



**SOUTH WAIRARAPA  
DISTRICT COUNCIL**  
*Kia Reretahi Tātau*

## **FINANCE, AUDIT AND RISK COMMITTEE**

### **Agenda**

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#### **NOTICE OF MEETING**

An ordinary meeting will be held in the Supper Room, Waihinga Centre, Texas Street, Martinborough on Wednesday 16 June 2021 at 10:00am. The meeting will be held in public (except for any items specifically noted in the agenda as being for public exclusion).

#### **MEMBERSHIP OF THE COMMITTEE**

Councillors Leigh Hay (Chair), Pam Colenso, Garrick Emms, Brian Jephson, Brenda West, Ross Vickery and Mayor Alex Beijen. Independent member: Kit Nixon

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#### **Open Section**

##### **Health and Safety Procedures**

**A1.** Apologies

**A2.** Conflicts of interest

**A3.** Public participation

*As per standing order 14.17 no debate or decisions will be made at the meeting on issues raised during the forum unless related to items already on the agenda.*

**A4.** Actions from public participation

**A5.** Extraordinary business

**A6.** Minutes for Confirmation: Finance, Audit and Risk Committee  
Minutes of 21 April 2021

Pages 1-8

***Proposed Resolution:*** *That the minutes of the Finance, Audit and Risk Committee meeting held on 21 April 2021 are confirmed as a true and correct record.*

***Proposed Resolution:*** *That the public excluded minutes of the Finance, Audit and Risk Committee meeting held on 21 April 2021 are confirmed as a true and correct record.*

**B. Information and Verbal Reports from Chief Executive and Staff**

<b>B1.</b>	Corporate Services Report	Pages 9-26
<b>B2.</b>	Health and Safety Report	Pages 27-33
<b>B3.</b>	Policy and Governance Report	Pages 34-35
<b>B4.</b>	Audit of 2021-2031 Long Term Plan Consultation Document	Pages 36-54
<b>B5.</b>	Action Items Reports	Pages 55-57

**C. Presentations from Funded Organisation**

<b>C1.</b>	Destination Wairarapa <i>Anna Neilson in attendance at to present the Destination Wairarapa YTD financial results</i>	Pages 58-81
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**D. Public Excluded Business**

<b>D1.</b>	Staff Survey Report	Pages 1-17PE
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The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

Report/General Subject Matter	Reason for passing this resolution in relation to the matter	Ground(s) under Section 48(1) for the passing of this Resolution
Staff Survey Report	Good reason to withhold exists under section 7(2)(a)(c)(f)	Section 48(1)(a)

This resolution is made in reliance on Section 48(1) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by section 6 or section 7 of that Act which would be prejudiced by the holding of the whole or relevant part of the proceedings of the meeting in public are as follows:

Reason for passing this resolution in relation to the matter	Ground(s) under Section 48(1) for the passing of this Resolution
The withholding of the information is necessary to protect the privacy of natural persons, including that of deceased natural persons.	Section 7(2)(a)
The withholding of the information is necessary to protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information would be likely to prejudice the supply of similar information, or information from the same source and is in the public interest that such information should continue to be supplied.	Section 7(2)(c)(i)
The withholding of the information is necessary to protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information would be likely otherwise to damage the public interest.	Section 7(2)(c)(ii)

The withholding of the information is necessary to maintain the effective conduct of public affairs through the free and frank expression of opinions by or between or to members or officers or employees of any local authority, or any person to whom section 2(5) applies, in the course of their duty.	Section 7(2)(f)(i)
The withholding of the information is necessary to maintain the effective conduct of public affairs through the protection of such members, officers, employees, and persons from improper pressure or harassment.	Section 7(2)(f)(ii)



**FINANCE, AUDIT AND RISK COMMITTEE**  
**Minutes from 21 April 2021**

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<b>Present:</b>	Councillors Leigh Hay (Chair), Garrick Emms, Brian Jephson, Brenda West, Mayor Alex Beijen and independent member Kit Nixon.
<b>In Attendance:</b>	Katrina Neems (Chief Financial Officer), Harry Wilson (Chief Executive), Charly Clarke (Finance Manager), Karen Yates (Policy and Governance Manager) and Suzanne Clark (Committee Advisor).
<b>Conduct of Business:</b>	The meeting was held in the Supper Room, Waihinga Centre, Texas Street, Martinborough and was conducted in public between 10:00am and 11:59am except where expressly noted.

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**Open Section**

**A1. Apologies**

*FINANCE, AUDIT AND RISK RESOLVED (FAR2021/06) to accept apologies from Councillors Ross Vickery and Brian Jephson.*

*(Moved Cr West/Seconded Mayor Beijen)*

Carried

**A2. Conflicts of Interest**

There were no conflicts of interest declared.

**A3. Public Participation**

There was no public participation.

**A4. Actions from Public Participation**

There were no actions from public participation.

**A5. Extraordinary Business**

There was no extraordinary business.

**A6. Minutes for Confirmation**

*FINANCE, AUDIT AND RISK RESOLVED (FAR2021/07)* to confirm that the Finance, Audit and Risk Committee minutes from the meeting held 24 February 2021 are a true and correct record.

*(Moved Cr Colenso/Seconded Cr West)*

Carried

**A7. Notices of Motion**

There were no notices of motion.

**B Information and Verbal Reports from Chief Executive and Staff**

**B1. Corporate Services Report**

Members discussed financial report exceptions, rates arrears, work being undertaken to assess risk against cost in preparedness for rising insurance costs, the lessons learned report for the Waihinga Centre project, the process for handover of funds to Kuranui College for the gymnasium.

*FINANCE AUDIT AND RISK COMMITTEE RESOLVED (FAR2021/08):*

1. To receive the Corporate Services Report.

*(Moved Cr Hay/Seconded Cr West)*

Carried

2. Action 157: Investigate why Greater Wellington Regional Council recoveries are under budget; K Neems

**B2. Policy and Governance Report**

Members discussed the risk rating system, mitigations, policy and bylaw reviews, official information requests and response times, and timing and format of the next customer service survey.

Members requested that record be made of the date a risk profile changes and noted that the scoring system was the same as what was used to determine operational risk and would be attached to the minutes.

Mayor Beijen left the meeting at 11:45am.

Mayor Beijen returned to the meeting at 11:46am.

*FINANCE AUDIT AND RISK COMMITTEE RESOLVED (FAR2021/09)* to receive the Policy and Governance Report.

*(Moved Cr Colenso/Seconded Cr West)*

Carried

**B3. Action Items Report**

*FINANCE AUDIT AND RISK COMMITTEE RESOLVED (FAR2021/10)* to receive the Action Items Report.

*(Moved Cr Hay/Seconded Cr West)*

Carried

### C. Public Excluded Business

The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

Report/General Subject Matter	Reason for passing this resolution in relation to the matter	Ground(s) under Section 48(1) for the passing of this Resolution
Operational Risk Register	Good reason to withhold exists under section 7(2)(c)(i) and section 7(2)(c)(ii)	Section 48(1)(a)

This resolution (FAR2021/11) is made in reliance on Section 48(1) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by section 6 or section 7 of that Act which would be prejudiced by the holding of the whole or relevant part of the proceedings of the meeting in public are as follows:

Reason for passing this resolution in relation to the matter	Ground(s) under Section 48(1) for the passing of this Resolution
The withholding of the information is necessary to protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information would be likely to prejudice the supply of similar information, or information from the same source and is in the public interest that such information should continue to be supplied	Section 7(2)(c)(i)
The withholding of the information is necessary to protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information would be likely otherwise to damage the public interest	Section 7(2)(c)(ii)

*(Moved Cr West/Seconded Cr Emms)*

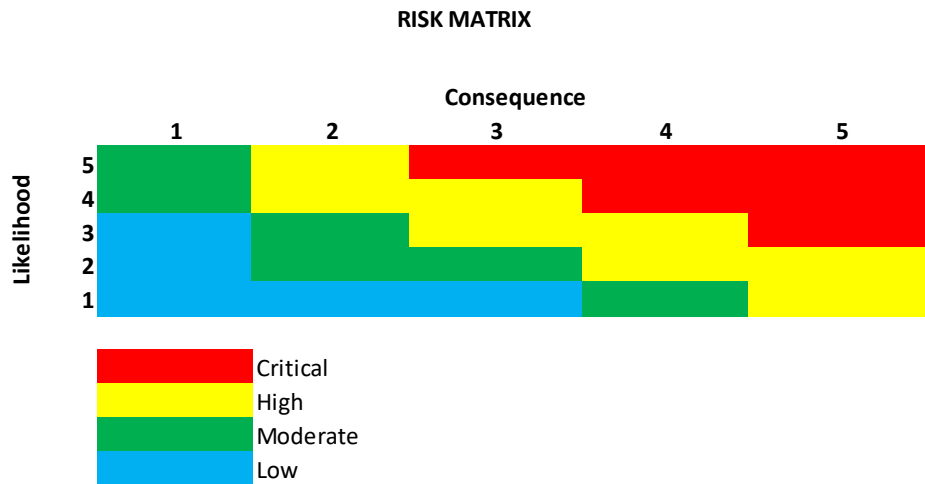
Carried

**Confirmed as a true and correct record**

.....(Chair)

.....(Date)

## Attachment 1 – Risk Register Scoring System



Overall Risk Rating	Action	Reporting
<b>Extreme</b>	Urgent and active management required  Risk treatment plan must be implemented immediately to reduce the risk of exposure to an acceptable level.  Regular reporting required	Immediate notification to relevant ELT and CEO  Advise P&GM and CFO.  Take immediate action to reduce risk.
<b>High</b>	Management attention is required.  Risk treatment plan required.  Regular reporting required.	Notification to relevant ELT and CEO.  Advise P&GM and CFO.
<b>Moderate</b>	Management responsibility to monitor.  Focus on ensuring internal controls are effective and monitoring the ongoing risk.	P&GM and CFO to review risk regularly.
<b>Low</b>	Can be monitored using routine practices.  Focus on ensuring internal controls are effective.	P&GM and CFO to review risk periodically.

LIKELIHOOD		
Almost certain	5	90% or greater chance of occurring in next 12 months Expected to occur in 9 or next 10 years Certain to occur at least once in next 5 years It would be unusual if this didn't happen
Likely	4	60% to 90% chance of occurring in next 12 months Expected to occur at least once in next 5 years Will occur more often than not
Possible	3	25% to 60% chance of occurring in next 12 months Expected to occur in 4 or next 10 years Likely will occur at least one in next five years (>80% chance) Not likely, but don't be surprised
Unlikely	2	2% to 25% chance of occurring in next 12 months Expected to occur a maximum of once every 5 to 20 years 50% chance of occurring in next 5 years A surprise, but not beyond the bounds of imagination
Rare	1	Up to 2% chance of occurring in next 12 months Could occur once every 50 or more years Less than 10-% chance of occurring in next 5 years Will only occur in exceptional circumstances



CONSEQUENCE					
	1	2	3	4	5
	Less than minor	Minor	Moderate	Major	Extreme
<b>Financial</b>	Financial impact of less than \$30,000	Financial impact of between \$30,000 and \$250,000	Financial impact of between \$250,000 and \$1 million	Financial impact of between \$1 million and \$5 million	Financial impact of more than \$5 million
		Financial impact of between 1% and 2% of the Council's total opex	Financial impact of between 2% and 5% of the Council's total opex	Financial impact of between 5% and 10% of the Council's total opex	Financial impact of more than 10% of the Council's total opex
<b>Achievement of the Vision and Community Outcomes</b>	No impact on the Vision and Community Outcomes	Inconvenience or delay in achieving the Vision and Community Outcomes	Significant difficulty introduced to achievement of the Vision and Community Outcomes	Failure to achieve a specific Community Outcome	Failure to achieve multiple Community Outcomes
			Lost opportunity to contribute positively to one or more of the Vision and Community Outcomes	Lost opportunity to significantly advance a specific Community Outcome	Lost opportunity to significantly advance multiple Community Outcomes
<b>Health and Safety</b>	Minor injury, first aid not required	First aid or minor treatment	Medical treatment required	Serious harm, for example broken bones, hospitalisation	Loss of life; multiple serious harms; permanent severe disability
<b>Service delivery to community</b>	Short-term reduction in service delivery which is easily restored and does not compromise the community's health and wellbeing	Reduced service delivery that does not compromise the community's health and wellbeing	Key service not available to some of the community for ten hours or more	Key service not available to a significant portion of the community for two days or more	Key service not available to a large proportion of the community for one week or more
			Continued service degradation for two days or more	Continued severe service degradation for one week or more	Continued severe service degradation for one month or more
<b>Organisational capability and capacity</b>	Temporary problem with organisational capability resulting in no impact on external service delivery	Loss of organisational capability in some areas resulting in sub-optimal support to external delivery activities	Organisation unable to function for less than 10 hours	Organisation unable to function for more than 10 hours	Organisation unable to function for more than two days
			Serious reduction in organisational capability for one week or more	Serious reduction in organisational capability for two weeks or more	Serious reduction in organisational capability for one month or more
<b>Reputational</b>	Negative feedback from individuals	Short-term loss of confidence among small sections of the community	Short-term and manageable loss of community confidence	Loss of community confidence requiring significant time to remedy	Insurmountable loss of community confidence
	Short-term 'letters to the editor' (or online equivalent) commentary	Regional adverse political or media comment for one or two days	Regional adverse political or media comment for more than two days	National adverse political or media comment for more than two days	National adverse political or media comment for more than one week
		Sustained 'letters to the editor' (or online equivalent) commentary in usual sources	Significant social media commentary or campaign from new sources	Regional adverse political or media comment for more than one week	Requirement for (televised) public apology or defence
				Requirement for (televised) public explanation	Adverse comments or questions in Parliament
<b>Legislative / regulatory compliance</b>	One-off minor regulatory or legislative non-compliance with no direct impact on the community's health or wellbeing	One-off minor regulatory or legislative non-compliance with potential impact on the community's health or wellbeing	Complaint to the Ombudsman, Auditor-General or other statutory office	Significant breach or non-compliance, or multiple breaches or non-compliances, resulting in regulatory action and/or restrictions on Council activities	Court proceeding or criminal action for breach or non-compliance; potential for imprisonment of elected member or staff
			Multiple related minor non-compliances due to an underlying systemic issue		Judicial review on a matter of rates or other funding, or on a matter with significant financial impact
			Significant breach or non-compliance resulting in regulatory scrutiny		



**FINANCE, AUDIT AND RISK COMMITTEE**  
**Public Excluded Minutes from 21 April 2021**

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<b>Present:</b>	Councillors Leigh Hay (Chair), Garrick Emms, Brian Jephson, Brenda West, Mayor Alex Beijen and independent member Kit Nixon.
<b>In Attendance:</b>	Katrina Neems (Chief Financial Officer), Harry Wilson (Chief Executive), Karen Yates (Policy and Governance Manager) and Suzanne Clark (Committee Advisor).
<b>Conduct of Business:</b>	The meeting was held in the Supper Room, Waihinga Centre, Texas Street, Martinborough and was conducted under public excluded provisions between 11:51am and 11:59am.

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**Open Section**

**A1. Apologies**

*FINANCE, AUDIT AND RISK RESOLVED (FAR2021/06) to accept apologies from Councillors Ross Vickery and Brian Jephson.*

*(Moved Cr West/Seconded Mayor Beijen)*

Carried

**C. Public Excluded Business**

The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

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Operational Risk Register	Good reason to withhold exists under section 7(2)(c)(i) and section 7(2)(c)(ii)	Section 48(1)(a)

This resolution (FAR2021/11) is made in reliance on Section 48(1) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by section 6 or section 7 of that Act which would be prejudiced by the holding of the whole or relevant part of the proceedings of the meeting in public are as follows:

**DISCLAIMER**

*Until confirmed as a true and correct record, at a subsequent meeting, the minutes of this meeting should not be relied on as to their correctness*

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The withholding of the information is necessary to protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information would be likely otherwise to damage the public interest	Section 7(2)(c)(ii)

*(Moved Cr West/Seconded Cr Emms)*

Carried

# **C1. Operational Risk Register Report**

Members discussed the changes to the risks since the register was last reported.

*FINANCE AUDIT AND RISK COMMITTEE RESOLVED (FAR2021/12PE):*

1. To receive the Operational Risk Register Report.

*(Moved Cr Colenso/Seconded Mayor Beijen)*

Carried

2. That this report and associated minutes stay in public excluded until the Chief Executive determines there are no longer any reasons to withhold the information under the Local Government Official Information and Meetings Act.

*(Moved Cr Emms/Seconded Cr Colenso)*

Carried

**Confirmed as a true and correct record**

.....(Chair)

.....(Date)

## **DISCLAIMER**

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# FINANCE, AUDIT AND RISK COMMITTEE

16 JUNE 2021

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## AGENDA ITEM B1

### CORPORATE SERVICES REPORT

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#### **Purpose of Report**

To present the Finance Report for June 2021.

#### **Recommendations**

Officers recommend that the Committee:

1. *Receive the Corporate Services Report.*

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

Officers present the following Reports for review by the Finance, Audit and Risk Committee:

- Financial statements and commentary to 30 April 2021
- Rates arrears report to 31 May 2021

#### **2. Financial and Other Reports**

##### **2.1 Financial Statements**

The financial statements for 30 April 2021 are attached and are presented at this meeting for review. (See Appendix 1).

Commentary on material variances in the first ten months of this financial year are included with the April 2021 financial reports.

