
Activity Group Seven Corporate Functions

- Property Management
- Corporate & Funds Management

PROPERTY MANAGEMENT

ACTIVITY MANAGEMENT PLAN

1.0 INTRODUCTION

1.1 BACKGROUND – OVERVIEW OF ACTIVITY AND COUNCILS INVOLVEMENT

This Activity provides property to meet the social needs of the community at a competitive price. Included in this activity is the operation of the camping ground, provision of staff housing, forestry properties, administration properties, and sundry other properties. The visitor information centre, Council administration building, and archives are included in this cost centre.

Council has a policy of retaining only the amount of property that is required to meet its social, economic, environmental and cultural requirements.

Council will therefore be involved in the purchase and disposal of properties to meet these objectives.

1.2 COMMUNITY OUTCOMES TO WHICH THE ACTIVITY CONTRIBUTES & HOW IT CONTRIBUTES

Wairoa District Council has a responsibility to provide sufficient properties to meet its requirements to meet all of the community outcomes, with an emphasis on the outcome to provide supportive, caring and inclusive communities. Council recognised the contribution that property management makes to assist the economic and social well-being of the community.

Community Outcomes	How the Activity Contributes
<ul style="list-style-type: none">Facilitates achievement of all outcomes.	<ul style="list-style-type: none">By providing sufficient property at an affordable cost to the community.

1.3 ACTIVITY GOAL AND PRINCIPAL OBJECTIVES

- To ensure that Council retains property required to meet its needs
- To maintain its property holdings in good condition to maintain the value of Council's investment.

2.0 LEVELS OF SERVICE AND PERFORMANCE MEASURES AND TARGETS

(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	Management Performance 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	Council will continue to own and maintain property necessary to meet its requirements	<p>Report to Council on any new sales or purchases</p> <p>Current Status (Baseline): 2007/08 – achieved – refer 2007/08 annual report.</p> <p>All maintenance and renewal work completed within budget and to agreed standard</p> <p>Current Status (Baseline): 2007/08 – refer 2007/08 annual report. All maintenance and renewal work completed, but over budget.</p> <p>Compliance with all health and safety standards</p> <p>Current Status (Baseline): 2007/08 – achieved – refer 2007/08 annual report.</p>	To be developed.

Community Outcomes	Service Category	Proposed Future Levels Of Service	Customer Performance Targets & Measures	Management Performance Measures
	Costs and Funding	Council will manage this activity in a financially viable manner.	Target: - The level of service as outlined herein was achieved for not more than the approved budget for the year. Current Status (Baseline): 2007/08 – not achieved – refer 2007/08 annual report. Property Management was \$5000 over budget for the year.	To be developed.
	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. Current Status (Baseline): New measure.	To be developed.

3.0 THE EXISTING SITUATION

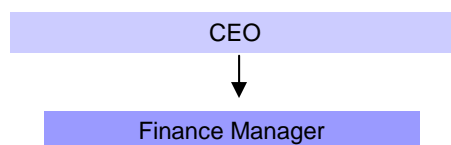
4.0 MAINTENANCE AND OPERATING

The maintenance of buildings is managed by the engineering department of Council.

4.1 HOW OWNED

The properties are owned by the Wairoa District Council.

4.2 HOW MANAGED AND CONTROLLED



This activity is managed within the Finance Department of the Council in relation to financial management and maintenance of leases and rentals. The camping ground is managed on a contract basis, with the Council responsible for major items of capital expenditure; the lessees are responsible for minor maintenance. Forestry properties are managed by the Finance Manager in consultation with the Stock Ranger, who provides oversight on maintenance of forestry properties to achieve the best overall return from this asset.

