

SOUTH WAIRARAPA DISTRICT COUNCIL

14 DECEMBER 2016

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 information.*
- 2. Receive the financial statements for the period ended 31 October 2016 and the Financial Report for that period.*

1. Executive Summary

The finalisation of the Annual Report is a pleasing milestone to have passed.

The slight hiatus that is usual prior to the election process is well behind us with many meetings and briefings, both within council and from those external parties who have held back waiting for the results. The run up to year end is always a busy time, and it is quite apparent that all departments are very busy.

Lynne Drake spent a week in Kaikoura assisting the recovery effort in her role as a Red Cross volunteer. Speaking from experience it is great to have a deployment after the many, many hours of training. Deployments are stressful and not a holiday and we are pleased to be able to support Lynne and Kaikoura in a very direct way. Thanks to the staff here who showed no hesitation when asked to cover for Lynne in what is quite a busy time.

2. Governance/Leadership/Advocacy

The following table provides the year to date results for KPI's set for the Governance output [note this report updated and is as at 30 June 2016]

GOVERNANCE, LEADERSHIP AND ADVOCACY MEASURING SERVICE DELIVERY PERFORMANCE					
SERVICE LEVEL	KEY PERFORMANCE INDICATORS	2014/15	2015/16	2015/16	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	73%	75%	73%	The National Research Bureau (NRB) Customer Satisfaction survey was carried out during 2013/14. In addition to the 73% (2011 75%) positive response, 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	62%	70%	62%	The NRB Customer Satisfaction survey was carried out during 2013/14. In addition to the 62% (2011 55%) positive response, 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	59%	80%	76	The Colmar Brunton (CB) Customer Satisfaction survey was carried out in 2015 in addition to the 59% satisfied 11% felt they were unable to comment. The full NRB customer satisfaction survey was carried out during 2013/14. In addition to the 76% (2011 73%) positive response, 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)	64%	78%	64%	The NRB Customer Satisfaction survey was carried out during 2013/14. In addition to the 64% (2011 59%) positive response, 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	Greytown 92% Featherston 95% Martinborough 95%	90%	Greytown 98% Featherston 97% Martinborough 97%	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	65%	65%	65%	The NRB Customer Satisfaction survey was carried out during 2013/14. In addition to the 64% (2011 59%) positive response, 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	49%	68%	49%	The NRB Customer Satisfaction survey was carried out during 2013/14. In addition to the 49% (2011 50%) positive response, 26% (2011 25%) indicated they were neither satisfied nor dissatisfied, and 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	Achieved	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.

2.1 Local Government Commission

The Local Government Commission continue their analysis of the various workstreams:

- Water (high level review of operations western part of region)
- Transport
- Spatial planning
- Communities of interest
- Wairarapa

Input on Spatial Planning, Communities of Interest, and Wairarapa continue where needed, and various meetings have been attended.

Work continues on the options for the Wairarapa, with regular meetings covering various aspects that require analysis. It is apparent the Commission will look to release their preferred option for consultation late Q1 next year.

3. Strategic Planning and Policy Development

3.1 Meetings/Conferences

3.1.1. Chief Executive Forum

One CE forum was held. Matters covered were Regional Waste Management; Sport Wellington; WREMO Chief Executive Group; Local Governance Excellence Program.

3.1.2. Mayoral Forum

One Mayoral Forum was attended, where the recent natural events were discussed at some length. There were two highlights for the writer, firstly, we were effectively unscathed thankfully, secondly, the response by those who were impacted was of a high standard with some very new into their roles (and we should be under no illusion this was a significant event).

3.1.3. Community Boards

The first round of community board meetings was held. Good progress is being made in preparing for the triennium with plans being prepared.

3.1.4. Maori Standing Committee

One meeting was held, unfortunately I was not able to attend.

3.1.5. Ngawi Workshop

This was a successful workshop; with the useful add-ons being able to discuss the Palliser "special purpose" road, and the benefits of partnerships with community groups.

3.1.6. Other

Following the election, Mayor Napier and I met with Michael Bassett – Foss and Bob Francis on the **Wairarapa Water** project, receiving an outline of progress to date and future plans. A field trip is tentatively planned for late January 2017. Allied to this, the Wairarapa CE's met with **Fish and Game**

(and economist Peter Fraser). While it wasn't obvious what F & G wanted from the meeting, they are clearly concerned about the impact of intensification in farming, and questioned Wairarapa Waters analysis.

