

# SOUTH WAIRARAPA DISTRICT COUNCIL

15 MAY 2013

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## AGENDA ITEM D3

### CORPORATE SUPPORT GROUP REPORT / ACTING CHIEF EXECUTIVE

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#### **Purpose of Report**

To update Councillors on the Corporate Support Group activities.

#### **Recommendations**

Officers recommend that the Council:

1. *Receives the information.*
2. *Receive the financial statements for the nine months ended 31 March 2013.*

#### **1. Executive Summary**

The 2013/14 Annual Plan was adopted on 17 April 2013, with a projected rates increase of 3.87%, slightly less than that predicted by the LTP (4.07%).

Workshops commenced on 6 May (Martinborough) with Featherston (13 May) and Greytown (14 May).

Governance meetings have continued, with the governance working group coming to the end of the current phase of its work. Briefings to selected groups have been undertaken, and governance will be on the agenda at the combined Council meeting on 7 May.

An interesting day was spent in Central Hawkes Bay reviewing their irrigation project. One of the key messages was the level of consultation required, and the fact that "non paid working groups had to consult with the paid lobbyists of other organizations. Another key point was the requirement to assess the impacts of the increased productivity that will result from the project.

The latest round of community board meetings has been completed and one observation is that a number of matters are raised for the first time in that forum that should simply be dealt with at Officer level. We will be liaising with chairs to investigate whether we can speed up the flow of this information.

A combined submission on the Financial Assistance rates (FAR) was prepared, in response to a review being undertaken by LTNZ. The thrust of the submission was that the current system be maintained, or only modified slightly. In general any change (down) would result in either a reduction in service or an increase in rates. A copy of the submission is included as Appendix 3

Greytown District Trust Lands Trust (GDTLT) requested a meeting to discuss various matters, including their program for the next couple of years. GDTLT have a significant investment program planned and we are investigating ways to assist them through these developments.

I attended the Chief Executives forum in Upper Hutt.

The new Martinborough library was opened on Monday 6 May. It is a relief to finally be in the new premises and thanks must go to Shirley and Helen for their efforts on this project. The main outstanding item will be the lighting which can only be finalized once the shelving is installed – so that the shadow areas can be identified.

The combined Council meeting was held on 7 May. The agenda covered governance, DHB, Destination Wairarapa, and Pukaha Mount Bruce.

## **2. Discussion**

### **2.1 Financial Statements**

The financial statements for the nine months ended 31 March 2013 are attached as Appendix 1.

### **2.2 Rate Arrears**

Efforts continue on rate arrears. The table below outlines the situation as at 11 February 2013, and excludes multi ownership Maori land.

<b>Date</b>	<b>Amount \$'000</b>	<b>Number</b>	<b>Days since instalment due</b>	<b>SWDC component \$'000  (81%)</b>
30 June 2011	\$851	631	31	\$689
1 August 2011	\$780	463	64	\$632
28 November 2011	\$969	760	7	\$785
1 March 2012	\$925	690	7	\$740
16 March 2012	\$830	602	23	\$672
23 March 2012	\$790	555	30	\$640
1 June 2012	\$855	722	10	\$692
19 June 2012	\$730	632	31	\$591
10 September 2012	\$947		21	\$767
15 February 2013	\$820	565	57	\$664

### **2.3 Sandy Bay**

Draft lease conditions have been received from Hiwi trust and these will be reviewed in the next week or so. I spoke to our valuers who indicated the price may have been at the high end of the range but was "reasonable".

A meeting is arranged for 9 May to discuss our response and clarify issues.

### **2.4 Annual Plan**

The Annual Plan was adopted 17 April and public meetings have commenced.

Attached as Appendix 2 is the timetable for reference.

### **2.5 Governance**

The bulk of the current phase of the Governance Working Parties work has been completed.

The final wrap up was discussed at the Combined Council Meeting of 7 May 2013 where next steps were finalised.

There have been some unexpected overtures from other regions which have introduced a bit of complexity and accelerated some timelines.

### **2.6 Chief Executives Forum**

The CE forum was held on 12 April, with a full agenda.

The Wellington lifelines group presented their findings and an assessment of when various areas in the Wellington region could be accessed by road following a major event. Pinch points have been identified, and options to ensure materials could be moved around the district. Helicopters and barges featured strongly in the interim measures.

Rail and Roding was also on the agenda, with representatives from NZTA discussing the FAR review and the rationale for this.