##### **2.2 Investments in term deposits**

SWDC's investment policy provides that financial investments should be spread around a number of financial institutions to reduce the risk of loss to Council.

Clause 2 of the Investment policy covers the 30% rule:

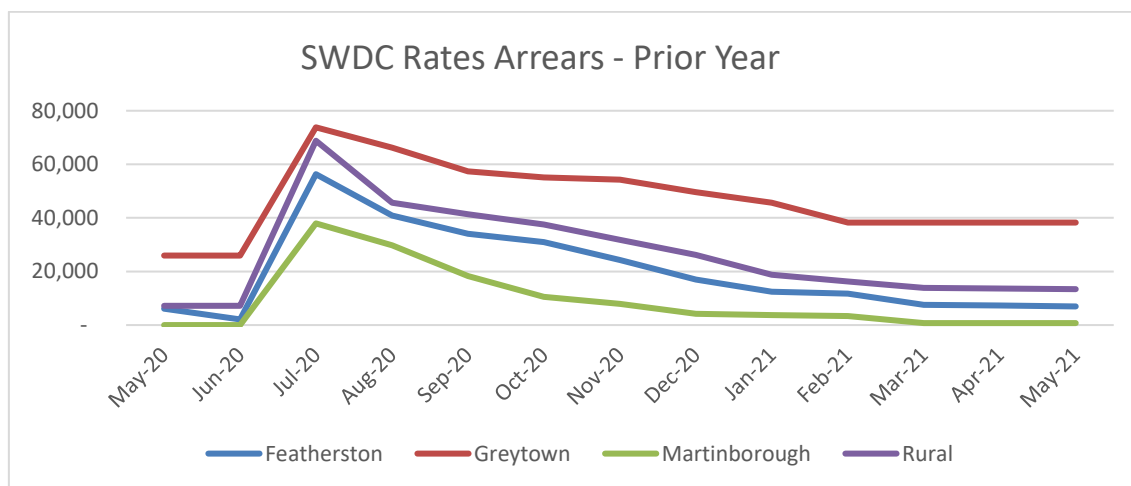
- *The maximum amount to be invested with any one approved institution is 30% of Council's total investments except for the Wairarapa Building Society which shall be 10%.*
- *Occasional and short term exceedances of the 30% rule are allowed, such exceedances are to be reported to the Audit and Risk Working Party [Finance, Audit and Risk Committee].*

Date	Exceedances	Percent
April 2021	two exceedances	BNZ 33%
		ASB 31%

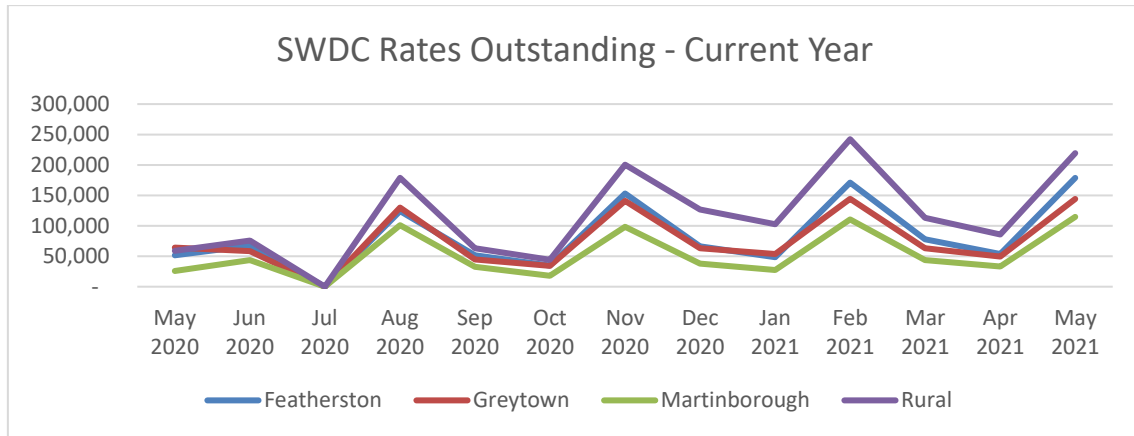
There were two instances in April 2021 where the 30% threshold has been exceeded, however this has not resulted in any loss to Council and the risk is considered very minor due to the stability of the banks the term deposits are held with. Council staff choose investments to maximise the return via interest payments which sometimes necessitates exceeding the 30% rule. The Policy allows for such exceedances.

### 2.3 Rates Arrears

The rates arrears graphs below shows an increase in amount of unpaid rates carried forward from the previous year (2019/20).



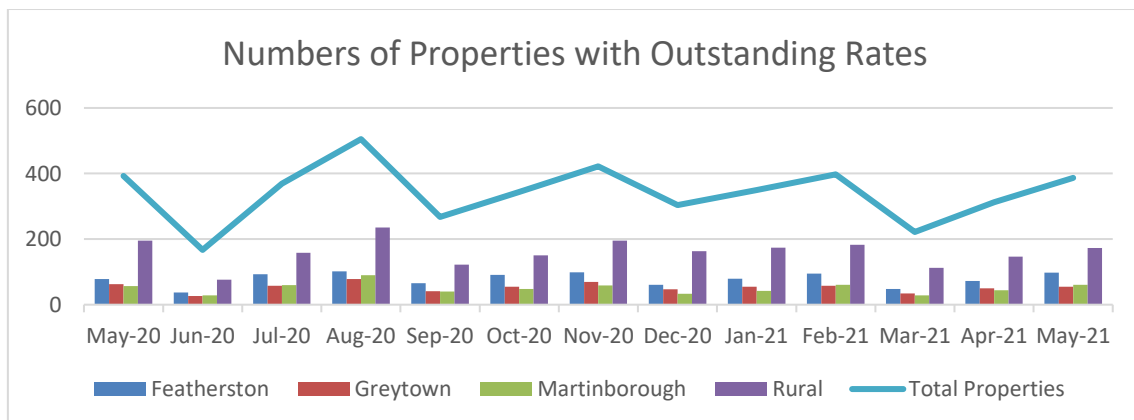
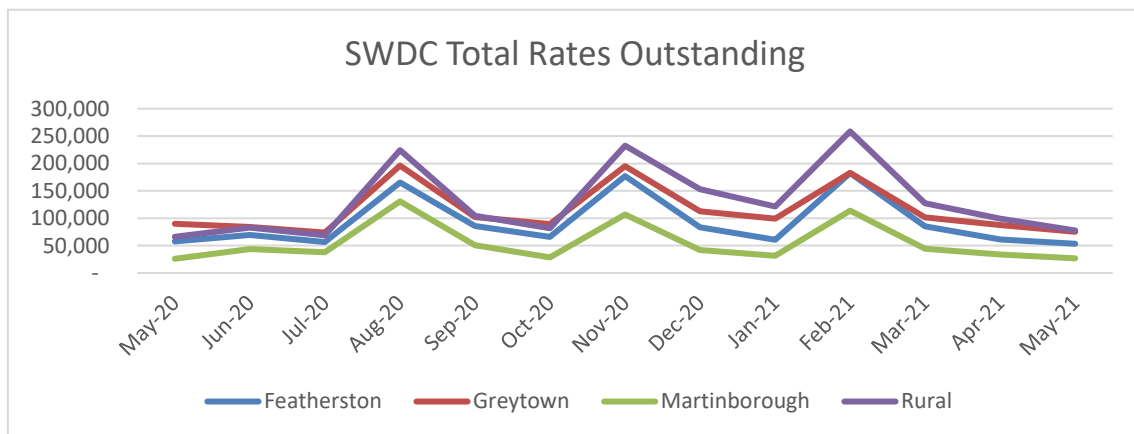
Prior years arrears have increased \$20k (34%) from the same time last year.



At the end of May 2021, the current years amount was \$657K, 69% higher than the same time last year.

Total rates outstanding have decreased by \$7k (3%) from the same month last year.

Outstanding rates were \$233k in May 2021 to \$239k May 2021.



The total number of properties with outstanding rates has decreased by 6 in May 2021 (387), an overall decrease of 22 rural properties which was offset by an increase of 16 properties for Featherston, Greytown and Martinborough.

The rates team continues to actively promote direct debits and payment plans to assist ratepayers with financial difficulties. There are currently 12 active repayment plans. Of the \$657K current rates owing, \$263K is payable by Direct Debit (976 properties). We currently have a total of 38% of rateable properties paying by Direct debit. There have been 315 Rates Rebates processed up to 31 May 2021 with over \$191K paid by Department of internal Affairs.

### **3. Appendices**

Appendix 1 – Financial statements 30 April 2021

Contact Officers: Katrina Neems, Chief Financial Officer

Reviewed by: Harry Wilson, Chief Executive Officer

# **Appendix 1 – Financial statements to 30 April 2021**





**SOUTH WAIRARAPA  
DISTRICT COUNCIL**

*Kia Reretahi Tātau*

Monthly Financial Statements

For the period ended

30 April 2021

Summary Financial Report

Statement of Financial Performance

Statement of Financial Position

Statement of Cashflows

Schedule of Investments

Schedule of Capital Expenditure

## South Wairarapa District Council

For the year to 30 April 2021

### Financial Report

#### 1. Summary and Highlights

##### Purpose

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

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

##### Highlights

**Operating Surplus** year to date is overbudget by \$2,412k. Year to date operating surplus of \$1,235k against a budgeted year to date deficit of \$1,176k.

Total Surplus year to date is overbudget by \$3,642k. Total surplus YTD is \$4,213k vs. budget surplus of \$572k.

**Operating income** is overbudget by \$2,277k. However, \$1,400k of this is stimulus funding for the Three Water Reform programme, which was paid to Wellington Water in February. Removing this shows that income is \$877k overbudget, which includes unforeseen grants of:

- \$500k for the Mayor's Taskforce for Jobs,
- \$240k from the Provincial Growth Fund, and
- \$32k from the Responsible Camping scheme for operation of toilets.

**Operating Expenditure** is underbudget by \$134k.

**Working Capital** which expresses the ability of council to meet its short-term obligations is strong with a ratio of 4.5 times, and a total value of \$13,008k.

Interest cost 3.11% of rates revenue, comfortably below the SWDC maximum of 12%.

Current Net debt \$21,900k, at 2.76% average borrowing rate.

Budgets have been phased based on last year's actual spend. Some variances are due to actual spending patterns being different between years.

## 2. Statement of Financial Performance

### Operating Income

#### Rates

0% Rates revenue overbudget \$117k. Revenue from rates penalties is underbudget (\$53k). Overall income from rates and penalties is slightly overbudget.

#### Interest Revenue

32% Interest received on term deposits underbudget (\$80k) variance YTD. This reflects lower short-term deposit rates.

#### Fees & Licences

33% Overbudget by \$360k. Activity has been strong in the following areas:

- Building consents & file charges (\$374k overbudget)
- Resource consents (\$11k overbudget)
- Food hygiene fees (\$9k overbudget)

This was offset slightly by lower than budgeted income from:

- Dog licences, infringement fees, & fines (\$19k underbudget)
- Building Warrants & Swimming pool inspections (\$13k underbudget)

#### User Levies

0% On budget. Within user levies there is reduced activity in transfer stations (\$42k), which is offset by increased income from:

- Septic tank disposal charges (\$18k)
- LIM applications (\$11k)
- Excess water use (\$6k)
- Libraries (\$4k)

#### NZTA Operating Subsidy

18% Underbudget by \$300k due to work programme being delayed by NZTA.

#### Rental / Hire

3% Overbudget by \$18k.

#### Miscellaneous Income

73% Overbudget by \$1,223k. However, once the \$1,400k of unexpected income for water reform is removed, miscellaneous income is underbudget by \$177k. This is across several areas:

- NZTA other recoveries (\$96k underbudget)
- Other miscellaneous income (\$21k underbudget)
- Miscellaneous income from wastewater land e.g. bailage (\$10k underbudget)

## Operating Expenditure

### Corporate Services

5%

Overbudget by \$120k, mainly due to overspends in:

- Computer support (\$62k)
- Consultants (\$59k)
- Software licences (\$29k)
- Rent & rates payable (\$15k)

### In-house Professional Services

2%

Overbudget by \$31k. This is mainly due to \$55k of salaries, which is offset slightly by savings in operating costs (\$30k)

### Governance, Leadership & Advocacy

2%

Underbudget by \$11k, with \$8k being personnel costs and the remainder spread across operating costs.

### Public Protection

3%

Overbudget by \$36k. Slightly higher-than-expected costs in Animal Control, Building & Construction, and Emergency Management have been partially offset by lower costs in Public Protection & Health.



#### *Animal Control*

Overbudget by \$24k, mostly in personnel costs.



#### *Building & Construction*

Overbudget by \$28k, mostly in contractors.



#### *Emergency Management & Rural Fire*

Overbudget by \$45k, mostly due to CDEM payments.



#### *Public Protection & Health*

Underbudget by \$60k, mainly due to lower salaries & legal expenses.

### Resource Management

3%

Overbudget by \$19k, mainly due to higher than budgeted consultant (\$75k) and legal (\$64k) costs being offset by \$96k of personnel cost savings.

### Economic Cultural & Community Development

60%

Underbudget by \$867k, mainly due to a budgeted grant of \$1,000k not having yet been paid. If this transaction is excluded the overall expenditure is \$190k overbudget due to the unbudgeted Provincial Growth projects, which are being matched by income from the scheme.

### Amenities

0%

Overall, Amenities is underbudget by \$2k. Some notable variances are:



#### *Campgrounds*

Overbudget by \$2k.



#### *Cemeteries*

Overbudget by \$9k.



#### *Community Buildings - includes Wahinga Centre, and Greytown Town Hall*

Underbudget by \$21k.



#### *Housing*

Underbudget by \$4k.



#### *Libraries*

Underbudget by \$34k.



#### *Pain Farm*

Overbudget by \$55k, due to higher than budgeted cost (\$77k) for repairs and maintenance, offset slightly by lower consultant (\$8k) and legal (\$4k) costs than budgeted.



#### *Parks & Reserves*

Underbudget by \$82k, mainly due to reduced personnel (\$10k) and works (\$77k) costs so far this year.



#### *Rental Properties*

Overbudget by \$17k, mainly due to legal and consulting costs for lease updates.



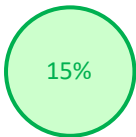
#### *Swimming Pools*

Overbudget, by \$65k, due to unbudgeted routine maintenance costs.



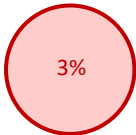
#### *Toilets*

Underbudget \$9k due to lower than budgeted works costs.



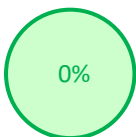
#### **Land Transport**

Underbudget by \$827k, this reflects delay to work, particularly road markings, whilst waiting for NZTA approval.



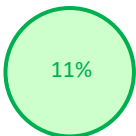
#### **Solid Waste Management**

Overbudget by \$42k, mainly due to higher than budgeted landfill (\$161k) and recycling/refuse collection (\$39k) costs, offset slightly by lower than budgeted personnel (\$30k) and operating (\$12k) costs.



#### **Water Supply**

Overall, Water Supply is overbudget by \$629k. However, this includes unbudgeted water stimulus payment of \$630k, for which we received income from DIA. Once this is adjusted the actual position is underbudget by \$1k. Wellington Water forecast is to be on budget at year-end.



#### **Wastewater**

Overall, Wastewater is overbudget by \$425k. However, this includes unbudgeted water stimulus payment of \$630k, for which we received income from DIA. Once this is adjusted, the actual position is underbudget by \$205k. However, Wellington Water forecast wastewater costs to be 22% overbudget by year-end. The forecast overspend is due to

- increased monitoring costs following the Lake Ferry incident,
- unbudgeted costs of pond desludging at Greytown,
- reactive maintenance in Featherston where the sewer main collapsed, and
- costs of servicing UV filtration.



### **Stormwater Drainage**

33%

Overall, Stormwater is overbudget by \$229k. However, this includes unbudgeted water stimulus payment of \$140k, for which we received income from DIA. Once this is adjusted, the actual position is overbudget by \$89k year to date, with forecast costs to be 39% underbudget by year-end.

### **Capital Expenditure Income**

#### **NZ Transport Agency**

40%

Overbudget by \$246k, reflecting the increase in capital spending on subsidised roads.

#### **Contributions**

71%

Overbudget by \$797k due to contributions from large subdivisions in Greytown and Martinborough.



### **3. Statement of Financial Position**

#### **Working Capital**

Working capital (current assets, less current liabilities) is \$13,008k (30 June 2020 \$12,073k).

#### **Prepayments and Receivables**

Prepayments and receivables total \$5,609k. Key components are:

- Rates Receivable \$4,380k (Instalment 4 had been raised but wasn't due until 20 May)
- Prepayments \$358k,
- NZTA & Fuel Tax Receivable \$261k,
- General Debtors \$249k,
- Rates Received in Advance \$145k, and
- Water Debtors \$115k.

#### **Investments**

Term deposits with ASB and BNZ exceeded the maximum amount to be invested of 30% at the end of April, making up 31% and 33% of investments, respectively. \$3million has since been invested with two other providers.

#### **Payables and Accruals**

Payables and accruals total \$3,140k. Key items are:

- GWRC rates payable & in advance \$1,146k,
- Sundry creditors \$588k,
- accrued expenses not yet invoiced \$211k, and
- SWDC rates in advance \$100k.

#### **Gross Public Debt**

Total public debt stands at \$21,900k. Our average interest rate on borrowings is 2.76%.



