



Finance Committee Meeting Agenda – 3 May 2023

NOTICE OF MEETING

This meeting will be held in the Pūtahi Room, 19 Kitchener Street, Martinborough and via audio-visual conference, commencing at 10.00am. The meeting will be held in the SWDC Office and will be live-streamed and will be available to view on our [YouTube channel](#).

Open Section

- A1. Mihi / Karakia Timatanga - Opening**
- A2.** Apologies
- A3.** Conflicts of interest
- A4.** 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.
- A5.** Actions from public participation
- A6.** Extraordinary business
- A7.** Confirmation of minutes Pages 1-3
Proposed resolution: *That the minutes of the Finance Committee meeting held on 15 February 2023 are a true and correct record.*
- A8.** Matters arising from previous minutes

- B. Information Reports from Chief Executive and Staff**
- B1.** Finance Report Pages 4-20

- C Chairperson's Report**
- C1.** Report from Finance Committee Chair, Councillor Colin Olds Page 21

- D Member's Report**
- D1.** Report from Mayor Martin Connelly Page 22

- E. Public Excluded**
- E1.** Confirmation of public excluded minutes *(distributed separately)*
Proposed resolution: *That the public excluded minutes of the Finance Committee meeting held on 15 February 2023 are a true and correct record.*
- E2.** Financial Systems Report *(distributed separately)*

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
Public excluded minutes of the Finance Committee held on 15 February 2023 (IT Systems and Architecture – Critical Spend and Programme of Work)	Good reason to withhold exists under section 7(2)(j)	Section 48(1)(a)
Financial Systems Report, 3 May 2023	Good reason to withhold exists under section 6a), 6b) and 7(2)(a)	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
That good reason exists for excluding the public from the whole or any part of the proceedings of any meeting as the public disclosure of information that would be likely to prejudice the maintenance of the law, including the prevention, investigation, and detection of offences, and the right to a fair trial; or to endanger the safety of any person.	Section 6(a)/6(b)
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 prevent the disclosure or use of official information for improper gain or improper advantage.	Section 7(2)(j)

F. Karakia Whakamutunga - Closing



Finance Committee Minutes from 15 February 2023

Present: Councillor Colin Olds (Chair), Mayor Martin Connelly (from 10:10am), Councillors Kaye McAulay (via Zoom only), Martin Bosley and Aaron Woodcock.

In Attendance: Councillor Pip Maynard, Alistair Plimmer.

Also in Attendance: Harry Wilson (Chief Executive Officer), Karon Ashforth (General Manager Finance), Amanda Bradley (General Manager Policy and Governance), Paul Gardner (HR Manager), Sheil Priest (General Manager Communications and Engagement), Stefan Corbett (Group Manager Partnerships and Operations), Rebecca Jamieson (Digital Communications Advisor), Robyn Wells (Principal Advisor Water Transition), and Amy Andersen (Committee Advisor).

Conduct of Business: This meeting was held in SWDC Greytown Office, 64 Main Street, Greytown and via audio-visual conference. This meeting was live-streamed and is available to view on our YouTube channel. The meeting was held in public under the above provisions from 10:03am to 12:14pm except where expressly noted.

Open Section

Councillor Olds welcomed attendees and members of the public online, noting that the venue had moved from Martinborough to Greytown, due to weather conditions.

Item Moved

A2. Apologies

There were no apologies.

A1. Mihi/Karakia Timatanga - Opening

Ms Andersen opened the meeting.

A3. Conflicts of Interest

The following conflicts of interest were declared.

A4. Public Participation

There was no public participation.

A5. Actions from public participation

As above.

A6. Extraordinary Business

There was no extraordinary business.

A7. Matters arising from previous minutes

There were no matters arising from the previous minutes.

B Information Reports from Chief Executive and Staff

B1. Finance Report

Mayor Connelly joined the meeting at 10:10am.

Ms Ashforth spoke to matters included in the report.

Ms Ashforth noted the Annual Report 2021/22 final audit will restart next week.

Ms Wells provided further information and updates in relation to the Three Waters transition programme.

Ms Ashforth responded questions from members regarding: the Provincial Growth Fund (Tauherenikau Bridge); staffing of libraries (Mr Corbett provided historical background); collection of rates arrears; the Annual Report 2021/22 completion delays and notification to the public about this issue; Three Waters reporting, submissions and regular updates as the transition progresses; upcoming consultation and engagement (LTP, rating review); insurance; and the Financial Delegations Policy.

Action 54: To write a letter to the Auditor General expressing concerns about the delay in completing the review of SWDC's Annual Report 2021/22; to be co-signed by the Mayor, Chief Executive and General Manager Finance, *H Wilson*.

FINANCE COMMITTEE RESOLVED (FI2023/01) to receive the Finance Report.

(Moved Cr Bosley, Seconded Cr Woodcock)

Carried

C Chairperson's Report

C1. Report from Finance Committee Chair

FINANCE COMMITTEE RESOLVED (FI2023/02) to receive the Chairperson's report.

(Moved Councillor Olds/Seconded Mayor Connelly)

Carried

D 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
IT Systems and Architecture – Critical Spend and Programme of Work	Good reason to withhold exists under 7(2)(j)	Section 48(1)(a)

This resolution (FI2023/03) 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 prevent the disclosure or use of official information for improper gain or improper advantage.	Section 7(2)(j)

(Moved Councillor Bosley/Seconded Mayor Connelly)

Carried

The meeting was adjourned at 11:29am.

The meeting was recommenced at 11:40am.

Mayor Connelly left the meeting at 12:00pm.

E Karakia Whakamutunga – Closing

Ms Andersen closed the meeting.

The meeting was closed at 12:14pm.

Confirmed as a true and correct record

.....(Chair)

.....(Date)



Finance Report

1. Purpose

To inform the Committee of the Financial Results YTD March 2023 and other relevant financial updates on Audit, Annual Report 2021/22, Wellington Water Ltd forecast and Water Services Reform Programme.

2. Recommendations

Officers recommend that the Finance Committee:

1. Receive the *Finance Report* as of 31 March 2023.
2. Receive an update on the Annual Report 2021/22 and final audit progress.
3. Receive the WWL operational expenditure forecasted overspend for 2022/23 report.
4. Recommend to Council the approval of the WWL operational expenditure forecasted overspend for 2022/23 by \$301k.
5. Inform and receive update on Water Services Reform Programme for the Finance and Commercial workstream.
6. To receive LGOIMA's register January-March 2023.

3. Items for Consideration

3.1 Finance Report as at 31 March 2023

Full report in Appendix 1.

3.2 Annual Report 2021/22 and Final Audit Report update – April 2023

AuditNZ had previously publicly announced that all outstanding audits and opinions would be concluded by 31 March 2023. This timeframe has been delayed into April and further changes have been requested by AuditNZ to the Annual Report, the draft report is due back to AuditNZ by 30th April.

The draft annual report will be presented to the Risk and Assurance Committee 3rd May for recommendation for Adoption of the Annual Report to Council on 7th June 2023.

3.3 WWL operation expenditure forecasted overspend 2022/23 Purpose

The purpose of this report is to provide Councillors with sufficient information and explanation to recommend for approval an operational overspend in the WWL operating budget for 2022/23 so that the appropriate approvals are in place for financial year-end.

4. Executive Summary

Nine months into the 2022/23 Financial Year Wellington Water is forecasting an overspend on their approved full year budget for operating costs, excluding water race operations and associated management. As an unapproved expenditure this overspend needs to be approved by Councillors.

