

SOUTH WAIRARAPA DISTRICT COUNCIL

20 FEBRUARY 2019

AGENDA ITEM D3

CHIEF EXECUTIVE OFFICER REPORT

Purpose of Report

To report to Council on general activities.

Recommendations

Officers recommend that the Council:

1. *Receive the Chief Executive Officer Report.*
2. *To receive the financial statements and report for the period ended 31 December 2018.*

1. Executive Summary

This is my last report as Chief Executive Officer of SWDC.

I won't bang on too much, I would like to say though that I am incredibly proud of where we are currently positioned, what we have achieved over my time here, and with all the initiatives we have in place, where we are headed.

And I emphasise "we".

Yes, there have been some bumps along the way, however the fact we continue to make really good progress, with exciting initiatives to come, highlights the strength of SWDC.

Personally, no one can succeed without the support of all those around us, and I cannot complain about the support I have received.

To the people I work with, thanks heaps.... You have supported me through the good times and not so good. We work in a difficult and complex environment and are under more and more scrutiny. By and large, we pass this scrutiny.

Mayors past and present, Councillors past a present, thanks – huge progress, great job!

2. Governance/Leadership/Advocacy

The following table provides the year to date results for KPI's set for the Governance output. This has been updated for the 2017/18 results.

GOVERNANCE, LEADERSHIP AND ADVOCACY MEASURING SERVICE DELIVERY PERFORMANCE					
SERVICE LEVEL	KEY PERFORMANCE INDICATORS	2016/17	2017/18	2017/18	COMMENTS
		ACTUAL	TARGET	ACTUAL	
Opportunities are provided for the community to have its views heard	Ratepayers and residents feel they can contact a Council member to raise an issue or problem	79% (13/14: 73%)	75%	69%	The National Research Bureau (NRB) Customer Satisfaction survey was carried out in October 2018. In addition to the 69% (2016: 79%) positive response, 18% (2016: 13%) felt they were unable to comment.
	Ratepayers and residents feel that the Mayor and councillors give a fair hearing to their views	63% (13/14: 62%)	75%	47%	The National Research Bureau (NRB) Customer Satisfaction survey was carried out in October 2018. In addition to the 47% (2016: 63%) positive response, 20% (2016: 23%) felt they were unable to comment.
Council determines what activities it should engage in through consultation and regulatory requirements then sets clear direction	Ratepayers and residents are satisfied with Council's decisions and actions	70% (14/15: 59%)	80%	65%	The National Research Bureau (NRB) Customer Satisfaction survey was carried out in October 2018. In addition to the 65% (2016: 70%) positive response, 8% (2016: 14%) felt they were unable to comment. The 2014/15 result of 59% was a separate survey with a sample size of 117, and was used to provide an interim indication. The NRB survey size of 300, which is our main survey and has a significantly lower margin of error.
	Ratepayers and residents are satisfied with how Council allocates rates/funds to be spent on the services and facilities provided (target peer group age)	65% (13/14: 64%)	80%	61%	The National Research Bureau (NRB) Customer Satisfaction survey was carried out in October 2018. In addition to the 65% (2016: 65%) positive response, 10% (2016: 14%) felt they were unable to comment.
Community Boards make decisions that consider local issues	Community Board decision - making reports on local issues	GTN 96% FTN 95% MBA 92%	90%	GTN 90% FTN 94% MBA 93%	This measure reports on the percentage of resolutions made that relate solely to local issues.
	% of ratepayers and residents who know how to contact a community board member	69% (13/14: 65%)	71%	60%	The National Research Bureau (NRB) Customer Satisfaction survey was carried out in October 2018.
Opportunities are available to raise local issues and understand what will happen as a result	Ratepayers and residents satisfied with the way Council involves the public in the decisions it makes	47% (13/14: 49%)	72%	36%	The National Research Bureau (NRB) Customer Satisfaction survey was carried out in October 2018. In addition to the 36% (2016: 47%) positive response, 26% (2016: 31%) felt they were neither satisfied nor dissatisfied, and 4% (2016: 5%) felt they were unable to comment.
Opportunities are available to raise issues relating to Maori through the Maori Standing Committee	The Maori Standing Committee makes recommendations to Council in relation to policy and plan development and resource management applications	100%	100%	100%	Maori Standing Committee met on 7 occasions. In total 24 resource consent applications were considered. (2017: 7 meetings and 21 resource consent applications).

2.1 Productivity Commission Review

Draft responses prepared by SOLGM, and Local Government New Zealand were circulated and discussed.

SWDC made a submission based around the LGNZ draft.

3. Strategic Planning and Policy Development

3.1 Meetings/Conferences

3.1.1. Mayoral Forum

One Mayoral forum was held.

Agenda items included Appointment of Chair/Deputy Chair, with Mayor Guppy (Upper Hutt CC) appointed chair and Mayor Lester (Wellington CC) appointed deputy.

Other items included Lets Get Wellington Moving; Wellington Region Investment Plan; Productivity Commission, Local Government Funding and Financing; and Regional Indoor Stadium.

3.1.2. Roading Review – S17A

We have completed the Section 17A review, with the result being South Wairarapa and Carterton Councils will work together on procuring and delivering roading outputs.

We (SWDC/CDC) are updating our procurement strategy to reflect the new structure also working with MDC on aligning contract dates to ensure open market competitiveness.

3.1.3. Wairarapa Regional Economic Development Strategy

Progress continues towards the delivery under this plan.

There was a slight hiatus over the Christmas / New Year break, however activity now continues apace.

Action 359 questions what activities have been left out of the WREDS, this discussion is covered in Appendix 4 of the Strategy and Action Plan.

3.1.4. Wellington Water Limited

Officers attended a very worthwhile meeting with Wellington Water senior officers to continue to understand each other's businesses.

A further workshop was held with SWDC officers and elected members to further tease out the strengths, weaknesses, opportunities and threats of joining.

A separate decision paper is presented to this meeting in relation to joining Wellington Water.

Wellington Water also offered their expertise to assist in the management and operational aspects of the E Coli issue in the Martinborough supply. It is fair to say the structured approach has helped manage the response in a broader way than we could have achieved with our existing resources.

3.1.5. Spatial Planning

Following on from the Long Term Plan Action, we have commenced this process.

Ree Anderson was selected to commence this process and will be preparing a spatial plan discussion document following a couple of workshops.

Ree has experience with the Auckland Plan, and has also worked with Palmerston North City Council, and Horowhenua District Council.

This document will form the basis of the public consultation phase.

Following discussion with Ree, the spatial plan should be completed in 12 to 18 months.

3.1.6. Other Meetings

We continue to work through the usual issues that arise from the first occupation of a large building, the Waihinga Centre. From an operational perspective these are relatively straightforward, but do need to be resolved.