# South Wairarapa District Council

## Statement of Financial Performance

FOR THE PERIOD ENDED 30 APRIL 2021

Last Year Actual		Current Year			Full Year	
		Actual	Budget	Variance	Budget	%
<b><u>Operating Income</u></b>						
14,826,236	Rates	15,488,323	15,371,317	117,006	- 15,371,307	100.8%
86,143	Rates Penalty	69,025	122,500	(53,475)	- 123,000	56.1%
350,524	Interest	169,860	250,000	(80,140)	- 300,000	56.6%
17,448	Internal Interest Loans	17,390	17,400	(10)	- 20,875	83.3%
996,360	Fees & Licences	1,467,356	1,107,330	360,026	- 1,304,200	112.5%
486,889	User Levies	547,068	547,300	(232)	- 830,446	65.9%
64,194	Commissions	65,588	62,790	2,798	- 75,350	87.0%
1,152,041	NZ Transport Agency Subsidy	1,365,626	1,665,810	(300,184)	- 1,998,975	68.3%
82,188	Petrol Tax	84,776	72,160	12,616	- 86,593	97.9%
7,800	Grants, Donations & Subsidies	989,287	11,070	978,217	- 13,283	7447.8%
498,432	Rental / Hire	556,327	538,590	17,737	- 646,308	86.1%
169,728	Miscellaneous Income	1,474,515	252,460	1,223,139	- 322,961	456.9%
18,737,984		22,295,142	20,018,727	2,277,499	21,093,298	105.7%
<b><u>Operating Expenditure</u></b>						
2,011,440	Corporate Services	2,405,535	2,285,592	119,943	2,780,729	86.5%
1,406,946	Professional Services	457,138	426,327	30,811	511,544	89.4%
458,594	Governance, Leadership & Advocacy	545,370	556,717	(11,347)	664,187	82.1%
1,261,194	Public Protection	1,468,284	1,432,375	35,909	1,711,482	85.8%
584,569	Resource Management	652,809	633,370	19,439	759,433	86.0%
351,027	Economic, Cultural & Community Development	574,929	1,442,310	(867,381)	1,530,770	37.6%
2,504,485	Amenities	2,773,571	2,775,378	(1,807)	-	84.1%
3,958,896	Land Transport	4,542,752	5,369,272	(826,520)	6,292,557	72.2%
2,330,696	Water Supply	3,383,235	2,754,270	628,965	3,286,344	102.9%
1,240,071	Solid Waste Management	1,358,111	1,315,660	42,451	1,575,996	86.2%
1,645,812	Sewerage	2,327,422	1,902,040	425,382	2,274,943	102.3%
195,576	Stormwater Drainage	539,567	271,048	268,519	323,893	166.6%
20,267	Rate Debtors Written Off	19,728	30,000	(10,272)	30,000	65.8%
163	Bad Debts	9,308	-	9,308	-	0.0%
89,392	Loss on Sale of Assets	2,362	-	2,362	-	0.0%
18,059,130		21,060,121	21,194,359	- 134,238	25,040,399	84.1%
678,854	Operating Surplus/(Deficit)	1,235,021	(1,175,632)	2,143,261	(3,947,101)	1.3%
<b><u>Other Income</u></b>						
898,292	NZTA CAPEX Subsidy	864,779	619,050	245,729	742,856	116.4%
66,619	Grants, Donations & Subsidies	185,127	-	185,127	-	0.0%
971,568	Contributions	1,926,372	1,128,890	797,482	1,354,689	142.2%
31,000	Assets Vesting in Council	1,739	-	1,739	-	0.0%
-	Gain on Asset Revaluations	-	-	-	39,494	0.0%
1,967,479		2,978,017	1,747,940	1,230,077	2,137,039	139.4%
<b><u>Other Expenditure</u></b>						
-		-	-	-	-	0.0%
2,646,333	Total Surplus/(Deficit)	4,213,039	572,308	3,641,815	(1,810,062)	-232.8%
Included in the operating expenditure is:						
4,020,108	Depreciation	4,416,723	4,339,580	- 77,143	5,207,532	84.8%
535,929	Interest Expense	481,451	544,080	62,629	652,909	73.7%

# South Wairarapa District Council

## Statement of Financial Position

FOR THE PERIOD ENDED 30 APRIL 2021

	April 2021	June 2020	Movement
<b><u>Assets</u></b>			
<b><i>Current Assets</i></b>			
Cash and Bank	304,885	438,842	(133,957)
Short Term Deposits	10,755,011	13,373,243	(2,618,231)
Prepayments and Receivables	5,609,362	2,300,283	3,309,079
Inventories	39,350	54,418	(15,068)
Properties Intended for Sale		-	0
	<hr/> 16,708,610	<hr/> 16,166,786	<hr/> 541,823
<b><i>Non-Current Assets</i></b>			
Intangible Assets	74,082	52,854	21,228
Investment Properties	11,226,156	11,223,000	3,156
Investments	492,298	492,298	0
Property Plant and Equipment	455,312,634	452,024,550	3,288,084
	<hr/> 467,105,170	<hr/> 463,792,702	<hr/> 3,312,468
<b>Total Assets</b>	<hr/> <b>483,813,780</b>	<hr/> <b>479,959,488</b>	<hr/> <b>3,854,292</b>
<b><u>Liabilities</u></b>			
<b><i>Current Liabilities</i></b>			
Payables and Accruals	3,139,641	3,654,554	514,913
Employee Entitlements	560,507	404,341	(156,166)
Provisions - Current Portion	-	34,578	34,578
	<hr/> 3,700,147	<hr/> 4,093,473	<hr/> 393,325
<b><i>Non-Current Liabilities</i></b>			
Public Debt - Non Current Portion	21,900,000	21,900,000	0
Provisions - Non Current Portion	477,117	442,538	(34,578)
	<hr/> 22,377,117	<hr/> 22,342,538	<hr/> (34,578)
<b><i>Equity</i></b>			
Public Equity	157,160,286	153,237,248	(3,923,039)
Special Separate and Trust Funds	28,553,747	28,263,747	(290,000)
Asset Revaluation Reserve	272,022,237	272,022,237	0
Other Reserves	245	245	0
	<hr/> 457,736,516	<hr/> 453,523,477	<hr/> (4,213,039)
<b>Total Liabilities &amp; Equity</b>	<hr/> <b>483,813,780</b>	<hr/> <b>479,959,488</b>	<hr/> <b>(3,854,292)</b>

## SUMMARY OF INVESTMENTS AS AT 30 APRIL 2021

ORGANISATION	INTEREST RATE	INVESTED DATE	MATURITY DATE	Term	TOTAL INVESTED	INVESTED FUNDS %	AUTHORISED FUNDS %
<b>SHORT TERM FUNDS</b>							
<b>ASB Bank</b>							
ASB Call account	1.25%	20-Jun-17	On Call	On Call	\$826,235.74		
Term Deposit	1.88%	29-May-20	18-May-21	354 days	\$525,000.00		
Term Deposit	0.60%	20-Apr-21	18-Aug-21	120 Days	\$2,000,000.00		
					<b>\$3,351,235.74</b>	<b>31%</b>	<b>30%</b>
<b>ANZ Bank</b>							
ANZ Call Account	0.50%	30-Apr-21	On Call	On Call	\$86.60		
Term Deposit	1.40%	31-Aug-20	31-Aug-21	365 days	\$1,000,000.00		
					<b>\$1,000,086.60</b>	<b>9%</b>	<b>30%</b>
<b>BNZ Bank</b>							
BNZ Call Account	0.10%	30-Apr-21	On Call	On Call	\$100,754.74		
BNZ Call Account	0.06%	20-Nov-20	On Call	On Call	\$1,399,334.61		
Term Deposit	0.85%	23-Nov-20	25-Nov-21	367 days	\$1,028,253.97		
Term Deposit	2.21%	29-May-20	31-May-21	367 days	\$1,000,000.00		
					<b>\$3,528,343.32</b>	<b>33%</b>	<b>30%</b>
<b>Wairarapa Building Society</b>							
WBS Call Account	0.50%	30-Apr-21	On Call	On Call	\$1.35		
Term Deposit	1.25%	22-Nov-20	21-Nov-21	365 days	\$203,581.63		
Term Deposit	1.25%	25-Nov-20	24-Nov-21	365 days	\$197,277.23		
Term Deposit	1.10%	21-Dec-20	20-Dec-21	366 days	\$160,049.82		
					<b>\$560,910.03</b>	<b>5%</b>	<b>10%</b>
<b>Westpac Bank</b>							
Westpac Call Account	0.10%	30-Apr-21	On Call	On Call	\$14.61		
Term Deposit	1.75%	24-Jun-20	24-Jun-21	365 days	\$1,314,421.02		
Term Deposit	1.60%	25-Aug-20	25-Aug-21	365 days	\$1,000,000.00		
					<b>\$2,314,435.63</b>	<b>22%</b>	<b>30%</b>
<b>TOTAL</b>					<b>\$10,755,011.32</b>	<b>100%</b>	
<b>INVESTMENTS</b>							
LGFA Borrower Bonds	3.01%	20-Jun-16	15-Apr-23		\$28,800.00		
LGFA Borrower Bonds	2.81%	20-Jun-16	15-May-21		\$91,200.00		
LGFA Borrower Bonds	1.29%	15-Apr-20	15-Apr-25		\$80,000.00		
LGFA Borrower Bonds	2.03%	15-Mar-19	15-Nov-21		\$22,400.00		
LGFA Borrower Bonds	2.07%	15-Mar-19	14-Apr-22		\$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		
LGFA Borrower Bonds	1.09%	15-Apr-20	15-Apr-24		\$32,000.00		
					<b>\$350,400.00</b>		
<b>FORESTRY</b>							
Plantation - Hurupi Stock					\$9,305.00		
					<b>\$9,305.00</b>		
<b>SHARES</b>							
Farmlands					\$1,159.00		
NZ Local Government Insurance Company					\$81,434.30		
Wellington Water Limited					\$50,000.00		
					<b>\$132,593.30</b>		
<b>TOTAL INVESTMENTS</b>					<b>\$11,247,309.62</b>		

**SOUTH WAIRARAPA DISTRICT COUNCIL**  
**Statement of cashflows**  
**AS AT 30 APRIL 2021**

	30 APRIL 2021	30-Apr-2020	30 JUNE 2020
<b>OPERATING ACTIVITIES</b>			
<b>Cash was provided from:</b>			
Rates	12,901,821	11,722,810	14,602,540
Grants & Subsidies	3,600,599	2,250,031	3,385,897
Petrol Tax	71,543	73,654	91,337
Other Income	6,413,648	3,972,716	4,418,720
Interest on Investments	233,312	263,333	361,428
<b>Total Operating Cash Inflow</b>	<b>23,220,923</b>	<b>18,282,545</b>	<b>22,859,922</b>
<b>Cash was applied to:</b>			
Payments to Suppliers & Employees	17,752,769	11,627,525	16,538,160
Interest Paid	488,789	512,405	624,765
<b>Total Operating Cash Outflow</b>	<b>18,241,558</b>	<b>12,139,930</b>	<b>17,162,925</b>
<b>Net Cashflow from Operating Activities</b>	<b>4,979,365</b>	<b>6,142,615</b>	<b>5,696,997</b>
<b>INVESTING ACTIVITIES</b>			
<b>Cash was provided from:</b>			
Sale of Property, Plant & Equipment	-	-	1,726,130
Term Investments, Shares & Advances	2,669,000	459,764	18,512,156
<b>Total Investing Cash Inflow</b>	<b>2,669,000</b>	<b>459,764</b>	<b>20,238,286</b>
<b>Cash was applied to:</b>			
Purchase of Property, Plant & Equipment	7,731,553	6,572,101	8,947,522
Term Investments, Shares & Advances	2,669,000	459,764	21,250,000
<b>Total Investing Cash Outflow</b>	<b>10,400,553</b>	<b>7,031,865</b>	<b>30,197,522</b>
<b>Net Cashflow from Investing Activities</b>	<b>(7,731,551)</b>	<b>(6,572,099)</b>	<b>(9,959,234)</b>
<b>FINANCING ACTIVITIES</b>			
<b>Cash was provided from:</b>			
Public Debt	-	(2,000,000)	7,000,000
<b>Total Financing Cash Inflow</b>	<b>-</b>	<b>(2,000,000)</b>	<b>7,000,000</b>
<b>Cash was applied to:</b>			
Repayment of Public Debt	-	(2,000,000)	5,000,000
<b>Total Financing Cash Outflow</b>	<b>-</b>	<b>(2,000,000)</b>	<b>5,000,000</b>
<b>Net Cash Flow from Financing Activities</b>	<b>-</b>	<b>-</b>	<b>2,000,000</b>
<b>NET INCREASE / (DECREASE) IN CASH</b>	<b>(2,752,186)</b>	<b>(429,484)</b>	<b>(2,262,236)</b>
<b>30 APRIL 2020</b>	<b>13,812,085</b>	<b>14,906,994</b>	<b>4,465,555</b>
<b>30 APRIL 2021</b>	<b>\$ 11,059,899</b>	<b>\$ 2,134,921</b>	<b>\$ 2,203,317</b>
<b>REPRESENTED BY:</b>			
Cash and Cash equivalents	11,059,899	2,134,919	2,203,316
	-	-	-
<b>\$ 11,059,899</b>	<b>\$ 2,134,919</b>	<b>\$ 2,203,316</b>	

**SOUTH WAIRARAPA DISTRICT COUNCIL**  
**SCHEDULE OF CAPITAL EXPENDITURE**  
**FOR THE PERIOD ENDED 30 APRIL 2021**

<u>DESCRIPTION</u>	Year to Date		Annual	Budget	Total	Percentage spent	Carry
	Actual	Budget	Budget	Brought Forward from Prev Years	Budget Available	Year to date	Forward to 2020/21
<b>Baseline CAPEX:</b>							
Amenities	667,484	416,129	1,248,387	1,119,102	2,367,489	28%	1,700,005
Water Supply	2,809,221	1,036,800	3,407,400	716,290	4,123,690	68%	
Solid Waste Management	10,000	41,640	124,920	331,355	456,275	2%	446,275
Stormwater Reticulation	5,548	24,336	73,008	108,379	181,387	3%	175,839
Wastewater	1,970,840	1,285,187	3,855,562	1,931,507	5,787,069	34%	3,816,229
Land Transport	1,715,851	793,430	2,380,289	-	2,380,289	72%	664,438
Information Technology	161,583	26,372	79,116	53,753	132,869	122%	-28,714
Council Property	238,486	30,396	91,189	636,433	727,622	33%	489,136
	<u>\$ 7,579,013</u>	<u>\$ 3,654,290</u>	<u>\$ 11,259,871</u>	<u>\$ 4,896,818</u>	<u>\$ 16,156,689</u>	<u>47%</u>	<u>\$ 7,263,207</u>

# FINANCE, AUDIT AND RISK COMMITTEE

16 JUNE 2021

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## AGENDA ITEM B2

### HEALTH AND SAFETY

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#### **Purpose of Report**

To present the Health and Safety Report.

#### **Recommendations**

Officers recommend that the Committee:

1. *Receive the Health and Safety Report.*

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

Officers present the Health and Safety Report for consideration. The full report is included as Appendix 1 to this report with key highlights summarised below.

#### **2. Discussion**

##### **2.1 Strategy**

Progress on implementing our health and safety strategy and work plan continues.

##### **2.2 Resourcing**

New first aider trained for Kitchener St office (Feb 2021).

##### **2.3 Continuous Improvement**

- Training
  - Library staff participated in a workshop around fire warden duties
  - EOC training – a recruitment drive for staff resulted in 7 new members
  - New staff members provided with Personal Safety Risk and Conflict de-escalation resources
- GPS
- Engaging
- Near-miss reports
- Wellness
- Working with our contractors

##### **2.4 Accident Incident Reporting**

Four incident reports were received during the period 23 April 2021 to 9 June 2021.

## **2.5 Risk Management**

The Hazards Register is ongoing with four of the biggest risks being identified:

- Customer initiated harm
- Vehicles
- Fatigue
- Contractors

## **3. Appendices**

Appendix 1 – Health and Safety Report

Contact Officers: Nigel Carter, Health and Safety Advisor  
Reviewed by: Katrina Neems, Chief Financial Officer

# **Appendix 1 – Health and Safety Report**



# **SOUTH WAIRARAPA DISTRICT COUNCIL HEALTH AND SAFETY REPORT**

23 April 2021 – 9 June 2021

## **HEALTH AND SAFETY STRATEGY**

Continued progress on implementing our health and safety strategy and work plan.

## **RESOURCING**

New first aider trained for Kitchener St office (Feb 2021).

## **HEALTH AND SAFETY – DRIVING CONTINUOUS IMPROVEMENT (lead indicators)**

### **Training**

Library staff participated in workshop discussions around: how shared staff can engage with fire warden duties at each library, and interacting with members of public behaving irrationally and what options are available in the situations.

EOC training wrapped up for the year, with the new training year beginning in July. A recruitment drive for staff to take part in the Wairarapa Emergency Operations Centre has resulted in 7 new members. The training they receive to assist in regional emergency management will be able to be utilised for local crisis & emergency management also.

New staff members provided with abbreviated version of Personal safety risk & Conflict de-escalation in webinar format.

### **GPS Usage (New lead indicator)**

Additional Garmin GPS devices have been put in service and are required to be taken on trips that go to locations with low or no cell reception, due to the Argus systems using GSM signal (e.g. Tora coast, Ngawi coast, Ocean Beach). As we work towards this requirement becoming part of our normal process, we will track the percentage of trips to these areas where the Garmin devices were used. Usage so far: April 58%, May 50%. The decline in this percentage shows the need to continue monitoring the requirement and promote it across our teams.

