

Part Two – Corporate Functions

Activity Group Seven Corporate Functions

- Property Management
- Corporate & Funds Management
- Council Controlled Organisations

Part Two – Corporate Functions – Property Management

Property Management

(Unless otherwise stated the performance measures for years 1-3 are the same as those for years 4-10)

Community Outcomes	Service Category	Proposed Future Levels Of Service	Customer Performance Targets & Measures
<p>The Community Outcomes to which this activity primarily contributes are:</p> <ul style="list-style-type: none"> • A Strong Prosperous And Thriving Economy. • A Safe and Integrated Transport System. • A Community That Values And Promotes Its Culture And Heritage. • Safe And Accessible Recreational Facilities. • Supportive, Caring And Valued Communities. • Strong District Leadership And A Sense Of Belonging. • A Safe And Secure Community. • A Life Time Of Good Health And Wellbeing. • An Environment That Is Appreciated, Protected And Sustained For Future Generations <p>The ways in which the activity contributes towards the achievement of these Outcomes include:</p> <ul style="list-style-type: none"> • By providing sufficient property at an affordable cost to the community. 	<p>Demand</p>	<ul style="list-style-type: none"> • Council will continue to own and maintain property necessary to meet its requirements 	<ul style="list-style-type: none"> • Report to Council on any new sales or purchases • All maintenance and renewal work completed within budget and to agreed standard • Compliance with all health and safety standards
	<p>Costs and Funding</p>	<ul style="list-style-type: none"> • Council will manage this activity in a financially viable manner. 	<ul style="list-style-type: none"> • Target: - The level of service as outlined herein was achieved for not more than the approved budget for the year.

Part Two – Corporate Functions – Property Management

Community Outcomes	Service Category	Proposed Future Levels Of Service	Customer Performance Targets & Measures
	Customer Service and Satisfaction	a) All customer requests will be dealt with promptly and properly.	Target – Not more than the number of requests for service than in the previous year.

Issues

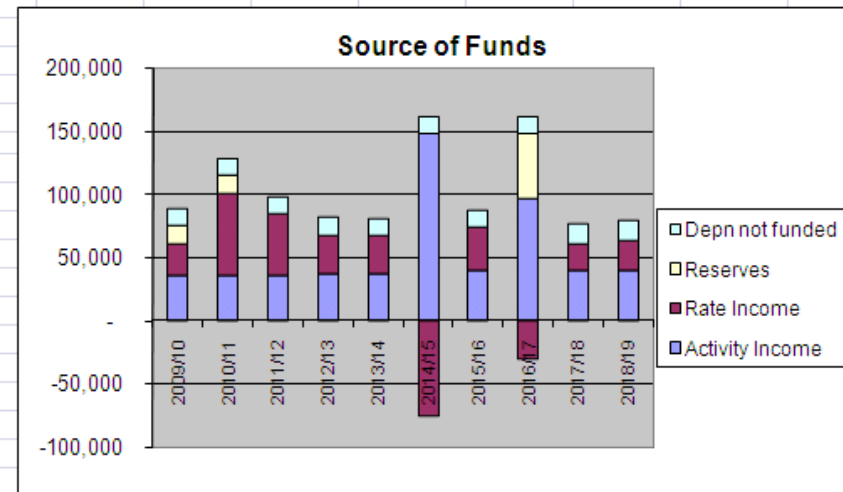
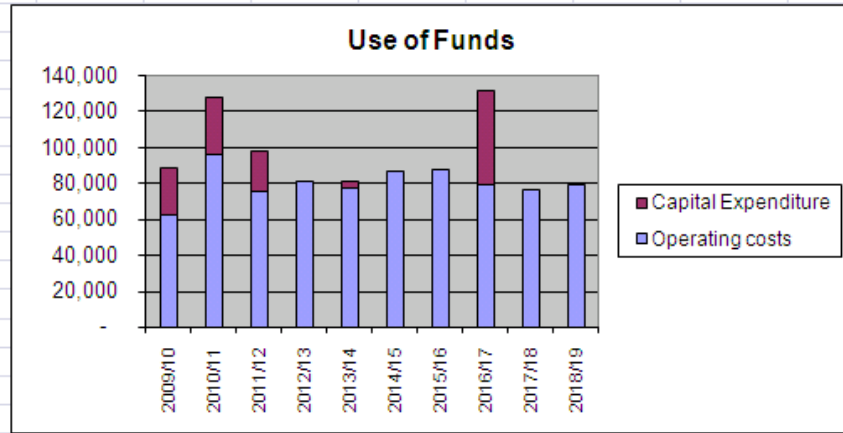
Please note, you may need to refer to the Significant Issues section found at the front of this Volume.

For further information, please refer to the detailed Activity Management Plan in Volume 2 of this Long Term Council Community Plan.

