoing challenge that we have to manage.

You can find out more about how we are tackling these challenges in our Long Term Plan 2021-31.



## CENTRAL GOVERNMENT REFORMS

In addition to the challenges we are facing, there are some significant proposed reforms, aspects of which are underway - Three Waters Reform, Reform of the Resource Management Act, and the Future for Local Government Review, which will have an effect on the purpose/work of local government and will change the way we operate, including how decisions are made and by whom, what local government does and how it does it, and who local government needs to work with to enable community wellbeing.

Council are required to prepare for the upcoming changes to help to ensure that any resulting change is well managed.

We don't fully know what these reforms will mean in their entirety as a Council but it's important for our community to know about the reforms, what's happening, and what might this mean for our Council as well some indicative timeframes.

To find out more and how to have your say, you can find the latest information below:

Three Waters Reform Programme: <https://threewaters.govt.nz/>

Resource Management Act (RMA) Reform: <https://environment.govt.nz/what-government-is-doing/areas-of-work/rma/resource-management-system-reform/overview/>

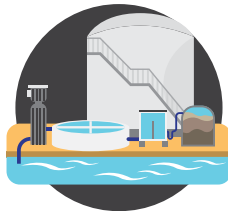
Future for Local Government Review: <https://www.futureforlocalgovernment.govt.nz/>

### DID YOU KNOW?

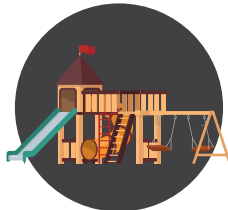
### WE MAINTAIN:



**1,000km** of road and we have 35km of footpaths, and 350 bridges and underpasses



**9** Water Treatment Plants and **5** Waste water Treatment Plants



**14** Sports & Recreation Parks



**109** Elderly Persons Housing Units



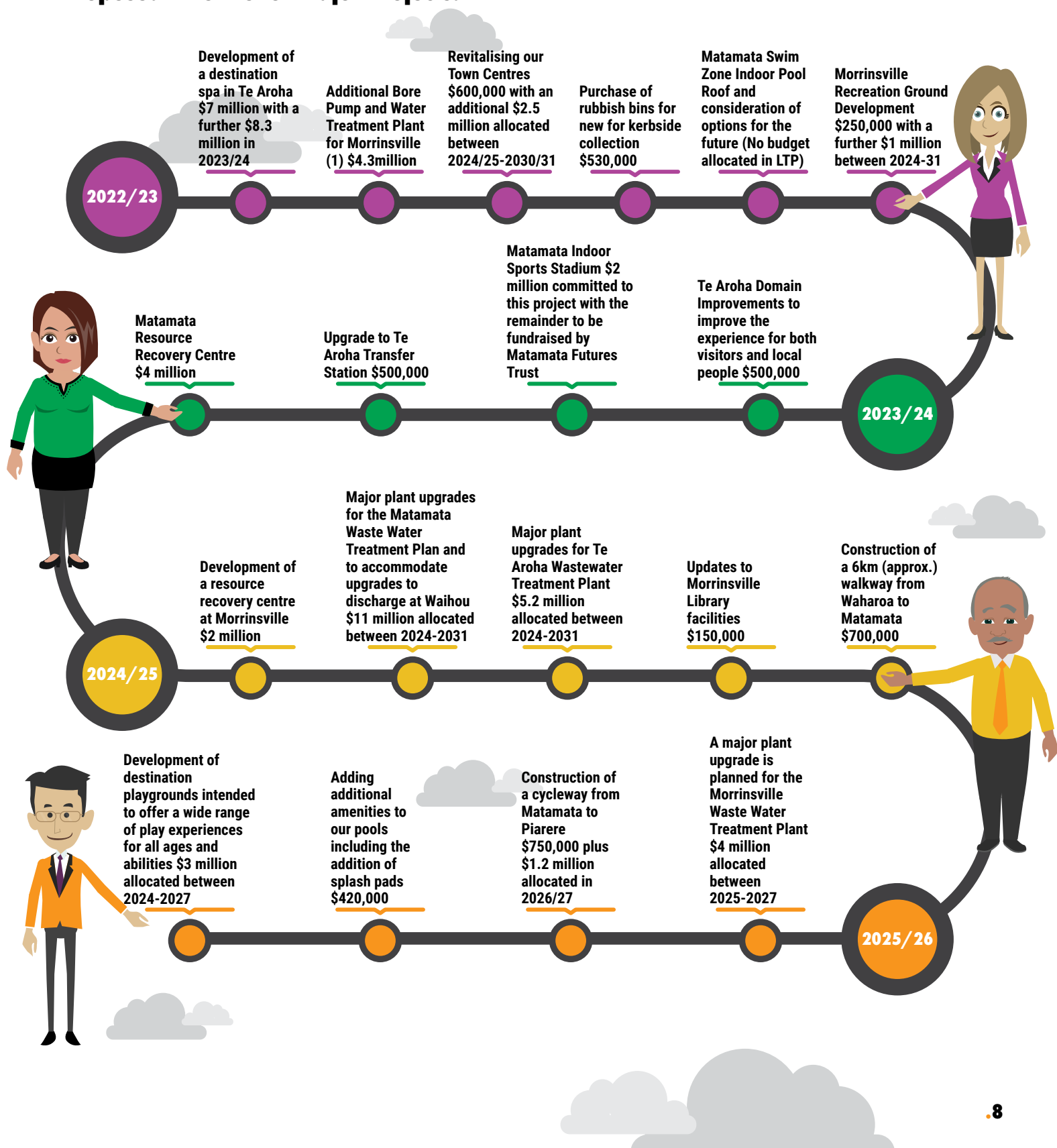
**176** miscellaneous buildings and property including utilities buildings, transfer stations, community halls, an aerodrome, information centres, cemeteries and public toilets

# MAJOR PROJECTS

This section describes the major projects Council are working on over the next three years. They are provided below to offer a snapshot of what Council has planned to help continue to make our community a great place to live, work and visit. They have been highlighted due to major cost, variation, and/or level of community interest.

