

SOUTH WAIRARAPA DISTRICT COUNCIL

25 OCTOBER 2017

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.*

1. Executive Summary

Adoption of the 2016/17 Annual Report marks the end of a busy few months, as the Annual Report follows quickly on the heels of the Annual Plan. Phew!

We are all awaiting the result of the poll on Governance in the Wairarapa, it will be good to have a decision, whichever way the vote goes.

I always find citizenship ceremonies inspiring, peoples from many countries choosing to make New Zealand their home. It is useful to reflect on the very big picture, away from the day to day minutiae, this is a great country and we are fortunate to live here.

2. Governance/Leadership/Advocacy

The following table provides the year to date results for KPI's set for the Governance output.

GOVERNANCE, LEADERSHIP AND ADVOCACY MEASURING SERVICE DELIVERY PERFORMANCE					
SERVICE LEVEL	KEY PERFORMANCE INDICATORS				COMMENTS
			2016/17 TARGET	2016/17 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		75%	79%	The National Research Bureau (NRB) Customer Satisfaction survey was carried out late 2016. In addition to the 79% (2014:73% 2011 75%) positive response, 13% (2014; 16% 2011 14%) felt they were unable to comment.
	Ratepayers and residents feel that the Mayor and councillors give a fair hearing to their views		72%	63%	The NRB Customer Satisfaction survey was carried out late 2016. In addition to the 63% (2014; 62% 2011 55%) positive response, 23% (2014:21% 2011 28%) 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		80%	70%	The NRB Customer Satisfaction survey was carried out late 2016. In addition to the 70% (2014; 76% 2011 73%) positive response, 14% (2014; 8% 2011 9%) felt they were unable to comment.
	Ratepayers and residents are satisfied with how Council allocates rates/funds to be spent on the services and facilities provided (target peer group age)		79%	65%	The NRB Customer Satisfaction survey was carried out late 2016. In addition to the 65% (2014; 64% 2011 59%) positive response, 14% (2014; 14% 2011 9%) felt they were unable to comment.
Community Boards make decisions that consider local issues	Community Board decision - making reports on local issues		90%	Greytown 98% Featherston 97% Martinborough 97%	This measure reports on the percentage of resolutions made that relate solely to local issues. (year ended 30 June 2016)
	% of ratepayers and residents who know how to contact a community board member		68%	69%	The NRB Customer Satisfaction survey was carried out late 2016. In addition to the 69% (2014; 64% 2011 59%) positive response, 0% (2014; 14% 2011 9%) felt they were unable to comment.
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 decision it makes		70%	47%	The NRB Customer Satisfaction survey was carried out late 2016. In addition to the 47% (2014; 49% 2011 50%) positive response, 31% (2014; 26% 2011 25%) indicated they were neither satisfied nor dissatisfied, and 5% (2014; 5% 2011 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% applicable application s	100%	Maori Standing Committee met on 6 occasions. In total 5 resource consent applications were considered, however due to the timing of the meetings 1 was considered outside normal meetings.(Year ended 30 June 2016)

2.1 Local Government Commission

The result was announced on 12th December and it is pleasing this long debated matter has some resolution.

3. Strategic Planning and Policy Development

3.1 Meetings/Conferences

3.1.1. Chief Executive Forum

One CE forum was held covering Civil Defence, Local Government Commission regional integration, City/Region deal.

The City Deals involve the devolution of money and powers to a local level (from Central to Local Government on an agreed basis) as well as negotiated bespoke variations to national policies, where local performance could be improved or solutions need to be tailored to local conditions.

Central Government officials travelled to the UK to observe City Deals in operation, so it would appear there is some commitment to this approach. The Wairarapa Councils will be involved in these discussions, not only through our participation from a regional perspective, but from an individual Wairarapa perspective (which will still need to be as part of the regional initiative).

3.1.2. Mayoral Forum

One Mayoral forum was held during covering elected members remuneration (Fran Wilde Remuneration Authority presented), NZ Police on P in the region, Local Government Commission on regional integration, funding ambulance services in New Zealand, Wellington Electricity on network resilience, Wellington Community Trust, and Te Matatini kapa haka festival.

3.1.3. Community Boards

A further round of Community Board meetings were held.

3.1.4. Rural and Provincial

The Rural and Provincial sector meeting was held 16/17 November.

Presentations from the Government on Priorities for Local Government, LGNZ update, Fire and Emergency New Zealand update, stormwater & flood protection, natural resources – swimmability and biodiversity, housing including urban development and transport, regional growth and employment.

These sessions were all interesting, particularly on the back of a new government.

The ministers that spoke were Hon Nania Mahuta, and Hon Phil Twyford, constrained somewhat by the fact they had only had their portfolios for a week or so.