Mayor Napier and I attended a meeting with **Wairarapa Chamber of Commerce** where the Chamber outlined their views on some issues that needed addressing, mainly around consistency, and their support for a single Wairarapa Council.

A couple of meetings in regards to the **Whaitua** process discussed some actions to assist and provide guidance to council representatives.

4. Corporate

4.1 Financial Statement for the four months ended 31 October 2016

Attached as Appendix 1 are the Financial Statement for the above period. Attached as Appendix 2 is the Financial Report for that period.

4.2 Occupational Health and Safety

We continue to make good progress on health and safety matters, assisted by Major Consulting. We are completing the initial physical works at the Libraries/Service centres, with work on creating "safe rooms" underway. We are also finalising operating procedures for a range of events that may occur.

The judgement in regards to the Ashburton incident has been released, and we have considered the findings. As anticipated, we will have to make some modifications to various reception areas and these are being considered.

No issues have been notified during the period, attached in Appendix 3 is the health and safety report for the period 1 October to 30 November 2016.

4.3 Audit & Risk Working Party

The audit and risk working party met under the new membership following the election. Key matters covered included:

- Update on Phelps dog registration issue
- ALA appeals (all now resolved)
- Financial report and analysis for the four months ended 31 October 2016
- Audit management report
- Terms of reference for R & A
- Work plan on matters for the R & A WP to consider
- Also discussed was :
 - Risk Register
 - Legislative compliance process

- Risk appetite (to be re-established by new Council)

4.4 Rates Arrears (Incl. GST)

DATE	AMOUNT \$'000	NUMBER	DAYS SINCE INSTALMENT DUE	SWDC COMPONENT \$'000 (81%)
1 June 2012	\$855	722	10	\$692
17 June 2013	\$913	740	27	\$739
19 August 2014	\$818	592	91	\$663
3 July 2015	\$624	669	39	\$505
18 August 2015	\$580	547	59	\$470
11 November 2015	\$498	572	83	\$404
1 February 2016	\$521	558	73	\$422
30 March 2016	\$651	531	27	\$527
2 May 2016	\$489	428	72	\$396
2 June 2016	\$699	769	12	\$566
1 Aug 2016	\$466	367	72	\$378
1 Sept 2016	\$681	956	10	\$552
1 Oct 2016	\$545	762	42	\$441

Arrears are further analysed in the table below:

Arrears analysis as at 03/10/2016 42 days since last installment					
		# Properties	Arrears	Outstanding	TOTAL
Featherston	Urban	191	\$ 77,867.85	\$ 67,700.67	\$ 145,568.52
	Commercial	12	\$ 4,508.98	\$ 7,638.86	\$ 12,147.84
Greytown	Urban	142	\$ 49,850.79	\$ 46,673.58	\$ 96,524.37
	Commercial	14	\$ 5,000.94	\$ 11,527.52	\$ 16,528.46
Martinborough	Urban	129	\$ 27,412.36	\$ 35,875.28	\$ 63,287.64
	Commercial	17	\$ 10,761.85	\$ 8,486.17	\$ 19,248.02
Rural		257	\$ 85,588.23	\$ 106,146.06	\$ 191,734.29
TOTAL		762	\$260,991.00	\$ 284,048.14	\$ 545,039.14

4.5 LGOIMA Requests

DATE	TOPIC OF INFORMATION REQUEST	REQUEST RESPONSE
27 October 16	Details of Food businesses (Grocery, Fruit, takeaways etc) PHD project work.	Information supplied
8 November 16	Dog names and breeds for Christmas story	Information supplied
9 November 16	Details of various breed registered 2007/8 to present	Requester cancelled request having been advised by Councils that substantial collation required.
11 November 16	Details of fines for littering and any changes in the means by which people can be fined for littering.	Information provided.
18 November 16	Seeking more detail on the High Court decision (date, cost, question/issue), and why the Community Board opposes the formation of a user group.	
20 November 16	Holding Paddock sale – query as to when it was decided to sell this land.	
30 November 16	Information relating to smoke emanating from chimney.	