Follow our project page to keep up to date with what's happening: <https://www.mpd.govt.nz/projects>

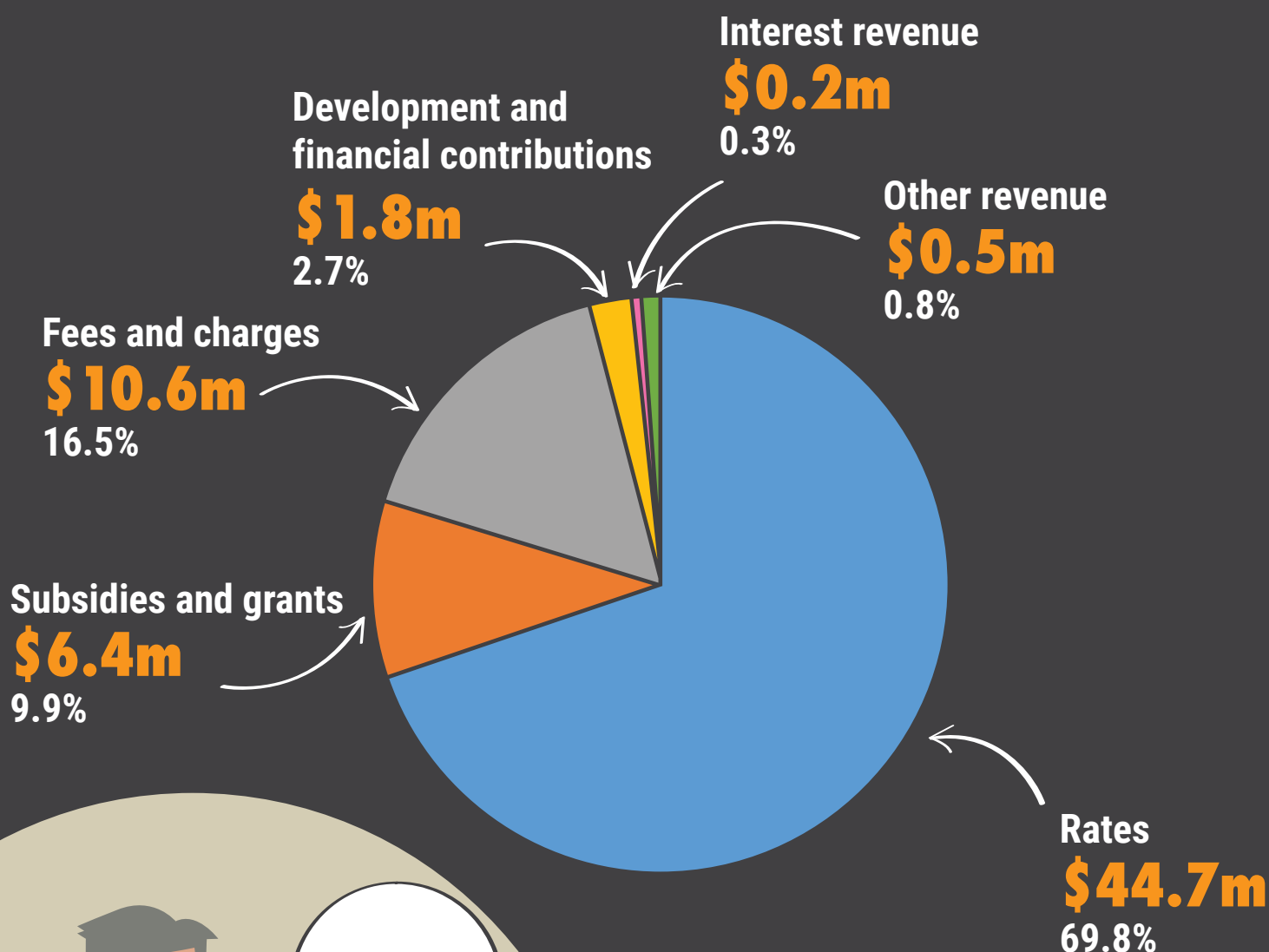
## Proposed timeline for Major Projects:





## OUR INCOME

While rates are our main source of income, we also receive money from other sources to fund the services we provide. This graph shows our expected income from different sources. This includes funding for capital (e.g roads) and operational (day to day) items.



### DID YOU KNOW?

During our Long Term Plan consultations in 2021, we received more than 500 submissions, and heard directly from nearly 60 individuals and groups.

# FINANCIAL STRATEGY LIMITS AND TARGETS

The Financial Strategy and Infrastructure Strategy are two key strategies that help us to ensure that we can provide quality infrastructure while maintaining a healthy financial position now and into the future. Both these strategies help us to look after things like our buildings, parks and water services to a good standard for our community. You can read about both of these strategies in detail as part of our Long Term Plan 2021-31.