4. Corporate

4.1 Financial Statement

Financial statements for the four months ended 31 October 2017 are included as Appendix 1.

4.2 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.

Attached as appendix 2 is the report for the period.

4.3 Waihinga Centre/Martinborough Town Hall

The project continues as planned, completion as previously advised will be somewhere around May next year.

Fortnightly construction team meetings continue to be held, ensuring the project is monitored closely. The construction team includes Mayor Napier, Vicky Read (Waihinga Trust / users rep), Max Stevens (Waihinga Trust / user rep), David Borman (SWDC project Manager), Mike Arnopp (Riggs) and I. The pleasing aspect of this group is we are all working toward a common goal, having an excellent facility for the best price.

The financial summary, attached as Appendix 3, is reviewed by the construction committee and also presented and discussed at the audit and risk meeting. This summary includes variations to the original programme; variations are approved at the construction team meetings.

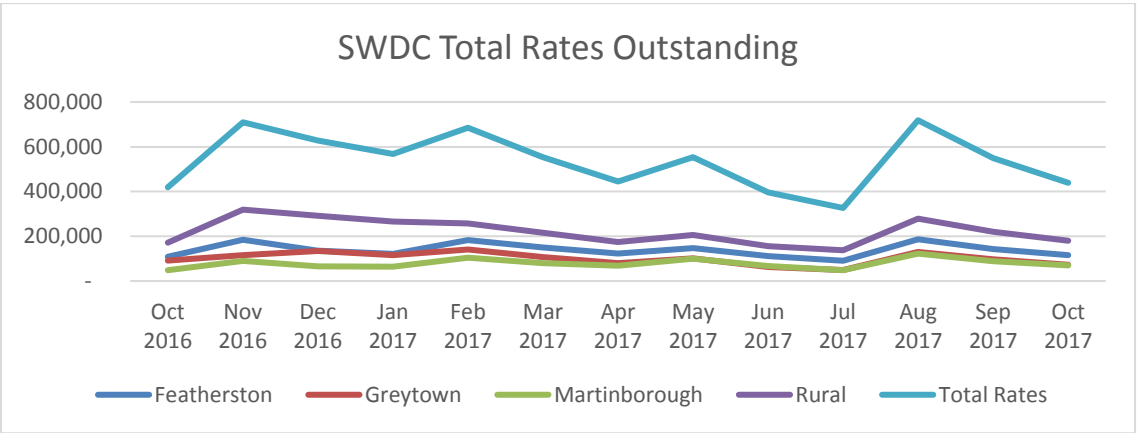
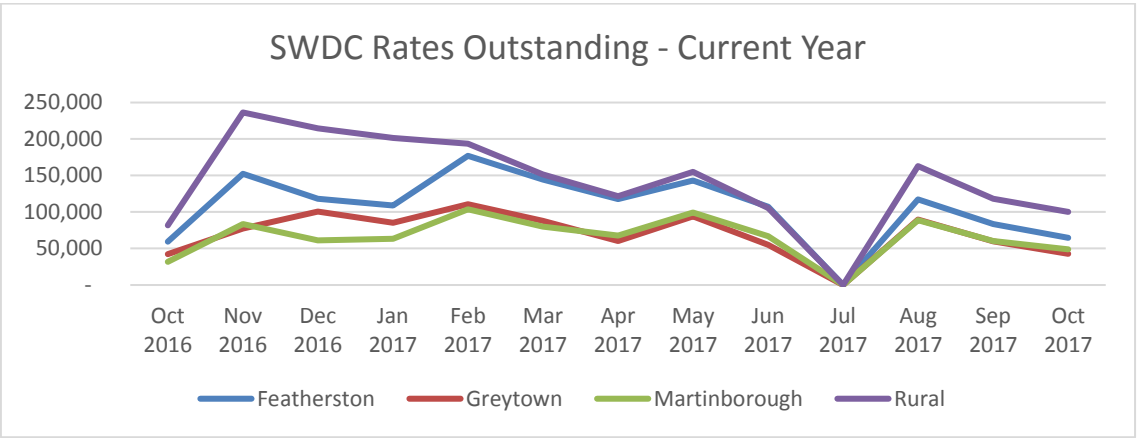
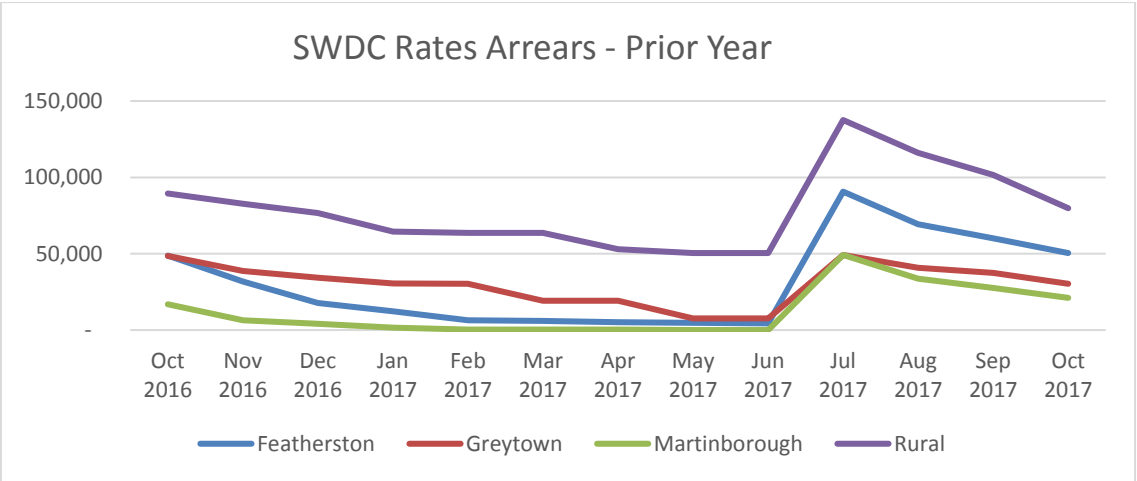
The project is progressing well, and there are no red or even orange flags at this stage.