The E. coli issue in Martinborough has generated a significant workload, with internal meetings, daily discussions with Regional Public Health, and Wellington water. This is a big issue for our community, and we have ensured all available resources have been applied to ensure resolution as soon as is practical. The Communities patience has to be acknowledged, and our regular updates have been well received.

Our team has really stepped up and the response has been as good as it could be. We will obviously have a debrief, and will be asking the Martinborough public for comments on what initiatives we need to put in place to ensure, if an event like this happens again, we are in the best position to respond appropriately.

4. Corporate

4.1 Financial Statements

The Financial Statements and Financial Report as at 31 December 2018 are presented at this meeting for adoption (Appendix 1).

These financial statements were discussed at the Audit and Risk meeting of 29 January 2019.

4.2 Public Excluded Information

Council resolution DC 2018/150 states:

COUNCIL RESOLVED (DC2018/150):

1. To receive the Release of Public Excluded Information Report.
(Moved Cr Craig/Seconded Cr Carter) Carried
2. To release the 'Purchase of Land' report, decision and minutes from the public excluded meeting held on the 19 September 2018.
3. To delegate to the Chief Executive to review reports, decisions and minutes of public excluded items from 15 May 2013-21 March 2018 to determine which items should be released to the public.
(Moved Cr Jephson/Seconded Cr Maynard) Carried

The following table summarises all public excluded reports from 2013, and actions taken and proposed to be taken – these are noted in the "Release Notes" column.

Publicly Withheld Information

#	Report	Date Considered	Reason Withheld	Comment	Release Notes
1	Purchase of Land (Featherston Golf Club)	19 September 2018	Good reason to withhold exists under Section 48(1)(a) 7(2)(i) i) enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)	Negotiations Complete.	Substantive information released through media. Council resolved to release full report and minutes.
2	Purchase of Land (Greytown Wastewater)	21 March 2018	Good reason to withhold exists under Section 48(1)(a) 7(2)(i)	Negotiations Complete.	Full report and minutes to be released
3	Purchase of Land (Greytown Wastewater)	21 February 2018	Good reason to withhold exists under Section 48(1)(a) 7(2)(i)	Negotiations Complete.	Full report and minutes to be released
4	Crown Redress for Wairarapa	20 September 2017	Good reason to withhold exists under Section 48(1)(a) 7(2)(i)	Negotiations not complete.	While we hold this information, the information is in relation to Treaty Settlements and will be released by the appropriate body once the treaty settlement made. This was not a decision report for council.
5	Solid Waste Contract	20 September 2017	Good reason to withhold exists under Section 48(1)(a) 7(2)(i)	Negotiations complete.	Full report and minutes to be released
6	Chief Executive Officer's Remuneration	20 September 2017	Good reason to withhold exists under Section 48(1)(a) 7(2)(a) a) protect the privacy of natural persons, including that of deceased natural persons	Complete.	Remuneration details advised to media, and published in Annual report. Other details withheld as noted in "Reasons Withheld"
7	Crown Redress Proposal for Wairarapa with Ngati Kahungunu and Rangitane	9 August 2017	Good reason to withhold exists under Section 48(1)(a) 7(2)(i)	Negotiations not complete.	Refer to #4 above
8	Water Rates Write Off	9 August 2017	Good reason to withhold exists under Section 48(1)(a) 7(2)(a)	Complete.	Name and address withheld, report and minutes released following redaction
9	Council determination of actions from the public	5 April 2017	Good reason to withhold exists under Section 48(1)(a) 7(2)(a)	Minutes only no report.	Personal information, information withheld

#	Report	Date Considered	Reason Withheld	Comment	Release Notes
	forum presentation by David Priestly				
10	Crown Redress Proposal for Wairarapa with Ngati Kahungunu and Rangitane	10 August 2016	Good reason to withhold exists under Section 48(1)(a) 7(2)(i)	Negotiations not complete.	Refer to #4 above
11	Summary of Agreement on Final Wairarapa Moana Redress Matters	10 August 2016	Good reason to withhold exists under Section 48(1)(a) 7(2)(i)	Negotiations not complete.	Refer #4 above
12	Rates Remission Request	10 August 2016	Good reason to withhold exists under Section 48(1)(a) 7(2)(a)	Complete	Name and address withheld, report and minutes released following redaction
13	Request for Council to Purchase a Local Amenity	29 June 2016	Good reason to withhold exists under section 7(2)(a)(i)(j) j) prevent the disclosure or use of official information for improper gain or improper advantage.	Reason no longer applies.	Full report and minutes to be released
14	Request for Rates Remission	29 June 2016	Good reason to withhold exists under Section 48(1)(a) 7(2)(a)	Complete.	Name and address withheld, report and minutes released following redaction
15	Crown Redress Proposal for Wairarapa with Ngati Kahungunu Rangitane	6 April 2016	Good reason to withhold exists under section 7(2)(i)	Negotiations not complete.	Refer #4 above
16	Chief Executive Review Report	28 October 2015	Good reason to withhold exists under Section 48(1)(a) 7(2)(a)	Complete.	Remuneration details advised to media, and published in Annual report. Other details withheld as noted in "Reasons Withheld"
17	Consideration of Recommendations from Wairarapa Alcohol Working Group in relation to the Local Alcohol Policy	22 April 2015	Good reason to withhold exists under Section 48 (1)(d) (2)(a)(i) (1) (d) that the exclusion of the public from the whole or the relevant part of the proceedings of the meeting is necessary to enable the local authority to deliberate in private on its decision or recommendation in any proceedings to which this paragraph applies. (2) (a) any proceedings before a local	Complete.	The adopted Local Alcohol Policy has been released and is widely distributed Full report and minutes to be released

#	Report	Date Considered	Reason Withheld	Comment	Release Notes
			authority where – (i) A right of appeal lies to any Court or Tribunal against the final decision of the local authority in those proceedings		
18	Waste Water Matters Report (Hodder Land)	19 November 2014	Good reason to withhold exists under section 7(2)(b)(h) b) protect information where the making available of the information – (i) would disclose a trade secret; or (ii) would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information. 19h) enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)	Negotiations Complete.	Information released at the time of the purchase and widely covered by the media. Full report and minutes to be released
19	Lease of Land Report	31 October 2014	Good reason to withhold exists under section 7(2)(b)(h)	Negotiations Complete.	Minutes to be released, gliding club lease land matter.
20	Wastewater Matters Report Investigation of Hodder Land to Purchase	31 October 2014	Good reason to withhold exists under section 7(2)(b)(h)	Negotiations Complete.	Information released at the time of the purchase and widely covered by the media. Full report and minutes to be released
21	Organisational Structure of a Piece of Council Owned Land (Gliding Operations/Papawai Land)	23 April 2014	Good reason to withhold exists under section 7(2)(b)(h)	Negotiations Complete.	Information generally circulated in relation to the gliding club and covered by the media. Full report and minutes to be released
22	Roading Contract	23 April 2014	Good reason to withhold exists under section 7(2)(b)(h)	Negotiations Complete.	Information released to public at time of contract, everyone knows who the successful tenderers were. Information released at the time of the purchase and