Our financial strategy sets out self-imposed limits for the following:

- Debt levels
- Rates affordability benchmarks
- Council's debt levels, rates affordability benchmarks and targets for financial returns on investment

The financial strategy is reviewed every three years in line with our Long Term Plan 2021-31.

To deliver on the vision for our District (set out in page 4 of this report), it's Council's role to make decisions on the services and resources we need to get us there. The Financial Strategy is a tool to help guide these decisions – making sure they are prudent, and well-considered and that we and the community, fully understand how these decisions will affect our services, rates and debt.

## What is the plan to achieve our financial goals?

The key goals set in the current Financial Strategy in order to achieve Council's vision are:

- To maintain the levels of service we currently provide
- To improve some levels of service where this complements our vision
- Set prudent limits on rates and rate increases

## Rates affordability

In the Long Term Plan 2021-31, we outlined that Council's average rate increase over the previous six years (back to 2015) was 2.38%, which was below the self-imposed limit of 4%. We noted that due to continuing cost pressures due to compliance and growth particularly in the Water, Waste water, Stormwater and Rubbish and Recycling activities, these areas had been left underfunded. Water and Rubbish and Recycling received additional funding from rates for the 2020/21 financial year, but not to the level required to cover the on-going cost pressures. And all other rates for 2020/21 were held at their 2019/20 level in response to the Covid-19 situation that unfolded as the budgets were being set.

So our Long Term Plan 2021-31 outlined that there was a large catch-up needed to get our rates to the level that was required just to keep us ticking. On top of that, we've outlined to the community the projects that we intend to focus on that are expected to drive improvements in the social, cultural, environmental, and economic outcomes for our District over the term of the current Long Term Plan.

As indicated in the graph that follows, the initial 'catch-up' in rates was in 2021/22, with a forecast increase of 11.73%. The second significant catch-up was forecast for 2023/24, with an expected increase of 11.81%, particularly related to expected increases in the costs to collect and dispose of our rubbish and recycling. Apart from these two years, Council projected annual rate increases will not be more than 6%, whilst delivering the projects of focus, on top of the 'business as usual' projects.

**ANNUAL RATE\* INCREASES WILL NOT BE MORE THAN 6% EXCEPT FOR 2021/22 AND 2023/24.**

**RATES WILL AVERAGE AT 6.03% PER YEAR OVER THE TEN YEARS OF COUNCIL'S LTP 2021 – 2031**

### DID YOU KNOW?

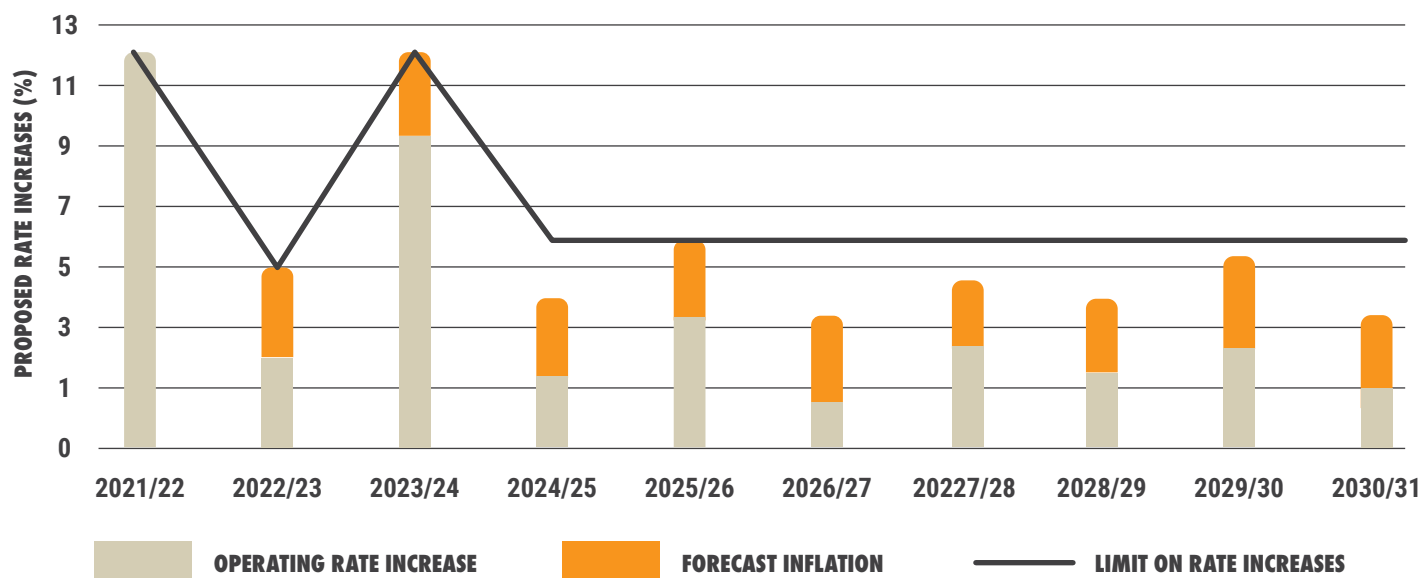
As at the 2018 Census, there were

**34,404**

people living in our district

*\* For the purposes of this calculation, rates excludes penalties and rates from metered water supplies.*