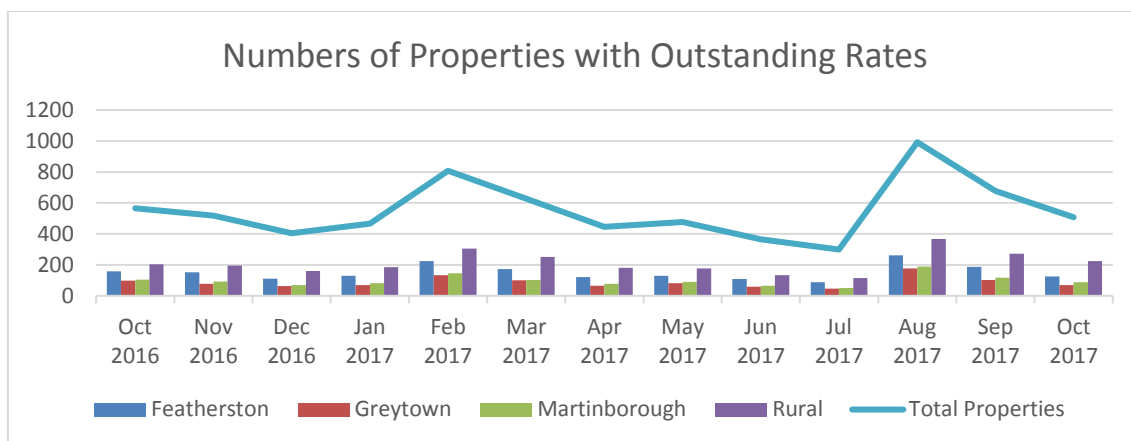
4.4 Rates Arrears (Incl. GST)

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 is slightly down on the same period last year.

Total outstanding is very similar to the same time last year, we continue to monitor the situation closely.





4.5 LGOIMA Requests

TOPIC OF INFORMATION REQUEST	REQUEST RESPONSE
Details of buildings owned by Council - those only are offices not public building such as Libraries.	
Records and Archives policy	
Street permits for collecting donations	Advice provided.
Spend on Christmas Decorations over past three years	

