

OIR: 2324/888

19 April 2024

[REDACTED]
[REDACTED]

Tēnā koe [REDACTED],

Request for Information under the Local Government Official Information and Meetings Act 1987 (the Act) (the LGOIMA)

Thank you for your email of **10 April 2024** requesting the following information:

Can you please send me copies of all the spreadsheets and background notes that formulate the proposed LTP 2024 -34?

Council uses a financial budgeting system to manage the LTP financial models.

Due to the volume and complexity of the information, it is not practical to send copies of spreadsheet.

We would like to invite you to visit the office and we would be happy to show you what you would like to see in terms of our financial models for the proposed LTP 2024-34.

This will allow me to make an informed submission with all of the relevant data.

Can you please supply all of the underlying figures/assumptions for:

1. Fees & Charges.

a. What are the revenue areas that these figures are derived from?

All fees and charges are stated in the [Schedule of fees and charges](#), including:

- Rent from lease of council-owned properties.
- Sale of goods and services (including swimming pool charges, building consent fees, resource consent fees, LIM, library charges, food and alcohol licences, trade waste etc.)
- Fines and penalties (including rates penalties, dog and parking infringements etc.)

2. Other Operating Revenue.

a. What are the revenue areas that these figures are derived from?

- Local government petrol tax
- Sponsorship
- Shared of valuation data with others
- Water charges from dedicated filling point
- Vested assets

3. Operating Expenses.

a. What are the expense allocations made to each area including breakdown of salary and wages? (The current LTP has very useful breakdowns for each area as a comparison.)

The breakdown of the operating expenses is as below.

For each activity, please refer to the [Draft Funding Impact Statements 2024-34](#) in the LTP support information.

Other Operating Expenses (\$'000)	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP
	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget
	2024/54	2024/54	2024/54	2024/54	2024/54	2024/54	2024/54	2024/54	2024/54	2024/54
	Draft	Draft	Draft	Draft	Draft	Draft	Draft	Draft	Draft	Draft
	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	
Personnel Costs										
Staff remuneration	39,890	41,148	42,448	43,722	45,033	46,384	47,776	49,174	50,649	52,169
Fixed Term/Casuals (on Payroll)	3,225	2,096	1,726	1,778	1,831	1,886	1,943	2,001	2,061	2,123
External Contractors (Extra Resources)	167	170	166	170	173	176	180	183	186	190
Overtime/Standby Allowance	648	667	687	708	729	751	773	797	821	845
Other Personnel Costs	549	596	609	623	637	651	666	680	695	710
Staff Training	662	697	713	728	739	747	761	776	790	804
Employer superannuation (including Kiwisaver)	1,395	1,400	1,422	1,465	1,509	1,554	1,601	1,649	1,698	1,749
Staff Recoveries	(817)	(1,012)	(846)	(871)	(897)	(924)	(952)	(981)	(1,010)	(1,040)
Staff Recoveries Capital Projects	(8,076)	(7,457)	(7,388)	(7,610)	(7,838)	(8,073)	(8,316)	(8,565)	(8,822)	(9,087)
Total Personnel Costs	37,644	38,306	39,538	40,713	41,916	43,153	44,432	45,714	47,068	48,463

Other Operating Expenses (\$'000)	LTP Budget Draft 2024/25	LTP Budget Draft 2025/26	LTP Budget Draft 2026/27	LTP Budget Draft 2027/28	LTP Budget Draft 2028/29	LTP Budget Draft 2029/30	LTP Budget Draft 2030/31	LTP Budget Draft 2031/32	LTP Budget Draft 2032/33	LTP Budget Draft 2033/34
Bank Charges	85	87	89	90	92	94	96	98	99	101
Grants	1,474	1,540	1,562	1,650	1,611	1,663	1,668	1,740	1,738	1,797
Legal Costs	488	989	1,011	985	1,004	1,023	1,043	1,062	1,081	1,100
Insurance	3,253	3,636	4,363	5,236	6,283	7,539	9,047	10,857	13,028	15,633
Operating Projects	4,095	3,728	3,412	3,519	3,842	3,525	3,641	4,034	3,721	3,852
Operating Lease Rentals	644	657	672	686	700	713	727	740	753	767
Audit of Long Term Plan	-	-	214	-	-	227	-	-	166	-
Audit of Financial Statements	232	237	242	247	252	257	262	267	271	276
Other Assurance Related Services	46	47	48	49	50	51	52	52	53	54
Net increase/(decrease) of impairment of trade receivables	10	10	10	10	10	10	10	10	10	10
Facility Operations	5,252	5,370	5,520	5,658	5,800	5,928	6,059	6,196	6,334	6,474
Maintenance	19,327	19,756	20,262	20,981	21,501	22,100	22,624	23,201	23,734	24,210
Investigations	1,085	1,701	1,491	1,757	1,649	1,656	1,548	1,850	1,946	1,994
Transport Costs	170	174	178	182	185	189	192	196	199	203

Please note that any information provided in response to your request may be published on the Council website, with your personal details removed.