Driver checks are being carried out for all staff who drive for work through NZTA's Deiver Check tool

### **Engaging with our people**

Health and Safety at Work Team have recently:

- Reviewed incident reports and made improvement recommendations.
- Reviewed & given feedback on H&S related operational procedures.

A new H&S rep from the libraries was welcomed to the Health & Safety at Work Team, replacing the outgoing Finance H&S rep.

## Near Miss reports

2 near miss reports for the period 23 April 2021 to 9 June 2021.

## Wellness

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

- Continued promotion of our EAP service.
- All staff offered annual wellness payment of \$200.
- Influenza vaccinations provided for staff who chose to have them.

## Working with our Contractors

6 Contractor audits and safety interactions undertaken with council engaged contractors and contractors working within SWDC Rooding corridor	1 Contractor met expectations	1 Did not meet expectations and remedial actions taken	4 Minor remedial actions taken.
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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.
- Work being done to review our contractor management system to ensure all staff who are engaging with contractors undertake the appropriate actions on health and safety.

## HEALTH AND SAFETY ACCIDENT & INCIDENT REPORTING (Lag indicators)

4 incident reports received during the period 23 April 2021 to 9 June 2021: 1 discomfort, 1 personal injury, 2 inappropriate interactions. All incident, accident and near miss reports, including contractor incidents, 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 Health and Safety at Work Team communications 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 key risks we are currently focussing on:

Risk	Description of risk	Current control measures	Further actions
Customer initiated harm.	<p>Some Interactions with the public can have the potential to result in physical and/or mental harm.</p> <p>When interacting with a wide spectrum of the community we will regularly meet people who have various degrees of control over substance abuse issues or mental health. These community members may behave in ways that are unexpected, or incongruous to the situation.</p> <p>Where we need to be in a position of authority (e.g. building consent operations, animal control, reception interactions relating to council functions, etc), customers can display inappropriate or emotional behaviour, sometimes directed at the person they're dealing with.</p>	<p>Accommodation review for 19 Kitchener St taking staff/public interaction security into account.</p> <p>Clear directive to staff that their personal safety is the number one priority, and only when this is assured can good customer service be delivered.</p> <p>Team members are trained in Personal Safety and Conflict De-escalation.</p> <p>Protocols for duress and robbery situations are in place at 19 Kitchener St, and the 3 libraries, with annual drills taking place.</p> <p>Protocols for interactions with people with irrational behaviour.</p> <p>Managers of team members who make field visits are required to know where their people are. The Argus &amp; Garmin systems are used to track vehicle locations to ensure we can locate staff if there are concerns for their safety/ wellbeing. Ongoing monitoring of the level of Garmin use on trips going to areas with low cell phone reception.</p>	<p>Physical changes to the reception area at 19 Kitchener St to create separate escape routes for front of house staff and separation of public areas and staff work areas.</p> <p>CCTV in main reception areas</p> <p>Further de-escalation training, especially for new staff members.</p> <p>Review locking mechanisms on library safe rooms, and process around this.</p>
Vehicles	<p>SWDC workers traveling to various parts of the district using SWDC vehicles and their personal vehicles. Opportunities for risk include: driver competence, solo drivers in remote locations, unfamiliarity with rural roads, behaviour of other road users, vehicle maintenance, weather conditions, etc.</p> <p>SWDC workers working in the road corridor.</p>	<p>Driving policy specifies conditions for driving for work, including use of personal vehicles.</p> <p>NZTA drivers checks confirm licences are current, what conditions are present, and provided alerts for changes in licence status.</p> <p>Argus tracking used to monitor vehicle location, speed, etc.</p> <p>Garmin Inreach devices used for emergency location &amp; communication when going out of cell reception. Managers monitor location of team members.</p> <p>The Argus system is used to monitor services, WoF's, RUC's, Rego.</p>	<p>Rural roads driver training</p> <p>Training for all staff who work in the road corridor.</p> <p>Continue to encourage and monitor the usage of Garmin devices.</p> <p>New Argus app about to be launched to make vehicle checks easier for drivers.</p>
Fatigue	<p>A state of physical and/or mental exhaustion with the potential to reduce a person's ability to perform work safely and effectively. Fatigue reduces alertness. This may lead to</p>	<p>Contracts for specific workers who do afterhours callouts include an 8hr rest period after night calls.</p>	<p>Review job design to control opportunities for fatigue especially around special projects (e.g. LTP) and staff vacancies increasing workloads.</p>

Risk	Description of risk	Current control measures	Further actions
	<p>errors, and an increase in workplace incidents and injuries.</p> <p>Work needs to be designed to support an appropriate effort/rest balance. Workers need to be supported to make good decisions about their home life and how it can affect their safety, health and wellbeing.</p>		<p>Develop cultural awareness of fatigue.</p> <p>Review office distraction level to limit cognitive loading.</p>
Contractors	<p>SWDC is responsible for the health and safety of anyone who could be affected by our operations, including the operations that we engage other businesses (PCBU's) to carry out. Our level of control of the risks associated with the work of PCBU's we engage is inherently less than the control we have of the risks associated with the work of our direct employees. Because of this we need to carefully manage the relationships with the other PCBU's and ensure that risks are being managed to ensure no harm occurs.</p>	<p>A pre-engagement H&amp;S qualification process is used to assess the H&amp;S performance of PCBU's before we start working with them. This information is refreshed every 3 years.</p> <p>Operation of an approved contractors list. Contractors that are not pre-approved cannot be engaged to do work.</p> <p>Ongoing monitoring of the relationship and the work with each PCBU.</p> <p>Some staff trained to US17595</p>	<p>Train all staff who have a role in managing contractors to US17595</p> <p>Procurement &amp; contracts review to prioritise H&amp;S performance.</p>

## AGENDA ITEM B3

### POLICY AND GOVERNANCE REPORT

#### **Purpose of Report**

To present the Policy and Governance Report for June 2021.

#### **Recommendations**

Officers recommend that the Committee:

1. *Receive the Policy and Governance Report.*

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

Officers present the following updates for consideration by the Finance, Audit and Risk Committee:

- Official information and Privacy Act
- Customer Survey

#### **2. Official Information and Privacy Act**

##### **2.1 Official Information and Privacy Requests**

There were 121 requests for official information under the Local Government Official Information and Meetings Act logged by officers between 1 July 2020 and 31 May 2021.

Decisions on 62 requests were provided within the 20 working days statutory timeframe, 1 is currently being actioned with an extension of time. Decisions on 24 requests were sent outside of this timeframe, 1 following an extension of time, and there are 10 requests with no response date recorded.

In addition, there was one complaint made to the Ombudsman following inaction to an urgent request for information. The request was actioned immediately and the Ombudsman closed the complaint the next day. Breakdowns in the LGOIMA process were identified and remedial action has been undertaken.

Officers recognise that improvements to LGOIMA processing and response times are necessary and are undertaking further action, identified in paragraph 4.2 below.

The Committee requested at the February meeting that LGOIMA data be reviewed to determine if there are requester and topic trends. Officers will carry out this review for the next Committee meeting.

## **2.2 Privacy Act**

There has been one complaint regarding the release of private information without consent contrary to the Privacy Act 2020.

This complaint was actioned immediately with the Office of the Privacy Commissioner being notified. The complaint has since been closed with no further action necessary. A refresh of previous training was given to staff with reminders on which information can be released to the public.

## **3. Customer survey**

Council have engaged Key Research Group to undertake the 2021 Residents' Perception Survey.

### **3.1 Survey content**

The survey questions have been designed to measure performance against the existing key performance indicators (KPI's) for the 20/21 year as well as measure performance against the new KPI's incorporated in the 2021-2031 Long Term Plan. This will provide results for the 20/21 Annual Report and base measurement results for the new KPI's.

### **3.2 Survey methodology**

The survey methodology will consist of a mixed method approach to data collection utilising both a postal invitation to participate in an online survey along with a hard copy survey component. The invite will be sent to a random selection of 3,000 residents aged 18 years or older across the South Wairarapa district selected from the electoral role. The analytical sample target is 400 residents. Residents will be provided with a letter containing an embedded link to complete the survey online. Those who are 65 years and older will also be given the option to complete the survey via a paper questionnaire.

### **3.3 Key project activities and dates**

The following are the key dates that Key Research Group are working towards, with the final report due to Council staff on the 16 August 2021.

Key Project Activities	Key dates
Data collection via paper survey, online survey and anonymous link (6 weeks)	w/c 14 June 2021
Survey close date	19 July 2021
Postcard reminder sent out	w/c 21 June 2021
Data entry and coding of verbatim responses	19 – 21 July
Analysis and reporting	21 - 30 July 2021
Draft report available	2 August 2021
Final report available	16 August 2021

Contact Officer: Suzanne Clark, Committee Adviser  
Reviewed by: Karen Yates, Policy and Governance Manager

## FINANCE, AUDIT AND RISK COMMITTEE

16 JUNE 2021

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### AGENDA ITEM B4

## AUDIT OF 2021-2031 LONG TERM PLAN CONSULTATION DOCUMENT

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### **Purpose of Report**

To present the audit report of the 2021-2031 Long Term Plan Consultation Document.

### **Recommendations**

Officers recommend that the Committee:

1. *Receive the Audit of 2021-2031 LTP Consultation Document Report.*

### **1. Background**

Officers present the interim audit report from AuditNZ for the review and opinion of the LTP Consultation Document.

### **2. Discussion**

Audit NZ has issued an audit report for the 2021-2031 Long Term Plan Consultation Document and it is attached in Appendix 1.

### **3. Appendices**

Appendix 1 – Audit NZ audit report for the 2021-2031 LTP Consultation Document

Contact Officer: Katrina Neems, Chief Financial Officer

Reviewer: Harry Wilson, Chief Executive Officer

# **Appendix 1 – Audit of the 2021-2031 Long Term Plan Consultation Document**



# **Report to the Council on the audit of**

South Wairarapa District Council's  
long-term plan consultation document  
2021-31

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## Key messages

We have completed the audit of South Wairarapa District Council's (the Council's) consultation document for its proposed ten-year long-term plan (LTP) covering the period commencing 1 July 2021 to 30 June 2031. This report sets out our findings and recommendations from the audit of the consultation document stage of the LTP.

### Unmodified audit report

We issued an unmodified report on Council's consultation document on 30 March 2021. This means overall, we have the view that the District Council has produced a CD that fulfils its primary purpose of providing an effective basis for public participation in decisions on the content of the LTP. The CD included all the major matters that we expected, provided preferred and alternative options to address these issues and encouraged the community to provide feedback.

We included four emphasis of matter paragraphs in the audit report drawing attention to the disclosure in the consultation document as outlined in section 1.1 of this report.

### Preparation of the consultation document and underlying information

The development of a consultation document together with the required underlying information is a large and complex task. We are pleased to report that there was an adequate process for developing and preparing the associated underlying information for the proposed LTP. The process was well managed and generally went smoothly in accordance with the project timetable.

Management worked well with Audit New Zealand to ensure that the consultation document provided an effective basis for public participation in the Council's decisions about the proposed LTP.

### Audit of the final LTP

As well as the opinion issued on the CD, we will also issue an opinion on the LTP that will be adopted in June 2021.

Following the conclusion of the consultation period and the Council's hearing of submissions, we will review the final changes made to the LTP and issue a separate audit report on the LTP.

To ensure our audit of the final LTP is efficient, we ask the Council to prepare and provide us with a schedule of changes to the financial forecasts and other underlying information that were the basis for the consultation document.

### Thank you

We would like to thank the Council, management and staff for their assistance during the audit.

John Whittall  
Appointed Auditor  
25 May 2021

# 1 Our audit report

## 1.1 We issued an unmodified audit report

We issued an unmodified audit report on 30 March 2021.

This means we were satisfied that the consultation document meets the statutory purpose and provides an effective basis for public participation in Council's decisions about the proposed content of the 2021-31 LTP. We also found the underlying information and assumptions used to prepare the consultation document are reasonable.

We included four emphasis of matter paragraphs in the audit report drawing attention to the disclosure in the consultation document outlining the following:

- the Government's intention to make three waters reform decisions during 2021;
- the Council is currently operating the Featherston wastewater treatment plant under an extended resource consent while it is working to identify the best long-term solution. The Council has allocated \$16 million in the first four years of the long-term plan to provide treatment improvements to the pipe network and current treatment plant, and to progress and submit a new consent, and included nothing in its forecasts beyond the first four years. A long-term solution will cost significantly more than the \$16 million allocated in the long-term plan. The Council plans to consult further with the community once it knows the costs of the long-term solution as this may have a significant impact on the Council's proposed budgets and levels of service;
- the Council's forecasting for its three waters assets is based on age. Because it is not based on condition information, there is a higher degree of uncertainty about how the Council has prioritised its investment needs. Wellington Water Limited is commencing a programme of work to fully understand the condition of all assets, which will increase certainty of future investment needs; and
- the Council is proposing an ambitious capital programme compared to its previous long-term plan. While the Council has taken steps to mitigate its risk, there is an inherent level of risk that the Council will not be able to deliver on the programme, particularly due to the substantial increase in the programme. The potential impacts of not achieving the capital programme are not meeting planned levels of service, or increased costs in the long term.

## 1.2 Uncorrected misstatements

The financial statements are free from material misstatements, including omissions. During the audit, we have discussed with management any misstatements that we found, other than those that were clearly trivial.

## 2 Control environment

Our approach to the audit was to identify, confirm and assess the Council's key processes and controls over the underlying information, and ultimate production of both the consultation document and the LTP. The purpose of this assessment was to enable us to plan the most effective and efficient approach to the audit work needed to provide our two audit opinions. Our review of the control environment focused on two key areas: planning and budgeting processes, and asset management practices.

In our Audit Engagement Letter, we identified the following matters as the main risks and issues:

### 2.1 Process to develop the consultation document and underlying information

We assessed that the process to develop the consultation document and prepare the underlying information was generally well-managed and went well. We saw clear direction from elected members and senior management and internal co-ordination. In general, the draft documents were provided to us in a timely manner.

### 2.2 Planning and budgeting process

We obtained an understanding of the Council's budgeting process in discussions with the relevant staff members and by reviewing various pieces of supporting documentation. Overall, we found that the Council had a good process in place that provided an appropriate basis to prepare the underlying information and ultimately the production of the consultation document and the proposed LTP.

### 2.3 Financial model and forecasts

In assessing the financial forecast we focused on the integrity of the financial model, the reliability of the source data and whether the outputs of the model have appropriately flowed through to the underlying information (including the Financial Strategy, Infrastructure Strategy and financial forecasts). In doing this we adopted a substantive approach undertaking a variety of data logic, metric, integrity, analytical review, spreadsheet and data flow testing.

### 3 Key risks and issues

In the planning stage of the audit, we reviewed the Council's LTP self-assessment and the content of the first draft of its consultation document. Through this planning process, we identified the key risks and issues for us to focus on during our audit.

We comment below on our findings in addressing those key risks and issues.

#### 3.1 Impact of Covid-19 on LTP development

The Council assumes that Covid-19 pandemic will be contained and there will be no major financial impact from Covid-19 on the Council.

Given the nature of the Council, coupled with limited exposure to international travel, limited impact caused by the 2020 lockdown, and stringent border restrictions in place, we were satisfied that the possible impacts of Covid-19 have been sufficiently captured in the proposed LTP.

#### 3.2 Financial strategy

The financial strategy seeks to address anticipated pressures arising from increased demand for levels of service due to growth, as well as from the requirements of the national standards. Funding for major projects includes rate increases, contributions from developers and external sources including the Waka Kotahi New Zealand Transport Agency (NZTA). The Council seeks to maintain its sound financial position and plans to be within its rates and borrowing limits throughout the ten years of the LTP period.

Overall the Council's financial strategy complies with the requirements of section 101A of the Local Government Authority Act 2002 and meets the purpose outlined in subsection 2. A key part of this has been assessing Council's balanced budget as well as the disclosure of significant factors identified in the infrastructure strategy.

#### 3.3 Infrastructure strategy

The Local Government Act 2002 requires the Council's LTP to include an infrastructure strategy. The purpose of the infrastructure strategy is to identify the Council's significant infrastructure issues over the period covered by the strategy and to identify the principal options for managing those issues and the implications of the options to address those issues.

The Council's approach to asset management recognises that the proportion of its network requiring renewal in the near future is relatively small and the performance of its assets is generally satisfactory. Therefore, the emphasis is on maintaining the asset and responding to demand arising from growth. These pressures will inevitably have an impact on rates. The Council plans to use debt to manage these pressures and to ensure that the future ratepayers, who will use these services, pay an appropriate share of these significant costs.

As part of our work over the Council's renewal forecast process, Wellington Water has provided spreadsheets and various information outlining their investment options regarding the level of renewals and the associated costs. Council elected to proceed with the lower option due mainly to affordability.

Overall we have assessed that the infrastructure strategy is adequate for the purposing of supporting accountability and achieving its statutory purpose (section 101B). Nevertheless there is scope for improving the IS as the Council's understanding of its assets develops over coming years.