## Total forecast rates increase over the next 10 years as per the Long Term Plan 2021-31



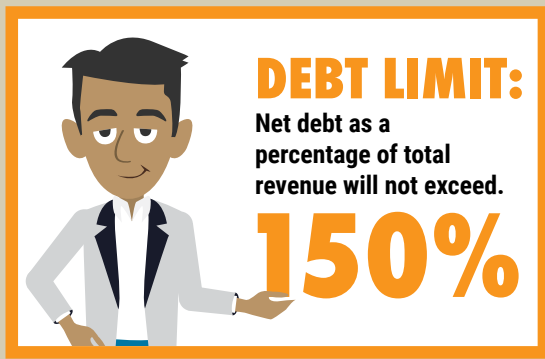
## Debt affordability

We currently borrow money to pay for assets – for water, waste water, roads and community buildings and facilities that will service the community over a long period of time. Using loans to pay for these kinds of assets means we can recover the costs over time, so that both current and future ratepayers pay their fair share.

In 2020 we asked the community about their appetite to potentially take on more external debt in order to get some projects underway sooner than we may otherwise be able to. The community told us that they preferred the existing more conservative approach to debt – that we should only borrow money to fund capital spending on our core assets. So we're sticking with this approach and maintaining our current limit on net debt at 150% of revenue. We expect our net debt to average around 99% over the period of our Long Term Plan 2021-31. Our projections show that we can comfortably service this level of debt, and this will leave us plenty of headroom.

**DID YOU KNOW?**  
**10,000**  
**PEOPLE**  
 use Council's website  
 every month

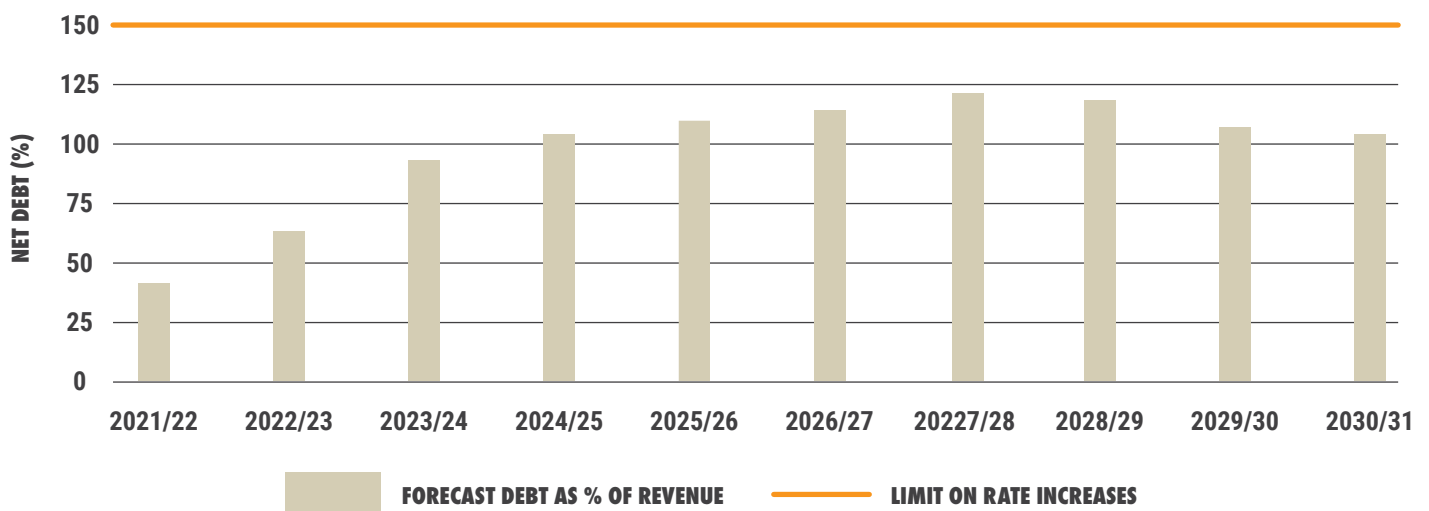




*Net debt is calculated as external debt less liquid financial assets and investments. Liquid financial assets and investments are defined as cash, bank deposits and any fixed interest and equity investments that are held for other than strategic purposes.*

*Total revenue excludes development and financial contributions, vested and found assets and other gains.*

## Forecast net as percentage of revenue for the next ten years



## Return on Investments

Our Investment Policy sets out the detail of the type of investments we can hold, and our objectives and risk management strategies related to holding these investments. Council's commitment is to:

- Prudently manage Council's financial investments, from low risk investments
- Maintain a prudent level of liquidity and flexibility to meet both planned and unforeseen cash requirements
- Invest only in approved investment instruments and securities
- Seek to optimise investment income

We hold cash and treasury investments, such as term deposits, as part of managing our cashflow to finance our day to day operations and capital expenditure programme. We have targeted an average rate of return on cash and treasury investments of 2.24% over the 10 years of the Long Term Plan 2021-31.

Council holds a range of strategic investments and are a shareholder of two Council Controlled Organisations, Council does not set a targeted rate of return on strategic investments.

# HOW ARE WE DOING AGAINST OUR FINANCIAL STRATEGY LIMITS AND TARGETS?

This section provides an overview of how we have met our financial strategy obligations for the past three years. 2019/20 and 2020/21 results are compared to the Long Term Plan 2018-28 Financial Strategy, and 2021/22 results are compared to the Long Term Plan 2021-31 Financial Strategy.