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 Oct 2016

Appendix 2 – Financial Report for the Period Ended 31 Oct 2016

Appendix 3 – Health and Safety Report

Contact Officer: Paul Crimp, Chief Executive Officer

**Appendix 1 – Financial
Statements for the Period
ended 31 Oct 2016**

SOUTH WAIRARAPA DISTRICT COUNCIL

MONTHLY FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 OCTOBER 2016

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

SOUTH WAIRARAPA DISTRICT COUNCIL

STATEMENT OF FINANCIAL PERFORMANCE FOR THE PERIOD ENDED 31 OCTOBER 2016

2015		YTD			2017	
LYTD Actual		Actual	Budget	Variance	Budget	% of Budget
<u>OPERATING INCOME</u>						
6,133,007	Rates	6,344,216	6,351,417	(7,201)	12,656,876	50%
82,024	Rates Penalty	58,205	58,539	(334)	143,000	41%
84,657	Interest	71,248	46,072	25,176	245,866	29%
12,741	Internal Interest Loans	12,639	7,053	5,586	20,880	61%
379,746	Fees & Licences	544,971	384,763	160,208	878,000	62%
165,302	User Levies	243,984	227,216	16,768	659,851	37%
21,831	Commissions	23,331	21,682	1,649	66,604	35%
377,396	NZ Transport Agency Subsidy	471,166	444,141	27,025	1,224,192	38%
32,643	Petrol Tax	26,273	37,936	(11,663)	80,000	33%
3,393	Grants, Donations & Subsidies	4,440	4,961	(521)	14,526	31%
189,592	Rental / Hire	185,727	195,305	(9,578)	502,332	37%
-	Profit on Sale of Assets	-	-	-	-	0%
99,447	Miscellaneous Income	115,903	111,114	4,789	331,811	35%
7,581,780	Total Operating Income	8,102,103	7,890,199	211,904	16,823,937	
<u>OPERATING EXPENDITURE</u>						
508,007	Corporate Services	580,324	597,329	17,005	1,766,817	33%
301,167	In-House Professional Services	285,379	304,339	18,960	771,023	37%
127,029	Governance, Leadership & Advocacy	163,978	137,786	(26,192)	432,036	38%
419,261	Public Protection	427,533	404,958	(22,575)	1,339,608	32%
113,346	Resource Management	147,984	163,961	15,977	419,788	35%
145,479	Economic, Cultural & Community Development	187,663	185,772	(1,891)	322,955	58%
676,318	Amenities	822,773	793,895	(28,878)	2,285,086	36%
1,963,937	Land Transport	1,723,397	1,580,375	(143,022)	4,831,146	36%
608,098	Water Supply	792,286	782,324	(9,962)	2,179,455	36%
373,968	Solid Waste Management	408,046	368,219	(39,827)	1,273,590	32%
511,874	Sewerage	478,471	599,009	120,538	1,774,833	27%
50,421	Stormwater Drainage	53,813	61,755	7,942	162,207	33%
8,798	Rate Debtors Written Off	9,498	18,908	9,410	40,000	24%
-	Bad Debts	-	-	-	-	0%
-	Loss on Sale of Assets	-	-	-	-	0%
5,807,702	Total Operating Expenditure	6,081,144	5,998,630	(82,514)	17,598,546	
1,774,078	Operating Surplus/(Deficit)	2,020,959	1,891,569	129,390	- 774,608.70	
<u>CAPITAL EXPENDITURE INCOME</u>						
369,215	NZ Transport Agency Subsidy	124,794	117,636	7,158	902,189	0%
-	Grants, Donations & Subsidies	438,700	139,944	298,756	420,000	0%
95,140	Contributions	303,819	69,081	234,738	332,311	91%
464,354	Total Capital Expenditure Income	867,313	326,661	540,652	1,654,500	
<u>OTHER INCOME</u>						
-	Assets Vesting in Council	-	-	-	-	0%
-	Gain on Asset Revaluations	-	-	-	38,421	0%
-	Total Other Income	-	-	-	38,421	
\$ 2,238,432	TOTAL SURPLUS / (DEFICIT)	\$ 2,888,272	\$ 2,218,230	\$ 670,042	\$ 918,312	

Included in the operating expenditure is:

1,430,838	Depreciation	1,373,243	1,484,281	(111,038)	4,189,213	33%
288,464	Interest	255,588	315,980	(60,392)	862,092	30%