#	Report	Date Considered	Reason Withheld	Comment	Release Notes
					widely covered by the media. Full report and minutes to be released
23	Greytown Wastewater Land Purchase	10 September 2013	Good reason to withhold exists under section 7(2)(a) (b)(h)	Negotiations Complete.	Information released at the time of the purchase and reported widely. Information released at the time of the purchase and widely covered by the media. Full report and minutes to be released
24	Featherston Land Swap	15 May 2013	Good reason to withhold exists under section 7(2)(a)(b)(h)	Negotiations Complete.	Information released at the time of swap, wide coverage since then. Information released at the time of the purchase and widely covered by the media. Full report and minutes to be released
25	Greytown Waste Water Land Purchase	15 May 2013	Good reason to withhold exists under section 7(2)(a)(b)(h)	Negotiations Complete.	Information released at the time of the purchase and reported widely Information released at the time of the purchase and widely covered by the media. Full report and minutes to be released

As can be seen, where information could be released, in the majority of cases the key information was released and had been made public at the time the decisions were made.

4.3 Occupational Health and Safety

We continue to make good progress on health and safety matters.

In particular we are focusing on working with volunteers. This has proven somewhat more complex than first thought. We will have working guidance available in due course.

A health and safety report is included in Appendix 2.

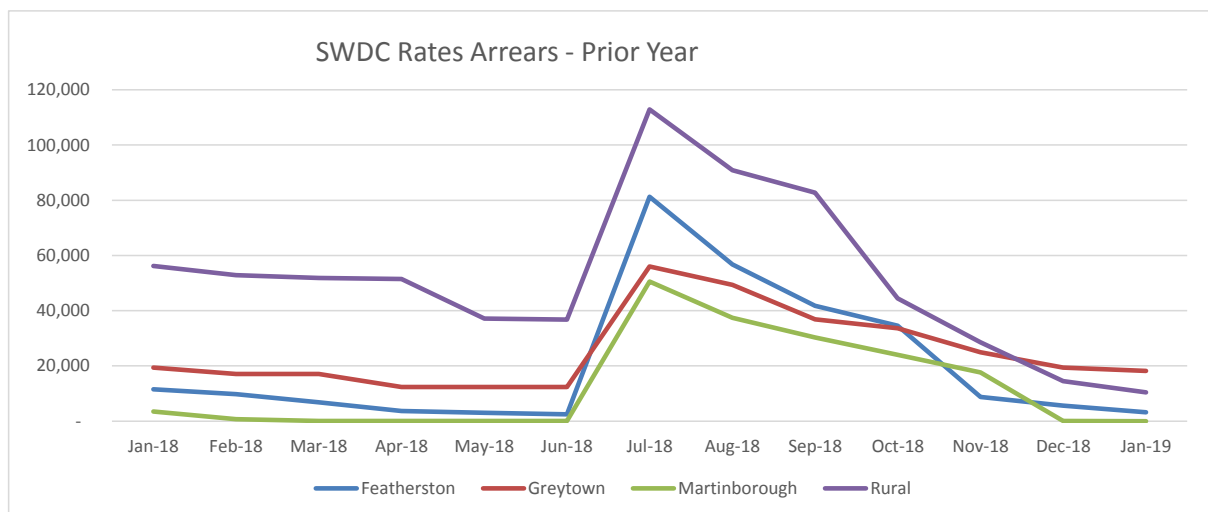
4.4 Action Items

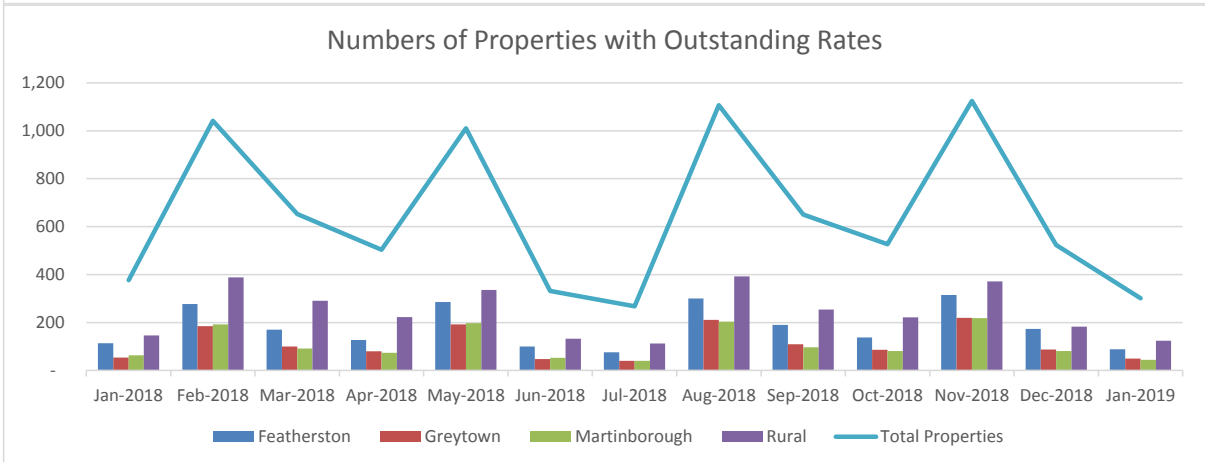
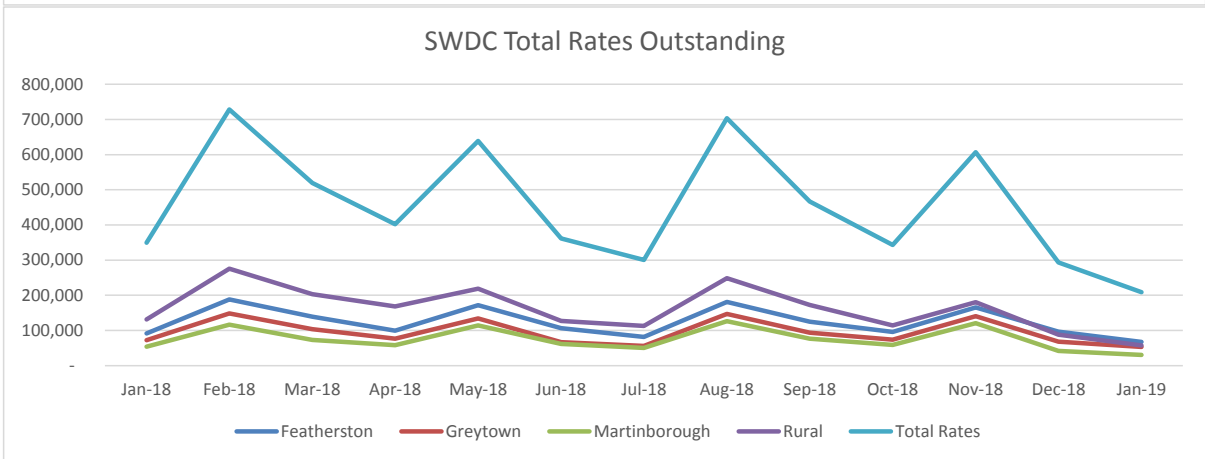
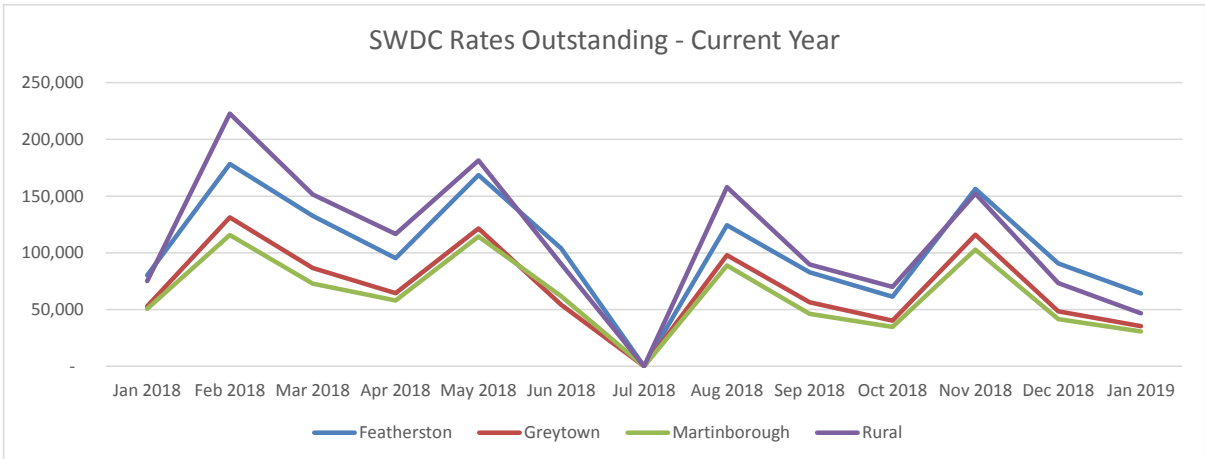
A brief report will be tabled.