Kiwirail provided an update on network reliability; they acknowledge they are failing to meet timetable times in certain areas. An interesting observation was that due to a train rescheduling on the western line, the bus timetable in Wairarapa had to be altered. This highlights the very tight interrelationships with the entire public transport system.

Other reports were received from WREMO and Grow Wellington.

### **2.7 Combined Council**

Most Councillors attended this meeting, the following matters were discussed:

- The Wairarapa Governance Review Working Party presented a wrap up of the process – the findings had been well circulated previously. A report is included separately regarding the findings and recommendations.
- An update on the working relationships and structure of the Wairarapa District Health Board was presented. The relationships

between Wairarapa, Hutt, and Capital and Coast DHB was outlined. The initial structural change was the integration of back office services. Clinical and other services were being assessed with a cautious, clinician driven approach. The Combined Council raised some concerns about the restructure and level of services.

- Destination Wairarapa (DW) outlined their current projects, and visitor statistics. DW needs to finalise the funding agreements with Councils. Trusthouse had confirmed funding at current levels for three years, however had signalled they will be reviewing this for the next funding round.
- Pukaha Mount Bruce Trust outlined their upcoming initiatives which include taking back the operation of the shop and educational area from DOC. Other projects were discussed including a large walk in aviary.

### **2.8 LGOIMA Requests**

Since the last meeting there have been two requests under LGOIMA, One request related to impounded/ destroyed dogs and the other to seek a copy of the building inspection forms used between 1998 and 2003.

## **3. Appendix**

Appendix 1 – Financial Statements for the Nine Months Ended 31 March 2013

Appendix 2 – 2013/14 Annual Plan Timeline

Appendix 3 – FAR Submission

Contact Officer: Paul Crimp, Group Manager Corporate Support

**Appendix 1 – Financial  
Statements for the Nine  
Months Ended 31 March  
2013**

# SOUTH WAIRARAPA DISTRICT COUNCIL

## STATEMENT OF FINANCIAL PERFORMANCE FOR THE PERIOD ENDED 31 MARCH 2013

	YTD			2013	
	Actual	Budget	Variance	Budget	% of Budget
<b><u>OPERATING INCOME</u></b>					
Rates	8,295,559	8,292,690	2,869	11,057,000	75%
Rates Penalty	273,928	264,323	9,605	283,449	97%
Interest	148,148	173,871	(25,723)	194,000	76%
Internal Interest Loans	28,154	28,125	29	38,000	74%
Fees & Licences	511,324	462,566	48,758	581,000	88%
User Levies	335,232	339,700	(4,468)	610,000	55%
Commissions	21,499	45,774	(24,275)	61,550	35%
NZ Transport Agency Subsidy	785,603	785,000	603	1,310,252	60%
Petrol Tax	38,792	39,000	(208)	93,000	42%
Grants, Donations & Subsidies	11,320	17,694	(6,374)	42,000	27%
Rental / Hire	210,589	234,162	(23,573)	312,000	67%
Profit on Sale of Assets	6,889	-	6,889	-	-
Miscellaneous Income	232,037	249,300	(17,263)	377,000	62%
<b>Total Operating Income</b>	<b>10,899,075</b>	<b>10,932,205</b>	<b>(33,130)</b>	<b>14,959,251</b>	
<b><u>OPERATING EXPENDITURE</u></b>					
Corporate Services	1,262,885	1,342,431	79,546	1,789,000	71%
In-House Professional Services	517,635	555,201	37,566	740,262	70%
Governance, Leadership & Advocacy	274,346	315,270	40,924	420,289	65%
Public Protection	713,698	798,183	84,485	1,064,480	67%
Resource Management	286,006	321,102	35,096	428,576	67%
Economic, Cultural & Community Development	202,691	209,736	7,045	235,477	86%
Amenities	1,552,450	1,408,896	(143,554)	1,878,579	83%
Land Transport	3,504,184	3,631,230	127,046	4,841,747	72%
Water Supply	1,517,766	1,604,835	87,069	2,139,327	71%
Solid Waste Management	859,239	887,589	28,350	1,183,475	73%
Sewerage	884,770	910,944	26,174	1,214,170	73%
Stormwater Drainage	98,611	101,412	2,801	134,710	73%
Rate Debtors Written Off	13,148	30,717	17,569	41,000	32%
Bad Debts	-	-	-	-	0%
Loss on Sale of Assets	35,700	-	(35,700)	-	0%
<b>Total Operating Expenditure</b>	<b>11,723,130</b>	<b>12,117,546</b>	<b>394,416</b>	<b>16,111,092</b>	
<b>Operating Surplus/(Deficit)</b>	<b>(824,055)</b>	<b>(1,185,341)</b>	<b>361,286</b>	<b>(1,151,841)</b>	
<b><u>CAPITAL EXPENDITURE INCOME</u></b>					
NZ Transport Agency Subsidy	1,140,649	1,140,000	649	1,113,748	102%
Grants, Donations & Subsidies	-	14,067	(14,067)	-	0%
Contributions	161,450	226,719	(65,269)	302,000	53%
<b>Total Capital Expenditure Income</b>	<b>1,302,099</b>	<b>1,380,786</b>	<b>(78,687)</b>	<b>1,415,748</b>	
<b><u>OTHER INCOME</u></b>					
Assets Vesting in Council	788	31,626	(30,838)	-	0%
Gain on Asset Revaluations	-	-	-	40,000	0%
<b>Total Other Income</b>	<b>788</b>	<b>31,626</b>	<b>(30,838)</b>	<b>40,000</b>	
<b>TOTAL SURPLUS / (DEFICIT)</b>	<b>\$ 478,832</b>	<b>\$ 227,071</b>	<b>\$ 251,761</b>	<b>\$ 303,907</b>	