Other Operating Expenses (\$'000)	LTP Budget Draft 2024/25	LTP Budget Draft 2025/26	LTP Budget Draft 2026/27	LTP Budget Draft 2027/28	LTP Budget Draft 2028/29	LTP Budget Draft 2029/30	LTP Budget Draft 2030/31	LTP Budget Draft 2031/32	LTP Budget Draft 2032/33	LTP Budget Draft 2033/34
Heat, Light, Power	3,185	3,255	3,330	3,406	3,481	3,554	3,625	3,698	3,768	3,840
Communications	287	290	297	303	306	312	318	324	330	336
Professional Services	1,426	1,609	1,522	1,554	1,585	1,616	1,647	1,677	1,707	1,738
Printing & Stationery	378	400	408	417	425	434	442	450	458	466
Loss on transfer of housing for older persons portfolio	-	21,473	-	-	-	-	-	-	-	-
Other Expense	2,617	2,141	2,976	3,317	3,220	3,246	3,008	3,187	3,156	3,086
Total Other Operating Expense	44,054	67,013	47,518	49,957	51,904	54,043	55,913	59,541	62,453	65,836
Grand Total	81,698	105,319	87,056	90,670	93,820	97,196	100,345	105,255	109,521	114,299

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4. Depreciation and Amortisation.

- a. The complete depreciation schedule including age, life expectancy etc.**
- b. All details relating to Amortisation.**

Due to the complexity of the asset's depreciation schedule for existing assets and assets from the capital works programme, we would like to invite you to visit our office and we can show you the data behind the calculation of the depreciation and amortisation.

5. Cash and Cash Equivalents.

- a. Does this include any dividends from investments? Please show dividends from individual investments. (If any.)**

The only dividends council receives is from LGFA and is \$8,000 on average each year.

6. Interest Income

- a. From what areas is the Interest income earned?**

Interest income is mainly from term deposits. Council has a prefunding strategy, which is borrow from LGFA and put on term deposit 12 to 14 months out from the debt mature date so the council could fulfil its obligations to repay debt when mature.

7. Finance Expense.

- a. What are the expense finance allocations made to each area?**

This is interest expenses for borrowing from LGFA.

Below is the breakdown of the interest expenses by activity.

Activity (\$'000)	LTP Budget Draft 2024/25	LTP Budget Draft 2025/26	LTP Budget Draft 2026/27	LTP Budget Draft 2027/28	LTP Budget Draft 2028/29	LTP Budget Draft 2029/30	LTP Budget Draft 2030/31	LTP Budget Draft 2031/32	LTP Budget Draft 2032/33	LTP Budget Draft 2033/34
Finance Expense										
Access and Transport	6,763	6,495	7,076	7,555	7,727	8,044	7,796	7,617	7,628	7,482
Coastal Management	196	243	325	524	872	1,259	1,475	1,617	1,727	1,850
Community Facilities	430	538	680	790	964	1,202	1,324	1,408	1,426	1,357
Corporate	(899)	149	124	22	(227)	(655)	(1,371)	(2,498)	(4,043)	(6,123)
Economic Development	47	43	46	49	51	54	54	54	54	54
Governance	1	-	1	1	1	1	1	1	1	1
Parks and Open Spaces	817	856	1,023	1,377	1,883	2,679	3,445	3,848	4,326	4,905
Recreation and Leisure	650	729	897	1,101	1,417	1,695	1,659	1,572	1,469	1,440
Regulatory Services	8	5	3	2	-	(2)	(4)	(5)	(6)	(7)
Sustainability & Resilience	86	93	105	104	97	92	78	61	54	60
Stormwater Management	1,489	1,298	1,370	1,649	1,991	2,332	2,473	2,586	2,744	2,938
Wastewater Management	2,507	2,411	2,618	2,804	2,918	3,083	2,961	2,822	2,663	2,475
Water Management	2,596	2,642	2,871	3,348	3,919	4,277	4,264	4,564	4,838	4,930
Total Finance Expense	14,691	15,502	17,139	19,326	21,613	24,061	24,155	23,647	22,881	21,362

8. Non-Current Assets

a. What are the Forestry assets? Do they sit in any particular area?