The key driver of the overspend relates to responding to an emergency event in Featherston at a cost of \$240k. Without this unanticipated event, total predicted overspend for the year is 2% or \$61k. Approval is requested for a total \$301k overbudget spend.

5. Discussion

As detailed in Appendix 1 WWL OPEX Dashboard as at 31 March 2023, the current operating costs forecast is predicting a total overspend of \$301k, an 8% increase of total budget of \$3.9m, excluding water races.

The increase is largely due to the wastewater network costs relating to the Fitzherbert Street sewer overflow emergency event in July 2022, YTD \$240k. Other contributing factors include \$5k for Harrison Culvert maintenance, increased global chemical prices, \$20k for backfilling permanent resources with contractors for control system work, a lightning strike repair of \$23k, and higher than expected consent monitoring fees for our wastewater assets (\$87k).

Offsetting the increases WWL have identified savings across all three waters in deferring investigations of \$141k (Ruamāhanga Whaitua and growth planning).

Water races are forecast to be underspent by \$66k for the year and are ring-fenced from offsetting overspends on other budgets.

It should be noted that there remains a risk as another extreme weather event precipitating an overflow response at Fitzherbert Street before the end of the financial year could exacerbate the overspend.

WWL have been directed to look for further savings over the next three months but there is a risk that these will not eventuate.

WWL have also informed us that to comply with the current budget would require significant reductions in service delivery for the final three months of the FY, and result in significant non-compliances.

6. Water Services Reform Programme-Finance Finance & Commercial workstream update

6.1 Finance and Commercial Workstream 90-Day Plan Dec 2022-Mar 2023

The Draft Settlement Accounts meeting was held on 20 March 2023 with the National Transition Unit (NTU) and the SWDC finance team to determine the net debt validation position for Council as at 30 June 2022.

This analysis now requires further work to determine the debt position of Council on all water assets from 2012 to 2022 using the published Funding Impact Statements. This analysis has now been put on hold due to resource constraints in the finance team and the NTU have been advised all work is now on hold.

7. Current list of Official Information requests (see next page)

Official Information Requests January 2023– April 2023				
No.	Date Received	Date Due	Request	Officer
043	11-Jan-23	9-Feb-23	Sale and Supply of Alcohol	Rick/Hazel
044	23-Jan-23	21-Feb-23	Lighting	Stefan
045	25-Jan-23	24-Feb-23	Solar Farms	Russell
046	30-Jan-23	28-Feb-23	Citizenship Ceremonies	Paul
047	31-Jan-23	1-Mar-23	Rates, Personnel, Consultants	Karon
048	2-Feb-23	3-Mar-23	Residents Survey	Amanda
049	23-Feb-23	23-Mar-23	Swimming Pool Consents	Sara Edney
050	10-Mar-23	11-Apr-23	Expenditure mayor/council cars	Stefan
051	13-Mar-23	12-Apr-23	Financial statements - Annual Report 30 Jun 2022	Karon
052	16-Mar-23	27-Mar-23	Complaint	Stefan
053	17-Mar-23	18-Apr-23	2022/23 Setting of Rates	Karon
054	22-Mar-23	21-Apr-23	Lease of Martinborough Golf Club	Stefan/James
055	30-Mar-23	2-May-23	Sovereign citizens	Amanda
056	31-Mar-23	3-May-23	Complaint	Stefan
057	5-Apr-23	8-May-23	Rates information	Amanda
058	11-Apr-23	10-May-23	Animal Carcasses	Rick
059	11-Apr-23	10-May-23	Office space, working from home and stationary	Paul
060	11-Apr-23	10-May-23	Plural policing	Stefan/Paul
061	18-Apr-23	16-May-23	Complaint	Stefan
062	18-Apr-23	17-May-23	Martinborough Golf Club RMA / Correspondence/Trees	Stefan/James
063	20-Apr-23	19-May-23	Music licenses	Paul

8. Financial Delegations Policy

A reminder this policy provides Council guidance to enable effective Local Government, by delegating financial authority and powers to the Chief Executive and Staff.

[Financial Delegations Policy](#) current can be found on the Council's website.

The current policy requires unbudgeted operating expenditure over \$20k to be presented to the finance committee for recommendation to Council.

Financial delegation	Council	CEO	ELT	Managers	Other
Capital expenditure – emergency works* up to \$50,000		√			
Capital expenditure – emergency works* over \$50,000	√				
Other unbudgeted work up to \$20,000		√			
Other unbudgeted work from \$20,000 to \$100,000	√				Finance Audit and Risk Committee
All unbudgeted work over \$100,000	√				
Unbudgeted use of Reserves					
Unbudgeted use of Reserves up to \$75,000		√			
Unbudgeted use of Reserves from \$75,000 to \$100,000	√				Finance Audit and Risk Committee. The Committee will take into consideration if the use of the reserve will result in a credit balance and how long this is likely to remain.
Unbudgeted use of Reserves over \$100,000	√				Council will take into consideration if use of the reserve will result in a credit balance and how long this is likely to remain.

9. Appendices

Appendix 1 – Finance Report 31 December 2022

Appendix 2 – WWL Operational Expenditure Dashboard as at 31 March 2023

Contact Officer: Karon Ashforth, General Manager Finance

Reviewed by: Harry Wilson, Chief Executive Officer

Appendix 1 – Finance Report 31 December 2022



**SOUTH WAIRARAPA
DISTRICT COUNCIL**

Kia Reretahi Tātau

**Monthly Financial Statements
For the period ended
31 March 2023**

Contents

1. Executive Summary - Financial Report
2. Statement of Financial Performance
3. Statement of Financial Position
4. Investment and Borrowing Summary
5. Balance Of Reserves
6. Capital Expenditure - Significant Projects
7. Rates Arrears

Statement of Comprehensive Revenue and Expenses for the Period Ended 31 March 2023

Actual 2021/2022 \$000		Actual YTD 2022/2023 \$000	Budget YTD 2022/2023 \$000	Variance YTD 2022/2023 \$000	Full Year Budget 2022/2023 \$000
Operating Revenue					
19,980	Rates	16,049	15,996	53	21,388
4,061	Grants, subsidies, and donations	683	36	647	55
3,288	Waka Kotahi subsidy	3,571	2,317	1,254	3,089
2,505	Fees, licences, charges	1,905	2,115	(210)	2,802
2,769	Development, and financial contributions	1,800	1,078	722	1,378
746	Rental income	566	511	54	790
324	Miscellaneous revenue	198	193	4	254
238	Finance revenue	279	189	89	252
33,911	Total operating revenue	25,049	22,434	2,614	30,009
Operating Costs					
8,710	Community facilities & services	6,444	5,563	(881)	7,530
5,896	Land transport	6,914	4,339	(2,575)	6,152
4,671	Water supply	3,232	3,254	22	4,342
3,147	Wastewater	2,620	2,237	(383)	2,952
3,052	Planning & regulatory services	2,423	2,397	(26)	3,185
1,732	Governance	1,560	1,653	93	2,221
822	Stormwater drainage	511	467	(45)	615
13	Bad debts	7	-	(7)	-
28,044	Total operating costs	23,711	19,909	(3,802)	26,998
5,867	Total Operating Surplus/(Deficit)	1,338	2,525	(1,188)	3,011
2,435	Assets vesting in Council	3	-	3	-
1,542	Other gains and losses	77	-	77	413
9,844	Total Surplus/(Deficit)	1,417	2,525	(1,108)	3,423
Comprehensive Revenue and Expense					
48,083	Increase/(decrease) in revaluation reserves	(53)	-	(53)	-
57,927	Total other comprehensive revenue and expense	1,364	2,525	(1,162)	0
Note: Operating costs include the following expenses:					
4,927	Depreciation & amortisation	4,166	4,059	(106)	5,412
707	Finance costs	495	722	226	722

Executive Summary

The purpose of this report is to provide Council with a commentary on the year to date 31 March results. The annual report including the financial statements for 2021/22 were confirmed by Audit NZ 26th April as final. The financial statements included in this report reflect the correct opening balances from 2021/22.