4.5 Rates Arrears (Incl. GST) as at 30 January 2019

The continued good work on the rates debt front shows in the trends. As previously discussed, these trends are very sensitive and can change, however our consistent approach appears to be paying dividends.

Total rates outstanding are at a slightly lower level to the same period last year, continuing the downward trend.





4.6 LGOIMA Requests

Date Received	Subject	Working Days to respond
6-Dec	Survey of rates and charges made by Councils on Retirement Villages.	10
12-Dec	Chicken Egg and Chicken Meat Bird Farm Resource Consent Applications.	8
14-Dec	Information relating New Featherston Waste Water Treatment Plant Resource Application for the 5 year that SWDC has put forward as a stop gap.	
17-Dec	Resource and building consent requirements for Solar PV installation.	16
15-Jan	All correspondence relating to Burger Craft.	
16-Dec	Advice on any grants requested by or offered to Toyota.	1
23-Jan	Dog attack statistics.	
30 Jan	Advertising costs	5
5 Feb	Companies with councillors as interested parties awarded council contracts	2
7 Feb	Library Statistics and budget	

We continue to charge for those requests that require more than 1 hour and 20 pages of material. This charging regime is standard and used by central government.

5. Appendices

Appendix 1 – Financial Statements for the period ended 31 December 2018

Appendix 2 – Health and Safety Report

Contact Officer: Paul Crimp, Chief Executive Officer

Appendix 1 – Financial Statements for the period ended 31 December 2018

MONTHLY FINANCIAL STATEMENTS
FOR THE PERIOD ENDED
31 DECEMBER 2018

STATEMENT OF FINANCIAL PERFORMANCE
STATEMENT OF FINANCIAL POSITION
STATEMENT OF CASHFLOWS
SCHEDULE OF CAPITAL EXPENDITURE
SCHEDULE OF INVESTMENTS

SOUTH WAIRARAPA DISTRICT COUNCIL

STATEMENT OF FINANCIAL PERFORMANCE FOR THE PERIOD ENDED 31 DECEMBER 2018

2017		YTD			2018	
LY Actual		Actual	Budget	Variance	Budget	% of Budget
<u>OPERATING INCOME</u>						
6,602,849	Rates	7,012,165	7,000,044	12,121	13,993,011	50%
91,188	Rates Penalty	77,103	87,896	(10,793)	140,000	55%
241,504	Interest	232,492	207,710	24,782	449,099	52%
10,526	Internal Interest Loans	10,526	10,527	(1)	20,880	50%
667,823	Fees & Licences	744,202	656,606	87,596	1,154,450	64%
310,424	User Levies	280,826	266,209	14,617	700,315	40%
36,982	Commissions	37,355	35,140	2,215	69,650	54%
757,347	NZ Transport Agency Subsidy	634,011	597,290	36,721	1,261,390	50%
46,459	Petrol Tax	49,381	40,054	9,327	82,905	60%
9,461	Grants, Donations & Subsidies	156,047	10,666	145,381	15,198	1027%
259,254	Rental / Hire	272,392	243,679	28,713	503,938	54%
50,572	Profit on Sale of Assets	-	-	-	-	0%
182,635	Miscellaneous Income	(14,292)	72,103	(86,395)	137,689	-10%
9,267,024	Total Operating Income	9,492,209	9,227,924	264,285	18,528,525	
<u>OPERATING EXPENDITURE</u>						
918,596	Corporate Services	978,043	995,240	17,197	2,017,155	48%
465,805	In-House Professional Services	568,446	511,632	(56,814)	1,034,152	55%
233,751	Governance, Leadership & Advocacy	308,430	250,263	(58,167)	546,556	56%
647,699	Public Protection	652,557	687,694	35,137	1,355,145	48%
267,124	Resource Management	217,111	273,290	56,179	526,493	41%
235,933	Economic, Cultural & Community Development	310,221	306,286	(3,935)	464,229	67%
1,305,240	Amenities	1,592,099	1,467,592	(124,507)	2,735,816	58%
2,684,606	Land Transport	2,204,792	2,297,031	92,239	5,110,234	43%
1,116,951	Water Supply	1,181,333	1,142,197	(39,136)	2,388,643	49%
688,359	Solid Waste Management	750,951	660,856	(90,095)	1,414,226	53%
766,500	Wastewater	795,341	952,157	156,816	1,886,427	42%
97,095	Stormwater Drainage	87,983	106,028	18,045	184,425	48%
9,371	Rate Debtors Remissions	9,421	20,674	11,253	40,000	24%
-	Loss on Sale of Assets	2,058	-	(2,058)	-	0%
9,437,029	Total Operating Expenditure	9,663,067	9,670,940	7,873	19,703,501	
(170,005)	Operating Surplus/(Deficit)	(170,858)	(443,016)	272,158	- 1,174,975.90	
<u>CAPITAL EXPENDITURE INCOME</u>						
367,504	NZ Transport Agency Subsidy	391,647	470,051	(78,404)	1,192,296	33%
728,800	Grants, Donations & Subsidies	275,000	-	275,000	-	0%
385,559	Contributions	450,971	283,819	167,152	1,036,888	43%
1,481,863	Total Capital Expenditure Income	1,117,618	753,870	363,748	2,229,185	
<u>OTHER INCOME</u>						
-	Assets Vesting in Council	589,137	-	589,137	-	0%
-	Gain on Asset Revaluations	-	-	-	38,868	0%
-	Total Other Income	589,137	-	589,137	38,868	
\$ 1,311,858	TOTAL SURPLUS / (DEFICIT)	\$ 1,535,897	\$ 310,854	\$ 1,225,043	\$ 1,093,077	