SOUTH WAIRARAPA DISTRICT COUNCIL

STATEMENT OF FINANCIAL POSITION AS AT 31 OCTOBER 2016

	31 OCTOBER 2016	30 JUNE 2016	MOVEMENT
<u>ASSETS</u>			
<u>Current Assets</u>			
Cash and Bank	450,229	424,998	25,231
Short Term Deposits	7,336,997	5,228,061	2,108,936
Investments	-	1,610,317	(1,610,317)
Prepayments & Receivables	4,929,570	1,930,974	2,998,596
Inventories	17,291	12,202	5,089
Properties Intended For Sale	-	2,874,000	(2,874,000)
Total Current Assets	12,734,086	12,080,552	653,534
<u>Non-Current Assets</u>			
Investments	212,914	212,914	-
Investment Properties	6,998,000	6,998,000	-
Intangible Assets	169,795	175,070	(5,275)
Property, Plant & Equipment	384,492,879	381,993,468	2,499,411
Total Non-Current Assets	391,873,587	389,379,452	2,494,135
TOTAL ASSETS	\$ 404,607,673	\$ 401,460,003	3,147,670
<u>LIABILITIES</u>			
<u>Current Liabilities</u>			
Cash and Bank	-	-	-
Payables and Accruals	3,904,260	3,591,091	313,169
Employee Entitlements	295,857	317,317	(21,460)
Public Debt - Current Portion	-	1,000,427	(1,000,427)
Finance Leases - Current Portion	-	-	-
Provisions - Current Portion	-	33,486	(33,486)
Total Current Liabilities	4,200,117	4,942,321	(742,204)
<u>Non-Current Liabilities</u>			
Public Debt - Non-Current Portion	13,370,002	12,401,887	968,116
Finance Leases - Non-Current Portion	-	-	-
Provisions - Non-Current Portion	440,033	406,546	33,486
Total Non-Current Liabilities	13,810,035	12,808,433	1,001,602
<u>EQUITY</u>			
Public Equity	149,625,229	146,736,957	2,888,272
Special Separate & Trust Funds	17,652,497	17,652,497	-
Asset Revaluation Reserve	219,316,904	219,316,904	-
Sinking Fund Reserves	-	-	-
Other Reserves	2,891	2,891	-
Total Equity	386,597,520	383,709,249	2,888,271
TOTAL LIABILITIES & EQUITY	\$ 404,607,673	\$ 401,460,003	3,147,670

SOUTH WAIRARAPA DISTRICT COUNCIL

SCHEDULE OF CAPITAL EXPENDITURE FOR THE PERIOD ENDED 31 OCTOBER 2016

<u>DESCRIPTION</u>	Year to Date		Annual
	Actual	Budget	Budget
<u>Amenities</u>			
Playgrounds	5,057	82,128	246,380
Parks & Reserves	-0	15,896	47,690
Featherston Town Centre Development	227,311	-	
Campgrounds	-	3,488	10,460
Swimming Pools	2,888	1,704	
Toilets	898	28,332	85,000
Cemeteries	2,070	24,636	73,903
Libraries	-	3,488	10,460
Community Housing	-	7,324	21,966
Community Buildings	1,576	10,152	30,460
Greytown Town Hall	-	71,476	214,430
Martinborough Town Hall investigation	132,116	1,265,000	3,795,000
Featherston Town Centre	3,500	872	10,460
Greytown Town Centre	4,182	3,488	10,460
Martinborough Town Centre	-	3,488	10,460
Library Books	6,864	10,220	30,660
Library Books	10,050	10,220	30,660
Library Books	9,152	10,220	30,660
	<u>405,663</u>	<u>1,552,132</u>	<u>4,659,109</u>
<u>Water Supply</u>			
Water Races	5,360	5,000	15,000
Water Supply	18,509	221,612	664,840
FSTN Supplementary water supply	22,266	233,332	700,000
	<u>46,135</u>	<u>459,944</u>	<u>1,379,840</u>
<u>Solid Waste Management</u>			
Solid Waste Management	-	5,668	17,000
	-	5,668	17,000
<u>Stormwater Reticulation</u>			
Stormwater Reticulation	-	17,432	52,300
	-	17,432	52,300
<u>Sewerage</u>			
Sewerage	-	100,000	300,000
Sewerage (Miscellaneous)	2,575	6,668	20,000
Irrigation - Alternative Disposal	-	100,000	300,000
Alternative Disposal System (GTN)	50,200	116,280	348,841
Alternative Disposal System (MBA)	40,638	101,112	303,340
Alternative Disposal System (FSTN)	94,405	73,316	219,942
	<u>187,818</u>	<u>497,376</u>	<u>1,492,123</u>
<u>Land Transport</u>			
New St. Lighting (Other Roads) - 222	10,110	-	43,548
Signs/Guardrails (Other Roads) - 222	911	14,516	43,548