Operating Surplus

The March YTD actuals to budgets results in an overall surplus of \$1,338k, which is below the budgeted surplus of \$2,525k, largely due to timing.

Operating revenue

Operating revenue actual is \$25m vs budget of \$22.4m, \$2.6m above budget. Rates income comprises 70% of total income and is tracking at budget YTD and full year. The increase in revenue is due to unbudgeted subsidies received, and additional funding from Waka Kotahi due to emergency works claims.

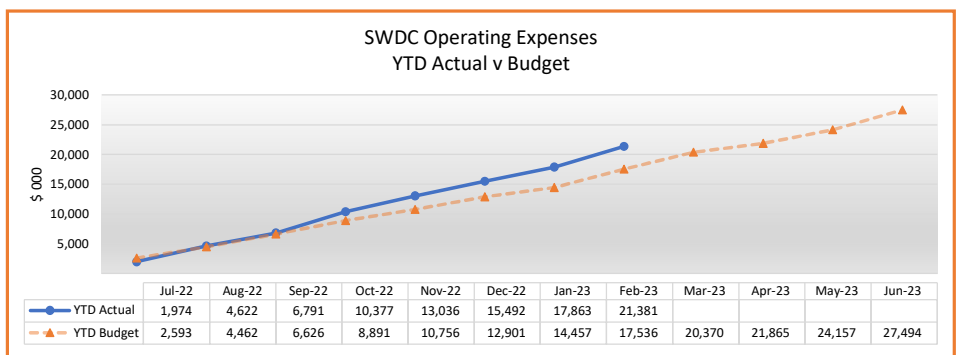
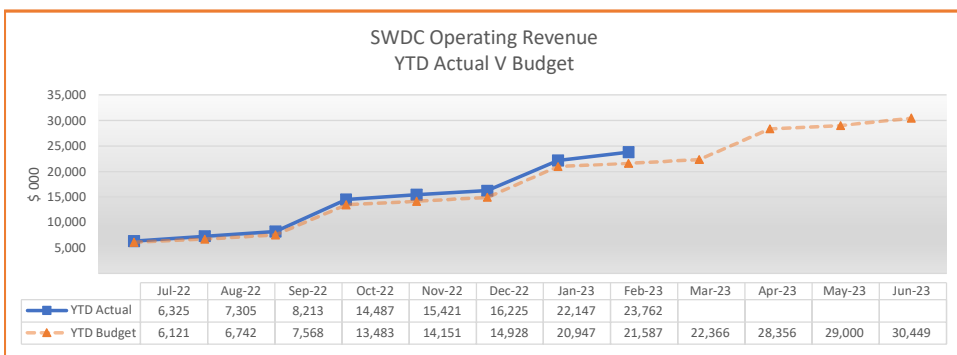
Operating Expenditure

Operating costs are \$23.7m vs budget of \$19.9m, \$3.8m above budget. This includes expenditure relating to the unbudgeted subsidies received as detailed below.

Further commentary on revenue and expenditure is included in this report on the following pages.

Budgets have been phased based on last year's actual spend and this will create variances where actuals vs budgets are not aligned; this is referred to as timing differences.

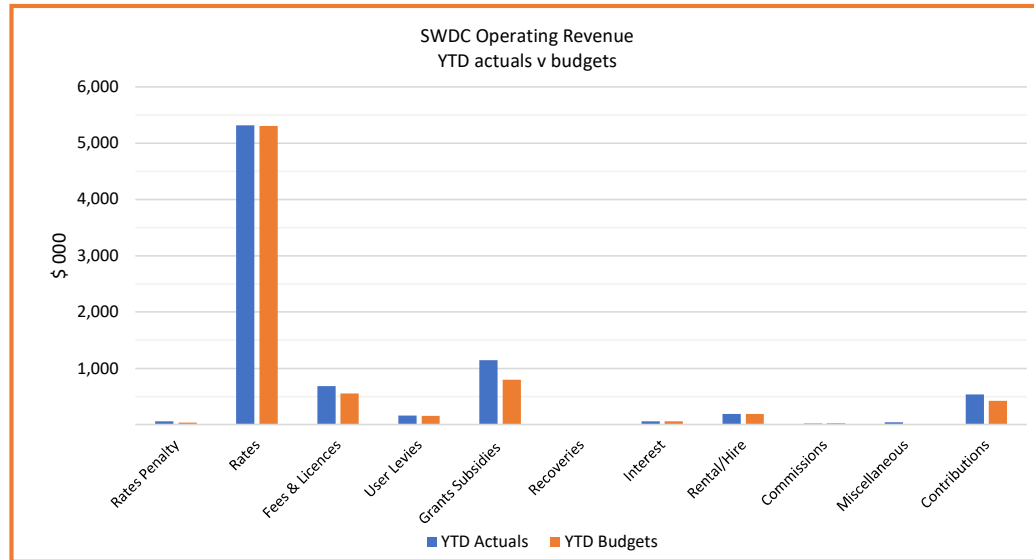
Summary of Unbudgeted Items	Total grant YTD	Act YTD	Balance sheet	Comments
Mayor's Taskforce	215,000	110,399	104,601	
Provincial Growth Fund (Tauherenikau Bridge)	251,495	243,152		not on B/s
Three Waters Reform transition assistance	262,500	159,896	102,604	
Hinekura hall Lottery Grant	30,000	14,576		not on B/s
Welcoming communities	50,000	19,681	30,319	
NZLPP funding	80,000	40,000	40,000	
NZTA unbudgeted	1,700,715	1,634,716	-	subsidised by 100%, 72% or 52%
	2,589,710	2,222,420	277,524	



Operating Income YTD March 2023

Income	2022/23	2022/23	2022/23	2022/23	2022/23
	YTD	YTD	YTD \$	YTD	Full Year
	Actuals	Budgets	Variance	% Variance	Budget
	March	March	March	March	\$000
	\$000	\$000	\$000		\$000
Grand Total	25,128	22,429	2,699	12.0%	30,421
Rates Penalty	111	85	26	30.5%	104
Rates	15,937	15,907	31	0.2%	21,210
Fees & Licences	1,394	1,593	(199)	(12.5%)	2,123
User Levies	583	562	21	3.8%	809
Grants Subsidies & Donations	4,246	2,385	1,861	78.0%	3,180
Recoveries	21	30	(9)	(28.8%)	45
Interest	279	189	89	47.2%	252
Rental/Hire	566	511	54	10.6%	790
Commissions	60	64	(4)	(6.3%)	85
Miscellaneous	52	24	27	112.3%	32
Investment	79	(0)	79	100.0%	413
Contributions	1,800	1,078	722	67.0%	1,378

*Reclassification - Investment shown in "other gains and losses" line separately on executive summary



Income Summary

Operating Income YTD is favourable to budget by \$2,699k or 10%.

Rates

Rates are on track YTD and full year. Instalment 3 was issued in January 2023.

Rates income comprises 70% of total income and is tracking at budget YTD and full year.