We had recommended some improvements on the below improvements, which the District Council has made. These are:

- Clarify if the population projections (sourced from Infometrics Population Projections 2019-2051) include consideration of the Covid-19 impact.
- Include financial forecast information for a thirty year period (currently for a 10 year period).
- Investment options and significant decisions appear to span mostly a 10 year horizon, with some reflecting investment levels going forward (with the period not indicated). Is it intentional that there are no other significant decisions beyond the 10 years?
- Key decisions/options – be clearer on the required timing of these decisions. Include a clearer link to the consultation document. Reference to the Council's significance policy – useful to inform definition of a significant decision.
- Clarify if Levels of Service are being maintained, increased or decreased.
- Include information about the Council's ability to deliver against its capital programme, including past performance and the impact for future increased capital programmes.

From our review of the asset management planning system in place at SWDC, the following were identified as areas for improvement:

- There is no Council-wide Asset Management Policy or Strategic Asset Management Plan apart from the Infrastructure Strategy.
- The Roding AMP includes an improvement plan, though for accountability, this could be improved by prioritising actions; assigning responsibility and ensuring a monitoring process is in place.
- The Roding AMP includes a number of areas (including graphs and data) that still need to be updated.
- The Roding AMP is quite light on the approach to forecasting renewals.
- WWL has not yet developed an AMP for the SWDC three waters networks.

- Renewal forecasts are based on industry accepted ranges for assets lives, which represent a sound basis for renewals planning and setting funding levels. However these remaining useful lives are not supported by condition and performance information across the network. Condition and performance information is not readily available from Wellington Water.
- Wellington Water is unable to readily calculate reactive renewals versus planned renewals due to a lack of information as SWDC has only been a shareholder of Wellington Water for the last 18 months.

### **3.4 Delivery of the capital programme**

Although the Council have historically performed well against planned capital projects, we considered the capital do-ability assumption in detail. This was due to there being a significant step change compared to the previous LTP, and the fact Wellington Water is delivering a significantly increased three waters programme, not just for the Council, but for the other shareholding councils.

The District Council has forecast for significantly increased capital expenditure over the 10 years of the LTP in comparison to previous years, with 52% of the forecasted projects to be delivered in the first four years.

The Council has included a “Delivery of capital programme” assumption in the draft LTP with an uncertainty risk of “moderate to high”. Historically, the Council has been able to successfully deliver the majority of its capital programme. However there is always the possibility that external contractors may become unavailable and this could significantly impact on the Council’s ability to deliver on its planned works. Lack of contractor personnel would create delays in the programme, unmet expectations and a backload of work.

As part of the long-term plan, we noted as above that the Council is projecting a significant increase in its capital programme. The capital programme of the 2018-28 LTP totalled \$50 million compared to the proposed capital programme of the 2021-31 LTP of \$109 million. This represents an increase of 118%.

Based on discussions held to date, the Council is comfortable that the internal and external capacity is available to materially complete what is planned as part of this proposed LTP budget. We encourage the Council to continue to monitor its capital expenditure spend closely going forward.

While we consider the capital programme to be reasonable, we believe there is high uncertainty and risk around the delivery of the programme. This is due to the large increase in the programme, and the potential delivery of Wellington Water given they have a significantly increased capital programme for all shareholding councils.

As such, the Council has included appropriate commentary in the CD to explain the approach and situation.

We included an emphasis of matter paragraph in our audit report to draw attention to this matter as per section 1.1 of this report.



### **3.5 Assumptions**

The quality of the Council's financial forecasts is significantly affected by whether the assumptions on which they are based are defined and reasonable. The Local Government Act 2002 recognises this by requiring all local authorities to clearly outline all significant forecasting assumptions and associated risks underlying the financial forecasts in the LTP.

We reviewed Council's significant forecasting assumptions and confirmed that they are materially complete. We also performed testing of selected assumptions in the financial forecasts to check they have been reasonably applied. We have no issues to report in relation to these assumptions or their application.

#### **3.5.1 Climate change**

The District Council has included an assumption around climate change in its draft LTP and has also included a separate section on this in the draft LTP, as well as a summary in the Infrastructure Strategy, Financial Strategy and Consultation Document.

The Wairarapa Region is experiencing the effect of climate change, especially sea level rise and erosion. The Greater Wellington Regional Council has adopted a Climate Change Strategy for mitigation and adaptation in Wellington and Wairarapa. The Council in partnership with Carterton District Council has also prepared a localised climate change response strategy – Ruamāhanga Strategy.

This strategy:

- presents the districts (socio-economic, environmental and cultural contexts);
- explains what Climate Change is and what may be the impact for Wairarapa;
- Presents the greenhouse gas inventory for the Wellington Region (lead by Greater Wellington);
- presents the inventories of greenhouse gas emissions from Wairarapa and from council's activities for each Council;
- sets up targets; and
- presents an action plan (short, medium and long term).

The main forecast for climate change (GWRC Climate change report) are warmer temperatures and increased hot days; oceanic changes; increases soil erosion and slides; coastal road erosion; increased droughts and extreme rainfall events.

The Council has also identified earthquakes, fire and erosion as the significant natural hazards.

The Council has considered the impact of climate on the community and planned selected activities for year 1 to 3 of the LTP, the District Council is also working to make

improvements to infrastructure assets, like the stormwater network and drainage improvements to the roading network to strengthen resilience.

The Council included climate change as a significant forecasting assumption. Overall, we believe the Council has made a good start in identifying the risks associated with climate change. The challenge facing Council is in determining its response on how it will minimise the risk to its residents and to ensure the Council's infrastructure assets are able to cope with the impacts.

### **3.5.2 Three-waters reform**

The three-water water reform assumption is reasonable. The District Council has assumed it will continue to own and directly operate the three waters networks (drinking water, wastewater, and stormwater) and have indicated a high level of uncertainty around this assumption.

The impact on its operations and finances has also been included, as well as a table of the proposed expenditure for the activities over the period of the 10-year plan.

Without modifying our opinion, we drew attention to the District Council's disclosures in the CD about the uncertainty associated with the three-waters reform. This was because future decisions may result in significant changes, which would affect the information on which the CD has been based.

## **3.6 Quality of asset related forecasting information**

A significant portion of the Council's operations relates to the management of its infrastructure: the roading network and the "three-waters" of water supply, sewerage, and stormwater drainage. To prepare reasonable quality asset information, the Council needs to have a comprehensive understanding of its critical assets and the cost of adequately maintaining and renewing them. An important consideration is how well the Council understands the condition of its assets and how the assets are performing.

Our review includes assessing the reasonableness of the Council's asset-related forecasting information. Our work included:

- assessing the Council's type asset management planning systems and processes;
- understand what changes the Council proposes to its forecast levels of service;
- understand the Council's assessment of the reliability of the asset-related information;
- consider how accurate recently prepared budgets have been; and
- assess how matters such as affordability have been incorporated into the asset-related forecasts prepared.

We would have expected that WWL had AMPs for the three waters. In the absence of this we have attempted to obtain the information we would have expected to find in these

AMPs. We found that WWL is still in the process of completing investigations of the conditions of the three water assets in a structured more formal way, and therefore this information is not being used directly to develop the forecasts yet. But it is evident that WWL does have a great deal of operational detailed knowledge of the assets for operational purposes.

WWL have instead prepared the renewal budgets using an asset age based approach and have developed the renewal forecasts based on the age profile of the assets. At the time of the planned work in the future, they will consider the detailed information about the asset and make operational decisions at that point about the work to be completed.

We do not consider that the approach used by WWL is unreasonable or that it is likely to lead to a material issue in the renewals forecast for South Wairarapa District Council given what we know about the Council and its assets. However, we consider that their approach does increase the level of uncertainty of the renewals forecast.

As such, the Council has included appropriate commentary in the CD to explain the approach and situation.

We included an emphasis of matter paragraph in our audit report to draw attention to this matter as per section 1.1 of this report.

### **3.7 District Council identified projects**

We reviewed the projects the Council is consulting on and the associated costs. The projects included the three water and roading consultations. We reviewed the information to support costs and the assumptions for these projects. There are no significant matters to bring to your attention.

#### **Featherston Waste Water Treatment Plant**

Featherston Waste Water Treatment Plant is a key project, however at this stage the Council is still determining the scope and costs of the project.

The high-level options and estimates provided by Wellington Water recently appear to be unaffordable for the council. The Council is working with Wellington Water to consider other options which may include incremental changes over the short-medium term.

Currently \$16 million of renewals over the first four years of the plan have been included to make treatment improvements to the pipe network and current plant, and to progress and submit a new consent with GWRC.

Due to the significant uncertainties around the final project including requirements, scope, timing and costs, the Council has decided it has insufficient information to be able to consult with the community at this stage, and intends to further consult with the community once it has more certainty around what will be required. As such, they have not included any specific funding for the project in the outer years of the 10 year plan.

We have accepted this as reasonable as the Council is only in the initial stages of determining solutions and will still need to work with Wellington Water Limited and the Regional Council to determine what is required to meet new standards, which will include whether the current site can continue to be used or not.

As such, the Council has included appropriate commentary in the CD to explain the approach and situation.

We included an emphasis of matter paragraph in our audit report to draw attention to this matter as per section 1.1 of this report.

## 4 Other matters



In this section, we have detailed our key findings from the audit. We have also detailed our findings in relation to other areas of focus:

### 4.1 The content of the CD

The CD provides an effective basis for public participation in the District Council's decision making about the proposed content of its LTP, facilitates the right debate with the community and meets the legislative requirements of the Local Government Act 2002 (LGA 2002).

The consultation document is easy to read with contextual information that includes: Where are we going? What's on our mind? (covering financial and infrastructure strategies), Conversations with our community (strategic direction), Important issues for the next 10 years (which sets out the four consultation issues) and Keeping you up to date (project developments).

It is clear which issues are being consulted on (including a range of options, the consequences of these choices and the District Council's preferred option). It highlights the critical parts of the proposed financial strategy and Infrastructure Strategy.

We ensured these issues were adequately disclosed in the CD and consistent with the Infrastructure Strategy, financial strategy, financial model and other underlying information and that there was adequate underlying support for the options proposed.

We are satisfied that the CD covers what are expected to be the main issues facing the community into the future.

### 4.2 IPSAS 41 financial instruments

PBE IPSAS 41, *Financial Instruments* becomes effective for the year ending 30 June 2023, or the second year of the LTP. The LTP is required to be prepared in accordance with the accounting policies expected to be used in the future which means that the LTP will need to reflect this new accounting standard.

The District Council has performed a high level assessment of the impact of PBE IPSAS 41 and concluded that no adjustment was required to the forecast financial statements included in the underlying information to support the CD (as they are not consulting on a matter that may be affected by the application of PBE IPSAS 41).

For the LTP we **recommend** the District Council to:

- perform a more detailed and robust assessment on the impact of PBE IPSAS 41 on the financial forecasts;

- ensure any material measurement adjustments that arise on transition to PBE IPSAS 41 that may affect the forecasts are made;
- ensure the financial instrument accounting policies disclosed are updated to be consistent with the requirements of PBE IPSAS 41;
- ensure disclosures are made about the change in accounting policy; and
- consider whether the decision to early adopt PBE IPSAS 41 for the LTP will impact the preparation of their financial statements for the year ending 30 June 2022.

## 5 Audit of the long-term plan

The next step in the LTP audit process will be the audit of the final LTP document. This audit is scheduled to be undertaken in mid-June 2021 following the Council's deliberations.

To ensure our audit of the LTP is efficient, we ask the Council to prepare and provide us with a schedule of changes to the financial forecasts and other underlying information that were the basis of the consultation document. This will enable us to assess the extent of changes and tailor our audit work accordingly.

In respect of these changes, we will gain assurance that appropriate consequential changes and disclosures have been made. We also check the consistency of the updated documents in the LTP.

Under section 94(1) of the Local Government Act 2002, our audit report on the final LTP forms part of the LTP, which the Council is required to adopt by 30 June 2021 under section 93(3) of the Act. Our agreed timeframes will enable us to issue our audit report in time for the Council meeting scheduled for June 2021, at which time the 2021-31 LTP will be formally adopted.

We are responsible for reporting on whether the LTP meets the statutory purpose and provides a reasonable basis for integrated decision making by the Council and accountability to the community. We also provide an opinion on whether the information and assumptions underlying the financial forecasts are reasonable. Finally, we will provide our opinion on whether the disclosures in the LTP meet the requirements of Part 2 of the Local Government (Financial Reporting and Prudence) Regulations 2014 and accurately reflect the information drawn from the LTP.

At the conclusion of the LTP audit, we will ask Council to provide us with a signed management representation letter on the LTP. We will provide the letter template during the LTP audit.

## Appendix 1: Disclosures

Area	Key messages
Our responsibilities in conducting the audit	<p>We carried out this audit on behalf of the Controller and Auditor-General. We are responsible for issuing an independent report on the consultation document and providing the report to you. This responsibility arises from section 93C(4) of the Local Government Act 2002.</p> <p>The audit of the consultation document does not relieve management or the Council of their responsibilities.</p> <p>Our Audit Engagement Letter dated 5 October 2020 contains a detailed explanation of the respective responsibilities of the auditor and the Council.</p>
Auditing standards	<p>We carried out our audit in accordance with the Auditor-General's Auditing Standards. The audit cannot and should not be relied upon to detect all instances of misstatement, fraud, irregularity, or inefficiency that are immaterial to your consultation document. The Council and management are responsible for implementing and maintaining your systems of controls for detecting these matters.</p>
Auditor independence	<p>We are independent of the Council in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1: <i>International Code of Ethics for Assurance Practitioners</i>, issued by New Zealand Auditing and Assurance Standards Board.</p> <p>In addition to our audit of the Council's consultation document and all legally required external audits, we have reported on the Council's debenture trust deed assurance engagement. These engagements are compatible with those independence requirements. Other than these engagements, we have no relationship with, or interests in, the Council or any of its subsidiaries.</p>
Fees	<p>The fee for auditing the consultation document and the LTP is \$63,600 (excluding GST and disbursements), as detailed in our Audit Engagement Letter dated 11 February 2021.</p> <p>Our fees for reporting on the external audit and assurance engagement are disclosed in the Council's 2020 annual report.</p>
Other relationships	<p>We are not aware of any situations where a spouse or close relative of a staff member involved in the audit occupies a position with the Council that is significant to the audit.</p> <p>We are not aware of any situations where a staff member of Audit New Zealand has accepted a position of employment with the Council during or since the audit.</p>



## AUDIT NEW ZEALAND

Mana Arotake Aotearoa

PO Box 99  
Wellington 6140  
Phone: 04 496 3099

[www.auditnz.parliament.nz](http://www.auditnz.parliament.nz)



# FINANCE AUDIT AND RISK COMMITTEE

16 JUNE 2021

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## AGENDA ITEM B5

### ACTION ITEMS REPORT

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#### **Purpose of Report**

To present the Committee with updates on actions and resolutions.

#### **Recommendations**

Officers recommend that the Committee:

1. *Receive the Finance Audit and Risk Action Items Report.*

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

Action items from recent meetings are presented to the Committee for information. The Chair may ask the Chief Financial Officer for comment and all members may ask the Chief Financial Officer for clarification and information through the Chair.

If the action has been completed between meetings it will be shown as 'actioned' for one meeting and then will remain in a master register but no longer reported on. Procedural resolutions are not reported on.

#### **2. Appendices**

Appendix 1 – Action items to 16 June 2021

Contact Officer: Suzanne Clark, Committee Advisor

Reviewed By: Katrina Neems, Finance Manager

## **Appendix 1 – Action Items to 16 June 2021**

Number	Meeting	Raised Date	Responsible Manager	Action or Task details	Open	Notes
248	FAR	11-Dec-19	Euan	<del>Find out the background to the Bonny Glen landfill risk and update FAR Committee members</del>  Assess the risk to Council of central government mandated increases to solid waste levies and the ability of Council to change processes to manage landfill contracts, expenditure and revenue alongside promotion of waste minimisation	Open	14/8/20 Bonnie Glen is owned by Waste Management and Environmental Services and charges are climbing outside of regular pricing for waste disposal due to a monopoly and limited future capacity at the site. We have a contract for service to use Bonnie Glen which ends shortly. Alternative avenues to dispose of refuse will be researched prior to the contract ending. 24/2/20: Action updated by FAR
249	FAR	11-Dec-19	Karen	Review the Sensitive Expenditure Policy in March 2020 to ensure best practice guidelines are followed	Open	16/4/21: Will be considered as part of policy review programme
250	FAR	11-Dec-19	Karen	Review the Procurement and Contract Management Policy in March 2020 to ensure it covers all procurement and management activities	Open	16/4/21: Will be considered as part of policy review programme following review of CDC's policy for sustainability matters
191	FAR	21-May-20	Katrina	Work towards revising the financial accounts to include a rolling forecast alongside the full year budget.	Open	22/06/2020 changes to financial reporting are ongoing 14/8/20 Aiming to progress towards the end of the financial year
9	FAR	24-Feb-21	Karen	Review LGOIMA data to determine if there are requester and topic trends	Open	16/4/21 TBA
10	FAR	24-Feb-21	Katrina	Advise the FAR Committee how the Featherston Community Centre overspend will be funded	Actioned	09/06/2021 – Project on-budget.
157	FAR	21-Apr-21	Katrina	Investigate why Greater Wellington Regional Council recoveries are under budget	Actioned	09/06/2021 – Incorrect commentary presented in last Financial Reports. This has now been updated.

Destination Wairarapa Board  
31 March 2021  
General Manager's Financial Report

**Unaudited Financials 31 March 2021**

The Destination Wairarapa 2020/2021 budget was developed during a time of great uncertainty for the tourism industry. At the time, the year ahead looked bleak and the prospect of forecasting what 'might' happen during this time period, wasn't something anyone had confidence in doing – not even the country's top economists.