SOUTH WAIRARAPA DISTRICT COUNCIL

SCHEDULE OF CAPITAL EXPENDITURE FOR THE PERIOD ENDED 31 OCTOBER 2016

<u>DESCRIPTION</u>	Year to Date		Annual
	Actual	Budget	Budget
New Bridges (Other Roads) - 215	-	8,740	26,217
Seal Extensions	-	60,960	182,880
Reseals (Other Roads) - 212	-	144,272	432,821
Reseals (SPRs) - 212	-	32,132	96,401
Rehabilitation (Other Roads) - 214	147	86,676	260,025
Rehabilitation (SPRs) - 214	95	25,992	77,975
New Footpaths	-	30,720	92,160
Footpath Renewals	87,723	15,072	45,220
Drain Renewal (Other Roads) - 213	45,551	26,072	78,220
Drainage Renewal (SPR) - 213	-	3,780	11,339
Minor Safety Works (Other) - 341	18,256	47,896	143,693
Minor Safety Works (SPRs) - 341	39,273	5,864	17,595
Road metalling (renewal) other - 211	83,996	80,616	241,853
Road metalling (renewal) (SPR) - 211	-	7,324	21,974
Resilience Improvements - 357	11,809	188,100	
Traffic Services Renewal (SPR)	-	2,128	6,383
	<u>297,870</u>	<u>780,860</u>	<u>1,778,304</u>
<u>Information Technology</u>			
IT Hardware	3,195	15,372	46,112
IT Software	0	11,180	33,536
Geographical information system	-	5,000	15,000
	<u>3,195</u>	<u>31,552</u>	<u>94,648</u>
<u>Council Property</u>			
Council Offices	-	5,240	15,720
Office Equipment & Furniture	5,450	6,972	20,912
Motor Vehicles	-	30,000	90,000
	<u>5,450</u>	<u>42,212</u>	<u>126,632</u>
	<u>\$ 946,131</u>	<u>\$ 3,387,176</u>	<u>\$ 9,599,956</u>

SOUTH WAIRARAPA DISTRICT COUNCIL

SCHEDULE OF INVESTMENTS AS AT 31 OCTOBER 2016

<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>
SHORT TERM DEPOSITS							
Registered Banks							
ANZ Call Account	99182813	3.00%	31-Oct-16	On Call	\$452,526.81		
ANZ Term Deposit - reserves funds	99182813	2.75%	26-Aug-16	7-Nov-16	\$600,000.00		
					\$1,052,526.81	14%	30%
BNZ Autocall Account	99182812	3.00%	31-Oct-16	On Call	\$1,752.46		
BNZ Reserves Fund	99182812	2.60%	31-Aug-16	29-Nov-16	\$816,438.96		
BNZ Reserves Fund	99182812	2.60%	31-Aug-16	29-Nov-16	\$1,136,284.61		
					\$1,954,476.03	26%	30%
Kiwibank Term deposit	99182819	2.15%	30-Sep-16	21-Nov-16	\$500,000.00		
Kiwibank Term deposit	99182819	2.15%	30-Sep-16	4-Nov-16	\$500,000.00		
Kiwibank Term deposit	99182819	2.08%	27-Oct-16	21-Nov-16	\$1,000,000.00		
					\$2,000,000.00	26%	30%
Other							
WBS (21220)	99182816	3.55%	3-Jun-16	30-Nov-16	169,255.86		
WBS (21220)	99182816	3.65%	11-Sep-16	10-Mar-16	\$136,505.88		
WBS (21220)	99182816	3.50%	29-Aug-16	25-Aug-17	\$176,182.68		
WBS (21220)	99182816		31-Oct-16	On Call	\$368.98		
					\$482,313.40	6%	10%
Westpac Online Call Account		0.75%	31-Oct-16	On Call	\$122.41		
Westpac Reserves Fund		2.54%	28-Oct-16	21-Nov-16	\$1,147,558.08		
Westpac Reserves Fund		2.50%	28-Oct-16	21-Nov-16	\$700,000.00		
					\$1,847,680.49	24%	30%
TOTAL					<u>7,336,996.73</u>	100%	100%
SHARES							
NZ Local Govt Insurance Co Limited	99283823				\$78,737.80		
Airtel Limited	99283824				\$7,791.00		
Farmlands Trading Society Limited	99283825				\$1,159.00		
TOTAL					<u>\$87,687.80</u>		
FORESTRY							
Plantation - Hurupi Stock	99283827				\$5,226.00		
TOTAL					<u>\$5,226.00</u>		
LGFA bonds held							
Borrower notes held for duration of loan	99182830				\$120,000.00		
TOTAL					<u>\$120,000.00</u>		
TOTAL INVESTMENTS					<u>\$7,549,910.53</u>		
REPRESENTED BY:							
Short Term Deposits					7,336,997		
Investments - Current Assets					-		
Investments - Non-Current Assets					212,914		
					<u>\$7,549,910.53</u>		