4.3 ESTIMATED COSTS NEXT TEN YEARS

The operating cost projections for the next 10 years are shown below: -

	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Expenditure										
Operational Costs	115,570	130,528	124,466	121,558	128,057	137,300	146,252	136,609	129,947	137,220
Interest	-	-	-	-	-	-	-	-	-	-
Overhead Allocation	10,600	13,200	10,600	13,400	12,000	13,500	14,500	12,700	12,200	13,600
Depreciation	60,800	60,200	61,488	61,488	61,488	61,488	54,088	59,585	65,692	61,692
Total Operating Costs	<u>186,970</u>	<u>203,928</u>	<u>196,554</u>	<u>196,446</u>	<u>201,545</u>	<u>212,288</u>	<u>214,840</u>	<u>208,894</u>	<u>207,839</u>	<u>212,512</u>
Less internal allocation	<u>113,900</u>	<u>118,700</u>	<u>120,300</u>	<u>122,000</u>	<u>123,900</u>	<u>125,500</u>	<u>127,200</u>	<u>129,100</u>	<u>131,000</u>	<u>133,100</u>
	73,070	85,228	76,254	74,446	77,645	86,788	87,640	79,794	76,839	79,412
Activity Income - Service Charges	149,600	154,400	156,000	159,700	161,600	274,547	167,100	225,549	170,900	173,000
Less depreciation not funded	12,800	12,800	13,588	13,588	13,588	13,588	13,588	13,588	15,692	15,692
Less Internal Allocation	<u>113,900</u>	<u>118,700</u>	<u>120,300</u>	<u>122,000</u>	<u>123,900</u>	<u>125,500</u>	<u>127,200</u>	<u>129,100</u>	<u>131,000</u>	<u>133,100</u>
	22,900	22,900	22,112	24,112	24,112	135,459	26,312	82,861	24,208	24,208
Net Cost of Service	24,570	36,728	26,966	23,158	26,357	- 75,847	34,152	- 30,243	21,247	23,820

5.0 FUTURE DEMAND

The demand for each of these services is dependent on a number of economic, social and employment factors. The camping ground provides an essential service for tourists from within New Zealand and overseas. It has achieved a high qualmark grading that attracts new tourists and those returning to the town.

Staff housing is retained on as required basis, dependent on future demand for the service. Staff houses are currently situated in Wairoa, Frasertown, Tuai and Raupunga. They are retained as a recruitment and retention incentive for staff in Wairoa and the water treatment plant at Frasertown. The Tuai property is subject to a treaty claim, and the Raupunga property is rented by a long serving ex staff member.

There are a range of forestry properties, many inherited from prior use as pole plantations for the catchment board. The future demand for these properties is limited, with an overall value estimated at \$130,600 by a registered forestry valuer.

In addition there are a number of other properties that Council considers for sale as they are identified as surplus to requirements.

6.0 NEW CAPITAL EXPENDITURE

The proposed new capital works programme for the next ten 10 years is shown in the table below: -

	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Capital Expenditure										
New Capital	-	-	-	-	-	-	-	-	-	-

No New Capital Expenditure projects are programmed for the term of this Long Term Community Council Plan 2009 – 2019.

7.0 RENEWALS CAPITAL EXPENDITURE

The table below indicates the proposed future renewals programme:

Capital Expenditure

Renewals

Camping Ground new kitchen ceiling	2500	-	-	-	-	-	-	-	-	-
Camping Ground replace cabin carpet	3000	-	-	-	-	-	-	-	-	-
Camping Ground repaint house exterior	4000	-	-	-	-	-	-	-	-	-
Enterprise Building replace curtains	2000	-	-	-	-	-	-	-	-	-
Enterprise Building replace carpet	5000	-	-	-	-	-	-	-	-	-
Staff Housing Frasertown - paint/carpet/paper	8000	-	-	-	-	-	-	-	-	-
Staff Housing replace curtains - Campbell St	1500	-	-	-	-	-	-	-	-	-
Camping ground remodel kitchen	-	14417	-	-	-	-	-	-	-	-
Enterprise Building replace awning	-	2500	-	-	-	-	-	-	-	-
Staff Housing replace carpet - Campbell st	-	5000	-	-	-	-	-	-	-	-
Admin Building repaint exterior - Lucknow St	-	10000	-	-	-	-	-	-	-	-
Staff Housing paint roof - Campbell st	-	-	2000	-	-	-	-	-	-	-
Admin Building repaint exterior - Queen St	-	-	20000	-	-	-	-	-	-	-
Camping ground repaint TV room	-	-	-	-	3564	-	-	-	-	-
Camping ground reseal driveways (hotmix)	-	-	-	-	-	-	-	38010	-	-
Camping ground reseals roundabout & cabin area	-	-	-	-	-	-	-	14571	-	-

8.0 FUNDING THE ANNUAL NET COST – ‘WHO PAYS’

Council owned property is funded from the general rates, because it is considered that the district as a whole benefits in terms of the economic, social and environmental outcomes.