Included in the operating expenditure is:

Depreciation	3,077,067	3,138,669	(61,602)	3,914,248	79%
Interest	467,326	484,317	(16,991)	722,992	65%

# SOUTH WAIRARAPA DISTRICT COUNCIL

## STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2013

	31 MARCH 2013	30 JUNE 2012	MOVEMENT
<b>ASSETS</b>			
<b><u>Current Assets</u></b>			
Cash and Bank	461,323	1,869,551	(1,408,228)
Short Term Deposits	6,965,987	2,191,218	4,774,769
Investments	-	2,482,206	(2,482,206)
Prepayments & Receivables	1,833,602	2,988,152	(1,154,551)
Inventories	48,203	42,460	5,743
Properties Intended For Sale	-	-	-
<b>Total Current Assets</b>	<b>9,309,115</b>	<b>9,573,588</b>	<b>(264,473)</b>
<b><u>Non-Current Assets</u></b>			
Investments	83,207	82,747	460
Investment Properties	8,325,000	8,325,000	-
Intangible Assets	59,404	43,547	15,857
Property, Plant & Equipment	386,015,716	386,666,317	(650,601)
<b>Total Non-Current Assets</b>	<b>394,483,327</b>	<b>395,117,611</b>	<b>(634,284)</b>
<b>TOTAL ASSETS</b>	<b>\$ 403,792,442</b>	<b>\$ 404,691,199</b>	<b>(898,757)</b>
<b>LIABILITIES</b>			
<b><u>Current Liabilities</u></b>			
Cash and Bank	-	-	-
Payables and Accruals	1,569,651	2,925,794	(1,356,143)
Employee Entitlements	218,021	226,101	(8,080)
Public Debt - Current Portion	0	1,074,760	(1,074,760)
Finance Leases - Current Portion	-	10,119	(10,119)
Provisions - Current Portion	-	32,821	(32,821)
<b>Total Current Liabilities</b>	<b>1,787,672</b>	<b>4,269,595</b>	<b>(2,481,923)</b>
<b><u>Non-Current Liabilities</u></b>			
Public Debt - Non-Current Portion	9,282,069	8,263,259	1,018,810
Finance Leases - Non-Current Portion	52,704	-	52,704
Provisions - Non-Current Portion	406,955	374,134	32,821
<b>Total Non-Current Liabilities</b>	<b>9,741,728</b>	<b>8,637,393</b>	<b>1,104,335</b>
<b>EQUITY</b>			
Public Equity	141,506,775	141,029,629	477,147
Special Separate & Trust Funds	16,944,570	16,944,570	-
Asset Revaluation Reserve	232,020,146	232,018,461	1,685
Sinking Fund Reserves	1,789,199	1,789,199	-
Other Reserves	2,352	2,352	-
<b>Total Equity</b>	<b>392,263,042</b>	<b>391,784,210</b>	<b>478,832</b>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>\$ 403,792,442</b>	<b>\$ 404,691,199</b>	<b>(898,757)</b>