Financial Report for the Period Ended 31 Oct 2016

South Wairarapa District Council

For the Four months ending 31 October 2016

Financial Report

1. SUMMARY & HIGHLIGHTS

1.1 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.

1.2 Highlights

- Year to date operating surplus \$2,020K vs. budget surplus \$1,892K.
- Total surplus amounts to \$2,888K vs. budget surplus \$2,218K.
- Sound cash position, Working capital \$8,533K.
- Interest cost 4.49% of rates revenue, SWDC maximum 12%.
- Current Net debt \$13,370K, SWDC maximum (at 4.52% average borrowing rate) \$33,602K.
- Have phased budgets on last years actual spend, Some variances are due to actual spend patterns being different between years.

2. STATEMENT OF FINANCIAL PERFORMANCE

2.1 Operating Income

2.1.1. Rates

On budget.

2.1.2. Rates Penalty

On budget.

2.1.1. Interest

133.85% Ahead of plan, Interest received earlier than last year, so due to budget phasing.

2.1.2. Fees & Licences

41.64% Ahead of plan, Liquor licencing up, Building consents up number of consents applied for has remained high, Resource consents and compliance fine income also up.

2.1.3. User Levies

7.38% Ahead of plan, LIMS applications up due to increased activity and a conservative budget, Martinborough landfill fees and Waste Minimisation Levy up, Water meter income under budget due to credits for meter readings reviewed after 30 June.

2.1.4. Commissions

7.60% Ahead of plan.

2.1.5. NZTA Subsidy

6.08% Ahead of plan, Operating Income and Capital Income both up on budget, full year program will be met so actual should align with budget at year end.

2.1.6. Petrol Tax

30.74% Below plan, actual revenue not in our control.

2.1.7. Rental / Hire

4.90% Below plan, due to lease properties income lower than budget.

2.1.8. Miscellaneous Income

4.31% Ahead of plan.

2.2 Operating Expenditure

2.2.1. Corporate Services

2.85% Below plan, No budgetary concerns.

2.2.2. In-house Professional Services

6.23% Below plan, Revaluation budget needs to be moved to June.

2.2.3. Governance

19.01% Ahead of plan, Election expenses over budget this is due to election expenses being spread and budgeted for every year.

2.2.4. Public Protection

5.57% Ahead of plan, there are some variances in the outputs below that offset each other.

Building and Construction

35.29% Ahead of plan, Salaries and wages over budget this is due to budget phasing as positions were vacant last year, Contractors over budget due to increase in demand for building consents, Increased revenue has covered this increase.

2.2.5. Resource Management

9.74% Below plan, salaries and wages, consultants and Valuation expenses all under budget, Legal Expenses over budget mostly due to a judicial review, this will remain over budget for full year.

2.2.6. Economic Cultural & Community Development

1.02% Ahead of plan, No budgetary concerns.

2.2.7. Amenities

Note: there are some "overs and unders" in the overall amenities expenditure as is usual with these outputs year on year as it is difficult to budget for one off maintenance e.g. more work required on pools early in the season, offset by less work in elsewhere.

3.64% Ahead of plan.

Parks & Reserves

12.06% Below plan, Tree maintenance over budget due to spending being unpredictable, and urgent maintenance done for safety reasons, will be on track for year end.

Libraries

34.02% Ahead of plan, Kotui sub ahead of budget for and Salaries and wages over budget. We are reviewing the full year impact.

Community Buildings

31.56% Below plan, Interest and Deprecation under budget due Waihinga centre work not yet started.

2.2.8. Land Transport

9.05% Ahead of plan.

2.2.9. Water Supply

1.27% Ahead of plan.