Fees & Licences

Unfavourable by \$199k due to economic decline in building and resource consents, also partly due to delays with Wellington Water and roading oncharges. Consents expected to increase with proposed District plan.

User levies

Favourable by \$21k mainly due the waste minimisation levy offset with expenditure and Septic tank disposals.

Grants, Donations & Subsidies

Favourable by \$1.9m. Please refer to the "Summary of unbudgeted items" table on Executive summary page.

Waka Kotahi operating subsidies \$1.1m and capex subsidies \$124k due to Emergency works claims and increased maintenance for general wet weather.

Rental Income

Favourable by 54k due to higher than expected income for rental properties and Community buildings with venues being used more frequently.

Miscellaneous Income

Favourable by \$27k due to contributions from Greater Wellington Regional Council (GWRC) funding of \$25k for Hinekura Rd offset to expenses.

Contributions

Favourable by \$722k

Higher than expected contributions from Greytown road/footpath contributions \$215k and Greytown sewer contributions \$357k.

Overall subdivision contributions are favourable by \$88k due to Greytown development, Featherston and Martinborough are lower than expected however completion rate is strong.

Statement of Financial Performance

Operating Expenditure

YTD March 2023

Expenditure	2022/23	2022/23	2022/23	2022/23	2022/23 Full Year Budget
	YTD Actuals March	YTD Budgets March	YTD \$ Variance March	YTD % Variance March	
	\$000	\$000	\$000		\$000
	23,711	19,889	(3,822)	(19.2%)	26,997
Finance & Corporate Support	2,502	2,613	111	4.3%	3,494
Governance	945	1,041	96	9.2%	1,406
Planning & Regulatory Services	2,013	1,971	(43)	(2.2%)	2,617
Community Facilities & Services	5,728	4,933	(795)	(16.1%)	6,690
Land Transport	6,579	4,033	(2,547)	(63.1%)	5,750
Water Supply	3,017	3,079	62	2.0%	4,112
Wastewater	2,444	2,133	(311)	(14.6%)	2,817
Stormwater Drainage	481	438	(44)	(10.0%)	578

Expenditure Summary

Operating expenditure YTD is unfavourable to budget by \$3.8m, 19.2%.

Expenditure is reported by significant activities as set out in the Annual Plan and LTP.

Due to economic conditions, costs are rising above the current inflation rate of 7.2% and most suppliers are indicating double digit increases on costs for next year.

Capital goods price index as at June 2022 forecasted double digit increases up to 15%

Finance & Corporate Support

Due to recent changes in information technology (IT) support and accounting standards, the cost of software and hardware has significantly changed in this year.

Previously most IT support including hardware and software was capital expenditure. With the Nearly all software now 'on the cloud', referred to as 'Software as a Service' (Saas), and is now classified as part of operating expenses. This has been budgeted as capital expenditure in the current financial year. As a result of urgent work are being carried out to improve the current IT platforms and systems At the same time, significant staff shortages in the finance services have increased support costs.

Governance

The current underspend in Governance costs are largely due to consultancy and training, this is partially due to timing with a large portion expected to be spent before the end of the financial year.

Community Facilities & Services

Community services is unfavourable by \$31k mainly due to timing with Youth/Community grants being paid ahead ahead of budget. Will correct by year end.

Economic development paid out ahead of budget Wairarapa Economic Strategy (WEDS) shared services, variance \$16k, timing issue to correct at year end.

Work costs have increased for parks and reserves, housing and toilets (Citycare) and the current year's budget not aligning with contract, variance \$247k.

Cleaning costs have increased due to outsourcing. Overall \$65k overspent. Budget has increased for next FY.

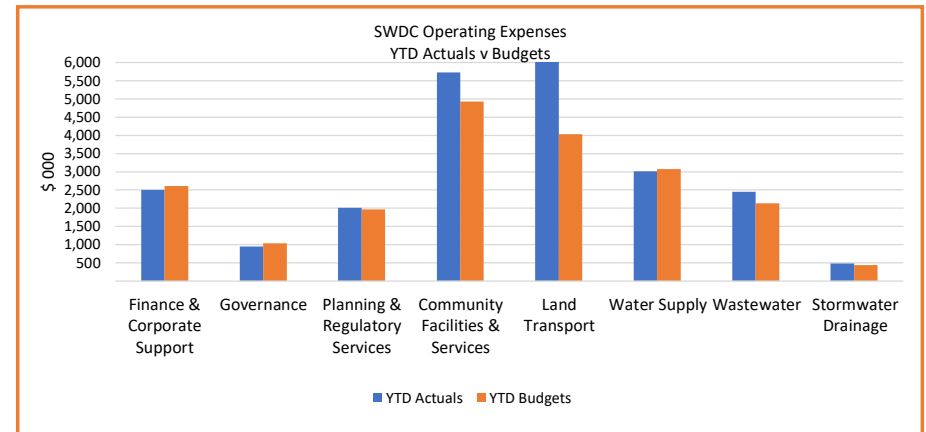
Libraries currently overspent due to staff shortages, however this will be recovered in part from

\$40k NZLPP funding and recharging CDC for shared costs, variance \$156k.

Refuse and recycling is overspent by \$50k partially due to higher volumes of landfill/recycling in the summer months, particularly in coastal areas and Martinborough.

Overall 75% of the full year budget has been spent.

Swimming pools are favourable by \$126k due to timing with work being completed after pool closures.



Land Transport

The \$2.5m overspend is largely attributable to emergency works for swell and flooding and weather events. Council will be advised on emergency funding requirements in Q3.YTD offset by \$1.6m in emergency income.

Planning & Regulatory Services

There has been an overspend in building contractors and this is likely to reduce for the remainder of the financial year with increased staff and less outsourcing for consent processing.

Resource management for operating costs which is overspent partially due to delayed commencement of the digitisation project from the previous financial year.

Total costs will be split between planning and building.

Three Waters & Wellington Water Ltd (WWL)

Three Waters includes water supply, wastewater and stormwater drainage.

Operating expenses are on track overall with 68% of the full year budget spent for management fees.

Works costs are on track for Water Supply, there is an overspend in network costs which is offset with an underspend in monitoring and investigations.

Works costs for Wastewater are unfavourable by \$157k due to network costs for flooding repairs in Featherston

Overall works costs are on track with 77% of the full year budget spent.

WWL Operating Expense Summary

Works costs	YTD Actuals	FY Budget	Percentage spent
Water Supply	1,692	2,338	72%
Wastewater	1,103	1,263	87%
Stormwater	127	199	64%
	2,922	3,800	77%
Management Fee	YTD Actuals	FY Budget	Percentage spent
Water Supply	70	179	39%
Wastewater	129	132	98%
Stormwater	35	33	107%
	234	343	68%
Total	3,156	4,143	76%

Statement of Financial Position

Statement of Financial Position as at 31 March 2023		Actual YTD 2022/2023
Actual 2021/2022 \$000		\$000
ASSETS		
Current assets		
4,128	Cash and cash equivalents	6,722
4,566	Investments	4,566
2,614	Debtors and other receivables	1,950
42	Inventories	32
66	Non-current assets held for sale	-
11,415	Total current assets	13,270
Non-current assets		
4,614	Investments	2,829
Other financial assets:		
131	Investments in CCOs and other similar entities	131
227	Investments in other entities	227
359	Total other financial assets	359
15,757	Investment properties	15,812
84	Intangible assets	362
564,268	Property, plant, and equipment	565,519
585,081	Total non-current assets	584,881
596,497	TOTAL ASSETS	598,151
LIABILITIES AND EQUITY		
Current liabilities		
4,029	Creditors and other payables	4,221
519	Employee entitlements	718
34	Provisions - current portion	34
3,300	Borrowings - current portion	3,300
7,881	Total current liabilities	8,272
Non-current liabilities		
315	Provisions - non-current portion	315
23,100	Borrowings - non-current portion	23,100
23,415	Total non-current liabilities	23,415
Equity		
168,083	Public equity	169,377
28,245	Restricted reserves and trust funds	28,268
368,873	Asset revaluation reserve	368,819
0	Other reserves	0
565,200	Total equity	566,464
Community wellbeing	TOTAL LIABILITIES AND EQUITY	598,151

Financial Statement Summary

Working Capital

Working Capital (current assets less current liabilities) which expresses the ability of council to meet its short-term obligations is acceptable with a ratio of 1.4 times.