Forestry assets is the LOT 2 Paraparaumu Wastewater Treatment Plant approx. 2 ha valued \$28,400 as at 30 June 2023. It does not sit in any activity as it is a balance sheet item.

b. What are the Intangible Assets? Do they sit in any particular area?

Intangible Assets are mainly computer software. They are managed by the Digital Solutions team in the Corporate activity.

9. Other Financial Assets.

a. Quantify the breakdown of these Assets. Are they allocated to various areas?

Other financial assets are mainly term-deposits and borrower notes.

Balance sheet items do not attribute to any activity.

10. Employee Benefit.

a. What is the basis for this entry? Show the allocated areas for these benefits.

Employee benefits includes:

- Accrued annual leave provision.
- Sick leave to the extent that absences in the following financial year exceeds the full sick leave entitlements earned in that year.
- Accrued long service leave.
- Retirement gratuities, which are calculated on the likely future entitlements accruing to staff, based on years of service, years to entitlement, the likelihood that staff will reach the point of entitlement, contractual entitlement information, and the present value of the estimated future cashflows.

Balance sheet items do not attribute to any activity.

11. Provisions.

a. Quantify the amounts and areas that these are allowed for?

Provision is the landfill closure, monitoring, and operational costs. Please refer to [annual-report-2022-23.pdf](#) Note 18, page 136 for more details.

12. Derivative Financial Instruments – under Non-Current Liabilities.

a. As there is a “Risk” involved in trading financial derivatives; this should be shown under Non-Current Liabilities. Why isn’t this risk quantified?

The Council’s financial derivatives are currently limited to interest rate swaps. These swaps are held to maturity, so are not actively traded. Under these contracts, the Council is defined as the fixed rate payer and the counterpart is the floating rate payer and is therefore exposed to the current interest rate market.

As at 30 June 2023, the market interest rates were higher than the fixed rate for the open swap contracts, resulting in unrealised gains on all interest rate swap positions that the Council has. This unrealised gain was disclosed under the current and non-current assets. If the market interest rates were to fall to a position lower than the contract fixed rate, then this situation would result in a liability and would be reflected in the financial statements as such.

13. Revaluation Reserve.

a. What is the breakdown and assumptions of this reserve?

Please refer to the Prospective statement of reserve and special fund in the [Prospective Financial Statements 2024-34](#) in the LTP support information.

14. What is the basis for the difference in figures in “Operating Expenses (Pg 1)” to the figure in “Payment to Employees and Suppliers (Pg 4)”?

“Operating expenses (Pg 1)” is on accrual basis for the Prospective statement of comprehensive revenue and expense and the “Payment to employees and Suppliers (Pg 4)” is on estimated cash basis for the statement of cashflow.

15. What were the FTE’s in 2017, 2018, 2019, 2020, 2021, 2022, and 2023:

Years	Total number of FTEs per year
2016-2017	242
2017-2018	252
2018-2019	239
2019-2020	249
2020-2021	304
2021-2022	317
2022-2023	347

16. Also what was the spend on consultants – preferably in silo areas – in the same year bands?

Below is the consultant's expenditure from 2016/17 to 2022/23 by activity.

Activity	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
Access and Transport	65,661	95,761	48,940	67,171	90,166	41,251	54,737
Community Facilities	42,171	2,780	31,638	207,787	19,675	40,377	229,585
Corporate	493,106	687,499	565,311	1,161,251	624,827	812,433	482,147
Districtwide Planning	148,462	73,718	8,946		25,676	15,980	80,849
Economic Development			23,174	21,808			
Governance	20,126	4,820	21,918	84,168	262,802	64,299	98,760
Recreation and Leisure				46,436	24,476	96,170	33,557
Regulatory Services	113,915	41,230	59,800	61,515	19,771	157,135	42,423
Wastewater Management	5,269						
TOTAL	888,709	905,808	759,725	1,650,137	1,067,393	1,227,646	1,022,058

Ngā mihi,



Mark de Haast
Group Manager Corporate Services
Te Kaihautū Ratonga Tōpū