2.2.10. Solid Waste Management

10.82% Ahead of plan, Waste minimisation Levy, Refuse Collection, Landfill Maintenance, Recycling and Resource consents all over budget, due to budget phasing as expenditure ahead of last year.

2.2.11. Sewerage

20.12% Below plan, Interest payable under budget due to loans not yet drawn down, Routine Maintenance and Monitoring & Testing under budget it is anticipated budgets will be met at year end.

2.2.12. Stormwater Drainage

12.86% Below plan, WRC drainage schemes under budget due to budget phasing, Routine maintenance over budget .

2.2.13. Capital Expenditure Income **NZ Transport Agency**

Based on NZTA capital works program. Full year program will be met so actual should align with budget at year end. Capital works program on track.

Contributions

339.80% Ahead of plan, a few big subdivisions have gone through.

Grants and Subsidies

213.48% Ahead of plan, budget needs to be moved to 100% as this was for the water subsidy now received.

3. STATEMENT OF FINANCIAL POSITION

3.1 Working Capital

Working capital (current assets less current liabilities) stands at \$8,533K (30 June 2016 \$7,138K).

3.2 Prepayments and Receivables

Prepayments and receivables sit at \$4,929K. Key components are Rates receivables \$3,754K, Rates in advance \$427K, Water debtors \$260K, Prepayments \$26K, NZTA \$198K, General debtors \$295K.

3.3 Payables and Accruals

Payables and accruals sit at \$3,904K. Key items are Rates in advance (SWDC & GWRC) \$1,279K, Audit fee accrual \$77K, Income in advance (Papawai grazing) \$173K, Footpath and other bonds \$1,349K and Contract retentions \$183K, City care \$261K, Earth care \$59K, Fulton Hogan \$105K, The balance is normal monthly creditors.

3.4 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.

3.5 Gross Public Debt

Total public debt stands at \$13,370K.

30 June 2016 total public debt stood at \$13,402K.

Appendix 3 – Health and Safety Report

South Wairarapa District Council Health and Safety report 1 October – 30 November 2016

Health and Safety – driving continuous improvement (Lead indicators)

Health and Safety inductions	Health and Safety training	Near miss and new hazards reported
<ul style="list-style-type: none"> •No health and safety inductions. 	<ul style="list-style-type: none"> •One staff member has attended Safety Traffic Management training. •All staff are attending training on conflict de-escalation. •Staff who handle cash are attending workshop on cash handling and coping after a robbery. •Frontline staff and staff who work in the field are attending training on personal safety. •Two staff are attending workstation set up training. 	<ul style="list-style-type: none"> • No new hazards reported.

Health and Wellness programme

Employee Assistance Programme continues to be offered to all staff.

Health and Safety incidents (Lag indicators)

Non-injury incidents	Injuries requiring first aid, medical treatment (incl first aid register)	Number lost time injuries	Our learnings
<ul style="list-style-type: none"> •Chair slipped on mat and fell off chair. No injury. •Overbalanced taking filing to upstairs safe. No injury. 	<ul style="list-style-type: none"> •Lifted boxes, abdominal pain, visit to doctor. •Door stopper failed and door smacked into shin, first aid. 	<ul style="list-style-type: none"> •No lost time injuries this period. 	<ul style="list-style-type: none"> •Staff to be trained in correct manual handling techniques.

Health and Safety strategy

Progress on Health and Safety work plan

- Controls continue to be implemented to manage health and safety risks.
- Work continues implementing controls for service centres.
- Work continues engaging with our contractors to ensure they have effective health and safety systems in place and their people are competent to work safely.

Engaging with our people

Health and Safety at Work Team continue to work hard and have made great progress since their forming late last year, they have continued to work on:

- Recommending and implementing controls.
- Reviewing incidents to understand learnings.
- Reviewing hazard register to ensure controls in place are effective in managing council health and safety risks.
- Working on mechanisms for communicating with staff who work alone outside core business hours, such as Bylaws.
- Update on health and safety and what has been achieved planned for all staff meeting.

Staff meetings

Health and safety a regular discussion point in staff team meetings.

Building team attending library meetings to run a session for librarians on safe use of ladders.

Working with our contractors

We have written to all contractors and asked them to complete health and safety questionnaire and provide details of their health and safety systems.

Engaging with Councillors

Session for Mayor and Councillors on the Health and safety at Work Act, role as Councillors, SWDC H&S strategy, to be held on 14 December 2016.