

Waitara

Lands Act

Quarterly Report

30 September 2022

Accumulated Income

Accumulated income refers to income derived from the Waitara Endowment Land before the commencement of the Act on 17 March 2019.

	Waitara Harbour	Other Waitara Endowment
Net income @17 March 2019	5,363,384	191,436
Less debtors outstanding*	(29,295)	(2,965)
Interest earned	60,146	0
Accumulated income	5,394,235	188,471

The distribution calculations for Accumulated Income* are as follows:

- Hapū Land Fund (HLF) = One third of all Accumulated income less Hapū costs.
- Taranaki Regional Council (TRC) = Half of Waitara Harbour Accumulated income less TRC costs.
- Waitara Perpetual Community Fund (WPCF) = Remaining balance less Historical Council costs.

	Waitara Harbour	Other Waitara Endowment	Historical costs	Distribution @ 30 Sep	Previous Distributions	Available Distributions @30 Sep
HLF	1,798,078	62,824	(123,856)	1,737,046	(1,735,735)	1,310
TRC	2,697,117	N/A	-	2,697,117	(2,695,152)	1,966
WPCF	899,039	125,647	-	1,024,687	(1,024,031)	655
	5,394,235	188,471	(123,856)	5,458,850*	(5,454,918)	3,931

*Note. As at 30 September 2022 the debtors balance is \$32,260 this has not been included in the Accumulated Income distribution calculation as it is not yet available for distribution.

Future Income

Future income refers to income derived from the Waitara Endowment Land after the commencement of the Act on 17 March 2019.

The distribution calculation for Future Income are as follows:

- Taranaki Regional Council (TRC) = Half of 3206 (formerly Waitara Harbour).
- NPDC Council = Half of 3206 (formerly Waitara Harbour) plus all 3201, 3202, 3203 (formerly Borough and Portfolio land). Split in equal shares:
 - Hapū Land Fund (HLF) = Half of NPDC Council share.
 - Waitara Perpetual Community Fund (WPCF) = Half of NPDC Council share.

Leasehold income

	Subpart 1	Subparts 2-5	Total @ 30 Sep
Income FY19	352,087	198,185	550,272
Income FY20	1,077,500	697,345	1,774,845
Income FY21	770,221	555,970	1,326,191
Income FY22	536,643	423,326	959,970
Income FY23	85,601	110,309	195,910
Less debtors	(126,469)	(88,362)	(214,831)
Less expenses FY19*	(309,435)	(19,966)	(329,401)
Less expenses FY20*	(417,925)	(7,573)	(425,498)
Less expenses FY21*	(328,621)	(4,090)	(332,711)
Less expenses FY22*	(165,705)	(957)	(166,662)
Less expenses FY23*	(44,503)	(248)	(44,751)
	1,429,395	1,863,939	3,293,333

*Note. Breakdown of expenditure is included in the appendix.

The distribution calculation for Future Income are as follows:

	Subpart 1	Subparts 2-5	Total @ 30 Sep	Previous Distributions	Available Distributions @ 30 Sep
HLF	357,349	931,969	1,289,318	(1,214,090)	75,228
TRC	714,697	-	714,697	(691,194)	23,503
WPCF	357,349	931,969	1,289,318	(1,214,090)	75,228
	1,429,395	1,863,939	3,293,333	(3,119,375)	173,959

As at 30 September 2022 there are 309 Leasehold properties that have not converted into Freehold.

Freehold income

	Subpart 1	Subparts 2-5	Total @ 30 Sep
Sales Income FY19	0	0	0
Sales Income FY20	12,639,000	7,857,500	20,496,500
Sales Income FY21	18,034,000	8,856,000	26,890,000
Sales Income FY22	2,467,000	1,747,000	4,214,000
Audit Adjustment	90,000	150,000	240,000
Sales Income FY23	280,000	200,000	480,000
Less expenses FY19	(142,383)	N/A	(142,383)
Less expenses FY20	(348,918)	N/A	(348,918)
Less expenses FY21	(263,467)	N/A	(263,467)
Less expenses FY22	(34,277)	N/A	(34,277)
Less expenses FY23	(4,258)	N/A	(4,258)
	32,716,698	18,810,500	51,527,198

- Audit Adjustments: 2021 Freehold sales distributed September 2021.

The distribution calculation for Future Income are as follows:

	Subpart 1	Subparts 2-5	Total @ 30 Sep	Previous Distributions	Available Distributions @ 30 Sep
HLF	8,179,174	9,405,250	17,584,424	(17,317,989)	266,436
TRC	16,358,349	-	16,358,349	(16,175,478)	182,871
WPCF	8,179,174	9,405,250	17,584,424	(17,317,989)	266,436
NPDC reimburse expenses	(793,302)	-	(793,302)	(789,045)	4,258
	31,923,396	18,810,500	50,733,896	(51,600,500)	720,000

Expenditure analysis

Future income refers to income derived from the Waitara Endowment Land after the commencement of the Act on 17 March 2019.