	Limit	Actual	Limit	Actual	Limit	Year-end forecast*
	2019/20	2019/20	2020/21	2020/21	2021/22	2021/22
<b>Rates affordability benchmarks</b>						
Limits on rates (income) affordability	\$34.2m	\$34.6m	\$35.5m	\$35.6m	\$39.8m	\$39.9m
Limits on rates (increases) affordability	4.00%	5.20%	4.00%	3.06%	11.73%	11.86%
<b>Debt affordability benchmarks</b>						
Net debt as a percentage of total revenue will not exceed 150%	150%	42%	150%	40%	150%	42%
<b>Return on investments</b>	<b>Target</b>	<b>Actual</b>	<b>Target</b>	<b>Actual</b>	<b>Target</b>	<b>Actual</b>
Treasury investments	3.85%	2.50%	3.85%	1.24%	2.24%	1.11%

\*2021/22 figures are based on actual performance up to 31 March 2022, then forecast to 30 June 2022. The final actual results for 30 June 2022 may differ from that presented.

The actual rates increases (excluding penalties and metered water revenue) for 2019/20 and 2021/22 slightly exceeded the limits set out in the Financial Strategy, while 2020/21 was within the limit. The reason for the increases above the limits is that in preparing the annual budgets, Council makes an assumption for the additional value expected to be added to the rating base (i.e. due to subdivisions or new builds/improvements) that will be captured in time for the calculation of the rates strike at 1 July. In both 2019/20 and 2021/22 the amount of growth in the rating base at 1 July exceeded the level expected, resulting in actual rates increasing slightly more than forecast.

Council's external debt has trended lower than forecast over recent years, as capital work projects have not been completed as quickly as budgeted, meaning the additional forecast debt has not needed to be raised. Also surplus cash received has been utilised to minimise external borrowings. Council has continued to operate well within our self-imposed limit for debt to revenue ratio of 150%.

Our investment funds delivered a lower return than forecast due to interest rates being significantly lower than forecast.



## **THE PAST THREE YEARS**

### **2019/20– 2021/22**

This section contains financial information from the past three financial years which run from 1 July to 30 June. Information from years 2019/20 and 2020/21 has been drawn from our Annual Reports which have been independently audited.

Information for the 2021/22 financial year is based on our actual results to 31 March 2022, and forecast through to 30 June 2022, using our best estimates at that time. The 2021/22 information will be audited in October 2022 and the final Annual Report adopted by 31 December 2022. As such, it is possible that material differences could occur between this report and the final Annual Report 2021/22.

## Summary statement of financial position

This summary statement of financial position is also known as the summary balance sheet. It shows what Council owned or was owed from others (assets) and what Council owed to others (liabilities) at the end of the financial year.

Total assets less total liabilities is referred to as 'net assets' – this is the net worth of Council, which provides a 'snapshot' of Council's financial position as at 30 June each year.

### Summary statement of financial position

	Information drawn from Annual Reports		Year-end forecast <sup>^</sup>
	2019/20 \$000	2020/21 \$000	2021/22 \$000
<b>Current assets</b>			
Financial assets	9,839	8,621	11,999
Other current assets	6,845	5,311	1,739
<b>Total current assets</b>	<b>16,684</b>	<b>13,932</b>	<b>13,738</b>
<b>Non-current assets</b>			
Financial assets	17,198	23,687	23,200
Other non-current assets	663,029	702,525	731,239
<b>Total non-current assets</b>	<b>680,227</b>	<b>726,212</b>	<b>754,439</b>
<b>Total assets</b>	<b>696,911</b>	<b>740,144</b>	<b>768,177</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Borrowings	7,000	-	4,000
Other current liabilities	11,531	11,628	10,716
<b>Total current liabilities</b>	<b>18,531</b>	<b>11,628</b>	<b>14,716</b>
<b>Non-current liabilities</b>			
Borrowings	19,500	26,500	30,000
Other non-current liabilities	4,419	3,085	3,046
<b>Total non-current liabilities</b>	<b>23,919</b>	<b>29,585</b>	<b>33,046</b>
<b>Total liabilities</b>	<b>42,450</b>	<b>41,213</b>	<b>47,762</b>
<b>Total equity</b>	<b>654,461</b>	<b>698,931</b>	<b>720,415</b>

The value of Rooding, utility and property assets have increased due to revaluations and capital spent to renew, improve or add to the network.

External borrowings have increased steadily over the last 3 years, but not as quickly as forecast, as capital work projects have not been completed as quickly as budgeted, and surplus cash received has been utilised to minimise external borrowings.

<sup>^</sup> 2021/22 figures are based on actual performance up to 31 March 2022, then forecast to 30 June 2022.

## Funding impact statement

The funding impact statement below shows how Council funded its activities in the past three years. It shows where the funding came from, including income through rates, and how the funds were applied. It separates funding for the purposes of operating (which cover the day to day operations and services of Council), and capital (which covers the replacement, upgrade, or spending on new assets).

General and targeted rates have increased significantly in 2021/22 due to continuing cost pressures due to compliance and growth, and to fund projects of focus to make improvements in the district.


Council received unbudgeted grants from the Government's Three Waters reform package in 2021/22.