Included in the operating expenditure is:

2,228,745	Depreciation	2,226,264	2,401,869	(175,605)	4,892,393	46%
276,039	Interest	297,684	369,048	(71,364)	740,220	40%

SOUTH WAIRARAPA DISTRICT COUNCIL

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2018

	31 DECEMBER 2018	30 JUNE 2018	MOVEMENT
<u>ASSETS</u>			
<u>Current Assets</u>			
Cash and Bank	1,219,198	161,549	1,057,648
Short Term Deposits	1,385,237	4,050,072	2,535,672
Reserve and Loan redemption Term deposits	5,200,507	-	
Investments	6,529,314	9,065,743	(2,536,428)
Prepayments & Receivables	1,733,385	2,757,040	(1,023,655)
Inventories	15,336	23,647	(8,310)
Properties Intended For Sale	-	1,500,000	(1,500,000)
Total Current Assets	16,082,976	17,558,050	(1,475,074)
<u>Non-Current Assets</u>			
Investments	371,898	375,022	(3,124)
Term Deposits	-	1,765,421	(1,765,421)
Investment Properties	8,435,000	8,435,000	-
Intangible Assets	104,164	124,513	(20,349)
Properties Intended For Sale	1,500,000	-	1,500,000
Property, Plant & Equipment	443,332,039	438,692,798	4,639,241
Total Non-Current Assets	453,743,102	449,392,754	4,350,347
TOTAL ASSETS	\$ 469,826,078	\$ 466,950,804	\$ 2,875,274
<u>LIABILITIES</u>			
<u>Current Liabilities</u>			
Cash and Bank	-	-	-
Payables and Accruals	3,803,588	4,373,741	(570,154)
Employee Entitlements	257,299	347,769	(90,470)
Public Debt - Current Portion	-	4,000,000	(4,000,000)
Provisions - Current Portion	34,043	34,043	-
Total Current Liabilities	4,094,930	8,755,554	(4,660,624)
<u>Non-Current Liabilities</u>			
Public Debt - Non-Current Portion	19,500,000	13,500,000	6,000,000
Provisions - Non-Current Portion	433,901	433,900	-
Total Non-Current Liabilities	19,933,901	13,933,900	6,000,000
<u>EQUITY</u>			
Public Equity	152,619,146	151,083,249	1,535,898
Special Separate & Trust Funds	22,724,914	22,724,914	-
Asset Revaluation Reserve	270,450,885	270,450,885	-
Other Reserves	2,303	2,303	-
Total Equity	445,797,248	444,261,350	1,535,899
TOTAL LIABILITIES & EQUITY	\$ 469,826,078	\$ 466,950,804	\$ 2,875,273

SOUTH WAIRARAPA DISTRICT COUNCIL

STATEMENT OF CASHFLOWS AS AT 31 DECEMBER 2018

31 DECEMBER 2018

30 JUNE 2018

OPERATING ACTIVITIES

Cash was provided from:

Rates	7,320,891	13,320,429
Grants & Subsidies	2,458,065	4,514,636
Petrol Tax	48,536	95,559
Other Income	1,709,014	4,293,551
Interest on Investments	190,316	414,296

Total Operating Cash Inflow	11,726,823	22,638,471
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Cash was applied to:

Payments to Suppliers & Employees	7,883,962	12,302,325
Interest Paid	296,438	570,471

Total Operating Cash Outflow	8,180,400	12,872,796
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Net Cashflow from Operating Activities	3,546,423	9,765,675
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INVESTING ACTIVITIES

Cash was provided from:

Sale of Property, Plant & Equipment	-	276,612
Term Investments, Shares & Advances	4,301,849	6,510,056

Total Investing Cash Inflow	4,301,849	6,786,668
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Cash was applied to:

Purchase of Property, Plant & Equipment	6,254,953	7,969,751
Term Investments, Shares & Advances		10,895,165

Total Investing Cash Outflow	6,254,953	18,864,916
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Net Cashflow from Investing Activities	(1,953,102)	(12,078,248)
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FINANCING ACTIVITIES

Cash was provided from:

Public Debt	2,000,000	4,000,000
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Total Financing Cash Inflow	2,000,000	4,000,000
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Cash was applied to:

Repayment of Public Debt	(0)	4,000,000
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Total Financing Cash Outflow	(0)	4,000,000
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Net Cash Flow from Financing Activities	2,000,000	-
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NET INCREASE / (DECREASE) IN CASH	3,593,321	(2,312,572)
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OPENING CASH BALANCE	1 JULY 2018	4,211,621	6,524,195
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CLOSING CASH BALANCE	31 DECEMBER 2018	\$ 7,804,942	\$ 4,211,621
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REPRESENTED BY:

Cash and Cash equivalents	1,219,198	161,549
Short Term Deposits	6,585,745	4,050,072
Investments (Current)		
	\$ 7,804,942	\$ 4,211,621