# SOUTH WAIRARAPA DISTRICT COUNCIL

## STATEMENT OF CASHFLOWS AS AT 31 MARCH 2013

	31 March 2013	31 March 2012	30 JUNE 2012
<b><u>OPERATING ACTIVITIES</u></b>			
<b><u>Cash was provided from:</u></b>			
Rates	8,205,216	8,147,746	13,178,871
Government Grants & Subsidies	2,993,591	1,814,622	2,956,994
Petrol Tax	38,315	60,014	80,743
Other Income	2,018,686	2,128,284	1,811,947
Interest on Investments	164,875	160,246	236,841
<b>Total Operating Cash Inflow</b>	<b>13,420,683</b>	<b>12,310,912</b>	<b>18,265,396</b>
<b><u>Cash was applied to:</u></b>			
Payments to Suppliers & Employees	9,589,110	8,390,359	12,900,557
Interest Paid	491,089	499,588	654,053
<b>Total Operating Cash Outflow</b>	<b>10,080,199</b>	<b>8,889,947</b>	<b>13,554,610</b>
<b>Net Cashflow from Operating Activities</b>	<b>3,340,484</b>	<b>3,420,965</b>	<b>4,710,786</b>
<b><u>INVESTING ACTIVITIES</u></b>			
<b><u>Cash was provided from:</u></b>			
Sale of Property, Plant & Equipment	-	-	91,765
Term Investments, Shares & Advances	-	1,903,121	533,269
Investments in Loan Redemption & Sinking Funds	-	-	-
<b>Total Investing Cash Inflow</b>	<b>-</b>	<b>1,903,121</b>	<b>625,034</b>
<b><u>Cash was applied to:</u></b>			
Purchase of Property, Plant & Equipment	2,442,783	2,743,499	4,663,883
Term Investments, Shares & Advances	-	-	24,269
Investments in Loan Redemption & Sinking Funds	-	-	509,000
<b>Total Investing Cash Outflow</b>	<b>2,442,783</b>	<b>2,743,499</b>	<b>5,197,152</b>
<b>Net Cashflow from Investing Activities</b>	<b>(2,442,783)</b>	<b>(840,378)</b>	<b>(4,572,118)</b>
<b><u>FINANCING ACTIVITIES</u></b>			
<b><u>Cash was provided from:</u></b>			
Public Debt	-	5,431,601	6,431,601
<b>Total Financing Cash Inflow</b>	<b>-</b>	<b>5,431,601</b>	<b>6,431,601</b>
<b><u>Cash was applied to:</u></b>			
Repayment of Public Debt	13,366	5,487,932	5,503,634
<b>Total Financing Cash Outflow</b>	<b>13,366</b>	<b>5,487,932</b>	<b>5,503,634</b>
<b>Net Cash Flow from Financing Activities</b>	<b>(13,366)</b>	<b>(56,331)</b>	<b>927,967</b>
<b>NET INCREASE / (DECREASE) IN CASH</b>	<b>884,336</b>	<b>2,524,256</b>	<b>1,066,635</b>
<b>OPENING CASH BALANCE</b>	<b>1 JULY 2012</b>	<b>3,573,219</b>	<b>5,476,340</b>
<b>CLOSING CASH BALANCE</b>	<b>31 March 2013</b>	<b>\$ 6,097,475</b>	<b>\$ 6,542,975</b>
<b><u>REPRESENTED BY:</u></b>			
Cash and Bank	461,323	153,138	1,869,551
Short Term Deposits	6,965,987	5,944,337	4,308,260
Investments	-	-	365,164
<b>\$ 7,427,310</b>	<b>\$ 6,097,475</b>	<b>\$ 6,542,975</b>	