Leasehold Expenses	Subpart 1	Subpart 2-5	Total
17 March - 30 June 2019			
Debt collection	2,714		2,714
Advertising	671		671
Legal fees	49,280	17,077	66,357
Valuation fees	17,382		17,382
Survey fees	139,654		139,654
Property rates	26		26
NPDC Staff hours	87,067	2,889	89,956
NPDC Business Services	6,670		6,670
NPDC Customer Services	5,970		5,970
SUBTOTAL > 17 March 2019	309,435	19,966	329,401
1 July 2019 – 30 June 2020			
Legal fees	19,768	4,269	24,037
Valuation fees	16,275		16,275
Survey fees	90,912		90,912
Property rates	12,142	970	13,112
NPDC Staff hours	239,802	2,334	242,136
NPDC Business Services	20,593		20,593
NPDC Customer Services	18,433		18,433
SUBTOTAL 2019-20	417,925	7,573	425,498
1 July 2020 – 30 June 2021			
Legal fees	46,816		46,816
Valuation fees	15,050		15,050
Bank Fees	10		10
Survey fees	21,767	3,160	24,927
Property rates	11,584	930	12,514
NPDC Staff hours	233,395		233,395
NPDC Financial Services			0
NPDC Customer Services			0
SUBTOTAL 2020-21	328,621	4,090	332,711
1 July 2021 – 30 June 2022			
Legal Fees	11,800		11,800
Valuation Fees	8,150		8,150
Bank Fees	319		319
Survey Fees			
Property rates	12,554	957	13,511
NPDC Staff hours	132,883		132,883
SUBTOTAL 2021-22	165,705	957	166,662
1 July 2022 – 30 June 2023			

Legal Fees	13,169		13,169
Valuation Fees			
Bank Fees			
Survey Fees			
Property rates	3,242	248	3,490
NPDC Staff hours	28,093		28,093
SUBTOTAL 2022-23	44,503	248	44,751
Total Leasehold expenses	1,266,190	32,834	1,299,023

Freehold Expenses	Subpart 1	Subpart 2-5	
1 July 2018 – 30 June 2019			
Legal fees	8,823		8,823
Valuation fees	133,560		133,560
SUBTOTAL 2018-19	142,383	0	142,383
1 July 2019 – 30 June 2020			
Legal fees	102,331		102,331
Valuation fees	195,400		195,400
NPDC Staff hours	51,187		51,187
SUBTOTAL 2019-20	348,918	0	348,918
1 July 2020 – 30 June 2021			
Legal fees	145,584		145,584
Valuation fees	84,455		84,455
Survey fees	3,100		3,100
Professional fees	35,068		35,068
Valuation Recovered	(4,740)		(4,740)
SUBTOTAL 2020-21	263,467	0	263,467
1 July 2021 – 30 June 2022			
Legal Fees	17,492		17,492
Valuation fees	10,700		10,700
Survey fees	(121)		(121)
Professional fees	16,165		16,165
Valuation Recovery	(9,960)		(9,960)
SUBTOTAL 2021-22	34,277		34,277
1 July 2022 – 30 June 2023			
Legal Fees			
Valuation fees			
Survey fees			
Professional fees	4,258		4,258
Valuation Recovery			
SUBTOTAL 2022-23	4,258		4,258
Total Freehold expenses	793,301	0	793,301

Distributions upto 30 September 2022

An initial distribution of Accumulated Income totalling \$5.18m was made in March 2019. In the 2019/20 financial year an Interim distribution of Freehold income of \$14.06m was distributed (\$7.27 million was made in November 2019, \$6.34 million in April 2020). In the 2020/21 financial year an Interim distribution for Freehold income of \$21.9m (\$6.43m in July 2020, \$6.42m in December 2020 \$4.68m in February 2021 and a further \$4.37m in April 2021) and \$1.47m of Leasehold income distributed. In the 2021/22 financial year an Interim distribution for Freehold income of \$14.8m (\$11.42 in July, \$1.8m in October, \$1.55m in February and \$318k in April) and \$1.12m of 2020/21 Leasehold income distributed July. During the 2022/23 financial year there's been an interim distribution for Freehold income of \$537k and \$807k of Leasehold income distributed.

As at 30 September 2022 there is \$720k available to transfer relating to Freehold income and \$178k for Leasehold income.