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 October 2017

Appendix 2 – Health and Safety Report

Appendix 3 – Waihinga Centre Financial Summary

Contact Officer: Paul Crimp, Chief Executive Officer

Appendix 1 – Financial Statements for the period ended 31 October 2017

SOUTH WAIRARAPA DISTRICT COUNCIL

MONTHLY FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 OCTOBER 2017

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

SOUTH WAIRARAPA DISTRICT COUNCIL

STATEMENT OF FINANCIAL PERFORMANCE FOR THE PERIOD ENDED 31 OCTOBER 2017

2017		YTD			2018	
LY Actual		Actual	Budget	Variance	Budget	% of Budget
<u>OPERATING INCOME</u>						
6,344,216	Rates	6,604,974	6,587,061	17,913	13,152,906	50%
58,205	Rates Penalty	62,419	45,886	16,533	140,000	45%
71,248	Interest	144,342	121,439	22,903	264,159	55%
12,639	Internal Interest Loans	7,036	12,640	(5,604)	20,880	34%
544,971	Fees & Licences	533,179	523,149	10,030	1,030,128	52%
243,984	User Levies	217,209	180,530	36,679	713,188	30%
23,331	Commissions	24,695	23,897	798	69,300	36%
471,166	NZ Transport Agency Subsidy	681,699	871,670	(189,971)	3,302,111	21%
26,273	Petrol Tax	29,393	24,217	5,176	82,905	35%
4,440	Grants, Donations & Subsidies	8,499	5,210	3,289	434,919	2%
185,727	Rental / Hire	175,507	191,556	(16,049)	524,675	33%
-	Profit on Sale of Assets	50,572	50,572	0	-	0%
115,903	Miscellaneous Income	103,058	116,101	(13,043)	333,426	31%
8,102,103	Total Operating Income	8,642,581	8,703,355	(60,775)	20,068,597	
<u>OPERATING EXPENDITURE</u>						
580,324	Corporate Services	612,178	617,690	5,512	1,875,091	33%
285,379	In-House Professional Services	306,917	290,141	(16,776)	868,153	35%
163,978	Governance, Leadership & Advocacy	135,858	143,900	8,042	472,028	29%
427,533	Public Protection	423,505	431,725	8,220	1,200,527	35%
147,984	Resource Management	187,761	150,414	(37,347)	490,056	38%
187,663	Economic, Cultural & Community Development	203,001	183,879	(19,122)	295,943	69%
822,773	Amenities	916,391	887,789	(28,602)	2,473,736	37%
1,723,397	Land Transport	1,988,826	1,738,121	(250,705)	5,048,744	39%
792,286	Water Supply	763,973	799,102	35,129	2,179,753	35%
408,046	Solid Waste Management	462,583	416,378	(46,205)	1,422,589	33%
478,471	Wastewater	499,794	495,561	(4,233)	1,608,052	31%
53,813	Stormwater Drainage	78,143	60,976	(17,167)	164,414	48%
9,498	Rate Debtors Remissions	8,760	40,000	31,240	40,000	22%
-	Bad Debts	-	-	-	-	0%
-	Loss on Sale of Assets	-	-	-	-	0%
6,081,144	Total Operating Expenditure	6,587,690	6,255,676	(332,014)	18,139,086	
2,020,959	Operating Surplus/(Deficit)	2,054,891	2,447,679	(392,789)	1,929,510.48	
<u>CAPITAL EXPENDITURE INCOME</u>						
124,794	NZ Transport Agency Subsidy	39,391	49,757	(10,366)	-	0%
438,700	Grants, Donations & Subsidies	500,000	-	500,000	-	0%
303,819	Contributions	292,356	125,188	167,168	452,957	65%
867,313	Total Capital Expenditure Income	831,747	174,945	656,802	452,957	
<u>OTHER INCOME</u>						
-	Gain on Share Revaluations	-	-	-	-	0%
-	Assets Vesting in Council	-	-	-	-	0%
-	Gain on Asset Revaluations	-	-	-	35,165	0%
-	Total Other Income	-	-	-	35,165	
\$ 2,888,272	TOTAL SURPLUS / (DEFICIT)	\$ 2,886,638	\$ 2,622,624	\$ 264,013	\$ 2,417,632	

Included in the operating expenditure is:

1,373,243	Depreciation	1,495,834	1,406,697	89,137	4,435,245	34%
255,588	Interest	184,972	215,647	(30,675)	625,903	30%

SOUTH WAIRARAPA DISTRICT COUNCIL

STATEMENT OF FINANCIAL POSITION AS AT 31 OCTOBER 2017

	31 OCTOBER 2017	30 JUNE 2017	MOVEMENT
<u>ASSETS</u>			
<u>Current Assets</u>			
Cash and Bank	62,796	574,195	(511,399)
Short Term Deposits	6,700,403	5,950,000	750,403
Investments	6,510,056	6,510,056	(0)
Prepayments & Receivables	5,151,780	1,552,394	3,599,386
Inventories	22,726	17,397	5,329
Properties Intended For Sale	-	1,778,950	(1,778,950)
Total Current Assets	18,447,761	16,382,992	2,064,769
<u>Non-Current Assets</u>			
Investments	352,640	312,640	40,000
Investment Properties	7,741,000	7,741,000	-
Intangible Assets	145,070	162,939	(17,869)
Properties Intended For Sale	1,568,838	-	1,568,838
Property, Plant & Equipment	382,542,772	382,777,316	(234,544)
Total Non-Current Assets	392,350,319	390,993,894	1,356,424
TOTAL ASSETS	\$ 410,798,080	\$ 407,376,886	3,421,193
<u>LIABILITIES</u>			
<u>Current Liabilities</u>			
Payables and Accruals	3,756,865	3,207,219	549,646
Employee Entitlements	323,100	338,189	(15,089)
Public Debt - Current Portion	-	4,000,000	(4,000,000)
Provisions - Current Portion	33,974	33,974	(0)
Total Current Liabilities	4,113,939	7,579,382	-3,465,443
<u>Non-Current Liabilities</u>			
Public Debt - Non-Current Portion	17,500,000	13,500,000	4,000,000
Provisions - Non-Current Portion	446,586	446,586	0
Total Non-Current Liabilities	17,946,586	13,946,586	4,000,000
<u>EQUITY</u>			
Public Equity	145,895,701	143,009,064	2,886,637
Special Separate & Trust Funds	23,370,653	23,370,653	0
Asset Revaluation Reserve	219,468,359	219,468,359	0
Other Reserves	2,842	2,842	0
Total Equity	388,737,554	385,850,918	2,886,636
TOTAL LIABILITIES & EQUITY	\$ 410,798,080	\$ 407,376,886	3,421,193