Assets**Debtors and other Receivables**

Prepayments and receivables total \$1,950k, key components are :

- General Debtors \$502k (current due 44%)
- Rates total YTD are \$173k (total due \$546k, Rates in advance \$719k)
- NZTA & Fuel Tax Receivable \$342k
- Water debtors \$116k

Investments

SWDC's investment policy provides that financial investments should be spread over several financial institutions to reduce the potential risk of loss to Council.

These investments are spread over our bankers BNZ, and other banks Westpac, ANZ, ASB and Wairarapa Building Society (WBS) (see investment schedule next page)

The maximum amount to be invested with anyone approved institution is 50% of Council's total investments.

Liabilities**Payables and Accruals**

Payables and accruals total \$4,221k, key components are :

- Sundry creditors \$947k
- SWDC rates in advance \$512k
- GWRC rates payable & in advance \$241k
- Accrued expenses not yet invoiced \$345k
- Income in advance (MTFJ, NZLPP and Three water transition, Wairarapa Moana, Welcoming communities and Pain Farm insurance) \$576k
- Levies, bonds currently outstanding \$1,284k

Total Debt

Total public debt stands at \$26,400k. The average fixed interest rate on borrowings is 2.81%. (see debt breakdown on the next page)

Summary Of Investments and Lending

Summary Of Investments as at 31 March 2023				
Account	Total Invested	Interest Rate	Maturity date	
ASB Bank				
Call Account	131,580			
Term deposit	1,000,000	3.00%	21/05/2023	
Term deposit	1,000,000	3.90%	15/04/2023	
Term deposit	1,000,000	5.20%	05/12/2023	
ANZ Bank				
Term deposit	1,000,000	5.20%	09/12/2023	
BNZ Bank				
Call Account	2,504,354			
Term deposit	1,057,783	4.50%	25/11/2023	
Wairarapa Building Society				
Term deposit	500,000	4.30%	05/09/2023	
Term deposit	209,946	4.60%	21/11/2023	
Term deposit	203,724	4.60%	24/11/2023	
Term deposit	165,051	5.50%	20/12/2023	
TOTAL	8,772,439			
BONDS				
LGFA Borrower Bonds	567,300			
FORESTRY				
Plantation - Hurupi Stock	9,305			
SHARES				
Farmlands	1,159			
NZ Local Government Insurance Compar	81,434			
Wellington Water Limited	50,000			
TOTAL INVESTMENTS	9,481,638			

Summary Of Borrowing as at 31 March 2023				
Loan	Rate	Matures	Principal	Total Loan
3 Waters	3.89%	01/07/2024	2,000,000	2,000,000
3 Waters	3.42%	15/04/2023	678,802	
Land Transport	3.42%	15/04/2023	1,081,706	
Additional funding	3.42%	15/04/2023	39,492	1,800,000
Community Buildings	3.49%	15/04/2023	1,500,000	1,500,000
3 Waters	1.49%	15/04/2024	2,000,000	2,000,000
3 Waters	1.69%	15/04/2025	4,942,813	
Additional funding	1.69%	15/04/2025	57,187	5,000,000
Smoothing Loan AP 20-21	1.78%	15/04/2026	1,500,000	1,500,000
3 Waters	2.72%	15/05/2031	5,700,000	
Community Buildings	2.72%	15/05/2031	1,000,000	6,700,000
3 Waters	4.20%	01/07/2024	3,999,419	
Community Buildings	4.20%	01/07/2024	300,581	
Additional Funding	4.20%	01/07/2024	200,000	4,500,000
3 Waters	2.75%	01/07/2024	1,400,000	1,400,000
Total Lending				26,400,000
Lending Summary				
3 Waters	20,721,034			
Land Transport	1,081,706			
Community Buildings	2,800,581			
Smoothing Loan AP 20-21	1,500,000			
Additional Funding	296,680			
	26,400,000			

Note: Call Account is considered cash in the balance sheet as it is under 90days.
Loan movements and interest rates in Q4 are forecasted to increase however this will be offset by the reduction of new loans and not expected to impact the year end results

Balance of Reserves (updated quarterly)

Statement of Special and Separate Funds for the Year Ended 31 March 2023

	Activities to which reserve relates	Opening Balance \$000	Transfers In \$000	Transfers Out \$000	Closing Balance \$000
District Property					
To be used for Town Centre Development	All activities	134	142	115	160
Asset Realisation					
Capital gains from the sale of Council Assets that have been realised over time.	All activities	298	-	-	298
Plantation Reserve					
For road protection schemes and seal extensions in the future.	All activities	(117)	-	13	(129)
Community Board Reserves					
Community Board funds carried over:					
Featherston	Governance	5	5	3	6
Greytown	Governance	10	5	0	15
Martinborough	Governance	5	5	5	5
Māori Standing Committee	Governance	31	-	1	30
Featherston Beautification	Governance	26	12	10	28
Greytown Beautification	Governance	17	12	3	25
Martinborough Beautification	Governance	13	12	-	25
Martinborough Swimming Pool	Governance	15	-	-	15
Restricted Reserves					
To provide for the acquisition and development of reserves and open spaces in response to the needs arising from subdivision and development, to protect conservation values.	All activities	2,754	240	-	2,994
To provide opportunities for public access to and along water bodies, to provide recreational opportunities near water bodies					
Water Race Reserves					
Featherston/Longwood Water race	Water	9	42	25	26
Moroa	Water	284	45	13	316

Statement of Special and Separate Funds for the Year Ended 31 March 2023

	Activities to which reserve relates	Opening Balance \$000	Transfers In \$000	Transfers Out \$000	Closing Balance \$000
Trusts					
Campground Memorial: Pain Farm	Amenities	7	-	-	7
Maintaining and improving the Borough's parks, sports grounds, camping ground, swimming baths, providing and maintaining sports facilities and a children's playground.	Amenities	103	84	46	141
Infrastructure Contributions					
To provide a potable water supply, to safeguard the health of inhabitants and protect the natural environment for inappropriate disposal of sewage, to prevent damage to property or amenity from the indiscriminate and uncontrolled runoff of Stormwater, to ensure sufficient water is available for fire fighting purposes. To provide for the safe and convenient movement on roads of vehicular, bicycles and pedestrians within and through the Wairarapa.	All activities	3,423	535	-	3,958
Planning Reserves					
To spread the costs of the Combined District Plan over the life of the plan	Resource Management	(118)	60	205	(264)
To spread the costs of the Spatial Plan over the life of the plan	Resource Management	13	133	127	19
Loan Redemption Reserve					
To cover loan principal repayments	All activities	8,513	2,333	-	10,846
Depreciation Reserves					
To fund new capital projects	All activities	11,591	2,570	3,747	10,414
Disaster Recovery					
To fund disaster recovery IT upgrades	All activities	10	10	-	20
Martinborough Town Hall Reserve					
Waihinga Centre Project	Amenities	22	-	11	11
Rural Roading Reserve					
Rural Roading	Rooding	1,453	300	484	1,269
Housing Reserve					
Housing	Amenities	(226)	166	220	(280)
Maintenance Reserve					
To cover maintenance to buildings	Amenities	(21)	33	30	(18)
Total Special and Separate Funds		28,255	6,741	5,058	29,938