Now that we are three quarters into this financial year, this 'actuals vs budget' report for Q3 aptly reflects a year no-one could predict. It is confusing to say the least.

For this reason, this report will focus on the actual year-to-date (YTD) figures for the financial year, rather than just for the quarter.

**Revenue.** YTD ending 31 March revenue shows as being \$80k above budget.

This was due to

- better visitation in the region than forecast, with more people booking through the iSite
- more visitors in the region resulting in our operators having more money in the bank than earlier forecasted, so more of them wanted to be part of the annually produced Wairarapa Visitor Guide
- the application for a Trust House Grant being accepted and received in February rather than in May – as was budgeted
- receiving the first two contracted payments for the Banking Hub Services at the Martinborough iSite, which was not originally budgeted for.

Please note, we are down \$55k against budget for membership fees. Last year we made the call to offer free membership until the end of March 2021 to anyone who wanted to be part of Destination Wairarapa's activities during this year of uncertainty.

We made this decision because we wanted the industry to feel connected and supported, and we didn't want anyone to feel left out because they were not a current paid-up member.

From April onwards, we will be going out to our members to invite them to re-join Destination Wairarapa on a paid basis for the 2021/2022 membership year. We will also be recruiting for new members.

## Expenditure

### STAPP Funded Projects

We are underspent significantly for all STAPP funded activities against budget RTD. This is due to a lack of people resource.

Although we can use the STAPP money to purchase additional resource for some projects, we have tried to follow robust procedures so that we are spending money in the right places and with the right people. This has taken additional time to achieve and has resulted in us being behind in achieving our contracted milestones.

At the end of January, a contract variation was applied for with MBIE to account for these delays. This was accepted and we have been given an extension until the end of the calendar year to complete our contracted milestones.

**Corporate Expenses** YTD until the 31<sup>st</sup> March is \$24K under budget.

This is due to the delay in completing STAPP funded projects.

Please note, the overspend in Information Technology, and Repairs and Maintenance is due to the cost of moving from our head office in Church St, to the shared space in the Masterton iSite on Dixon St.

**I-SITE Expenses** YTD until the 31<sup>st</sup> March is \$32k over budget

This is due to increased hours of work by the iSite staff to cover the services required by the Banking Hub. This increased cost is recouped in the additional revenue received from Kiwibank.

In addition, iSite staff wages increased to the Living Wage, and the retirement of Pixie Tipoki - Team Leader iSites, had an impact on iSite expenses. Pixie had been working for Destination Wairarapa for 14 years and had accumulated a significant amount of leave over that time period.

**Marketing Expenses** YTD until the 31<sup>st</sup> March is \$88k under budget.

This is due to delays in completing STAPP funded projects.

**Overall Operating Expenses** YTD until the 31<sup>st</sup> March is \$170k under budget.

Again, this is due to delays in completing STAPP funded projects.

*The Destination Wairarapa budget includes both BAU activities (as funded by the 3x Councils, Trust House and Membership Fees) and STAPP funded activities.*

*In addition, existing Account Ledgers have been used for the different STAPP projects. For example, the Consulting and Accounting Account is for work undertaken by TRC Tourism and Colmar Brunton to develop the Destination Management Plan, and the Domestic Marketing Wings Campaign Account is being used for the promotion of any regional event that significantly attracts visitors from outside of the region into the region.*

*One lump sum of \$400k was deposited into DW's bank account in September 2020 for MBIE contracted work associated with.*

- *Destination Management Planning*
- *Capability Building*
- *Domestic Marketing*

*YTD until the 31<sup>st</sup> March 2021 \$281,895 remains to be spent on STAPP Funded Projects.*

Destination Wairarapa  
Q3 General Manager's and Marketing Board Report  
January – March 2021

## 2021 Deliverables

### *Visitors*

Although the Accommodation Data Programme (ADP) replacing the CAM (Commercial Accommodation Monitor finished at the end of 2019) has released its fourth report – the data is still not yet robust enough to draw too many conclusions or compare our performance to the year previous just yet.

The data is however showing a growth trend, which is consistent with other available measures. This is encouraging.

Below is the February 2021 ADP data compared to the November data (which was included in the previous Q2 DW report)

### February 2021 Fresh-info Accommodation Data Programme

Measure	Wairarapa RTO	NZ
Number of establishments	33	2898
Number of stay units	1000	128000
Average stay units per establishment	30.6	44.2
Monthly stay unit capacity	28300	3600000
Available monthly stay unit capacity	25000	3100000
Percentage of stay unit capacity available	88.40%	85.80%
Stay unit nights occupied	12400	1400000
Capacity utilisation rate	43.90%	38%
Occupancy rate	49.60%	44.30%
Total guest nights	25900	2500000
Domestic guest nights	25700	2400000
International guest nights	179	111800
Guest arrivals	13000	1100000
Average guests per stay unit night	2.1	1.8
Average nights stayed per guest	2	2.2



## November 2020 Fresh-info Accommodation Data Programme

Measure	Wairarapa RTO	NZ
Number of establishments	33	2899
Number of stay units	1000	128300
Average stay units per establishment	30.4	44.3
Monthly stay unit capacity	30100	3800000
Available monthly stay unit capacity	26600	3300000
Percentage of stay unit capacity available	88.50%	86.20%
Stay unit nights occupied	10800	1400000
Capacity utilisation rate	35.80%	35.70%
Occupancy rate	40.40%	41.50%
Total guest nights	22100	2300000
Domestic guest nights	21500	2100000
International guest nights	601	168700
Guest arrivals	13200	1M
Average guests per stay unit night	2.1	1.7
Average nights stayed per guest	1.7	2.3

It is especially pleasing to see that the average nights stayed per guest in the February data has increased to 2 nights.

### *Spend*

To measure our spend performance when compared to the rest of the country we have until recently used the Monthly Tourism Regional Tourism Estimates (MRTE) report - as produced by MBIE.

The MRTE series has been disrupted by COVID-19, as the methodology for weighting the measured electronic card transaction spend up to the whole of industry spend became unusable.

They have been replaced by an interim measure - the Tourism Electronic Card Transactions.

The TECTs aim to present the measured electronic card transactions (ECT) attributable to tourism but without any attempt to represent the total spend. This method is the best way to provide spend data to the industry while travel is severely affected by COVID-19 border restrictions.

The TECT data is provided by Marketview, who use a base of ECT spending from the Paymark network (approximately 70 per cent of total ECT spend) to estimate total ECT spend.

This estimated total ECT spend is then filtered for tourism spend by visitors in New Zealand. Domestic tourism spend is classified as spend that is more than 40km outside their usual place of residence. This can include a primary and secondary residence (e.g. for home and work).

International spend is classified as transactions in New Zealand using overseas bank and credit cards. Holders of these cards can be visitors, or people living and working in New Zealand. Normally, the visitor spend is by far the largest contributor for this category.

The TECTs however are based almost exclusively on physical electronic card transactions, and do not include any other form of spending such as cash, pre-purchases or online spend. This results in the figures in the TECTs being **substantially smaller** than those of in the MRTes **so the two series should not be directly compared**.

When using TECT data, it is recommended we look at trends and comparison figures instead of dollar amounts.

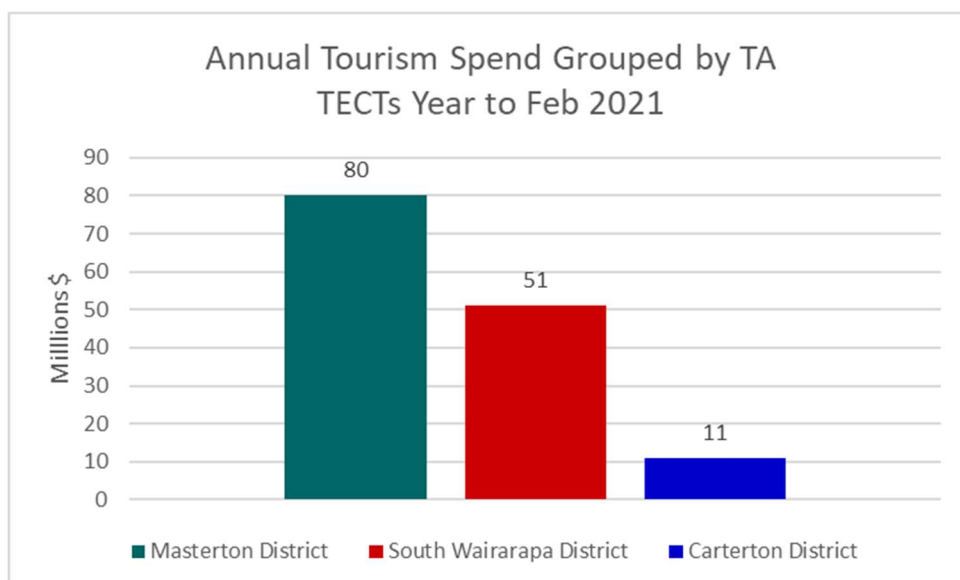
#### February 2021 Tourism Electronic Card Transactions (TECTs) By RTO

TO	Spend YEFeb	Year to Year Growth
Auckland Tourism, Events and Economic Development (ATEED)	\$2,117 m	-31%
Central Economic Development Agency (CEDA)	\$269 m	-7%
ChristchurchNZ	\$933 m	-17%
Destination Clutha	\$32 m	-14%
Destination Coromandel	\$349 m	-1%
Destination Fiordland	\$36 m	-55%
Destination Great Lake Taupo	\$330 m	-9%
Destination Kaikoura	\$51 m	-21%
Destination Marlborough	\$168 m	-10%
Destination Queenstown	\$514 m	-39%

Destination Rotorua	\$303 m	-26%
Destination Wairarapa	\$141 m	2%
Development West Coast	\$144 m	-25%
Enterprise Dunedin	\$341 m	-19%
Great South	\$204 m	-9%
Hamilton & Waikato Tourism	\$684 m	-13%
Hawke's Bay Tourism	\$371 m	-5%
Hurunui Tourism	\$84 m	-6%
Lake Wanaka Tourism	\$192 m	-12%
Mackenzie Region	\$76 m	-34%
Nelson Regional Development Agency (NRDA)	\$266 m	-7%
Northland Inc	\$529 m	-2%
Not elsewhere classified	\$166 m	-3%
Tourism Bay of Plenty	\$594 m	-6%
Tourism Central Otago	\$104 m	-12%
Tourism Waitaki	\$86 m	-14%
Trust Tairāwhiti	\$98 m	2%

Venture Taranaki	\$220 m	-7%
Venture Timaru	\$143 m	-7%
Visit Ruapehu	\$84 m	-15%
Visit Whanganui	\$93 m	0%
Wellington Regional Economic Development Agency (WREDA)	\$857 m	-23%
National	\$10,581 m	-19%

It is pleasing to see that despite this change in data source and measurement nationally, Destination Wairarapa figures still show the region is in a year-on-year growth phase - despite Covid, unlike most other RTO's.



#### Head Office Move to Masterton i-SITE

The combining of the Masterton iSite and Head Office at 10 Dixon Street has now been completed.

Our new spend on rent will be \$2,478.78 per month

Our previous spend on rent for the two spaces was  $\$2062.70 + \$1679.15 = \$3,741.85$  per month

This will become a saving of \$15,156.85 annually

Pixie Tipoki has finished as iSite Team Leader and will remain engaged with Destination Wairarapa on a casual basis. Jo Stevens – Love has been promoted internally to iSite Team Leader.

### **Trust House Funding**

An application for funding was submitted to the Trust House Foundation for \$150,000 during this quarter. \$100,000 was awarded. It is hoped the remaining \$50k will be awarded during the next round of funding grants.

In previous years, Destination Wairarapa gratefully received an annual grant of \$160,000 from the Trust House Foundation

### **STAPP Funding**

The Strategic Tourism Assets Protection Programme contract with the Govt. requires Destination Wairarapa to deliver outcomes under 3 headings

1. Destination Management Plan Development
2. Capability Building
3. Marketing

#### ***1. Destination Management Plan***

TRC Tourism continue their work on the Destination Management Plan.

At this end of this quarter, two very successful sessions with Iwi were held to discuss Maori aspirations for tourism in the Wairarapa.

A further session with Iwi is hoped to be held at a date still yet to be determined in the upcoming quarter.

We hope to complete a draft Wairarapa DMP for comment by the end of the financial year, with the full report finalised by the end of the calendar year. (2021)

A variation to our agreement with MBIE to this effect was submitted during the 6-month reporting process. This variation has been approved by MBIE.

When completed the Wairarapa Destination Management Plan will be combined with the other regional plans to form one Wellington Regional plan. This plan will help guide GWRC, WellingtonNZ and the Government when considering tourism investment projects that have an impact on the whole region.

## ***2. Product Development and Capability Building***

Destination Wairarapa contracted Marie Claire Andrews and Bridget Gardiner until the end of April to continue their work with regards tourism product development and capability building opportunities as identified in the WEDS.

Particular focus is the development of a regional dark skies product, a regional food tourism product, and building industry capability - particularly in the Events Sector.

After the very successful 'Building Resilient Events' workshop/mentor programme that was run with Teri van Scooten from Verve Consultancy during the last quarter, another programme during this quarter focused on Health and Safety in Events was run.

Cathy Knowsley was contracted from HighViz Event Management to deliver this programme.

Cathy Knowsley specialises in health and safety management consultancy for the arts, entertainment, and event industries. Cathy has a Diploma in Health and Safety Management coupled with over twenty-five years' experience as a technician, technical manager, and site manager for entertainment and events. Cathy is a Professional Member of the NZ Institute of Safety Management, is on the HASANZ register for New Zealand health and safety professionals and is a member of the Event Safety Alliance (USA). Cathy is also currently studying for an MSc in Crowd Management and Risk Analysis.

As a consultant, Cathy's approach to event health and safety is to work with the event organisers to ensure that legal responsibilities are met, whilst respecting the creative processes and desired event experience outcomes. This includes the consideration of the comfort and safety of the event attendees across all aspects of the event planning, as well as ensuring workplace health and safety requirements are met.

18 people attended the workshop, and to date 6 events have had one-on-one mentoring from Cathy.

One final workshop/mentor programme will be held in this final quarter focused on Crises Comms – preparing for the worst and knowing what to do and what to say if it happens.

## ***3. Marketing***

This report covers the summer period.

It was a very busy period as we supported key events, our operators during the busy summer school holidays, and were heavily involved in Wings over Wairarapa.

Our approach during this period was to:

- Continue to invest in quality photography.
- Support events that attract out of region visitors.
- Activate several long weekend visitor campaigns - including Wellington Anniversary, Waitangi Weekend and Easter.

- Invest in the promotion of the region leading up to the WINGS OVER WAIRARAPA event, and support the Wings team and our regions operators during the event – particularly when changes in the national alert levels occurred at the end of day 2.

#### Activity overview

##### Paid placement:

Because of STAPP funding we were able to undertake new paid activity:

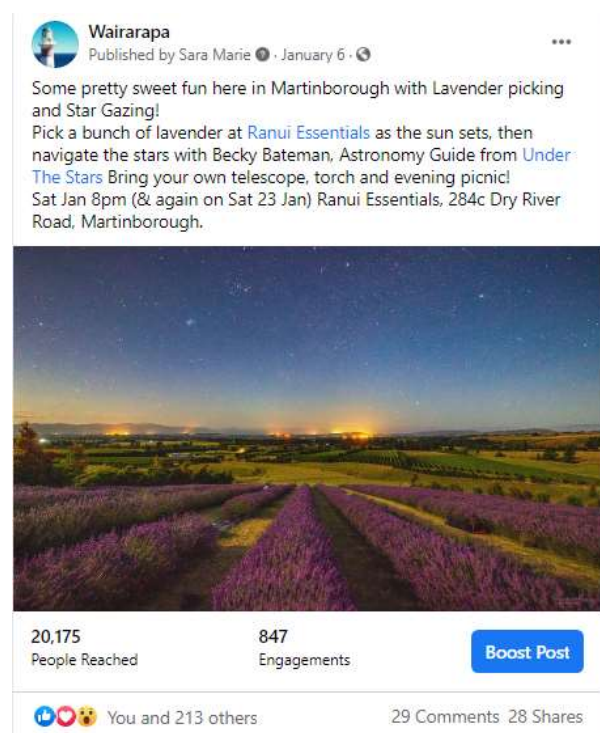
- Placement of Wairarapa Lifestyle magazines in Koru Club Lounges
- Paid social media ads for Wings targeting Aucklanders and out of region visitors
- A 'wrap' fronting the Dompost - promoting Wings and the region
- Additional specialised communications support of Wings

#### Event promotion

We worked with:

- Country Music Festival
- Tauherenikau Races
- Martinborough Fair
- Several pick your own lavender events
- NZ Cycle Classic
- Farmers markets including TK market across the summer

Examples of some social activity for these are:







Wairarapa

Published by Sara Marie · March 22 at 8:12 PM ·

...

W I N - [Schoc Chocolates](#) definitely know how to do Easter right, and with the Easter Bunny arriving soon, we have a [Schoc Chocolates](#) 3kg Easter Bunny up for grabs to celebrate!

To be in to WIN - just tell us who you'll be sharing this Easter Bunny with - delicious!