SOUTH WAIRARAPA DISTRICT COUNCIL

STATEMENT OF CASHFLOWS AS AT 31 OCTOBER 2017

	31 OCTOBER 2017	30 JUNE 2017
<u>OPERATING ACTIVITIES</u>		
<u>Cash was provided from:</u>		
Rates	4,102,184	16,454,547
Grants & Subsidies	1,172,982	2,825,495
Petrol Tax	22,292	88,576
Other Income	1,916,627	3,949,619
Interest on Investments	83,540	235,181
Total Operating Cash Inflow	7,297,625	23,553,418
<u>Cash was applied to:</u>		
Payments to Suppliers & Employees	5,824,211	16,543,732
Interest Paid	161,103	665,593
Total Operating Cash Outflow	5,985,314	17,209,325
Net Cashflow from Operating Activities	1,312,311	6,344,093
<u>INVESTING ACTIVITIES</u>		
<u>Cash was provided from:</u>		
Sale of Property, Plant & Equipment	264,522	775,825
Term Investments, Shares & Advances	-	1,378,526
Total Investing Cash Inflow	264,522	2,154,351
<u>Cash was applied to:</u>		
Purchase of Property, Plant & Equipment	1,297,831	5,350,724
Term Investments, Shares & Advances	40,000	6,374,265
Total Investing Cash Outflow	1,337,830	11,724,989
Net Cashflow from Investing Activities	(1,073,307)	(9,570,638)
<u>FINANCING ACTIVITIES</u>		
<u>Cash was provided from:</u>		
Public Debt	2,500,000	10,000,000
Total Financing Cash Inflow	2,500,000	10,000,000
<u>Cash was applied to:</u>		
Repayment of Public Debt	2,500,000	5,902,317
Total Financing Cash Outflow	2,500,000	5,902,317
Net Cash Flow from Financing Activities	(0)	4,097,683
NET INCREASE / (DECREASE) IN CASH	239,005	871,140
OPENING CASH BALANCE	1 JULY 2017	5,653,059
CLOSING CASH BALANCE	31 OCTOBER 2017	\$ 6,524,195
<u>REPRESENTED BY:</u>		
Cash and Cash equivalents	62,796	574,195
Short Term Deposits	6,700,404	5,950,000
Investments		
	\$ 6,763,200	\$ 6,524,195

SOUTH WAIRARAPA DISTRICT COUNCIL

SCHEDULE OF CAPITAL EXPENDITURE FOR THE PERIOD ENDED 31 OCTOBER 2017

<u>DESCRIPTION</u>	Year to Date		Annual	Budget	Total	Full	Carry
	Actual	Budget	Budget	Brought Forward from Prev Years	Budget Available	Year Forecast	Forward to 2017-18 per AP
Baseline CAPEX:							
Amenities	69,130	165,404	496,159	468,430	964,589	964,589	-
Water Supply	56,281	183,148	549,441	500,000	1,049,441	1,049,441	-
Solid Waste Management	-	6,668	20,000	-	20,000	20,000	-
Stormwater Reticulation	-	17,868	53,600	-	53,600	53,600	-
Wastewater*	394,830	992,884	2,978,648	1,099,593	4,078,241	4,759,902	681,661
Land Transport	61,184	1,000,508	3,001,504	-	3,001,504	3,001,504	-
Information Technology	3,295	32,208	96,624	-	96,624	96,624	-
Council Property	87,730	43,116	129,346	-	129,346	129,346	-
Waihinga Centre	521,931	-	-	3,692,241	3,692,241	3,692,241	-
	<u>\$ 1,194,381</u>	<u>\$ 2,441,804</u>	<u>\$ 7,325,322</u>	<u>\$ 5,760,264</u>	<u>\$ 13,085,586</u>	<u>\$ 13,767,247</u>	<u>\$ 681,661</u>