9.0 THE PROJECTED OVERALL FUTURE FINANCIAL SITUATION

The projected overall financial situation for the next 10 years is shown in the table at the end of this Plan.

10.0 RESOURCE CONSENTS

Not relevant to this activity.

11.0 DEMAND MANAGEMENT

Not relevant to this activity.

12.0 SIGNIFICANT NEGATIVE EFFECTS

There are no significant negative effects from this activity.

13.0 SIGNIFICANT FORECASTING ASSUMPTIONS & UNCERTAINTIES

The assumptions and uncertainties that underlie the financial estimates in this Plan are included in the schedule of Significant Forecasting Assumptions and Risks.

14.0 RISK MANAGEMENT

Council has adopted a Risk Management Policy that provides the framework for assessing and managing risk. A risk register will be developed using the Risk Management framework. There are no significant risks identified for this Activity at the present time.

15.0 BYLAWS

Not relevant to this activity.

16.0 IMPROVEMENT PLAN

Not required for this activity.

PROJECTED 10 YEAR FINANCIAL SUMMARY - PROPERTY MANAGEMENT

	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Expenditure										
Operational Costs	115,570	130,528	124,466	121,558	128,057	137,300	146,252	136,609	129,947	137,220
Interest	-	-	-	-	-	-	-	-	-	-
Overhead Allocation	10,600	13,200	10,600	13,400	12,000	13,500	14,500	12,700	12,200	13,600
Depreciation	60,800	60,200	61,488	61,488	61,488	61,488	54,088	59,585	65,692	61,692
Total Operating Costs	<u>186,970</u>	<u>203,928</u>	<u>196,554</u>	<u>196,446</u>	<u>201,545</u>	<u>212,288</u>	<u>214,840</u>	<u>208,894</u>	<u>207,839</u>	<u>212,512</u>
Less internal allocation	<u>113,900</u>	<u>118,700</u>	<u>120,300</u>	<u>122,000</u>	<u>123,900</u>	<u>125,500</u>	<u>127,200</u>	<u>129,100</u>	<u>131,000</u>	<u>133,100</u>
	73,070	85,228	76,254	74,446	77,645	86,788	87,640	79,794	76,839	79,412
Activity Income - Service Charges	149,600	154,400	156,000	159,700	161,600	274,547	167,100	225,549	170,900	173,000
Less depreciation not funded	12,800	12,800	13,588	13,588	13,588	13,588	13,588	13,588	15,692	15,692
Less Internal Allocation	<u>113,900</u>	<u>118,700</u>	<u>120,300</u>	<u>122,000</u>	<u>123,900</u>	<u>125,500</u>	<u>127,200</u>	<u>129,100</u>	<u>131,000</u>	<u>133,100</u>
	22,900	22,900	22,112	24,112	24,112	135,459	26,312	82,861	24,208	24,208
Net Cost of Service	24,570	36,728	26,966	23,158	26,357	- 75,847	34,152	- 30,243	21,247	23,820
Capital Expenditure										
Renewals	26,000	31,917	22,000	-	3,564	-	-	52,581	-	-
New Capital	-	-	-	-	-	-	-	-	-	-
	<u>26,000</u>	<u>31,917</u>	<u>22,000</u>	<u>-</u>	<u>3,564</u>	<u>-</u>	<u>-</u>	<u>52,581</u>	<u>-</u>	<u>-</u>
Funding Required	50,570	68,645	48,966	23,158	29,921	(75,847)	34,152	22,338	21,247	23,820
Funded by:										
Rate Income	35,170	54,228	48,966	23,158	29,921	(75,847)	34,152	(30,243)	21,247	23,820
Asset Sales	-	-	-	-	-	-	-	-	-	-
Reserves- Operational Funding	-	-	-	-	-	-	-	-	-	-
Reserves- Capital Funding	15,400	14,417	-	-	-	-	-	52,581	-	-
Total Funding	50,570	68,645	48,966	23,158	29,921	(75,847)	34,152	22,338	21,247	23,820

CORPORATE & FUNDS MANAGEMENT

ACTIVITY MANAGEMENT PLAN

1.0 INTRODUCTION

1.1 BACKGROUND – OVERVIEW OF ACTIVITY AND COUNCILS INVOLVEMENT

The objective for corporate and funds management is to optimise returns while balancing risk and return considerations. Council recognises that as a responsible public authority any investments that it does hold should be low risk. It also recognises that lower risk generally means lower returns.