# SOUTH WAIRARAPA DISTRICT COUNCIL

## SCHEDULE OF CAPITAL EXPENDITURE FOR THE PERIOD ENDED 31 MARCH 2013

DESCRIPTION	Month		Year to Date		Annual
	Actual	Budget	Actual	Budget	Budget
<b>Amenities</b>					
Playgrounds	2,893	1,888	2,893	16,992	22,660
Parks & Reserves	-	4,721	27,631	42,489	56,650
Campgrounds	-	2,575	-	23,175	30,900
Swimming Pools	18,444	4,721	22,659	42,489	56,650
Toilets	27,548	17,167	159,081	154,503	206,000
Cemeteries	-	3,863	6,212	34,767	46,350
Libraries	-	-	-	-	-
Rental Properties	-	1,717	-	15,453	20,600
Community Housing	-	3,004	17,799	27,036	36,050
Community Buildings	-	3,922	4,187	-	56,881
Greytown Town Hall	-	-	-	-	4,635
Martinborough Town Hall	-	-	-	-	54,006
Featherston Town Centre	-	-	-	-	-
ANZAC Hall	-	-	-	-	15,450
Featherston Stadium	-	-	-	-	16,480
Featherston Town Centre	9,712	858	9,712	7,722	10,300
Greytown Town Centre	-	858	-	7,722	10,300
Martinborough Town Centre	-	858	-	7,722	10,300
Library Books	3,839	7,983	64,791	71,847	95,790
Amenities (Miscellaneous)	-	-	-	-	-
	62,435	54,135	314,965	451,917	750,002
<b>Water Supply</b>					
Water Supply	81,770	31,260	127,596	281,340	375,120
Water Supply (MBA)	-	-	-	-	-
Water Races	-	1,303	-	11,727	15,630
Plant & Bores	-	-	-	-	-
FSTN Supplementary water supply	1,313	2,605	4,838	23,445	31,260
Plant & Bores (MBA)	-	-	8,884	-	-
Reservoirs	862	-	56,511	-	-
Pirinoa Water Supply	-	667	9,151	6,003	8,000
Water Supply (Misc.)	-	-	9,636	-	-
	83,945	35,835	216,617	322,515	430,010
<b>Solid Waste Management</b>					
Solid Waste Management	-	4,437	-	39,933	53,244
Solid Waste Management	-	-	-	-	-
Solid Waste Management (Miscellaneous)	-	-	-	-	-
	-	4,437	-	39,933	53,244
<b>Stormwater Reticulation</b>					
Stormwater Reticulation	-	-	-	-	167,060
Stormwater Reticulation	-	-	-	-	-
Stormwater Reticulation (Miscellaneous)	-	-	-	-	-
	-	-	-	-	167,060
<b>Sewerage</b>					
Sewerage	186	14,328	11,432	128,952	240,370
Sewerage	-	-	3,859	-	-
Sewerage	-	-	7,718	-	-
Sewerage (Lake Ferry)	-	1,303	-	11,727	15,630
Oxidation Ponds	5,707	3,473	18,388	31,257	81,680
Oxidation Ponds	300	-	300	-	-
Oxidation Ponds	6,377	-	22,974	-	-
Sewerage (Miscellaneous)	-	36,905	110,357	-	52,100
Alternative Disposal System (GTN)	-	-	-	-	644,904
Alternative Disposal System (MBA)	-	-	-	-	78,150
Alternative Disposal System (FSTN)	-	-	-	-	104,200
	12,570	56,009	175,029	171,936	1,217,034
<b>Land Transport</b>					
New St. Lighting (Other Roads) - 222	-	3,455	-	31,095	41,456
Signs/Guardrails (Other Roads) - 222	1,111	3,460	14,224	31,140	41,520
Signs/Guardrails (SPRs) - 222	-	-	-	-	-