Revenue from fees and charges has increased consistently, largely due to increased building and development activity throughout the district

There are a number of factors contributing the increasing operating costs, the main ones including:

- The increased building and development activity throughout the district has resulted in additional consent processing costs.
- Significant increased water treatment plant and compliance costs.
- Increasing costs to collect and dispose of rubbish and recycling.
- Particularly in 2021/22, additional operating expenditure on utilities that was funded by the Three Waters reform grants received.

	Information drawn from Annual Reports		Year-end forecast^
	Actual 2019/20 \$000	Actual 2020/21 \$000	2021/22 \$000
<b>Sources of operating funding</b>			
General rates, uniform annual general charges, rates penalties	24,238	24,542	27,480
Targeted rates	12,563	13,419	14,713
Subsidies and grants for operating purposes	3,394	4,874	6,462
Fees and charges	7,107	8,866	9,003
Interest and dividends from investments	231	231	162
Local authorities fuel tax, fines, infringement fees and other receipts	232	264	291
<b>Total operating funding (A)</b>	<b>47,765</b>	<b>52,196</b>	<b>58,111</b>
<b>Applications of operating funding</b>			
Payments to staff and suppliers	38,514	43,942	46,673
Finance costs	1,226	1,127	1,028
Other operating funding applications	-	-	-
<b>Total applications of operating funding (B)</b>	<b>39,740</b>	<b>45,069</b>	<b>47,701</b>
<b>Surplus/(deficit) of operating funding (A-B)</b>	<b>8,025</b>	<b>7,127</b>	<b>10,410</b>



**DID YOU KNOW?**  
In 2020/21 there were  
**25,088**  
PEOPLE  
enrolled to vote



## Funding impact statement - continued

In 2019/20 and 2020/21, Council received a number of grants as part of the Government's various Covid-19 recovery measures, and Three Waters reform funding in 2021/22.

A continuing increase in the level of development within our district has resulted in significant increases in revenue received to fund the growth in our infrastructure networks.

In 2021/22 there has been significant spending in Water and Waste water compliance projects, and projects funded by the Government's Three Waters reform grants.

Significant renewal projects in 2021/22 included road resurfacing and rehabilitation, Water and Waste water reticulation.

	Information drawn from Annual Reports		Year-end forecast <sup>^</sup>
	2019/20 \$000	2020/21 \$000	2021/22 \$000
<b>Sources of capital funding</b>			
Subsidies and grants for capital expenditure	4,554	5,907	3,128
Development and financial contributions	2,143	4,138	3,230
Increase/(decrease) in debt	2,500	-	7,500
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
<b>Total sources of capital funding (C)</b>	<b>9,197</b>	<b>10,045</b>	<b>13,858</b>
<b>Applications of capital funding</b>			
Capital expenditure to meet additional demand	382	296	-
Capital expenditure to improve the level of service	5,974	8,364	7,172
Capital expenditure to replace existing assets	12,366	11,641	14,912
Increase/(decrease) in reserves	921	(3,192)	(1,066)
Increase/(decrease) of investments	(2,421)	63	3,250
<b>Total applications of capital funding (D)</b>	<b>17,222</b>	<b>17,172</b>	<b>24,268</b>
<b>Surplus/(deficit) of capital of funding (C - D)</b>	<b>(8,025)</b>	<b>(7,127)</b>	<b>(10,410)</b>
<b>Funding balance ((A - B) + (C - D))</b>	<b>-</b>	<b>-</b>	<b>-</b>

<sup>^</sup>2021/22 figures are based on actual performance up to 31 March 2022, then forecast to 30 June 2022.

# THIS YEAR 1 JULY 2022 – 30 JUNE 2023

This section contains forecast information for the current financial year. Council adopted its Long Term Plan 2021–31 on 30 June 2021, covering the planned activities and projects for the district for the next ten years, including the 2022/23 financial year. Council is required to revise these projects and forecasts every three years.

## Forecast summary statement of financial position

The summary of financial position is also known as the summary balance sheet. It shows the forecast of what Council will own or be owed from others (assets) and what Council is forecast to owe to others (liabilities) at the end of this financial year. Total assets less total liabilities is referred to as 'net assets' - this is the net worth of Council - providing a 'snapshot' of Council's forecast financial condition at 30 June.

Forecast cash holdings have changed in line with spending and funding changes.

The estimated valuation of Council's assets has increased beyond what was expected at the time the LTP forecast was adopted.

Our forecast external debt for 2022/23 has now increased compared to the LTP in respect of an expected increase in Water and Waste water capital spending required.

	Long Term Plan	Annual Plan
	2022/23 \$000	2022/23 \$000
Financial assets	11,250	6,787
Other current assets	2,000	2,797
<b>Total current assets</b>	<b>13,520</b>	<b>9,584</b>
<b>Non-current assets</b>		
Financial assets	17,198	23,687
Other non-current assets	764,013	782,138
<b>Total non-current assets</b>	<b>781,211</b>	<b>805,825</b>
<b>Total assets</b>	<b>795,731</b>	<b>815,409</b>
	2022/23 \$000	2022/23 \$000
<b>Current liabilities</b>		
Borrowings	7,000	7,000
Other current liabilities	8,569	9,637
<b>Total current liabilities</b>	<b>15,569</b>	<b>16,637</b>
<b>Non-current liabilities</b>		
Borrowings	40,895	52,239
Other non-current liabilities	3,754	2,728
<b>Total non-current liabilities</b>	<b>44,649</b>	<b>54,967</b>
<b>Total liabilities</b>	<b>60,218</b>	<b>71,604</b>
<b>Total equity</b>	<b>735,513</b>	<b>743,805</b>

## Forecast funding impact statement

The funding impact statement below shows how everything Council plans to do is intended to be funded. It shows where the funding will come from, including income from rates and how the funds will be applied. It separates funding for the purposes of operating (which covers day to day operations and services of Council), and capital (which covers the replacement, upgrade or spending on new assets).