SOUTH WAIRARAPA DISTRICT COUNCIL

SCHEDULE OF CAPITAL EXPENDITURE FOR THE PERIOD ENDED 31 DECEMBER 2018

<u>DESCRIPTION</u>	Year to Date		Annual Budget	Budget Brought Forward from Prev Years	Total Budget Available
	Actual	Budget			
Baseline CAPEX:					
Amenities	237,255	379,230	758,424	756,116	1,514,540
Water Supply	191,778	400,620	801,248	358,963	1,160,211
Solid Waste Management	-	168,228	336,450	20,000	356,450
Stormwater Reticulation	-	27,390	54,779	53,600	108,379
Wastewater	2,293,949	1,136,976	2,273,950	3,048,300	5,322,250
Land Transport	737,226	1,066,968	2,133,934	-	2,133,934
Information Technology	77,866	78,876	157,748	53,753	211,501
Council Property	3,295	305,664	611,319	32,745	644,064
Waihinga Centre	1,369,238	-	-	1,166,089	1,166,089
	\$ 4,910,606	\$ 3,563,952	\$ 7,127,852	\$ 5,489,566	\$ 12,617,418

SOUTH WAIRARAPA DISTRICT COUNCIL

SCHEDULE OF INVESTMENTS AS AT 31 DECEMBER 2018

SHORT TERM FUNDS

Registered Banks	Code						
ASB Call account	99182811	1.25%	20-Jun-17	On Call	On Call		\$150,057.39
ASB Reserve Fund	99182811	3.58%	13-Jun-18	13-Jun-19	365 days		\$300,000.00
ASB Term Deposit - Loan redemption	99182811	3.68%	23-Jan-18	15-Jul-19	538 days		\$225,000.00
ASB Term Deposit - Loan redemption	99182811	3.58%	25-Jul-18	25-Jul-19	365 days		\$225,000.00
ASB Term Deposit - Loan redemption	99182811	3.76%	27-Apr-18	17-Oct-19	538 days		\$226,000.00
							\$1,126,057.39
ANZ CALL ACCOUNT	99182813	0.70%	31-Dec-18	On Call	On Call		\$71.28
ANZ Term Deposit	99182813	3.10%	23-Oct-18	20-Feb-19	120 days		\$500,000.00
ANZ Term Deposit	99182813	3.42%	20-Nov-18	20-May-19	181 days		\$1,000,000.00
ANZ Reserve Fund	99182813	3.54%	22-Jun-18	24-Jun-19	367 days		\$750,000.00
							\$2,250,071.28
BNZ AUTOCALL (-025)	99182812	0.10%	31-Dec-18	On Call	On Call		\$149.28
BNZ Term Deposit	99182812	3.25%	27-Aug-18	21-Jan-19	147 days		\$1,000,000.00
BNZ Term Deposit	99182812	2.92%	21-Nov-18	19-Feb-19	90 days		\$1,000,000.00
BNZ Term Deposit	99182812	3.37%	24-Oct-18	23-Apr-19	181 days		\$350,000.00
BNZ Reserve Fund	99182812	3.66%	24-May-18	24-May-19	365 days		\$1,000,000.00
BNZ Loan Redemption	99182812	3.51%	5-Nov-18	5-Nov-19	365 days		\$500,000.00
BNZ Loan Redemption	99182812	3.61%	12-Nov-18	12-Nov-19	365 days		\$375,000.00
							\$4,225,149.28
KIWIBANK Term Deposit	99182819	1.75%	31-Dec-18	On call	On call		\$0.00
KIWIBANK Term Deposit	99182819	3.10%	23-Oct-18	23-Apr-19	182 days		\$500,000.00
KIWIBANK Loan Redemption	99182819	3.45%	23-Oct-18	23-Oct-19	365 days		\$500,000.00
KIWIBANK Term Deposit	99182819	3.15%	20-Nov-18	20-Mar-19	120 days		\$1,000,000.00
KIWIBANK Loan Redemption	99182819	3.60%	13-Nov-18	13-Nov-19	365 days		\$225,000.00
							\$2,225,000.00
WBS Call account	99182816	0.50%	31-Dec-18	On Call	On Call		\$1.29
WBS Reserve fund	99182816	3.60%	22-Nov-18	19,278	365 days		\$190,705.06
WBS Reserve fund	99182816	3.60%	25-Nov-18	25-Nov-19	365 days		\$184,799.54
WBS Reserve fund	99182816	3.55%	21-Dec-18	21-Dec-19	365 days		\$150,000.00
							\$525,505.89
WESTPAC TRUST ONLINE CALL	99182814	0.10%	31-Dec-18	On Call	On Call		\$13.24
WESTPAC Term Deposit	99182814	2.70%	20-Nov-18	18-Jan-19	59 days		\$500,000.00
WESTPAC Term Deposit	99182814	2.63%	21-Dec-18	19-Feb-19	60 days		\$400,000.00
WESTPAC Reserve Fund	99182814	3.45%	22-Jun-18	24-Jun-19	367 days		\$1,314,421.02
WESTPAC Term Deposit - Loan redemption	99182814	3.45%	23-Oct-18	23-Oct-19	365 days		\$500,000.00
							\$2,714,434.26
TOTAL							\$13,066,218.10
INVESTMENTS							
LGFA Borrower Bonds	NZLGFDDG472	3.01%	20-Jun-16	15-Apr-23			\$28,800.00
LGFA Borrower Bonds	NZLGFDDG472	2.81%	20-Jun-16	15-May-21			\$91,200.00
LGFA Borrower Bonds		2.65%	20-Feb-17	15-Mar-19			\$64,000.00
LGFA Borrower Bonds		2.98%	20-Feb-17	15-Apr-20			\$32,000.00
LGFA Borrower Bonds		2.98%	21-Aug-17	15-May-22			\$40,000.00
LGFA Borrower Bonds		3.08%	19-Feb-18	15-Apr-23			\$24,000.00
							\$280,000.00
FORESTRY							
Plantation - Hurupi Stock	99283827						\$9,305.00
							\$9,305.00
SHARES							
AIRTEL LTD	99283824						\$0.00
FARMLANDS	99283825						\$1,159.00
NZ LOC GOVT INS CO	99283823						\$81,434.30
							\$82,593.30
TOTAL INVESTMENTS							\$13,438,116.40
Bank of New Zealand		\$4,225,149.28		ASB			\$1,126,057.39
ANZ		\$0.00		ANZ			\$2,250,071.28
Westpac		\$2,714,434.26					
Wairarapa Building Society		\$525,505.89					\$3,376,128.67
KiwiBank		\$2,225,000.00					
		\$9,690,089.43		SHORT TERMS:			\$13,066,218.10
				SHARES			\$82,593.30
				FORESTRY			\$9,305.00
				BORROWER NOTES			\$280,000.00
							\$13,438,116.40

South Wairarapa District Council

For the six months ending 31 December 2018

Financial Report

1. SUMMARY & HIGHLIGHTS

Purpose

The purpose of this report is to provide Council with a commentary on:

- Year to date budget vs actual.
- Commentary on material variances.
- Full year risks (if any) for each significant activity.