# SOUTH WAIRARAPA DISTRICT COUNCIL

## SCHEDULE OF CAPITAL EXPENDITURE FOR THE PERIOD ENDED 31 MARCH 2013

DESCRIPTION	Month		Year to Date		Annual
	Actual	Budget	Actual	Budget	Budget
New Bridges (Other Roads) - 215	-	-	54	-	-
Structures Renewal (SPR) - 215	-	7,136	-	64,224	85,635
Seal Extensions	-	-	-	-	-
Seal Extensions (SPRs)	-	-	-	-	-
Reseals (Other Roads) - 212	386,470	40,932	447,752	368,388	491,182
Reseals (SPRs) - 212	59,594	5,313	63,236	47,817	63,759
Rehabilitation (Other Roads) - 214	3,095	22,490	25,085	202,410	269,880
Rehabilitation (SPRs) - 214	-	6,033	36	54,297	72,401
New Footpaths	-	6,920	3,877	62,280	83,040
Footpath Renewals	-	3,460	-448	31,140	41,520
Drain Renewal (Other Roads) - 213	7,962	17,300	11,908	155,700	207,600
Drainage Renewal (SPR) - 213	-	1,730	-	15,570	20,760
Minor Safety Works (Other) - 341	1,627	8,888	6,742	79,992	106,656
Erosion Control (SPRs) - 244	-	18,641	994	167,769	223,689
Land Transport (Misc.)	-	-	-	-	-
New Bridges (SPRs)	-	-	-	-	-
Minor Safety Works (SPRs) - 341	-	567	-	5,103	6,808
Road metalling (renewal) other - 211	-	19,895	38,412	179,055	238,740
Road metalling (renewal) (SPR) - 211	-	1,298	125	11,682	15,570
Development Work	-	-	-	-	-
Asso Improvements (Other) - 231	-	4,325	54	38,925	51,900
Asso Improvements (SPR) - 231	-	-	54	-	51,901
Traffic Services Renewal (SPR)	-	433	-	3,897	5,190
Preventative Maintenance (SPR)11/12 - 241	1,001	-	79,881	-	-
Improve-expand-replace - 322	-	-	-	-	-
Emergency Work (SPR)11/12 - 141	1,001	-	81,744	-	-
Preventative Maintenance (SPR) 12/13 - 241	241,404	-	622,186	-	-
	703,264	172,276	1,395,916	1,550,484	2,119,207
<b>Information Technology</b>					
IT Hardware	-	4,267	42,364	38,403	51,200
IT Software	840	24,500	107,507	220,500	294,000
IT Networks & Cabling	-	-	-	-	-
Geographical information system	13,516	1,784	13,516	16,056	21,402
	14,356	30,551	163,387	274,959	366,602
<b>Land</b>					
Land	-	-	35,130	-	-
			35,130		
<b>Council Property</b>					
Council Offices	-	833	7,717	7,497	10,000
Office Equipment & Furniture	-	2,327	-	20,943	17,680
Other Equipment	-	-	622	-	10,240
Motor Vehicles	47,332	9,297	92,525	83,673	111,560
	47,332	12,457	100,864	112,113	149,480
<b>Public Protection</b>					
Rural Fire	-	-	-	-	-
	\$ 923,902	\$ 365,700	\$ 2,401,908	\$ 2,923,857	\$ 5,252,639

# SOUTH WAIRARAPA DISTRICT COUNCIL

## SCHEDULE OF INVESTMENTS AS AT 31 MARCH 2013

<u>ORGANISATION</u>	<u>INTEREST RATE</u>	<u>DATE INVESTED</u>	<u>DATE MATURES</u>	<u>TOTAL INVESTED</u>	<u>INVESTED FUNDS %</u>	<u>AUTHORISED FUNDS %</u>
<b>SHORT TERM FUNDS</b>						
<b>Registered Banks</b>						
BNZ Autocall Account	3.20%	31-Mar-13	On Call	823,398.24		
BNZ Reserves Fund	4.00%	13-Mar-13	9-Sep-13	731,974.40		
<b>Total BNZ Funds</b>				<b>\$ 1,555,373</b>	<b>22%</b>	<b>30%</b>
Kiwibank Reserves Fund	2.50%	31-Mar-13	On Call	721,030.57		
<b>Total Kiwibank Funds</b>				<b>\$ 721,031</b>	<b>10%</b>	<b>30%</b>
ASB Loan Redemption Reserves	3.93%	28-Feb-13	27-Aug-13	\$ 1,187,751		
<b>Total ASB Funds</b>				<b>\$ 1,187,751</b>	<b>17%</b>	<b>30%</b>
National Bank of NZ	2.40%	31-Mar-13	On Call	\$ 2,094		
National Bank of NZ	0.00%	31-Mar-13	On Call	\$ 372		
<b>Total NBNZ Funds</b>				<b>\$ 2,467</b>	<b>0%</b>	<b>30%</b>
ANZ Call Account	3.00%	31-Mar-13	On Call	\$ 50,907		
Loan Redemption Reserves	3.90%	28-Feb-13	27-Aug-13	\$ 1,186,108		
<b>Total ANZ Funds</b>				<b>\$ 1,237,014</b>	<b>18%</b>	<b>30%</b>
Westpac Call Account	2.50%	31-Mar-13	On Call	\$ 192,712		
Westpac Call Account	3.11%	28-Feb-13	20-Apr-13	\$ 500,000		
Westpac Term Deposit	3.70%	28-Feb-13	20-May-13	\$ 500,000		
0	4.02%	28-Feb-13	5-Jun-13	\$ 650,000		
<b>Total Westpac Funds</b>				<b>\$ 1,842,712</b>	<b>26%</b>	<b>30%</b>
<b>Other</b>						
WBS (21220)	4.35%	21-Dec-12	19-Jun-13	\$ 146,955		
WBS (21220)	4.25%	18-Mar-13	14-Sep-13	\$ 153,454		
WBS (21220)	4.25%	31-Mar-13	27-Sep-13	\$ 118,896		
WBS (21220)		31-Mar-13	On Call	\$ 334		
<b>Total Other Funds</b>				<b>\$ 419,640</b>	<b>6%</b>	<b>10%</b>
<b>TOTAL SHORT TERM FUNDS</b>				<b>\$ 6,965,987</b>	<b>99%</b>	<b>100%</b>
<b>SHARES</b>						
NZ Local Govt Insurance Co Limited				\$ 69,570		
Airtel Limited				\$ 7,252		
Farmlands Trading Society Limited				\$ 1,159		
<b>TOTAL SHARES</b>				<b>\$ 77,981</b>	<b>1%</b>	
<b>FORESTRY</b>						
Plantation - Hurupi Stock				\$ 5,226		
<b>TOTAL FORESTRY</b>				<b>\$ 5,226</b>		
<b>TOTAL INVESTMENTS</b>				<b>\$ 7,049,194</b>		
<b>REPRESENTED BY:</b>						
Short Term Deposits				6,965,987	99%	
Investments - Current Assets				-	0%	
Investments - Non-Current Assets				83,207	1%	
				<b>\$ 7,049,194</b>	<b>100%</b>	