*Greytown Wastewater to land acceleration

SOUTH WAIRARAPA DISTRICT COUNCIL

SCHEDULE OF INVESTMENTS AS AT 31 OCTOBER 2017

ORGANISATION	INTEREST RATE	DATE INVESTED	DATE MATURES	TOTAL INVESTED	INVESTED FUNDS %	AUTHORISED FUNDS %
SHORT TERM DEPOSITS						
Registered Banks						
ASB Call account	1.25%	31-Oct-17	On Call	225,625.81		
ASB LOAN REDEMPT RES	3.63%	22-May-17	11-Nov-17	225,000.00		
ASB LOAN REDEMPT RES	3.32%	24-Jul-17	11-Nov-17	150,000.00		
ASB Reserve Fund	3.72%	27-Jun-17	23-Jan-18	300,000.00		
ASB Term Deposit	3.43%	29-Aug-17	25-Feb-18	250,000.00		
				1,150,625.81	9%	30%
ANZ CALL ACCOUNT	0.70%	31-Oct-17	On Call	135.37		
ANZ Term Deposit	3.20%	24-Jul-17	19-Dec-17	500,000.00		
ANZ Reserve Fund	3.45%	27-Jun-17	23-Jan-18	750,000.00		
ANZ Term Deposit	3.30%	5-Oct-17	5-Mar-18	700,000.00		
				1,950,135.37	15%	30%
BNZ AUTOCALL (-025)	3.00%	31-Oct-17	On Call	459,307.99		
BNZ Term Deposit	3.42%	22-Aug-17	20-Dec-17	1,000,000.00		
BNZ Term Deposit	3.38%	24-Jul-17	21-Dec-17	500,000.00		
BNZ Reserve Fund	3.52%	27-Jun-17	23-Jan-18	836,518.95		
				2,795,826.94	21%	30%
KIWIBANK Term Deposit	3.25%	26-May-17	22-Nov-17	500,000.00		
KIWIBANK Reserve Fund	3.55%	23-Jun-17	23-Nov-17	700,000.00		
KIWIBANK Term Deposit	3.25%	28-Jul-17	19-Dec-17	500,000.00		
KIWIBANK Term Deposit	3.30%	22-Sep-17	21-Jan-18	1,000,000.00		
KIWIBANK Term Deposit	3.55%	22-Aug-17	23-Jan-18	1,100,000.00		
				3,800,000.00	29%	30%
WBS (21220)	0.50%	31-Oct-17	On Call	1.25		
WBS (21220)	3.70%	25-Feb-17	22-Nov-17	179,087.84		
WBS (21220)	3.75%	29-May-17	25-Nov-17	175,054.58		
WBS (21220)	3.70%	10-Mar-17	5-Dec-17	138,757.23		
				492,900.90	4%	10%
WESTPAC TRUST ONLINE CALL	0.25%	31-Oct-17	On Call	8.31		
WESTPAC Term Deposit	2.76%	22-Aug-17	3-Nov-17	500,000.00		
WESTPAC Term Deposit	2.77%	2-Oct-17	1-Dec-17	750,000.00		
WESTPAC Term Deposit	2.62%	31-Oct-17	5-Dec-17	500,000.00		
WESTPAC Reserve Fund	3.52%	23-Jun-17	22-Dec-17	1,270,961.87		
				3,020,970.18	23%	30%
TOTAL				13,210,459.20	100%	
INVESTMENTS						
LGFA Borrower Bonds				28,800.00		
LGFA Borrower Bonds				91,200.00		
LGFA Borrower Bonds				64,000.00		
LGFA Borrower Bonds				32,000.00		
LGFA Borrower Bonds				40,000.00		
TOTAL				256,000.00		
SHARES						
NZ Local Govt Insurance Co Limited				82,512.90		
Airtel Limited				7,742.00		
Farmlands Trading Society Limited				1,159.00		
TOTAL				91,413.90		
FORESTRY						
Plantation - Hurupi Stock				5,226.00		
TOTAL				5,226.00		
TOTAL INVESTMENTS				13,563,099.10		
REPRESENTED BY:						
Short Term Deposits				13,210,459.20		
Investments - Current Assets				-		
Investments - Non-Current Assets				352,639.90		

South Wairarapa District Council

For the four months ending 31 October 2017

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 surplus \$2,055K vs. budget surplus \$2,448K.
- Total surplus amounts to \$2,887K vs. budget surplus \$2,623K.

The favourable variance includes \$500K donations towards the Waihinga Centre Project and Contributions over budget by \$167K, Adjusting for these two large variances, the results are unfavourable to budget by \$403K

- Sound cash position, Working capital \$14,334K.
- Interest cost 5.46% of rates revenue, SWDC maximum 12%.
- Current Net debt \$17,500K, SWDC maximum (at 3.02% average borrowing rate). \$52,263K.
- 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

Interest Revenue

18.86% Favourable to budget. Short term deposits higher then expected in budget and invested for longer attracting a better interest rate then budgeted.