Rates Review

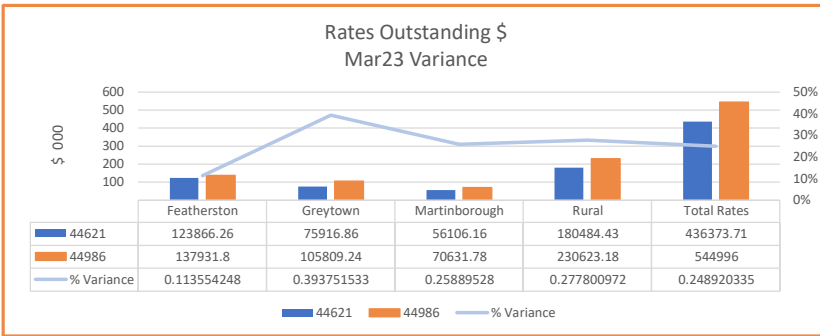
YTD MARCH 2023

Rates 2022/23	Quarterly Instalments due as at Jan	Overdue rates	% Overdue of outstanding rates
SWDC	24,473,617		
SWRC	5,432,154		
	29,905,771	22,429,328	544,996 2%

Total Rates Overdue (GST Incl)

Area	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23
Featherston	305,875	127,173	93,246	304,104	137,932
Greytown	261,981	96,570	67,107	263,385	105,809
Martinborough	205,276	68,704	40,518	201,153	70,632
Rural	495,968	223,958	187,950	410,630	230,623
Total Rates	1,269,100	516,405	388,820	1,179,272	544,996

Rates Owing - March YTD Comparison

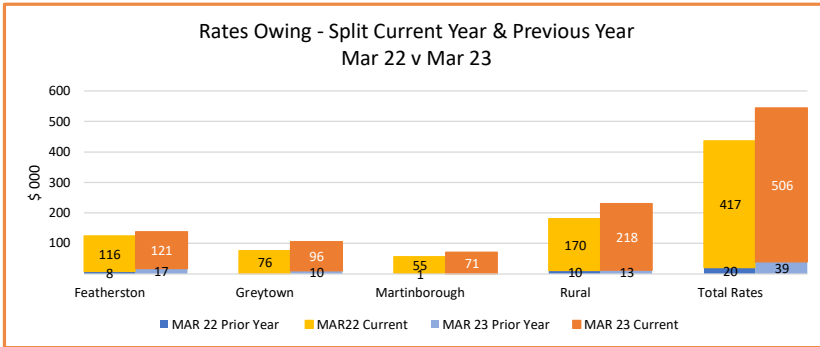


The third rates instalment was sent in January. Total overdue rates are current 2% of all Instalments sent.

The total rates overdue is \$544k. Of this \$505k (93%) is current year and \$39k is arrears from previous years.

As the arrears are affected by the Quartey invoicing, a clearer comparison is a YTD Comparison

There has been an increase in rates outstanding of \$108k compared to March the previous year. This is a 14% increase in outstanding rates compared to last year.



The majority of outstanding rates are for the current year rates (96%). There are 15 rating units still owing from the previous year owing \$39k

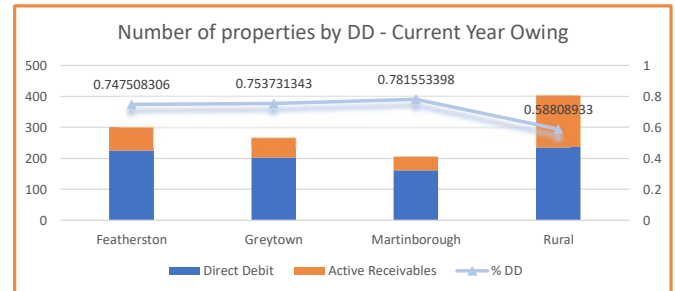
Rates by Number of Rating Units

Rating units in arrears	#Owing			Ave Debt	
	Mar-22	Mar-23	% Variance	Mar-22	Mar-23
Featherston	51	50	-2%	2,429	2,759
Greytown	38	40	5%	1,998	2,645
Martinborough	24	22	-8%	2,338	3,211
Rural	98	119	21%	1,842	1,938
Total Rates	211	231	9%	8,606	10,552

The average Debt owing in Mar 23 is 23% higher than in 2022, but the number of rating units owing is 9%. This higher debt is caused by the increases in rates between 2022 and 2023. The biggest variance is in the number of properties owing in the rural area with 21%. However the highest differential in average value owing is with the Urban area, which reflects the rates changes in 2022/23

Direct Debits

	Mar-22	Mar-23
Total rating units	7193	7336
#Direct Debit	2808	2825
Total % of Direct Debits	39%	41%



The number of rate payers using Direct Debit has remained steady at 41% for the last 5 months. Total current year owing is \$506k for 825 rating units - of this 70% rating units have a direct debit in place

The previous year rate arrears has reduced \$39k for a total 15 rating units. Of these, 3 owe under \$200 and 4 are currently on a repayment plan. Of the remaining 8 rating units, 1 has been referred to mortgagee process and 7 have been referred to legal and debt recovery .

Appendix 2 – WWL Operational Expenditure Dashboard as at 31 March 2023

OPEX Dashboard
As at 31 March 2023

Legend	Description
🔴	Overspend more than 10%
🟡	Overspend but less than 10%
🟢	Underspend more than 20%
🟠	Within budget and ≤20% underspend