The significant development seen over recent years is expected to continue in this year, resulting in additional resource and building consent fees that will help to cover the additional consent processing costs.

Additional consent processing costs are anticipated, and additional staff positions have been budgeted since the LTP was adopted to resource increased activity and Council's focus projects.

The re-prioritising of capital and renewal projects, particularly in Water and Waste water is expected to result in more external borrowing being required compared to the LTP.

	Long Term Plan	Annual Plan
	2022/23 \$000	2022/23 \$000
<b>Sources of operating funding</b>		
General rates, uniform annual general charges, rates penalties	28,786	28,818
Targeted rates	15,859	15,891
Subsidies and grants for operating purposes	3,515	3,172
Fees and charges	8,212	10,173
Interest and dividends from investments	81	162
Local authorities fuel tax, fines, infringement fees, and other receipts	294	291
<b>Total operating funding (A)</b>	<b>56,747</b>	<b>58,507</b>
<b>Applications of operating funding</b>		
Payments to staff and suppliers	42,890	44,957
Finance costs	1,294	1,372
Other operating funding applications	-	-
<b>Total applications of operating funding (B)</b>	<b>44,184</b>	<b>46,329</b>
<b>Surplus (deficit) of operating funding (A - B)</b>	<b>12,563</b>	<b>12,178</b>
	<b>2022/23 \$000</b>	<b>2022/23 \$000</b>
<b>Sources of capital funding</b>		
Subsidies and grants for capital expenditure	2,924	3,183
Development and financial contributions	1,758	1,758
Increase (decrease) in debt	13,696	23,227
Gross proceeds from the sale of assets	-	-
Lump sum contributions	-	-

## Forecast funding impact statement - continued

	Long Term Plan	Annual Plan
Other dedicated capital funding	-	-
<b>Total sources of capital funding (C)</b>	<b>18,378</b>	<b>28,168</b>
<b>Applications of capital funding</b>	<b>2022/23 \$000</b>	<b>2022/23 \$000</b>
<b>Capital expenditure</b>		
• to meet additional demand	2,911	3,811
• to improve the level of service	13,174	21,009
• to replace existing assets	14,854	16,144
Increase (decrease) in reserves	2	(618)
Increase (decrease) of investments	-	-
<b>Total applications of capital funding (D)</b>	<b>30,941</b>	<b>40,346</b>
<b>Surplus (deficit) of capital funding (C - D)</b>	<b>(12,563)</b>	<b>(12,178)</b>
<b>Funding balance ((A - B) + (C - D))</b>	<b>-</b>	<b>-</b>

A Waste water project for Burwood Road has been carried forward from the previous year and the budget has been increased.

The projected spend on capital projects for Water has increased by \$5.1m, the most significant being the Morrinsville Lockerbie bore pump and Water treatment plant that has been bought forward from the 2024 and 2025 years. The projected Wastewater capital spend is higher than set out in the LTP with projects being carried forward from prior years including the Waihou Waste water treatment plant upgrade and the North Morrinsville trunk sewer main.

A number of minor Water, Waste water, Rooding and Community Facilities projects budgeting in previous years are expected to be completed in the 2022/23 year.

**DID YOU KNOW?**  
There are  
**3 MAIN RIVERS**  
Waihou, Waitoa  
and Piako  
in the district

## THE NEXT THREE YEARS 2023/24 – 2025/26

The information in this section has been sourced from Council's Long Term Plan 2021-31, which was adopted in June 2021 and covers the planned activities and projects for the districts for the next ten years.

These forecasts are only intended to give a reasonable indication of the forecast financial position and funding for the next three years and is based on the best information we had at the time when preparing our Long Term Plan 2021-31. We revise our forecasts in June each year in the form of an Annual Plan.

### Forecast summary statement of financial position

The summary statement of financial position is also known as the summary balance sheet. It shows the forecast of what Council will own or be owned from others (assets) and what Council is forecast to owe to others (liabilities) at the end of these financial years. Total assets less total liabilities is referred to as 'net assets' - this is the net worth of Council - providing a 'snapshot' of Council's forecast financial position at 30 June each year.

	Long Term Plan		
	2023/24 \$000	2024/25 \$000	2025/26 \$000
<b>Current assets</b>			
Financial assets	11,869	12,106	12,300
Other current assets	2,911	2,707	2,301
<b>Total current assets</b>	<b>14,780</b>	<b>14,813</b>	<b>14,601</b>
<b>Non-current assets</b>			
Financial assets	17,198	17,198	17,198
Other non-current assets	811,737	845,649	875,509
<b>Total non-current assets</b>	<b>828,935</b>	<b>862,847</b>	<b>892,707</b>
<b>Total assets</b>	<b>843,715</b>	<b>877,660</b>	<b>907,308</b>
<b>Current liabilities</b>			
Borrowings	6,500	6,500	2,500
Other current liabilities	9,861	9,890	9,818
<b>Total current liabilities</b>	<b>16,361</b>	<b>16,390</b>	<b>12,318</b>
<b>Non-current liabilities</b>			
Borrowings	64,431	80,099	93,903
Other non-current liabilities	3,720	3,726	3,710
<b>Total non-current liabilities</b>	<b>68,151</b>	<b>83,825</b>	<b>97,613</b>
<b>Total liabilities</b>	<b>84,512</b>	<b>100,215</b>	<b>109,931</b>
<b>Total equity</b>	<b>759,203</b>	<b>777,445</b>	<b>797,377</b>

## Forecast funding impact statement

The funding impact statement below shows how everything that Council plans to do over the next three years is intended to be funded. It shows where the funding will come from, including income from rates and how the funds will be applied. It separates funding for the purposes of operating (which covers the day to day operations and services of Council), and capital (which covers the replacement, upgrade or spending on new assets).