In its treasury investment activity, Council's primary objective when investing is the protection of its investment. Accordingly, only investments with credit worthy parties are acceptable.

When there are excess balances in Special Funds Council may authorise an internal advance to particular Council capital projects in the form of bridging finance.

Council maintains investments in the following financial assets:

- Equity investments and loan advances.
- Property investments.
- Treasury investments.

1.2 COMMUNITY OUTCOMES TO WHICH THE ACTIVITY CONTRIBUTES & HOW IT CONTRIBUTES

This activity contributes to all of the community outcomes by providing the income to support all of the activities Council and the community wish to promote. Council recognised the contribution that good management of Council funds makes to assist the economic and social well-being of the community.

Community Outcomes	How the Activity Contributes
<ul style="list-style-type: none">• Facilitates achievement of all outcomes.	<ul style="list-style-type: none">• By ensuring that Council obtains the maximum return on its funds.

1.3 ACTIVITY GOAL AND PRINCIPAL OBJECTIVES

- a) To maintain adequate cash reserves as a prudent public entity.
- b) To invest in equity, property and treasury investments to maximise return on investment.
- c) To invest in equity, property etc to meet the strategic and social needs of the district.

2.0 LEVELS OF SERVICE AND PERFORMANCE MEASURES AND TARGETS

(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	Management Performance 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 To monitor performance against objectives</p> <p>Investment Policy To adhere to Council investment policy</p> <p>Cashflow Management To manage cashflow to maximise returns from funds.</p>	<p>Quarterly reports on Investment provided to Council. Current Status (Baseline): 2007/08 – achieved – refer 2007/08 annual report.</p> <p>The level of service was achieved for not more than the approved budget for the year. Current Status (Baseline): 2007/08 – not achieved – refer 2007/08 annual report.</p> <p>Regular reporting to Council on key investment targets. Current Status (Baseline): 2007/08 – achieved – refer 2007/08 annual report.</p> <p>Interest income meets or exceeds budgeted level Current Status (Baseline): 2007/08 – achieved – refer 2007/08 annual report.</p>	To be developed.
	Costs and Funding	Council will manage this activity in a financially viable manner.	Target: - The level of service was achieved for not more than the approved budget for the year.	To be developed.

3.0 THE EXISTING SITUATION

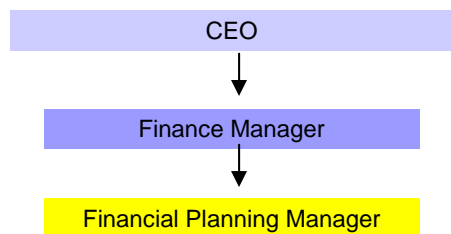
The management of funds is carried out by the Financial Planning Manager, and is monitored and reported on regularly by the Finance Manager. Investment management is conducted by First NZ Capital Securities who act on behalf of Council in line with Council Treasury Policy.

4.0 MAINTENANCE AND OPERATING

4.1 HOW OWNED

All assets are owned by the Wairoa District Council.

4.2 HOW MANAGED AND CONTROLLED



All fund management activities are managed within the Finance department of Council. The Finance Manager is responsible to meet the annual targets for funds management and report on performance on a regular basis to the CEO and Council.

4.3 ESTIMATED COSTS NEXT TEN YEARS

The operating cost projections for the next 10 years are shown below:-

	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Expenditure										
Operational Costs	53,500	74,612	154,235	90,585	97,500	105,500	40,500	40,500	105,500	40,500
Interest	-	-	-	-	-	-	-	-	-	-
Overhead Allocation	-	-	-	-	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-	-	-	-	-
Total Operating Costs	<u>53,500</u>	<u>74,612</u>	<u>154,235</u>	<u>90,585</u>	<u>97,500</u>	<u>105,500</u>	<u>40,500</u>	<u>40,500</u>	<u>105,500</u>	<u>40,500</u>
Activity Income (1)	1,188,135	1,239,328	1,416,415	1,469,060	1,522,599	1,576,886	1,632,095	1,688,070	1,744,868	1,802,550
Less depreciation not funded	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Cost of Service	(1,134,635)	(1,164,716)	(1,262,180)	(1,378,475)	(1,425,099)	(1,471,386)	(1,591,595)	(1,647,570)	(1,639,368)	(1,762,050)

5.0 FUTURE DEMAND

Future demand for funds management is expected to be consistent with current requirements. It is recognised that Council must maintain the highest quality of investments to maximise returns, while maintaining a positive cashflow, and investing in products that meet the economic and social needs of the district.