User Levies

20.32% Favourable to budget. Water fee income up, Martinborough landfill fees up.

NZTA Subsidy

21.79% Unfavourable to budget. Operating Income and Capital Income both under budget, full year program will be met so actual should align with budget at year end.

Petrol Tax

21.4% Favourable to budget. (Actual revenue not in our control).

Rental / Hire

8.38% Unfavourable to budget, due to Housing and leased properties income lower than budget.

Profit on Sale Assets

Profit on sale of Holding paddocks and two vehicles not budgeted for.

Miscellaneous Income

11.23% Unfavourable to budget. NZTA Street lighting and Street cleaning share not yet invoiced. Will be on budget for year end.

Operating Expenditure**In-house Professional Services**

5.78% Unfavourable to budget. No budgetary concerns.

Governance

5.59% Favourable to budget. No budgetary concerns.

Public Protection

1.9% Favourable to budget. No budgetary concerns.

Public Protection & Health

3.2% Favourable to budget.

Under budget \$9K, expect to be on budget at year end.

Building and Construction

18.6% Unfavourable to budget. Expect to be on budget at year end.

Animal Control

35% Unfavourable to budget, should be on budget by year end.

Emergency Management

22% Favourable to budget. Should be on budget by year end.

Resource Management

24.8% Unfavourable to budget due to Greytown FDA Plan change completion costs and unbudgeted expenditure on formal submissions to GWRC on Natural Resources Plan. Also due to high number of consents, we are contracting out some processing work.

Economic Cultural & Community Development**Economic Development**

On budget.

Community Wellbeing

18.7% Unfavourable to plan due to grants committed in prior years not budgeted in current financial year.

Amenities

3.22% Unfavourable to budget. Expect to be on budget by year end.

Campgrounds

Under budget due to routine maintenance still to occur.

Swimming Pools

10% Unfavourable to budget, expect to be on budget by year end.

Community Buildings

10% Unfavourable to budget, due to interest not budgeted for.

Cemeteries

26% Unfavourable to budget due to routine maintenance being higher than budget.

Rental Properties

Over budget year to date due cost of sale of properties not budgeted for.

Toilets

8.78% Unfavourable to budget.

Land Transport

14.42% Unfavourable to budget due to timing will be on track at year end.

Solid Waste Management

11.1% Unfavourable to budget due to greater refuse quantities than expected, and increase in coastal cost due to new contract not budgeted for.

Stormwater Drainage

28.1% Unfavourable to budget, mainly routine maintenance.

Capital Expenditure Income**NZ Transport Agency**

Full year program will be met so actual should align with budget at year end.

Contributions

133.5% Favourable to budget due to continuing high level of development work in the district.

Grants and Subsidies

Grant received for \$500K from the Waihinga Centre Charitable Trust.

3. STATEMENT OF FINANCIAL POSITION

Working Capital

Working capital (current assets less current liabilities) stands at \$14,334K (30 June 2017 \$8,804K).

Prepayments and Receivables

Prepayments and receivables total \$5,152K. Key components are Rates receivables \$3,821K, Water debtors \$129K, NZTA \$407K.

Payables and Accruals

Payables and accruals total \$3,757K. Key items are Rates in advance SWDC \$292K, Rates owing to GWRC \$956K, Income in advance (Papawai grazing) \$106K, Footpath and other bonds \$426K and Contract retentions \$200K, City care \$210K, Fulton Hogan \$202K, Accrued interest \$144K.

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 \$17,500K. This is unchanged from 30 June 2017.

Appendix 2 – Health and Safety Report

South Wairarapa District Council Health and Safety Report

17 October – 1 December 2017

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:

- Reviewed and signed off the Health and safety handbook
- Reviewed and provided feedback on the Health and safety manual and emergency procedures
- Agreed and finalised a role description for Health and Safety at Work Team members
- Reviewed incidents and hazards and made recommendations on controls.

Health and safety handbook, outlining how we do things when managing and protecting our health and safety while at work, sent to all staff.

Staff observations

- A Council staff member reported an incident where they observed a sub-contractor working unsafely on a council building site, not wearing appropriate PPE or having tagging for scaffolding.

Near Miss reports

No near miss's reported in the period 17 October 2017 – 1 December 2017.

Wellness

- All staff continue to be offered flu injections.
- All staff offered annual wellness payment of \$200.

Working with our Contractors

Council continue to implement the contractor management system.

- Council staff are evaluating contractor's health and safety systems.
- Council staff who engage contractors have evaluated and approved contractor safety audit standards, to be used as a guideline when undertaking audits of contractors work.

Council are working through a response to contractors who have failed to engage in the process of providing details of their health and safety systems.