# **Appendix 2 – 2013/14 Annual Plan Timeline**

<b>2013/14 Draft Annual Plan Timetable</b>			
February	Wed	6	<b>Waitangi Day</b>
	Wed	20	<b>Council / Policy &amp; Finance Meetings</b>
	Wed	27	Workshop with Councillors on issues and seek guidance
March	Wed	20	Draft first cut AP to Councillors
	Friday	29	<b>Good Friday</b>
April	Mon	1	<b>Easter Monday</b>
	Wed	3	<b>Council / Policy &amp; Finance Meetings</b>
	Wed	3	Annual Plan workshop
	Thur	10	Deliver final Draft Annual Plan to Mayor / Councillors
	<b>Tue</b>	<b>17</b>	<b>Adopt Draft Annual Plan- Special Meeting</b>
	Thur	25	<b>ANZAC Day</b>
May	Mon	6	Public consultation Martinborough
	Tue	13	Public consultation Featherston
	Wed	14	Public consultation Greytown
	Wed	15	<b>Council / Policy &amp; Finance Meetings</b>
	Thur	16	Public consultation Rural
	Mon	20	Submissions close
	Fri	31	Submission summary to Mayor / Councillors
June	Mon	3	<b>Queen's Birthday</b>
	Mon	10	Hearing of submissions
	Tue	11	Hearing of submissions
	Wed	26	<b>Council / Policy &amp; Finance Meetings</b>
	Wed	26	<b>Adopt AP</b>

# **Appendix 3 – FAR Submission**



# MASTERTON DISTRICT COUNCIL

*SERVING THE COMMUNITY*

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64 Chapel Street  
P O Box 444  
MASTERTON 5840  
DX PA 89022  
Tel: (06) 370-6300  
Fax: (06) 378-8400  
www.mstn.govt.nz

*In reply please quote:* 140.01

3 May 2013

Attention: Clare Sinnott  
FAR Review Discussion Document Submissions  
NZ Transport Agency  
Private Bag 6995  
Wellington 6141

Dear Madam

## **FAR Review Submission**

The three Wairarapa Councils thank you for the opportunity to provide feedback to NZTA on the Funding Assistance Rates (FAR) review. We would also like to support the approach NZTA have taken to initially consult on the principles that will be used for any FAR changes before consulting on detailed options.

### **Background/Context:**

Masterton District Council (MDC) serves a population of 22,623 people on 11,780 properties spread over 229,500 hectares.

Carterton District Council (CDC) serves a population of 7,650 people on 4,450 properties spread over 118,000 hectares.

South Wairarapa District Council (SWDC) serves a population of 9,430 people on 6,500 properties spread over 248,500 hectares.

We are acutely aware of the importance of the roading network for our communities and the need to see this maintained into the future. At the same time, with an ageing population and lower than average household incomes, affordability is a key concern for our Councils. A key challenge has been, and will continue to be, balancing affordability for our community with the need to maintain our roading and other infrastructure.

### **FAR Principles & Approaches:**

The three Councils generally support the submissions made by GWRC and Southland District Council. These submissions capture and outline our key concerns and opinions in relation to the FAR principles and approaches.

In addition, we would like to emphasise and expand on the following points:

#### *1. The Purpose of FAR*

It is our view that the FAR funding should not be used to incentivise or influence investment in particular activities.