Highlights

- Year to date operating deficit is \$171K vs. budget deficit of \$443K the result is favourable to budget by \$272K.
- Total surplus YTD is \$1,536K vs. budget surplus \$311K, favourable by \$1,225K.

Operating income is favourable by \$264K. This includes \$88K F for Fees & Licences, \$37K NZTA subsidies and \$145K Grants and donations. Operating expenditure is on budget over with Amenities over budget by \$125K and Solid waste unfavourable by \$90K. This is partially offset by Wastewater \$157K favourable to budget.

- Council is in sound cash position, with working capital of \$11,988K.
- Interest cost 4.25% of rates revenue, SWDC maximum 12%.
- Current Net debt \$19,500K, at 3.15% average borrowing rate. Maximum debt per LTP: \$25,820.
- Budgets have been phased based on last years actual spend. Some variances are due to actual spending patterns being different between years.

2. STATEMENT OF FINANCIAL PERFORMANCE

OPERATING INCOME

Rates

Favourable to budget \$12K.

Rates Penalty

Unfavourable by \$11K.

Interest Revenue

Favourable \$25K due to interest rates being higher than budgeted.

Fees & Licences

Favourable \$88K. The number of building consents remains high \$65K over budget, resource consents income also up \$38K over budget, Liquor & Health licences are trending higher then last year so up on budget \$13K.

User Levies

Favourable by \$15K.

NZTA Subsidy

Operating Income \$37K unfavourable, Capital Income \$78K unfavourable. The full year programme will be met so actual should align with budget at year end.

Rental / Hire

Favourable \$29K, made up of rental income \$16K F and campgrounds \$6K F.

Miscellaneous Income

Unfavourable \$86K, this includes \$22K of footpath deposits being repaid to property owners.

OPERATING EXPENDITURE

Corporate Services

Favourable \$35K. This variance is mainly savings in salaries and wages, and interest payable due to the delay in beginning the office refurbishment.

In-house Professional Services

Unfavourable \$55K, mainly due to valuation costs not budgeted until later in the year, plus salaries and wages being over budget.

Governance

Unfavourable \$45K. \$45K is the Featherston sculpture grant which is using funds carried forward from previous years. \$12K relates to the payment of the communications allowance to Councillors. This was budgeted for in January 2019 but paid in September 2018.

Public Protection

Overall Public Protection expenditure is Favourable to budget \$36K, there are some variances in the outputs below that offset each other.

Public Protection & Health

Favourable \$8K.

Building and Construction

Favourable \$21K, due to savings in vehicle expenses and software licences YTD.

Animal Control

On budget.

Emergency Management

Favourable \$7K.

Resource Management

Favourable \$55K, Salaries and wages \$32K F due to staff changes and vacancy for a short time, Legal expenses \$18K F.

Economic Cultural & Community Development

Economic Development

On budget.

Community Wellbeing

On budget.

Amenities

Overall Amenities are Unfavourable by \$127K, there are some variances in the outputs below that offset each other.

Swimming Pools

Favourable \$80K, mainly due to Contractors being favourable \$48K and routine maintenance \$17K favourable but likely to be on budget going forward.

Community Buildings

On budget.

Cemeteries

On budget.

Rental Properties

Unfavourable \$47K, \$30K due to expenses on properties intended for sale not budgeted. R&M unfavourable \$11K due to FTN sport stadium overlay interior walls with ply and lighting not budgeted for.

Toilets

Unfavourable \$35K, mainly routine maintenance \$24K unfavourable to budget YTD. Should balance out at end of the year.

Land Transport

Actual Expenditure YTD \$2,205K, made up of:

- Subsidised \$2,437K
- Non Subsidised \$147K

Favourable \$14K, to budget year to date, expected to be on track at year end.

Water Supply

Unfavourable \$39K, due to depreciation being higher than budgeted.

Solid Waste Management

Unfavourable \$90K, Significant increase in landfill maintenance. Expected to be over budget by year end due to high summer volumes from visitors to the district.

Wastewater

Favourable \$157K, due to routine maintenance, depreciation and utilities being under budget YTD.

Stormwater Drainage

Favourable \$18K, mainly due to favourable routine maintenance spend.

CAPITAL EXPENDITURE INCOME

NZ Transport Agency

\$78K Unfavourable to budget YTD.

Grants

\$275K favourable to budget due to Waihinga Centre grants and donations budgeted in previous years.

Contributions

Favourable \$167K due to increased development activity in the district.

3. STATEMENT OF FINANCIAL POSITION

Working Capital

Working capital (current assets less current liabilities) stands at \$11,988K. (30 June 2018 \$8,802K).

Prepayments and Receivables

Prepayments and receivables total \$1,733K. Key components are Water debtors \$82K, Interest receivable \$145K , NZTA subsidies receivable \$301K, GST refund \$462K and general debtors \$322K.

Payables and Accruals

Payables and accruals total \$3,804K. Key items are Sundry creditors \$1,963K, Rates in advance SWDC \$547K, Rates owing to GWRC \$145K, Contract retentions \$256K

Public Debt Current Portion

The comparative column shows a variance between the 30 June amount and that now reported. For the annual report we are required to split out the current and term portions of the public debt. For management reporting we report all public debt as one amount. (Non-current)

Gross Public Debt

Total public debt stands at \$19,500K. This is unchanged from 30 June 2018.

Appendix 2 – Health and Safety Report

South Wairarapa District Council Health and Safety Report 28 November 2018 – 5 February 2019

HEALTH AND SAFETY STRATEGY

We continue to progress well on implementing our health and safety strategy and work plan.

RESOURCING

There are no health and safety resourcing issues. Julie Wallace, working 1 day a week.

HEALTH AND SAFETY – DRIVING CONTINUOUS IMPROVEMENT (lead indicators)

Training

SWDC are continuing to review health and safety training needs of new and existing staff.

Engaging with our people

Health and Safety at Work Team have recently:

- Continued to look at how the team can keep health and safety alive through contributing in team meetings and providing messages to team mates in the health and safety newsletter.
- Continued to contribute to content for health and safety notice boards.
- Conducted a health and safety check of the WaiHINGA Centre and compiled a draft hazard register.
- Had two members attend health and safety representative training.
- Looked at their focus for 2019 which will be continued focus on wellness, ensuring our physical environment is safe and healthy and continuing to embed health and safety into everything we do.

Near Miss reports

No near misses reported in the period 28 November 2018 – 5 February 2019.

Wellness

Organizations that prioritize wellbeing have better engagement, reduced absenteeism and higher productivity, while people have improved wellbeing, greater morale and higher job satisfaction.