It's all go in [Greytown Village](#) for Easter. On Saturday 3rd April things will kick off with the [NZ National Tweed Ride 2021](#) which will wind up at the [Cobblestones Museum](#) Tweed Ride Tea Dance. Make sure the kids are at Cobblestones to see the Easter Bunny from 1pm and to take part in the Schoc Chocolates Easter Egg hunt plus there will be marshmallow eggs up for grabs! From 1pm at Cobblestones Museum. \$5 adult entry. Children are free.

Check out what's on for Easter in the Wairarapa here, [www.wairarapanz.com/easter-autumn-events](http://www.wairarapanz.com/easter-autumn-events)



30,756

People Reached

4,484

Engagements

Boost Post



You and 428 others

949 Comments 21 Shares



## Wings over Wairarapa

We are very proud of the work we undertook and the support we were able to provide Wings Over Wairarapa. Barb, Claire and Walt were simply extraordinary – delivering at the very top of their game, applying all their expertise – which the team at Wings were very grateful for.

Activity including social, media management, pitching and guidance on announcing the appearance of the B52. Claire organised for a member of WgtnNZ's digital team to be in a plane over Wellington - the resulting social coverage had huge reach.

**Wairarapa**  
Published by Sara Marie · February 12 · 🌐

Wings Over Wairarapa are excited to share that plans are in motion for a United States Air Force B-52 Stratofortress to do a fly over Hood Aerodrome during the Wings Over Wairarapa Air Festival on Saturday 27th February!

The Wings team have been working closely with the United States Embassy to provide an additional 'wow' factor to the already amazing line-up of aircraft that will take to our Wairarapa skies.

Get your cameras ready! Don't miss out on the Wings 2021 action! Get your tickets here, [www.wings.org.nz/ticket-info](http://www.wings.org.nz/ticket-info)



WINGS.ORG.NZ  
**Wings Over Wairarapa**  
See some of the rarest aircraft in the world at Wi... [Learn More](#)

35,782 People Reached	7,569 Engagements	<a href="#">Boost Again</a>
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Boosted on February 12  
By Sara Marie

People Reached	23.6K	Link Clicks	1.1K
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[View Results](#)

👍👎🗨️ You and 438 others · 229 Comments · 60 Shares

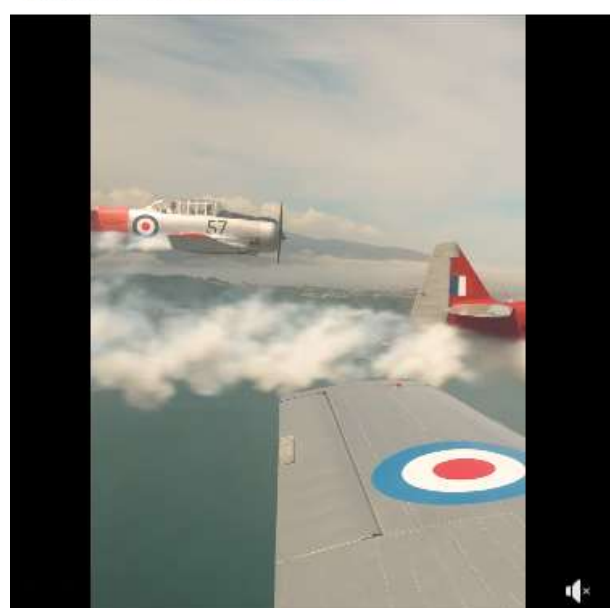
**Wairarapa**  
Published by Claire Lynch · February 26 · 🌐

Did you see the [Wings Over Wairarapa](#) Harvard planes?

This was just a taste of the action you get to see at Wings Over Wairarapa. Don't miss out on the action, secure your ticket now. If tickets are not sold out, Gates Sales will be available. Eftpos and cash will be available at the gate for an additional \$5 per ticket.

Flying begins at 10am on Saturday & Sunday. Gates open at 8am. Leave home early, give yourself plenty of time and be patient when driving.

Get your tickets here: [www.wings.org.nz](http://www.wings.org.nz)



WINGS.ORG.NZ  
**Wings Over Wairarapa - get your tickets** [Learn More](#)

29,088 People Reached	4,586 Engagements	<a href="#">Boost Again</a>
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Boosted on February 26  
By Sara Marie

People Reached	16.9K	Link Clicks	1.4K
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[View Results](#)

👍👎🗨️ You and 321 others · 27 Comments · 68 Shares



STAPP funds were used for the above wrap of the DomPost.

There is now doubt our efforts drove additional ticket sales, and the region was FULL to overflowing.

Aside from the promotion we literally dived in to assist with the process and communications once the COVID situation meant the Sunday show was cancelled.

WgtnNZ

We continue to work closely with the marketing team at WellingtonNZ so that where and when appropriate, we are top of mind when they are planning their national promotions. For example, the region was included in a wrap of a North and South magazine, there have been substantial paid social by WellingtonNZ promoting us as part of the regional Wgtn offering, and in a paid for Kia Ora magazine advertorial.



## Summer in the city

Say hello to an epic long weekend in Wellington, with stops at splendid eateries, a two-wheeled fun tour of Martinborough vineyards and, of course, superb coffee.



**MAKE THE MOST** of summer with an extended weekend of dining, aerial adventures, vineyard hopping, local shopping and some sleeping in.

### FRIDAY AFTERNOON

#### START WITH A COCKTAIL

Pairing Peruvian street food with Japanese highball, Nikkei-influenced YakiSoda is Wellington's newest spot to get a cocktail. Ingredients like Peruvian pisco, Japanese whisky, corn masa and sake are combined to delicious effect and presented simply, but beautifully.

### FRIDAY EVENING

#### DINNER AT DAISY'S

Named for food broadcasting pioneer Aunt Daisy, Daisy's is modern bistro that serves up classic, nostalgic Kiwiana dishes using fresh, local and sustainable produce.

Think cheese and mushrooms on toast, bangers and mash, and slow-roasted lamb topped with mint jelly – Auntie D would approve.

**1920S GLAMOUR WITH 2020S AMENITIES** Housed in a refurbished 1920s heritage building, DoubleTree by Hilton retains a sense of understated historical elegance but keeps things modern and luxurious with rain showers and Crabtree & Evelyn toiletries in the rooms.

### SATURDAY

#### SAY 'CHEESE'

Drive 'over the hill' to Wairarapa for the day and make your first stop Featherston's specialty cheese shop Crest Cheese. Owner Paul Broughton offers something for all taste buds: from cumin-flecked gouda to French-style blues, and if you're lucky, you

might score one of Wairarapa's best cheese scoys, fresh and warm from the oven.

#### A QUICK BROWSE

Picture an idyllic village peppered with stylish shops and plenty of good places to get coffee and you've got Greytown, a must-visit shopping destination. Take a wander around boutiques full of lovely linen, antique stores crammed with treasures and a shop full of the most beautiful bicycles you've ever seen.

#### AN AFTERNOON IN THE VINES

Just a short drive from Greytown is Martinborough, a charming village with more than 20 wineries, all located closely together and easily explored by bike or on foot. For lunch, stop off at Palisier Estate, where an award-winning Egmont Street Eatery has a pop-up summer restaurant.

### SUNDAY MORNING

#### BREAKFAST WITH A VIEW

Wake up late and take a short mosey from DoubleTree by Hilton to Harbourside Market. Take along your reusable cup for a freshly brewed coffee and order a seafood sandwich from Food for the People's popular stall. Find a spot to sit and gaze at the harbour as you enjoy your breakfast picnic.

#### UP, UP AND AWAY

Take a short walk from the market to Wellington Helicopters' landing pad on Queens Wharf for an exhilarating helicopter ride to see the rugged, isolated beauty of Wellington's southern coast. Within 15 minutes you'll be hanging out with some of the local fur seals and feeling like you're in the middle of nowhere.

**When you visit a city for the first time, there's that special feeling you get when you discover a locals' favourite spot.**

### MONDAY MORNING

#### BRUNCH AT PREFAB

When you visit a city for the first time, there's that special feeling you get when you discover a locals' favourite spot – Prefab is one of those places. Run by Wellington hospitality legends Bridget Dunn and Jeff Kennedy, the eatery specialises in unpretentious food, done well, and bottomless filter coffee.

#### A WALK AND A BROWSE

Next door to Prefab, Good Books was founded by Jane Arthur and Catherine Robertson, two writers who know a decent book from a dud – you're sure to find something good. Nearby is Orient: Modern Asian Home Store, which specialises in beautiful, yet practical Japanese ceramics and homewares, and stocks delicious handmade treats by Wellington's own Asian Food Republic.

Plan your visit at [WellingtonNZ.com](http://WellingtonNZ.com)



1. Unlimited filter coffee and a wide-ranging menu is part of Prefab's recipe for success.
2. Pop on a bike and enjoy a grape escape in Martinborough.
3. Stir up some fun while sipping a Japanese highball from YakiSoda.
4. Classic mushrooms and cheese on toast at Daisy's.
5. After a coffee and comestibles visit to Prefab, go next door and linger a while at Good Books.

[WellingtonNZ.com](http://WellingtonNZ.com)

## Imagery

We used STAPP funding to do a photo shoot in Carterton during this quarter. There will also be a video from this shoot. A couple of examples of new images – Carterton





## New products

We supported and worked with new members including Brac N Bow/Royal Hotel, Kaituna Riverside Cottages, Wai Shuttles (for as new regular shuttle service to Palmerston North Airport) and Wairarapa RV Experience – a new event.

## Media hosting

We hosted leading travel writer Sharon Stephenson and a photographer - they were developing a feature on the region for a forthcoming Air NZ Kia Ora magazine article. We also hosted Brook Sabin from STUFF Travel during this quarter.

Below is an example of the amazing coverage we are getting from print media we have hosted previously this year.

12 | Tuesday, March 9, 2021

travel

**GO NZ: Wairarapa**

# here and now

Wairarapa's attractions range from discoveries on our doorstep, to wonders out of this world, writes Belinda Craigie

**"A**re you ready?", my friend and walking companion asks as we approach the section of the Putaruru Chasm walk that calls for stepping into the cool waters of the Putaruru Chasm River. We wade in, gulping at the considerable change in temperature. But the cold and soapy shower are soon forgotten as we walk upstream toward a waterfall and take in the scenery.

The chasm appears otherworldly: bright-green moss covers the limestone rock that rises up around us and we are surrounded by a dense forest of native ferns, shrubbery and trees. Water gushes down the rockface, nature's soothing chorus. As we navigate downstream, but now firmly accustomed, we spot fossils and strata. We find that some areas of rock are more slippery than others and some parts of the river are deeper than anticipated – we are at one point up to our hips, another brief shock to the system. It is all part of the adventure.

Despite growing up in this country that is so often celebrated as one of the most beautiful in the planet, it is still exciting to discover these remarkable places on our own doorstep.

At the end of the journey, we bathe in the sunbather in an attempt to dry our wet clothes, wash our feet and smell our risk. A converted passenger trailer back to home base.

Towing us with his QW is local farmer Alan Wilkinson, who has been operating the chasm walk since 1987. It is around from Putaruru Farm, which he owns with wife Alison Taylor and is just outside of the small town of Martinstown. Despite the pandemic, Alan says that bookings

for Putaruru Chasm are up on last year, which he largely attributes to word-of-mouth and social media.

The chasm walk is one of the many activities on offer in the Wairarapa region, which lies in the southeast corner of the North Island, just over an hour from Wellington. With its rolling hills, rugged coastline, quaint towns, and diverse natural attractions, the area is ideal for those seeking a day trip or weekend away. Many Wellingtonians spend weekends exploring Martinstown's vineyards, or getting the Remutaka Cycle Trail, which runs from Putaruru over the Remutaka Mountain Range through to South Wairarapa. And with only New Zealanders now travelling within the borders, the region is experiencing an upsurge in domestic tourism.

**T**ouring Martinstown's vineyards on a sunny Saturday, there's certainly no shortage of visitors. Martinstown is known for producing renowned Burgundy-style pinot noir and chardonnay, which were pioneered in the region by vineyardists such as Alan Rang and Palliser Estate. The town's western farm part of the 19th Century New Zealand Wine Trail and, thanks to its accessible site, it is perfect for coffee-house hopping, with local bike hire a popular choice for getting around.

Toast Martinstown, an annual sell-out wine festival, which this year is scheduled for November 21, has further bolstered the reputation of the region. Festivalgoers now have a range of options for accommodation, including the historic Martinstown Hotel, vineyard-adjacent Pipers Pines and off-grid options such as Whitmanuka Retreat or River's Edge Retreat.

At the foot of the Remutaka Range, a chain of mountains that connects Wairarapa to Wellington, Featherston has largely functioned as a quick stopover for tourists en route to other destinations. Several enterprises are aiming to put Featherston more firmly on the tourist trail and they include The Rural Road, established in 1985. The two-story property was extensively renovated before being sold last year and is now under the management of local couple John Richardson and Tessa Wilson, who want to make Featherston just as desirable a place to visit as Martinstown and nearby Greytown, a popular shopping destination.

Despite the renovation, the hotel's regally inspired heritage has been retained, with original features such as the intricate floral details on the ceilings, a feature staircase in the lobby and antique furnishings. Each of the rooms is thoughtfully decorated with restored vintage typewriters, sewing machines and clocks.

John and Tessa come from hospitality backgrounds and run the popular restaurant Blue & Flow across the road. They have since moved the restaurant, which is named for their beloved dogs, inside the hotel.

Blue & Flow offers both indoor and outdoor dining as well as a more relaxed area for drinks. The couple wanted the menu to appeal to a multi-generational clientele, they say, representing the fabric of Featherston. There's a mix here of small plates and modern bistro fare, with a handful of dishes inspired by Tessa's Dutch heritage such as interhalben (Dutch meatballs) and Omelette Dutch apple pie. There's a nostalgic element for John, too, who grew up in the area and recalls a photo with his grandmother at The Rural when he was 3 years old.

"It's always been a local place, and these are central buildings that represent the heart of the town."

As well as being a base for seeing the rest of the Wairarapa, Featherston's attractions include several bookshops (it is an official World Book Town, a designation that recognises a concentration of second-hand and antiquarian

bookshops) and Crest Cheese, an artisanal cheese shop with a wide selection of handmade cheeses, cured meats and preserves.

About an hour south of Featherston, Cape Palliser Rd takes in the high-contrast scenery of the Wairarapa's south coast. Along this route is the Pāpāhanga Promoter Scent Reserve, an example of New Zealand's geological diversity with its towering rock formations created over thousands of years. There are several walking routes to view the pinnacles from differing vantage points, each taking between two to four hours to complete. Camping enthusiasts can pitch their tents at the pinnacles campsite and the Lake Ferry Hotel is less than 15 minutes away.

Perched on a steep, rocky hill at the end of Cape Palliser Rd, a historic red-and-white-striped lighthouse is a Wairarapa landmark dating to 1887. An ascent of the 200 steps to the lighthouse's observation deck offers views back to the cape, the small fishing village of Ngatangiia and across the Cook Strait to the South Island. This rugged coastline is also home to the North Island's largest fur seal colony, which can be spotted lounging on the rocks and frolicking in the surf between the lighthouse and Ngatangiia.

**H**osting north, there's a different expedition that makes the most of the Wairarapa's expansive night sky. Star Safari has been operating for just over a year out of the Stonehenge Auckland – an operator specialising in astronomy. Science communicators and space enthusiasts Harriet McQuinn and Daniel Leake devote their Friday and Saturday nights to guided tours of the henge and Wairarapa's night sky, educating visitors about space and the effects of light pollution. A new permanent Mars exhibit was created by Harriet to share with visitors all there is to know about the intriguing Red Planet.

Cloudy weather one Friday night in February threatened to undermine my star-gazing experience. But I went along to check out the henge and speak to Harriet and Sam about their love for space.

Between them they have more than four decades of experience in the field. Harriet, interested in Mars and trained for Mars in Utah, and Sam is working toward his Masters in Astrophysics. The clouds parted for long enough that we were able to roll out their 16-inch telescope and spot some stars. Sam pointed the telescope so that I could peer at Betelgeuse. Right with its tiny companion, and Cassiopeia, the navigator star that Harriet, who is originally from Romania, came to New Zealand to view 18 years ago.

They both embody what it means to be passionate about what you do and their enthusiasm to share what they know is infectious. They particularly love educating children about the night sky and the imaginative nature of kids as one of their favorite aspects of the job. Children aged 12 and under can access the Star Safari tour for free.

Dark sky tourism in the Wairarapa is likely to grow as an application is under way for the region to be accredited as an International Dark Sky Reserve.

If approved, Wairarapa would be the largest Dark Sky Reserve in the world, all but ensuring more cosmic attractions that make the most of the area's expansive skies.

Being confronted with the awareness of nature in a settlement most New Zealanders can appreciate. But as I stood beneath the blanket of stars, I wasn't confronted with the usual feeling of insignificance. Instead, I felt lucky. At a time when many around the world are physically disconnected from ever, these experiences feel increasingly meaningful.

As Sam says, "that's what's amazing, thinking about the stars. They connect everybody."