Part Two – Corporate Functions – Property Management

Activity Costs

PROJECTED 10 YEAR FINANCIAL SUMMARY - PROPERTY MANAGEMENT			
	2009/10	2010/11	2011/12
Expenditure			
Operational Costs	105,570	141,618	124,466
Interest	-	-	-
Overhead Allocation	10,600	13,200	10,600
Depreciation	60,800	60,200	61,488
Total Operating Costs	176,970	215,018	196,554
Less internal allocation	113,900	118,700	120,300
	63,070	96,318	76,254
Activity Income - Service Charges	149,600	154,400	156,000
Less depreciation not funded	12,800	12,800	13,588
Less Internal Allocation	113,900	118,700	120,300
	22,900	22,900	22,112
Net Cost of Service	14,570	47,818	26,966
Capital Expenditure			
Renewals	26,000	31,917	22,000
	26,000	31,917	22,000
Funding Required	40,570	79,735	48,966
Funded by:			
Rate Income	25,170	65,318	48,966
Asset Sales	-	-	-
Reserves- Operational Funding	-	-	-
Reserves- Capital Funding	15,400	14,417	-
Total Funding	40,570	79,735	48,966



For further information, see the detailed Activity Management Plan in Volume 2 of this Long Term Council Community Plan. A summary of the proposed renewals and new capital works programme relating to this activity is outlined in Volume 2.

Part Two – Corporate Functions – Corporate & Funds Management

Corporate & Funds Management

(Unless otherwise stated the performance measures for years 1-3 are the same as those for years 4-10)

Community Outcomes	Service Category	Proposed Future Levels Of Service	Customer Performance Targets & Measures
<p>The Community Outcomes to which this activity primarily contributes are:</p> <ul style="list-style-type: none"> • A Strong Prosperous And Thriving Economy. • A Safe and Integrated Transport System. • A Community That Values And Promotes Its Culture And Heritage. • Safe And Accessible Recreational Facilities. • Supportive, Caring And Valued Communities. • Strong District Leadership And A Sense Of Belonging. • A Safe And Secure Community. • A Life Time Of Good Health And Wellbeing. • An Environment That Is Appreciated, Protected And Sustained For Future Generations <p>The ways in which the activity contributes towards the achievement of these Outcomes include:</p> <ul style="list-style-type: none"> • By providing sufficient property at an affordable cost to the community. 	Demand	<p>Investment Performance</p> <ul style="list-style-type: none"> • To monitor performance against objectives <p>Investment Policy</p> <ul style="list-style-type: none"> • To adhere to Council investment policy <p>Cashflow Management</p> <ul style="list-style-type: none"> • To manage cashflow to maximise returns from funds. 	<ul style="list-style-type: none"> • Quarterly reports on Investment provided to Council. • The level of service was achieved for not more than the approved budget for the year. • Regular reporting to Council on key investment targets. • Interest income meets or exceeds budgeted level
	Costs and Funding	<ul style="list-style-type: none"> • Council will manage this activity in a financially viable manner. 	<ul style="list-style-type: none"> • Target: - The level of service was achieved for not more than the approved budget for the year.

Issues

Please note, you may need to refer to the Significant Issues section found at the front of this Volume.

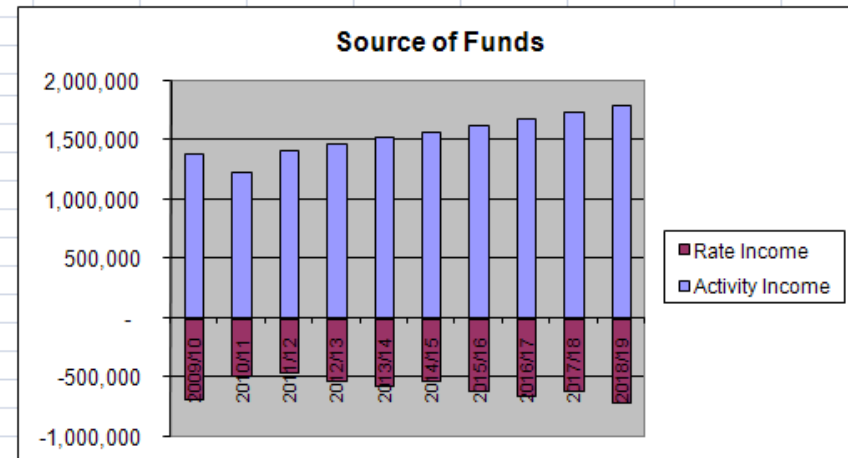
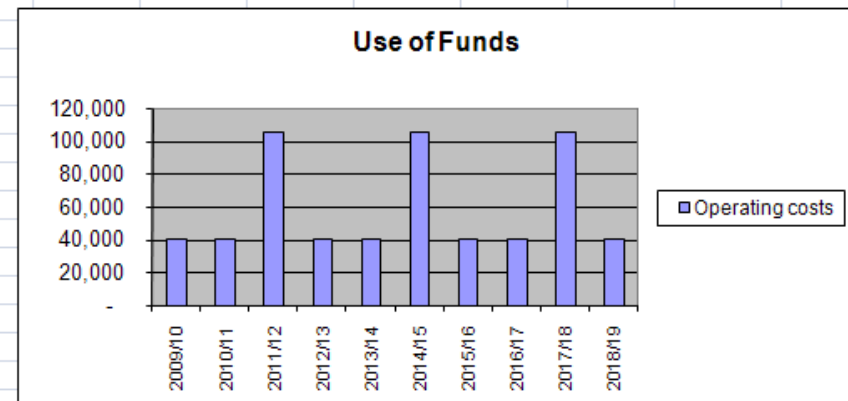
For further information, please refer to the detailed Activity Management Plan in Volume 2 of this Long Term Council Community Plan.