6.0 NEW CAPITAL EXPENDITURE

Not applicable to this activity

7.0 RENEWALS CAPITAL EXPENDITURE

Not applicable to this activity

8.0 FUNDING THE ANNUAL NET COST – ‘WHO PAYS’

This activity provides a return of income to the ratepayers of the district as a whole by way of interest on funds invested

9.0 THE PROJECTED OVERALL FUTURE FINANCIAL SITUATION

The projected overall financial situation for the next 10 years is shown in the table at the end of this Plan.

10.0 RESOURCE CONSENTS

Not relevant to this activity

11.0 DEMAND MANAGEMENT

Not relevant to this activity.

12.0 SIGNIFICANT NEGATIVE EFFECTS

No significant negative effects from this activity.

13.0 SIGNIFICANT FORECASTING ASSUMPTIONS & UNCERTAINTIES

The assumptions and uncertainties that underlie the financial estimates in this Plan are provided in the Schedule of significant forecasting assumptions and risks.

14.0 RISK MANAGEMENT

Council will ensure credit risk is minimised by placing maximum limits for each broad class of non-Government issuer, and by limiting investments to registered banks, strongly rated State owned enterprises, local authorities and corporates within prescribed limits. Liquidity risk is minimised by ensuring that all investments must be capable of being liquidated in a readily available secondary market. Furthermore, Council maintains at least 20% of its investments with a maturity of less than one year.

15.0 BYLAWS

Not relevant to this activity.

16.0 IMPROVEMENT PLAN

Not required for this activity.

PROJECTED 10 YEAR FINANCIAL SUMMARY - CORPORATE & FUNDS MANAGEMENT

	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Expenditure										
Operational Costs	53,500	74,612	154,235	90,585	97,500	105,500	40,500	40,500	105,500	40,500
Interest	-	-	-	-	-	-	-	-	-	-
Overhead Allocation	-	-	-	-	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-	-	-	-	-
Total Operating Costs	53,500	74,612	154,235	90,585	97,500	105,500	40,500	40,500	105,500	40,500
Activity Income (1)	1,188,135	1,239,328	1,416,415	1,469,060	1,522,599	1,576,886	1,632,095	1,688,070	1,744,868	1,802,550
Less depreciation not funded	-	-	-	-	-	-	-	-	-	-
Net Cost of Service	(1,134,635)	(1,164,716)	(1,262,180)	(1,378,475)	(1,425,099)	(1,471,386)	(1,591,595)	(1,647,570)	(1,639,368)	(1,762,050)
Capital Expenditure										
Renewals	-	-	-	-	-	-	-	-	-	-
New Capital	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-
Funding Required	(1,134,635)	(1,164,716)	(1,262,180)	(1,378,475)	(1,425,099)	(1,471,386)	(1,591,595)	(1,647,570)	(1,639,368)	(1,762,050)
Funded by:										
Rate Income	(664,135)	(450,516)	(407,880)	(482,875)	(510,099)	(523,986)	(618,795)	(648,970)	(612,168)	(705,150)
Asset Sales	-	-	-	-	-	-	-	-	-	-
Reserves- Operational Funding	-	-	-	-	-	-	-	-	-	-
Reserves- Capital Funding	(470,500)	(714,200)	(854,300)	(895,600)	(915,000)	(947,400)	(972,800)	(998,600)	(1,027,200)	(1,056,900)
Surplus										
Total Funding	(1,134,635)	(1,164,716)	(1,262,180)	(1,378,475)	(1,425,099)	(1,471,386)	(1,591,595)	(1,647,570)	(1,639,368)	(1,762,050)
Activity Income includes (1)										
Service Charges	800	800	800	800	800	800	800	800	800	800
Petrol Tax	70,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000
Dividends	125,000	125,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000
Interest	992,335	1,043,528	1,095,615	1,148,260	1,201,799	1,256,086	1,311,295	1,367,270	1,424,068	1,481,750
Reserves										
Total Activity Income	1,188,135	1,239,328	1,416,415	1,469,060	1,522,599	1,576,886	1,632,095	1,688,070	1,744,868	1,802,550

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