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Online Promotion of the Region (follow the links to view to read just a few examples)

<https://www.nzherald.co.nz/travel/go-nz-a-campervan-trip-on-a-wairarapa-wine-trail/X3JYTTE2I7M5H2CSKGBB72GXDQ/>

<https://www.tvnz.co.nz/one-news/new-zealand/new-zealand-enjoys-resurgence-humble-bookstore>

<https://www.stuff.co.nz/travel/destinations/nz/300223185/six-of-the-best-small-towns-to-visit-before-summer-ends>

Content paid for by Tourism NZ but written by Walt

<https://www.stuff.co.nz/travel/back-your-backyard/124196497/the-wairarapa-is-nzs-yearround-destination>

<https://www.nzherald.co.nz/travel/go-nz-the-best-of-the-wairarapa-from-martinborough-to-greytown-to-featherston/MRVBJUYTK3EO24NVGDVG43L5N4/>

<https://www.stuff.co.nz/travel/back-your-backyard/300119739/five-of-new-zealands-most-underrated-small-towns-according-to-kiwi-travellers>

<https://www.stuff.co.nz/travel/destinations/nz/wellington/123486842/why-you-cant-beat-the-wairarapa>

And the best is last: not by us – about us:

<https://www.stuff.co.nz/travel/news/300259014/domestic-tourism-the-biggest-winners-and-losers-a-year-after-the-covid19-pandemic-closed-borders>

Anna Nielson – General Manager  
30<sup>th</sup> April 2021

# Balance Sheet

## Destination Wairarapa Inc. As at 31 March 2021

31 Mar 2021

31 Mar 2020

31 Mar 2019

### Assets

<b>Bank</b>			
ANZ - Operational (00)	291,686	212,400	113,198
ANZ - Remutaka Cycle Trail	9,628	9,623	54,579
ANZ - Reserves (012)	100,907	46,353	167,505
BNZ Account	18,741	25,635	35,756
<b>Total Bank</b>	<b>420,962</b>	<b>294,011</b>	<b>371,038</b>
<b>Current Assets</b>			
Accounts Receivable	2,256	23,748	17,317
ANZ Term Deposit	150,000	-	-
Inventory - I Sites	1,543	1,633	3,291
i-Site Float - Martinborough	100	100	100
i-Site Float - Masterton	100	100	80
<b>Total Current Assets</b>	<b>153,999</b>	<b>25,581</b>	<b>20,788</b>
<b>Fixed Assets</b>			
Computer Equipment	2,469	2,469	550
Less Accumulated Depreciation on Computer Equipment	(744)	(472)	(235)
Furniture & Equipment	70,408	70,408	91,657
Less Accumulated Depreciation on Furniture & Equipment	(61,977)	(61,467)	(78,751)
Motor Vehicle	42,165	42,165	42,165
Less Accumulated Depreciation on Motor Vehicles	(26,153)	(24,437)	(16,840)
<b>Total Fixed Assets</b>	<b>26,168</b>	<b>28,666</b>	<b>38,547</b>
<b>Total Assets</b>	<b>601,130</b>	<b>348,257</b>	<b>430,373</b>

### Liabilities

<b>Current Liabilities</b>			
Accounts Payable	17,511	20,465	7,314
ANZ Credit Card - A Nielson	779	181	-
ANZ Credit Card - B Hyde	523	(1,842)	3,181
ANZ Credit Card - D Hancock	-	455	33
Covid-19 Income in Advance	-	5,858	-
Current Portion - Toyota Finance Loan 6	4,625	-	-
Current Portion - UDC Finance	-	-	-
GST	11,718	4,213	13,999
Income in Advance - Remutaka Cycle Trail	-	-	45,000
Suspense	-	-	137
<b>Held on Behalf</b>			
Held in Trust	12,927	14,212	(484)
<b>Total Held on Behalf</b>	<b>12,927</b>	<b>14,212</b>	<b>(484)</b>
<b>Payroll</b>			
Holiday Pay Liability	25,656	26,670	28,259

# Balance Sheet

	31 Mar 2021	31 Mar 2020	31 Mar 2019
PAYE Payable	-	-	9,391
<b>Total Payroll</b>	<b>25,656</b>	<b>26,670</b>	<b>37,650</b>
<b>Total Current Liabilities</b>	<b>73,738</b>	<b>70,213</b>	<b>106,829</b>
<b>Non-Current Liabilities</b>			
Toyota Finance - Interest Not Yet Due	(616)	(1,940)	(4,003)
Toyota Finance Loan 6	5,103	14,547	20,147
UDC Finance	945	12,672	24,331
<b>Total Non-Current Liabilities</b>	<b>5,432</b>	<b>25,279</b>	<b>40,476</b>
<b>Total Liabilities</b>	<b>79,170</b>	<b>95,492</b>	<b>147,306</b>
<b>Net Assets</b>	<b>521,960</b>	<b>252,766</b>	<b>283,067</b>
<b>Equity</b>			
Asset Replacement Reserve	40,000	40,000	40,000
Contingency Reserve	50,000	50,000	50,000
Current Year Earnings	304,587	73,913	96,863
Remutaka Cycle Trail - Reserve	20,000	20,000	20,000
Retained Earnings	107,373	68,853	76,204
<b>Total Equity</b>	<b>521,960</b>	<b>252,766</b>	<b>283,067</b>

# Budget Variance

## Destination Wairarapa Inc. 1 Jul 2020 to 31 Mar 2021

	Actual	Budget	Var NZD	Var %	YTD Actual	YTD Budget	Var NZD	Var %
<b>Income</b>								
Retail Sales	3,427	2,325	1,102▲	47.4%▲	3,427	2,325	1,102▲	47.4%▲
Accommodation Commission	2,804	3,375	(571)▼	-16.9%▼	2,804	3,375	(571)▼	-16.9%▼
Bookit	6,337	1,965	4,372▲	222.5%▲	6,337	1,965	4,372▲	222.5%▲
Donation - Trust House	100,000	-	100,000▲	0.0%	100,000	-	100,000▲	0.0%
Grants - CDC	41,976	41,976	-	0.0%	41,976	41,976	-	0.0%
Grants - MDC	212,186	212,184	2▲	0.0%▲	212,186	212,184	2▲	0.0%▲
Grants - SWDC	98,963	98,961	2▲	0.0%▲	98,963	98,961	2▲	0.0%▲
Interest Received	256	450	(194)▼	-43.1%▼	256	450	(194)▼	-43.1%▼
Membership	284	55,000	(54,716)▼	-99.5%▼	284	55,000	(54,716)▼	-99.5%▼
Other Revenue	26,260	12,500	13,760▲	110.1%▲	26,260	12,500	13,760▲	110.1%▲
Ticket Commission	750	940	(190)▼	-20.2%▼	750	940	(190)▼	-20.2%▼
Tourism Products	990	835	155▲	18.5%▲	990	835	155▲	18.5%▲
Travel Sales	3,348	2,315	1,033▲	44.6%▲	3,348	2,315	1,033▲	44.6%▲
Wairarapa Visitor Guide	30,078	15,000	15,078▲	100.5%▲	30,078	15,000	15,078▲	100.5%▲
<b>Total Income</b>	<b>527,658</b>	<b>447,826</b>	<b>79,832</b>	<b>17.8%</b>	<b>527,658</b>	<b>447,826</b>	<b>79,832</b>	<b>17.8%</b>
<b>Gross Profit</b>	<b>527,658</b>	<b>447,826</b>	<b>79,832</b>	<b>18.0%</b>	<b>527,658</b>	<b>447,826</b>	<b>79,832</b>	<b>18.0%</b>
<b>Plus Other Income</b>								
Covid-19 Wage Subsidy Received	2,971	-	2,971▲	0.0%	2,971	-	2,971▲	0.0%
STAPP Funding	400,000	400,000	-	0.0%	400,000	400,000	-	0.0%



# Budget Variance

	Actual	Budget	Var NZD	Var %	YTD Actual	YTD Budget	Var NZD	Var %
<b>Total Other Income</b>	<b>402,971</b>	<b>400,000</b>	<b>2,971</b>	<b>0.7%</b>	<b>402,971</b>	<b>400,000</b>	<b>2,971</b>	<b>0.7%</b>
<b>Less Operating Expenses</b>								
Cleaning	684	1,440	(756)▼	-52.5%▼	684	1,440	(756)▼	-52.5%▼
Consulting & Accounting	20,506	100,000	(79,494)▼	-79.5%▼	20,506	100,000	(79,494)▼	-79.5%▼
General Expenses	435	-	435▲	0.0%	435	-	435▲	0.0%
POS i-SITEs	1,668	1,854	(186)▼	-10.0%▼	1,668	1,854	(186)▼	-10.0%▼
<b>Corporate Support Expenses</b>								
ACC Levies	907	1,156	(249)▼	-21.6%▼	907	1,156	(249)▼	-21.6%▼
Accounting Fees	7,920	8,910	(990)▼	-11.1%▼	7,920	8,910	(990)▼	-11.1%▼
Audit Fees	65	-	65▲	0.0%	65	-	65▲	0.0%
Bank Fees - ANZ	202	315	(113)▼	-36.0%▼	202	315	(113)▼	-36.0%▼
Board Fees	6,154	10,000	(3,846)▼	-38.5%▼	6,154	10,000	(3,846)▼	-38.5%▼
Contract staff	36,142	47,700	(11,558)▼	-24.2%▼	36,142	47,700	(11,558)▼	-24.2%▼
Electricity Corporate	689	1,200	(511)▼	-42.6%▼	689	1,200	(511)▼	-42.6%▼
Entertainment	397	-	397▲	0.0%	397	-	397▲	0.0%
Equipment Rental	726	900	(174)▼	-19.3%▼	726	900	(174)▼	-19.3%▼
Fringe Benefit Tax	3,083	4,623	(1,540)▼	-33.3%▼	3,083	4,623	(1,540)▼	-33.3%▼
Information Technology	6,709	3,700	3,009▲	81.3%▲	6,709	3,700	3,009▲	81.3%▲
Insurance	3,864	3,888	(24)▼	-0.6%▼	3,864	3,888	(24)▼	-0.6%▼
Interest Expense	997	1,485	(488)▼	-32.9%▼	997	1,485	(488)▼	-32.9%▼
Kitchen Supplies Corporate	67	275	(208)▼	-75.6%▼	67	275	(208)▼	-75.6%▼
KiwiSaver Employer Contributions	8,031	9,000	(969)▼	-10.8%▼	8,031	9,000	(969)▼	-10.8%▼
Legal Expenses	5,330	5,000	330▲	6.6%▲	5,330	5,000	330▲	6.6%▲
Membership Expenses	395	-	395▲	0.0%	395	-	395▲	0.0%

# Budget Variance

	Actual	Budget	Var NZD	Var %	YTD Actual	YTD Budget	Var NZD	Var %
Merchant & BNZ Bank Fees	1,696	1,375	321▲	23.4%▲	1,696	1,375	321▲	23.4%▲
Office Supplies & Photocopying Corporate	4,675	4,950	(275)▼	-5.6%▼	4,675	4,950	(275)▼	-5.6%▼
Other Travel & Transport	110	-	110▲	0.0%	110	-	110▲	0.0%
Personnel incl. Training Corporate	2,422	10,000	(7,578)▼	-75.8%▼	2,422	10,000	(7,578)▼	-75.8%▼
Rent & Rates Corporate	13,741	14,820	(1,079)▼	-7.3%▼	13,741	14,820	(1,079)▼	-7.3%▼
Repairs & Maintenance (2210)	7,975	-	7,975▲	0.0%	7,975	-	7,975▲	0.0%
Salaries	183,825	180,000	3,825▲	2.1%▲	183,825	180,000	3,825▲	2.1%▲
Subscriptions & Membership	7,627	5,900	1,727▲	29.3%▲	7,627	5,900	1,727▲	29.3%▲
Telecom incl Mobiles Corporate	4,177	4,500	(323)▼	-7.2%▼	4,177	4,500	(323)▼	-7.2%▼
Training & Recruitment (2060)	8,691	20,000	(11,309)▼	-56.5%▼	8,691	20,000	(11,309)▼	-56.5%▼
Vehicle Leases	78	-	78▲	0.0%	78	-	78▲	0.0%
Vehicle Operating Costs	7,936	8,550	(614)▼	-7.2%▼	7,936	8,550	(614)▼	-7.2%▼
<b>Total Corporate Support Expenses</b>	<b>324,630</b>	<b>348,247</b>	<b>(23,617)</b>	<b>-6.8%</b>	<b>324,630</b>	<b>348,247</b>	<b>(23,617)</b>	<b>-6.8%</b>
<b>Total I-Site Expenses</b>								
Electricity i-SITEs	1,701	2,300	(599)▼	-26.1%▼	1,701	2,300	(599)▼	-26.1%▼
Kitchen Supplies i-SITEs	178	275	(97)▼	-35.1%▼	178	275	(97)▼	-35.1%▼
Less Cost of Sales	1,830	-	1,830▲	0.0%	1,830	-	1,830▲	0.0%
Office Supplies i-SITEs	624	1,350	(726)▼	-53.8%▼	624	1,350	(726)▼	-53.8%▼
Personnel incl Training & Conferences i-SITEs	9	-	9▲	0.0%	9	-	9▲	0.0%
Photocopier i-SITEs	1,285	1,350	(65)▼	-4.8%▼	1,285	1,350	(65)▼	-4.8%▼
Photocopier Rental	424	-	424▲	0.0%	424	-	424▲	0.0%
Rent & Rates i-SITEs	17,503	15,054	2,449▲	16.3%▲	17,503	15,054	2,449▲	16.3%▲
Telecom i-SITEs	3,250	3,600	(350)▼	-9.7%▼	3,250	3,600	(350)▼	-9.7%▼
Travel & Transport	1	-	1▲	0.0%	1	-	1▲	0.0%
Wages	130,084	101,000	29,084▲	28.8%▲	130,084	101,000	29,084▲	28.8%▲

# Budget Variance

	Actual	Budget	Var NZD	Var %	YTD Actual	YTD Budget	Var NZD	Var %
<b>Total Total I-Site Expenses</b>	<b>156,889</b>	<b>124,929</b>	<b>31,960</b>	<b>25.6%</b>	<b>156,889</b>	<b>124,929</b>	<b>31,960</b>	<b>25.6%</b>
<b>Total Marketing Expenses</b>								
Business Events Marketing	436	-	436▲	0.0%	436	-	436▲	0.0%
Distribution	5,573	5,950	(377)▼	-6.3%▼	5,573	5,950	(377)▼	-6.3%▼
Domestic Campaign Not Far	442	-	442▲	0.0%	442	-	442▲	0.0%
Domestic Marketing	30,436	50,000	(19,564)▼	-39.1%▼	30,436	50,000	(19,564)▼	-39.1%▼
Domestic Marketing Email Distribution	4,908	6,300	(1,392)▼	-22.1%▼	4,908	6,300	(1,392)▼	-22.1%▼
Domestic Marketing Facebook	2,726	6,300	(3,574)▼	-56.7%▼	2,726	6,300	(3,574)▼	-56.7%▼
Domestic Marketing Wings Campaign	17,694	40,000	(22,306)▼	-55.8%▼	17,694	40,000	(22,306)▼	-55.8%▼
Imagery	4,922	20,000	(15,078)▼	-75.4%▼	4,922	20,000	(15,078)▼	-75.4%▼
Marketing Projects	-	20,000	(20,000)▼	-100.0%▼	-	20,000	(20,000)▼	-100.0%▼
Media Hosting	3,144	3,000	144▲	4.8%▲	3,144	3,000	144▲	4.8%▲
Relationship Marketing	763	900	(137)▼	-15.2%▼	763	900	(137)▼	-15.2%▼
Trade Events & Training	215	-	215▲	0.0%	215	-	215▲	0.0%
Trade Famils	139	3,000	(2,861)▼	-95.4%▼	139	3,000	(2,861)▼	-95.4%▼
Visitor Guide	15,603	18,000	(2,397)▼	-13.3%▼	15,603	18,000	(2,397)▼	-13.3%▼
Website	4,774	6,300	(1,526)▼	-24.2%▼	4,774	6,300	(1,526)▼	-24.2%▼
<b>Total Total Marketing Expenses</b>	<b>91,777</b>	<b>179,750</b>	<b>(87,973)</b>	<b>-48.9%</b>	<b>91,777</b>	<b>179,750</b>	<b>(87,973)</b>	<b>-48.9%</b>
<b>Total Projects Expenses</b>								
Project	30,089	40,000	(9,911)▼	-24.8%▼	30,089	40,000	(9,911)▼	-24.8%▼
<b>Total Total Projects Expenses</b>	<b>30,089</b>	<b>40,000</b>	<b>(9,911)</b>	<b>-24.8%</b>	<b>30,089</b>	<b>40,000</b>	<b>(9,911)</b>	<b>-24.8%</b>
<b>Total Operating Expenses</b>	<b>626,678</b>	<b>796,220</b>	<b>(169,542)</b>	<b>-21.3%</b>	<b>626,678</b>	<b>796,220</b>	<b>(169,542)</b>	<b>-21.3%</b>
<b>Operating Profit</b>	<b>303,951</b>	<b>51,606</b>	<b>252,345</b>	<b>489.0%</b>	<b>303,951</b>	<b>51,606</b>	<b>252,345</b>	<b>489.0%</b>

# Budget Variance

	Actual	Budget	Var NZD	Var %	YTD Actual	YTD Budget	Var NZD	Var %
<b>Non-operating Expenses</b>								
Entertainment - Non deductible	457	2,250	(1,794)▼	-79.7%▼	457	2,250	(1,794)▼	-79.7%▼
<b>Total Non-operating Expenses</b>	<b>457</b>	<b>2,250</b>	<b>(1,794)</b>	<b>-79.7%</b>	<b>457</b>	<b>2,250</b>	<b>(1,794)</b>	<b>-79.7%</b>
<b>Net Profit</b>	<b>303,495</b>	<b>49,356</b>	<b>254,139</b>	<b>515.0%</b>	<b>303,495</b>	<b>49,356</b>	<b>254,139</b>	<b>515.0%</b>