Water	Activity	March 2023				YTD				Full Year			
		Actual \$	Budget \$	Variance \$	%	Actual \$	Budget \$	Variance \$	%	Forecast \$	Budget \$	Variance \$	%
Drinking Water	All	225,612	191,760	-33,852	(-18%)	1,705,822	1,725,839	20,017	1%	2,230,225	2,301,099	70,874	3%
	Network	126,813	59,001	-67,812	(-115%)	653,284	531,009	-122,275	(-23%)	742,532	708,015	-34,517	(-5%)
	Treatment Plant	65,844	54,084	-11,760	(-22%)	572,633	486,756	-85,877	(-18%)	759,363	649,021	-110,342	(-17%)
	Monitoring	-8,738	36,192	44,930	124%	226,630	325,728	99,098	30%	373,840	434,302	60,462	14%
	Investigations	18,147	19,753	1,606	8%	74,371	177,777	103,406	58%	98,927	237,027	138,099	58%
	Control Systems	14,763	9,744	-5,019	(-52%)	100,326	87,696	-12,630	(-14%)	130,533	116,922	-13,611	(-12%)
	Storage	898	2,909	2,011	69%	6,120	26,181	20,061	77%	19,766	34,905	15,139	43%
	Pump Stations	78	1,896	1,818	96%	78	17,064	16,986	100%	7,580	22,740	15,160	67%
	Utilities	16	390	374	96%	2,260	3,510	1,250	36%	4,193	4,676	483	10%
	Management & Advisory Services	7,791	7,791	0	0%	70,118	70,118	0	0%	93,491	93,491	0	0%
Stormwater	All	21,202	17,528	-3,674	(-21%)	147,121	157,748	10,626	7%	246,336	210,325	-36,011	(-17%)
	Network	15,491	8,296	-7,195	(-87%)	94,973	74,664	-20,309	(-27%)	126,266	99,552	-26,714	(-27%)
	Investigations	1,292	4,690	3,398	72%	8,050	42,210	34,160	81%	61,258	56,277	-4,981	(-9%)
	Control Systems	524	646	122	19%	9,039	5,814	-3,225	(-55%)	12,066	7,750	-4,316	(-56%)
	Contingency	0	0	0	0%	0	0	0	0%	0	0	0	0%
Wastewater	All	141,451	116,221	-25,230	(-22%)	1,230,379	1,045,992	-184,387	(-18%)	1,730,166	1,394,624	-335,543	(-24%)
	Treatment Plant	39,295	43,171	3,876	9%	314,272	388,539	74,267	19%	549,890	518,040	-31,850	(-6%)
	Network	24,616	28,838	4,222	15%	490,078	259,542	-230,536	(-89%)	582,447	346,041	-236,406	(-68%)
	Investigations	30,306	12,893	-17,413	(-135%)	72,358	116,037	43,679	38%	146,997	154,715	7,717	5%
	Monitoring	7,689	9,997	2,308	23%	158,704	89,973	-68,731	(-76%)	206,538	119,968	-86,570	(-72%)
	Pump Stations	18,942	4,302	-14,640	(-340%)	37,216	38,718	1,502	4%	39,783	51,621	11,838	23%
	Control Systems	6,320	2,737	-3,583	(-131%)	29,200	24,633	-4,567	(-19%)	33,111	32,839	-272	(-1%)
	Management & Advisory Services	14,283	14,283	0	0%	128,550	128,550	0	0%	171,400	171,400	0	0%
	Total Opex, excluding Water Races	388,265	325,509	-62,757	(-19%)	3,083,322	2,929,579	-153,743	(-5%)	4,206,727	3,906,047	-300,680	(-8%)
	Total Opex Programme	362,296	299,539	-62,757	(-21%)	2,849,594	2,695,851	-153,743	(-6%)	3,895,090	3,594,410	-300,680	(-8%)
Total Management & Advisory Services	25,970	25,970	0	0%	233,728	233,728	0	0%	311,637	311,637	0	0%	
Water Races	2,793	9,427	6,634	70%	32,708	47,340	14,632	31%	53,456	113,124	59,668	53%	
Longwood	1,588	6,797	5,209	77%	38,329	98,676	60,347	61%	75,077	81,556	6,479	8%	
Moroa													
Total Opex	392,646	341,733	-50,913	(-15%)	3,154,359	3,075,595	-78,765	(-3%)	4,335,261	4,100,727	-234,534	(-6%)	

Investment Category	Activity	March 2023				YTD				Full Year			
		Actual \$	Budget \$	Variance \$	%	Actual \$	Budget \$	Variance \$	%	Forecast \$	Budget \$	Variance \$	%
Drinking Water	All	224,878	191,760	-33,118	(-17%)	1,705,088	1,725,839	20,751	1%	2,230,225	2,301,099	70,874	3%
	Monitoring and Investigations	18,147	20,170	2,023	10%	74,371	181,530	107,159	59%	100,928	242,027	141,099	58%
	Maintenance (Planned)	2,493	2,655	162	6%	23,517	23,895	378	2%	31,839	31,860	21	0%
	Maintenance (Reactive)	125,312	61,124	-64,188	(-105%)	638,226	550,116	-88,110	(-16%)	740,231	733,476	-6,755	(-1%)
	Operations	4,085	45,936	41,851	91%	322,101	413,424	91,323	22%	501,458	551,224	49,766	9%
	Treatment Plant	67,050	54,084	-12,966	(-24%)	576,755	486,756	-89,999	(-18%)	762,278	649,021	-113,257	(-17%)
	Management & Advisory Services	7,791	7,791	0	0%	70,118	70,118	0	0%	93,491	93,491	0	0%
Stormwater	All	25,583	33,752	8,169	24%	218,159	303,764	85,605	28%	374,870	405,005	30,135	7%
	Monitoring and Investigations	4,205	12,736	8,531	67%	43,611	114,624	71,013	62%	109,423	152,828	43,405	28%
	Maintenance (Planned)	187	306	119	39%	3,304	2,754	-550	(-20%)	4,345	3,683	-662	(-18%)
	Maintenance (Reactive)	16,771	16,168	-603	(-4%)	127,145	145,512	18,367	13%	202,290	193,998	-8,292	(-4%)
	Operations	524	646	122	19%	9,039	5,814	-3,225	(-55%)	12,066	7,750	-4,316	(-56%)
	Management & Advisory Services	3,896	3,896	0	0%	35,060	35,060	0	0%	46,746	46,746	0	0%
Wastewater	All	140,718	116,221	-24,496	(-21%)	1,229,645	1,045,992	-183,653	(-18%)	1,730,166	1,394,624	-335,543	(-24%)
	Monitoring and Investigations	37,995	22,890	-15,105	(-66%)	231,062	206,010	-25,052	(-12%)	353,536	274,683	-78,853	(-29%)
	Maintenance (Planned)	1,181	3,415	2,234	65%	18,524	30,735	12,211	40%	31,984	40,962	8,978	22%
	Maintenance (Reactive)	42,378	29,725	-12,653	(-43%)	508,770	267,525	-241,245	(-90%)	590,246	356,700	-233,546	(-65%)
	Operations	4,119	2,737	-1,382	(-50%)	26,982	24,633	-2,349	(-10%)	33,093	32,839	-254	(-1%)
	Treatment Plant	40,762	43,171	2,409	6%	315,757	388,539	72,782	19%	549,908	518,040	-31,868	(-6%)
	Management & Advisory Services	14,283	14,283	0	0%	128,550	128,550	0	0%	171,400	171,400	0	0%
Total Opex	391,179	341,733	-49,446	(-14%)	3,152,892	3,075,595	-77,297	(-3%)	4,335,261	4,100,727	-234,534	(-6%)	

Unexpected Event Reserve Commentary:
In years that SWDC actual costs finish below budget, the funds are retained for the Unexpected Event Reserve (capped at 5% of the opex charge for the current financial year). Wellington Water is able to utilise these funds for costs arising from unexpected events in subsequent years. The funds are ring-fenced for the council in which the savings were achieved. The opening balance for this financial year is nil.

Unexpected Event Reserve	\$000s
Opening Balance	0
Events:	
Closing Balance	0

Monthly Commentary (OPEX)

Summary

Forecast 6% (\$235k) full year overspend; this includes the underspend in Water Races. When adjusted to remove Water Races, which are separately rated, the forecast is 8% (\$301k) overspend for the Opex Programme. The overspend is mainly attributed to Network costs for the Fitzherbert Street sewer overflow (\$240k).

The forecast increased 2% (\$70k) on last month, this was mainly due to the addition of \$122k costs for critical UV maintenance for the Drinking Water and Wastewater Treatment plants.

Wellington Water awaits approval from South Wairarapa District Council for the forecast overspend of \$301k, and in the meantime acknowledges that there is no approval in place for any spend over the approved 2022/23 budget. We will continue to look at opportunities to reduce expenditure on activities which will not have a significant impact on service delivery.

Year to date spend is 3% (\$79k) over budget.