	Long Term Plan		
	2023/24 \$000	2024/25 \$000	2025/26 \$000
<b>Sources of operating funding</b>			
General rates, uniform annual general charges, rates penalties	31,477	32,444	33,716
Targeted rates	18,178	19,186	20,889
Subsidies and grants for operating purposes	3,554	3,488	3,690
Fees and charges	7,577	10,978	11,545
Interest and dividends from investments	83	85	87
Local authorities fuel tax, fines, infringement fees, and other receipts	302	310	317
<b>Total operating funding (A)</b>	<b>61,171</b>	<b>66,491</b>	<b>70,244</b>
<b>Applications of operating funding</b>			
Payments to staff and suppliers	46,169	49,739	51,868
Finance costs	1,779	2,369	3,002
Other operating funding applications	-	-	-
<b>Total applications of operating funding (B)</b>	<b>47,948</b>	<b>52,108</b>	<b>54,870</b>
<b>Surplus (deficit) of operating funding (A - B)</b>	<b>13,223</b>	<b>14,383</b>	<b>15,374</b>
<b>Sources of capital funding</b>			
Subsidies and grants for capital expenditure	3,039	3,352	3,439
Development and financial contributions	1,829	2,001	2,093
Increase (decrease) in debt	23,037	15,667	9,804
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
<b>Total sources of capital funding (C)</b>	<b>27,905</b>	<b>21,020</b>	<b>15,336</b>

## Forecast funding impact statement - continued

	Long Term Plan		
	2023/24 \$000	2024/25 \$000	2025/26 \$000
<b>Applications of capital funding</b>			
Capital expenditure to meet additional demand	2,462	1,757	1,911
Capital expenditure to improve the level of service	23,670	16,452	11,938
Capital expenditure to replace existing assets	14,995	17,197	17,029
Increase (decrease) in reserves	1	(3)	(168)
Increase (decrease) of investments	-	-	-
<b>Total applications of capital funding (D)</b>	<b>41,128</b>	<b>35,403</b>	<b>30,710</b>
<b>Surplus (deficit) of capital funding (C – D)</b>	<b>(13,223)</b>	<b>(14,383)</b>	<b>(15,374)</b>
<b>Funding balance ((A – B) + (C – D))</b>	<b>-</b>	<b>-</b>	<b>-</b>



**DID YOU KNOW?**

Mount Te Aroha reaches

**952m**  
**H I G H**

## Local Body Elections are being held on Saturday 8 October 2022.

This is your opportunity to get involved in your local community and be part of creating a safe and healthy future where we all thrive.

**Some important dates to mark in your calendar!**

Hōngongoi   July				
M	T	W	T	F
				1
4	5	6	7	8
11	12	13	14	15
18	19	20	21	22
25	26	27	28	29

Candidate Nominations open:  
Friday 15 July 2022

Here-turi-kōkā   August				
M	T	W	T	F
1	2	3	4	5
8	9	10	11	12
15	16	17	18	19
22	23	24	25	26
29	30	31		

Candidate Nominations close: Friday  
12 August 2022 (12 noon)

Mahuru   September				
M	T	W	T	F
			1	2
5	6	7	8	9
12	13	14	15	16
19	20	21	22	23
26	27	28	29	30

Voting papers sent to enrolled voters: Friday 16 September –  
Wednesday 21 September 2022

Whiringa-ā-nuku   October					
M	T	W	T	F	S
3	4	5	6	7	8
10	11	12	13	14	15
17	18	19	20	21	22
24	25	26	27	28	29
31					

Last day to post voting papers: Tuesday 4 October 2022  
Election Day: Saturday 8 October 2022 (Voting closes 12 noon)  
Declaration of results: Thursday 13 October – Wednesday 19 October 2022



## Please get in touch if you have questions

This report has been prepared to assist our community in the lead-up to the Local Body Elections. Whether you are interested in learning more about our major projects, or about the position our Council is in and the key opportunities and challenges in the years ahead, we hope this report provides both candidates, potential candidates, and voters with some useful information.

Did you know that all Council's public meetings are live streamed, and meetings are open to the public? This might be helpful for you if you are considering standing for Council or if you just want to find out more about what happens at Council meetings and the work that we do.

Information for this Pre-Election report has been drawn from Matamata-Piako District Council's Long Term Plan 2021-31, Annual Reports and Annual Plans. You can view all of these documents on our website: [www.mpdc.govt.nz](http://www.mpdc.govt.nz). If you haven't found the information you need, or if you have any questions, please contact our team on 07 884 0060 or email [info@mpdc.govt.nz](mailto:info@mpdc.govt.nz)