HEALTH AND SAFETY ACCIDENT & INCIDENT REPORTING (Lag indicators)

- 1 non-injury contractor incident reported during the period 17 October 2017 – 1 December 2017.
- 1 non-injury reported during the period 17 October 2017 – 1 December 2017.

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 have been put in place.

RISK MANAGEMENT

Work on hazard registers is ongoing, controls are periodically reviewed by the H&S at Work Team, and staff are encouraged to report new hazards through the monthly newsletter and staff meetings. Hazard registers for the swimming pools have been drafted.

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
Contractors	<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.</p> <p>Contractor safety audit standards developed to assist managers and staff when undertaking a safety audit.</p> <p>When work is commissioned, a risk assessment will be done to inform the frequency and type of safety audits.</p> <p>Contractor post contract safety review developed to assist managers with safety conversations with contractors when work is complete.</p>

Risk	Description of risk	Controls and reduction measures	Actions
Lone / remote workers	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>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>Vehicles will be 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>Monitoring of sign out/in system to be assigned.</p> <p>Remote contact device identified and currently being trialled. Preferred vehicle GPS provider identified.</p> <p>Emergency Action Plans being developed and to be implemented once assistance device available.</p>

Appendix 3 – Waihinga Centre Report

SWDC
Waihinga Centre
Project forecast - Actuals to October 2017

Per Council decision 18.1.2017

\$ 5,132,010

<u>Made up as follows:</u>	Budget	Invoiced to 31.10.2017	Invoices to come	Forecast spend
Rigg Zschokke Construction Contract	4,223,709	886,250	3,337,459	4,223,709
Rigg Zschokke Agreed Variations*		50,110	7,589	57,699
		<u>936,360</u>	<u>3,345,048</u>	<u>4,281,408</u>
Professional fees (design team) to Jan-17	509,459			
Adamsons Survey		6,581		
Engeo Geotech		17,160		
Holmes Consulting - Design & Fire		137,425		
HVAC Design		14,175		
Perception Planning		6,918		
Warren and Mahoney - Design		327,200		
		<u>509,459</u>	<u>-</u>	<u>509,459</u>
Other fees to Jan-17 (including SGL, QS)	268,842			
Rawlinsons (Quantity Surveyers)		38,000		
SGL		230,343		
		<u>268,343</u>	<u>-</u>	<u>268,343</u>
Architect & Engineer construction monitoring	80,000			
Holmes Consulting - Construction Monitoring		44,784	2,716	
Warren and Mahoney - Site Monitoring		28,008	12,992	
Warren and Mahoney - Variations*		11,578	6,000	
		<u>84,370</u>	<u>21,708</u>	<u>106,078</u>
Development & Design Variations**		71,759	11,151	82,909
QS Services to completion	50,000			
Venture Consulting		10,000	20,000	
Clendon Burns & Park		13,438	3,562	
		<u>23,438</u>	<u>23,562</u>	<u>47,000</u>
Budgeted Core costs	5,132,010			
Plus Contingency	200,000			158,186
Overall budget	\$ 5,332,010	1,893,728	3,401,468	\$ 5,290,196

***Construction Variations to date:**

	Invoiced to 31.10.2017	Invoices to come	Forecast spend
Rigg Zschokke			
Removal of asbestos	7,310		
Insurance obtained directly		(20,000)	
JLT Insurance	20,108		
Concrete Foundation to supper room well	6,965		
Replace piles and joists supper room		7,500	
Replace ceiling joists supper room	2,000	500	
Temporary structural support	5,500	4,000	
Concrete under existing foundation		1,000	
Supper room framing connection to external wall	500	500	
Extend concrete overlay to areas of demolished chimney		3,500	
Retain brick wall to supper room		(1,500)	
Overlay existing stage floor		5,000	
Remove existing structural steel bracing	1,000	4,000	
Supper room lintel beams		500	
Supper room brick wall connections		1,000	
Toilet to back of house		3,704	
Delete recessed floors to toilets, tiles to floor		(1,000)	
Holmes Construction issue	6,727	0	
Materials supply savings		(5,000)	
Foundation beam kitchen		3,885	
	<u>50,110</u>	<u>7,589</u>	<u>57,699</u>
Warren and Mahoney			
Alternative cladding product (Rodeca)	10,678		
Additional monitoring costs		6,000	
Revision re additional toilet	900		17,578

JNL and Other Savings To be confirmed

****Development & Design Variations:**

SGL	5,500		
Engeo Geotech	13,715		
Holmes Consulting - Design & Fire	8,475		
HVAC Design	2,515	6,150	
Rawlinsons (Quantity Surveyers)	5,000		
Warren and Mahoney - Design(SWDC excl from original budget)	36,554	5,001	
	<u>71,759</u>	<u>11,151</u>	<u>82,909</u>

Net cost/(savings) from Variations: **158,186**