- All staff continue to be offered flu injections.
- All staff offered annual wellness payment of \$200.
- Our wellness focus for February is mental wellbeing and promoting EAP.

Working with our Contractors

4	2	0	2
Contractor audits undertaken	Contractor audits met expectations	Did not meet expectations	Minor remedial actions taken

Council continue to implement the contractor management system.

- Council staff continue to evaluate contractor’s health and safety systems.
- Council staff who engage contractors continue to engage with contractors through pre-start meetings, inductions and safety audits, promoting Councils health and safety expectations.
- No contractor incidents reported.

HEALTH AND SAFETY ACCIDENT & INCIDENT REPORTING (Lag indicators)

Three incidents reported during the period 28 November 2018 to 5 February 2019. All accident and near miss reports are referred to the Health and Safety at Work Team and Management, who review and satisfy themselves appropriate actions have been taken and where necessary, appropriate additional controls are put in place.

RISK MANAGEMENT

Work on hazard registers is ongoing, controls are currently being reviewed by the H&S at Work Team, and staff are encouraged to report new hazards through the monthly newsletter and staff meetings.

We will be providing updates on how we are managing our biggest risks. To give you the assurance that we understand our biggest risks, what controls and reduction measures are required, and actions we are taking.

Here is an update on two key risks we are currently focussing on:

Risk	Description of risk	Controls and reduction measures	Actions
<p>Contractors</p>	<p>Contractors undertake a number of high risk activities for Council. We have little control over Contractors staff and work standards while they are working for Council.</p> <p>We rely on them employing staff who are competent and trained, while observing safe work practices.</p>	<p>Contractors working for Council have robust health and safety systems in place, and understand their obligations. Contractors will be fully briefed, responsibilities assigned, and work will be periodically assessed to ensure agreed controls are being managed.</p>	<p>Contractor management system designed.</p> <p>Contractors asked to provide their H&S systems for checking by Council.</p> <p>Once approved, contractors will be asked to sign a contractor agreement.</p> <p>Contractor pre-start briefings and inductions have been developed and provided to appropriate staff.</p> <p>Site safety audit checklists have been developed and provided to appropriate council staff. Staff who manage contractors have been undertaking safety audits and ensuring remedial actions undertaken where required. Contractor safety audit standards added to the audit checklists to assist managers and staff when undertaking a safety audit.</p> <p>When work is commissioned, a risk assessment is done to inform the frequency and type of safety audits.</p> <p>Contractor post contract safety review developed to assist managers with</p>

			<p>safety conversations with contractors when work is complete.</p> <p>Reviewed all our listed contractors to re-assess the risk associated with the work they are doing for council and to ensure we are getting health and safety information that is appropriate for the level of risk they are managing on council behalf. See attachment one "Contractor engagement and review".</p> <p>Work continues chasing up contractors who have provided insufficient or no information.</p>
<p>Lone / remote workers</p>	<p>It is not always possible for staff to work in teams or even in pairs. Often staff are required to work alone and remotely, where in some cases poor cell phone coverage is an additional factor.</p>	<p>All staff who work remotely or alone will be provided with cell phones. They will be required to sign out before they leave, including their intended location and expected time of return. This will be monitored and action taken in line with an emergency response plan if help is summoned or they fail to return by the expected time. They will be required to sign in when they return. They will be provided with a device to summon assistance which do not require cell phone coverage.</p> <p>Consideration to be given to having vehicles fitted with GPS.</p>	<p>Staff who work remotely or alone to have access to cell phones. Sign out/in systems in place and being used.</p> <p>Garmin InReach remote contact device currently being used by Bylaws team. Device meets legislative requirements by providing two way communication in areas out of cellular range. Device also provides GPS functionality, enabling manager to pinpoint location of staff.</p> <p>A second Garmin device has been purchased for use by the remainder of staff who work in lone/remote situations. Device currently being trialled by Roading team. This will be monitored, with additional devices purchased if required.</p> <p>Monitoring process for sign out/in system developed and implemented by Bylaws and Roading teams.</p> <p>Training in the use of the device, monitoring, and emergency</p>

			<p>procedures rolled out to Managers, Bylaws and Roothing team. Emergency Action Plans developed. Teams have reported monitoring and the Garmin device is working well.</p> <p>Work to be done with remaining teams to look at need for Garmin device and that monitoring is appropriate for the work they are doing.</p>
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Contractor engagement and review

When commissioning work and completing the work order a risk assessment should be undertaken to determine risk profile, which will inform the pre-qualification and review process.

When assessing risk profile consider:

- Type of work and the risk associated with the work
- Frequency of work
- Number PCBUs / workers on site
- Term of contract
- Value of contract?

Low risk

Pre-qual

Proof worker competency
Pre-start meeting - discuss hazards and controls, agree responsibilities

Review

Contractor Induction
Contractor agreement
Annual review

Medium risk

Pre-qual

Contractor questionnaire
Pre-start meeting - discuss hazards and controls, agree responsibilities

Review

Induction
Contractor agreement
Contractor safety checks quarterly
Annual / post contract review

High/Extreme risk

Pre-qual

Tender process
Contractor questionnaire
Site specific safety plans
Pre-start meeting - discuss hazards and controls, agree responsibilities

Review

Induction
Ongoing meetings
Contractor audits 2 - 4 weekly
Post contract review

Low risk contractor	Medium risk contractor	High/extreme risk contractor
<p>Examples of low risk work:</p>	<p>Examples of medium risk work:</p>	<p>Sophisticated safety systems required.</p> <p>Examples of high risk work:</p>
<ul style="list-style-type: none"> • Cleaners • Project managers/consultants • Suppliers of mats, towels, feminine hygiene • Maintenance work requiring use of hand tools • Servicing office equipment such as photocopiers • Working at heights less than 2 metres • Gardening and landscaping requiring use of hand tools. 	<ul style="list-style-type: none"> • 240V electrical work • Plumbing • Pest control (excl toxic chemicals) • Lone work in areas of poor cell coverage • Work dealing with potentially difficult public • Working at height over 2 metres under 3 metres. • Auto door service and maintenance • Drone photography • Gardening / landscaping / lawn mowing (hand mowers and ride-ons) • Cash collection/banking • Fire extinguisher/alarm and sprinkler systems supply and maintenance • Elevated platforms under 5 metres • Work within 5 metres of public occupied spaces. 	<ul style="list-style-type: none"> • Any work requiring WorkSafe notification or permits to work • High voltage electrical work • Confined space • Excavations that are WorkSafe notifiable • Tree felling or pruning • Roading projects • Asbestos removal • Demolition (>1.5m) • Handling hazardous goods/chemical • Lawn mowing using tractors, mowers, heavy machinery • Working at height over 3 metres • Hot works • Work involving self-propelled plant or equipment