Network

- Drinking Water 23% (\$122k) over budget YTD and forecasting 5% (\$35k) full year overspend.
- Stormwater 27% (\$20k) over budget YTD and forecasting 27% (\$27k) full year overspend, mainly attributed to Featherston St events (\$10k YTD) and Harrison St culvert maintenance (\$5k YTD).
- Wastewater 89% (\$231k) over budget YTD and forecasting 68% (\$236k) full year overspend, mainly attributed to heavy rain events that have required an operational response to mitigate the impact of a reported sewer overflow in Fitzherbert St; YTD costs are \$240k. This is an ongoing issue every time we have a wet weather event and the costs for this maintenance have been ringfenced.

Water Races

51% (\$75k) under budget YTD and forecasting 34% (\$66k) full year underspend. Council has advised that Water Races budgets are separately rated and therefore cannot be used to offset overspends on other budgets.

Treatment Plant

- Drinking Water 18% (\$88k) over budget YTD and forecasting 17% (\$110k) full year overspend, mainly attributed to a global increase in chemical prices as well as plant maintenance, including \$23k for lightning repairs.
- Wastewater 19% (\$74k) under budget YTD and forecasting 6% (\$32k) full year overspend.

Monitoring

- Drinking Water 30% (\$99k) under budget YTD and forecasting 14% (\$60k) full year underspend.
- Wastewater 76% (\$69k) over budget YTD and forecasting 72% (\$87k) full year overspend, mainly attributed to wastewater treatment plant consent fees.

Investigations

54% (\$181k) forecast underspend across all three waters attributed to the planned Ruamahunga Whaitua policy programme not going ahead this year (\$80k) and \$23k forecast underspend for growth planning.

Control Systems

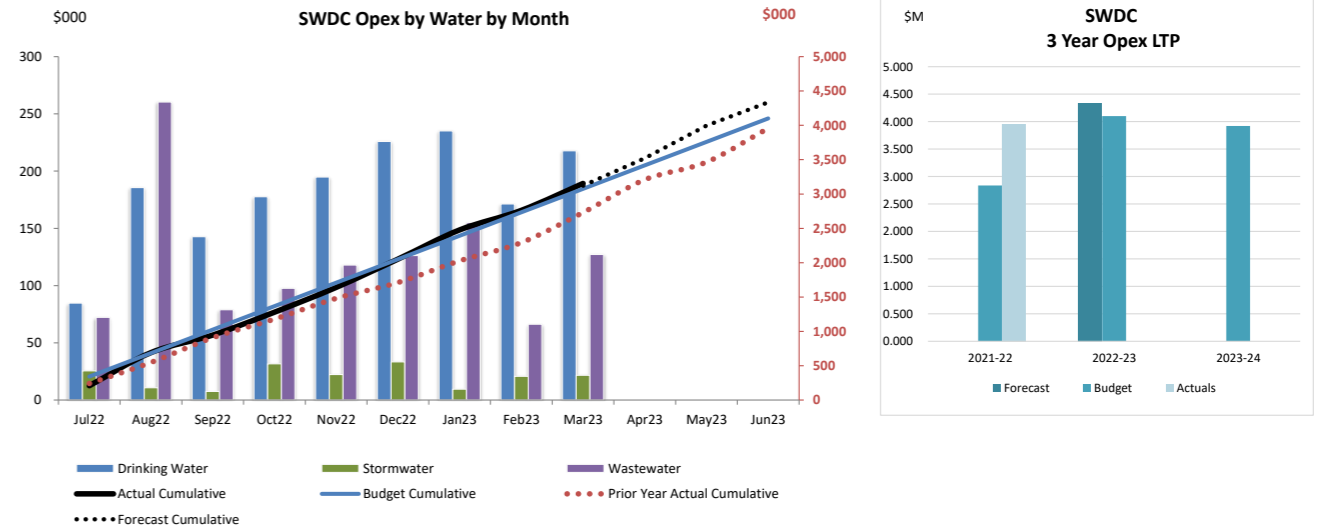
17% (\$20k) forecast overspend across all three waters attributed to backfilling of permanent resources with contractors on hourly rates. This is an industry trend largely driven by skills shortages in a tight labour market. We are monitoring these expenses and making savings where possible.

Notes on our approach for reporting:

Wellington Water invoices Council a monthly fixed charge in advance for the opex programme and management & advisory services.

The opex programme is made up of the following:

- Controllable costs incurred by Wellington Water in delivering the programme, such as charges for repairs and maintenance, costs of consumables, consultants, and contractors' charges
 - Costs of labour and plant which are charged to specific jobs. This is for Wellington Water employees within our Customer Operations, Network Management and Network Engineering groups i.e. those working directly on opex jobs.
- Management & Advisory Services is made up of staff costs that cannot be directly attributed to Council opex or capex programmes and overheads such as insurance, rent, IT costs, etc. We're a council-controlled organisation jointly owned by six client councils; the management charge is agreed on an annual basis and proportionately allocated to each of these councils.



Chairperson's Report

1. Purpose

To update the Finance Committee on activities and issues which have arisen since the last meeting of the Committee.

2. Recommendation

The Chairperson recommends that the Finance Committee receives the Chairperson's Report.

3. Discussion

Ongoing work commenced in earnest, by Councils finance team, preparing for our upcoming annual plan. There are several factors that have been drivers, deviating away from Long Term Plan forecasts. These factors have involved all budget holders reviewing their expected expenditure for the forthcoming year, adjusting to suit the current climate. Workshops with Councillors have been held with a wide range of views expressed by Councillors in terms of priorities, current levels of service and expenditure.

I would expect that by the time of our Finance Committee meeting, that Councils Consultation Document for our Annual Plan would have been endorsed for publication making this available for submissions from our community.

On the 24th of March, Mr Wilson CEO, Ms Ashforth CFO and myself, met with representatives from the Office of the Auditor General. This was as a result of a letter sent to the Auditor General by Mr Wilson and Mayor Connolly expressing a "please explain" on the delay of Councils annual report audit for the previous year. This has been frustrating for all involved. We were given assurances that these matters were being addressed and there would be no delay with future audit requirements. I understand that the Office of the Auditor General has now completed their audit opinion. This will be tabled at Risk and Assurance meeting for signature and endorsement before being presented to Council on the 7th of June.

In closing, I wish to acknowledge the commitment from all our Council staff for their efforts, across the spectrum, of Council activities.

Prepared By: Councillor Colin Olds – Chairperson, Finance Committee

Member's Report

1. Purpose

This report seeks agreement to get a full report on how the SWDC Fees and Charges to businesses compare to the same or similar fees in neighbouring Councils.

2. Recommendations

It is recommended that the Finance Committee:

1. Request the CEO to report in writing to the annual plan deliberations workshop in June, with a list of fees that affect business and how these fees compare to other Wairarapa Councils.

3. Summary

Many businesses in the South Wairarapa are what are often referred to as Small and Medium-Sized enterprises. A particular aspect of our economy are one or two-person food producing companies. It appears that, in many cases, the SWDC charges more than neighbouring Councils for regulatory processes such as business registration.

Two examples:

	SWDC	Masterton
Food Act Verification	\$442	\$350.00
Annual registration - Hairdressers	\$260	\$175.00

To my mind it is important to help our local businesses remain in business in the South Wairarapa. We should not be (unconsciously) providing them with reasons to look elsewhere to transfer their businesses.

Nor should be subsidising businesses from general ratepayers or profiting from a regulatory activity that small businesses have to adhere to.

It may be that following a report on this matter that we will request Officers to revisit their business model and come up with other ways of providing regulatory services that are more cost-efficient.

Prepared by: Mayor Martin Connelly