Potential changes to levels of service for the varying road categories or transport activities should be determined through NZTA's programmes and policies. The purpose of FARs being to enable, as much as possible, consistent and comparable levels of service for any particular road categories across the country.

Decisions to maintain existing and invest in new roading infrastructure should be based on NZTA policies, project cost benefits and specific strategic transport policies the Government has identified, not on the local ability to pay.

## 2. Changes in the FAR rates

The funding process and principles underpinning the Long Term Plan (LTP) for local authorities means that FAR changes are hard to accommodate. FAR rate changes should not occur between LTP periods, and any changes should be phased in over multiple years and forecast well in advance.

## 3. *Principle 1: Value and affordability*

The FAR rates currently vary based on local affordability. Future rate changes should continue to be based on a community's ability to pay, to ensure the nations transport network can be maintained at the appropriate levels despite any local affordability pressures. Changes in levels of service and ensuring money is well spent should be driven by NZTA policies and the existing project assessment and approval processes, not through affordability or lack thereof.

Smaller rural councils spend up to 40% of their rate take on their roading programmes, compared with as little as 12% for larger urban councils. This comparison clearly highlights the affordability pressures that are currently being faced by rural councils and must be addressed in any changes to FAR rates.

GWRC's suggested change to principle 1 should be the key principle used in the review.

*"Principle 1: Recognises the impact on local government affordability and the limits on increasing local funding share from rates".*

## 4. *Principle 2: Whole of Network Approach*

The Wairarapa Councils support GWRC's network comments and would like to reiterate the need to recognise the important economic contribution of both urban and rural roading networks.

While the majority of "freight miles" occur on state highways, it cannot be emphasised strongly enough that these miles would not occur without the entire network that connects with these roads. The transport system operates as a network and must be viewed holistically. Each feeder road in the network is necessary to achieve the total freight miles (closely related to the national GDP) or to provide a back-up route in the event of a temporary closure. This statement is especially true for the rural road network in the Wairarapa.

We strongly advocate the need for funding approaches to recognise the significant investment made by road users in existing transport infrastructure, and also the significant private investments that have been made that are reliant on maintaining the transport network.



There will continue to be, as in the past, on-going local pressure to invest in particular transport issues e.g. local congestion. When addressing these local issues NZTA must not lose sight of the critical role the entire transport network has in delivering the nations GDP, and in the local government partnership necessary to continue to make this happen.

Alternative funding sources such as congestion charging or targeted charges should be investigated to address new project expenditures. However these alternatives are beyond the scope of this current FAR review process.

GWRC's suggested change to principle 2 should also be a key principle used in the review.

*"Principle 2: Support a whole of network approach to land transport in New Zealand, recognising the important contribution of both rural and urban transport networks to economic outcomes"*.

#### 5. Future FAR Approaches

In our opinion the current FAR approach works. It considers both the national needs and the community's ability to pay, addressing the network affordability and maintenance concerns we have raised.

The Wairarapa Councils therefore join with the Southland DC and GWRC in supporting the status quo, or a modified version that is based on addressing affordability.

A potential modified version could combine differential and flat rate funding depending on the nature of the work or project being undertaken. For example:

- Maintenance, renewals, public transport and safety projects – The importance to the nations GDP of the existing infrastructure investments needs to be recognised and be maintained. The community's ability to afford this must be considered and factored in. Therefore the current approach for maintenance and safety improvements to the existing network should be used, but focusing even more strongly than currently on affordability considerations. Alternatively this could be achieved by the inverse population funding option proposed by the Southland District Council.
- New infrastructure – A common FAR or flat rate approach could be applied nationally. New projects would be assessed against each other based on the actual or strategic benefits that would be generated, rather than being undertaken because a community can afford it. Economic benefit should be a key consideration for any new investment.

#### **Summary:**

The Wairarapa Councils strongly advocate the need for affordability issues to be a key consideration in any future FAR approach, especially in relation to maintenance and levels of service of existing roading infrastructure. Any changes to levels of service should be driven by NZTA standards, NOT affordability pressures.

The Wairarapa Councils support the status quo, or a variation of this FAR approach, that will emphasise affordability and support communities to maintain their existing roading infrastructure and levels of service.

If there are to be changes to the existing FAR approach, the Wairarapa Councils support a phased introduction.

Yours sincerely

A handwritten signature in black ink, appearing to read 'D. Hopman', with a stylized, cursive flourish at the end.

David Hopman  
On behalf of Masterton, Carterton and South Wairarapa District Councils