Part Two – Corporate Functions – Corporate & Funds Management

Activity Costs

PROJECTED 10 YEAR FINANCIAL SUMMARY - CORPORATE & FUNDS MANAGEMENT

	2009/10	2010/11	2011/12
Expenditure			
Operational Costs	40,500	40,500	105,500
Interest	-	-	-
Overhead Allocation	-	-	-
Depreciation	-	-	-
Total Operating Costs	40,500	40,500	105,500
Activity Income (1)	1,188,135	1,239,328	1,416,415
Net Cost of Service	(1,147,635)	(1,198,828)	(1,310,915)
Capital Expenditure			
Renewals	-	-	-
	-	-	-
Funding Required	(1,147,635)	(1,198,828)	(1,310,915)
Funded by:			
Rate Income	(677,135)	(484,628)	(456,615)
Asset Sales	-	-	-
Reserves- Operational Funding	-	-	-
Reserves- Capital Funding	(470,500)	(714,200)	(854,300)
Surplus			
Total Funding	(1,147,635)	(1,198,828)	(1,310,915)
Activity Income includes (1)			
Service Charges	800	800	800
Petrol Tax	70,000	70,000	70,000
Dividends	125,000	125,000	250,000
Interest	992,335	1,043,528	1,095,615
Total Activity Income	1,188,135	1,239,328	1,416,415



For further information, see the detailed Activity Management Plan in Volume 2 of this Long Term Council Community Plan. A summary of the proposed renewals and new capital works programme relating to this activity is outlined in Volume 2.

Part Two – Corporate Functions – Council Controlled Organisations

Council Controlled Organisations

QUALITY ROADING AND SERVICES (WAIROA) LTD

1.0 WHAT WE DO

The Local Government Act 2002 defines entities in which the Council has more than 50% shareholding, or the ability to appoint more than 50% of the directors, as Council Controlled Organisations. Wairoa District Council has one organisation that meets these criteria, and is therefore classified as a Council Controlled Organisation, Quality Roading and Services (Wairoa) Limited.

Quality Roading and Services (Wairoa) Ltd is a contracting company providing roading, construction, forestry, quarrying, reserves, and utility services to clients in the Wairoa District and the East Coast region from Hicks Bay to Central Hawke's Bay. The overall objective for this company is to be a successful business by the delivery of competitive and quality services to meet the planned objectives, as outlined below.

2.0 POLICIES AND OBJECTIVE OF OWNERSHIP

Council believes that it is important to maintain expertise in construction, roading and maintenance work in Wairoa, and to reduce costs to the ratepayer by providing effective competition. Future revenues are provided to Council by way of dividends at 50% of tax-paid profit. Employment levels within Wairoa are maintained with the retention and expansion of the company.

The key targets for the investment in Quality Roading and Services (Wairoa) Ltd. are: -

- a) To ensure the company is profitable, and all financial targets are met.
- b) To ensure the company has a positive cash flow.
- c) To ensure the governance of the company is effective.

Council has consulted with the community concerning the ownership of the company, and has decided to retain ownership of the company.

3.0 HOW PERFORMANCE IS MONITORED

Council receives a Statement of Corporate Intent (SOI) from the company by 1 March setting out the objectives and performance measures, a six monthly report by 28 February, and an annual report by 30 September each year.

The following are the key performance targets by which performance is measured and reported on by Council for the investment in QRS: -

- To achieve target net profit, as per SOI.
- To provide a dividend of 50% of tax-paid profit.
- Maintaining target return on equity as per SOI
- Maintaining a current ratio > 1 (current assets/current liabilities)

Part Two – Corporate Functions – Council Controlled Organisations

- Cost of debt servicing less than 20% of revenue
(Interest/total sales)
- Maintain a 45% equity ratio (equity/total assets)