	Actual Accumulated Income 17 March 2019	Interim Freeholds Distributed in 2019/20 Financial Year	Interim Freeholds Distributed in 2020/21 Financial Year	Interim Leaseholds 22 July 20	Interim Freeholds Distributed in 2021/22 Financial Year	Interim Leaseholds 22 July 21	Interim Freeholds Distributed in 2022/23 Financial Year	Interim Leaseholds 29 July 22	WLA -00 Available Balance to Transfer	NPDC -00 Available Balance to Transfer*	Total Balance
Hapū Land Fund	1,632,146	4,671,606	7,551,441	562,499	4,840,430	438,879	254,512	316,301	266,436	76,538	20,610,788
Taranaki Regional Council (River Funds)	2,540,439	4,300,713	6,531,880	425,357	5,263,861	243,208	79,023	177,342	182,871	25,469	19,770,164
Waitara Perpetual Community Fund	1,008,455	4,671,606	7,551,441	483,826	4,840,430	432,823	254,512	313,017	266,436	75,883	19,898,429
Reimburse NPDC expenses		423,575	265,238		151,153		**(50,921)		4,258	0	793,302
Annual Net Distribution	5,181,041	14,067,500	21,900,000	1,471,682	15,095,875	1,114,910	537,125	806,660	720,000	177,890	61,072,682

*Note: This relates to Leasehold income that will be distributed once a year.

**Note: NPDC have over reimbursed NPDC expenses relating to the end of December 2021 quarter. The \$50,921 is for NPDC to transfer funds back to the Waitara Lands Operating Bank Account.

Forecast distributions

The distribution calculation forecast is based on:

- freehold and leasehold income for the period 30 June 2023 - 2024 (assuming a 10% take up in 2023 and a 12% take up in 2024)

	Forecast YE 30 June 2023	Forecast YE 30 June 2024
Hapū Land Fund	2,644,560	2,935,797
Taranaki Regional Council (River Funds)	2,254,425	2,535,815
Waitara Perpetual Community Fund	2,646,287	2,937,306
Annual Net Distribution	7,545,272	8,408,918

Hapū Land Fund (TKTM) Forecast

Money in the Hapū Land Fund must be applied only to—

(a) carrying out the following actions for the benefit of the Waitara hapū in relation to land in or adjacent to Waitara:

(i) the purchase of land or interests in land:

(ii) the development of land:

(iii) the management of interests in land; and

(b) reimbursing the Council for purchases made under section 51; and

(c) paying the costs incurred by Te Kōwhatu Tū Moana in administering the Hapū Land Fund.

Te Kōwhatu Tū Moana has the following functions in the administration of the Hapū Land Fund:

(a) to determine the amounts and purposes of distributions from the Hapū Land Fund; and

(b) to make recommendations to the Council concerning the Council's investment policy for the Hapū Land Fund (including recommendations about addressing the matters specified in section 105 of the Local Government Act 2002 for the purposes of section 50(1)(a)).

	Actual 30 Jun 2019	Actual 30 Jun 2020	Actual 30 Jun 2021	Actual 30 Jun 2022	Actual 30 Jun 2023	Forecast YE 30 Jun 2022
HLF Income	1,632,146	7,528,174*	9,309,512*	1,797,982	342,974	2,644,560
Interest income	6,077	14,289	5,463	112,191	95,837	217,308
Expenses	0	(250,000)	0	(250,000)	0**	0
Cumulative Closing HLF balance	1,638,223	8,930,686	18,245,661	19,905,834	20,344,645	21,107,529

*Includes income prior to 30 June with balance transferred in July.

** Note \$1.02m distributed in October

Current Westpac bank account balance = \$5,001,671

Term Deposits = \$15,000,000

Current liability to be distributed from WLA in November 2022 = \$266,435

Leasehold income to be distributed from NPDC in July 2023 = \$76,538

Total available funds = \$20,344,645**

Waitara Perpetual Community Fund (WPCF) Forecast

Money in the Waitara Perpetual Community Fund must be applied only to—

- (a) the operation of the scheme of annual releases; and
- (b) paying the following costs of the Board:
 - (i) costs incurred in operating the scheme:
 - (ii) the costs of the Board under clause 11 of Schedule 2.

The Waitara Perpetual Community Fund must be established and administered for the purpose of benefiting the Waitara community or any part of the Waitara community by the scheme of annual releases under sections 47 to 49.

The forecast release rule is based on the following formula:

80% of prior year release plus inflation +
20% of prior year opening balance multiplied by 3% plus inflation

	Actual YE 30 Jun 2019	Actual YE 30 Jun 2020	Actual YE 30 Jun 2021	Actual YE 30 Jun 2022	Actual YE 30 Jun 2023	Forecast YE 30 Jun 2023
WPCF Income	1,008,455	7,449,501*	9,303,512*	1,794,698	342,319	2,646,287
Gain/ (Loss) on investment	0	0	408,653	(1,739,088)	(452,866)	804,068
Interest income	0	45,397	55,160	1,190	1,942	0
Release	0	0	0	0	0	(168,840)
Expenses	0	0	(32,741)	(3,320)	(3,080)	(168,840)
Grant distributions	0	0	0	0	0	0
Cumulative Closing WPCF Balance	1,008,455	8,503,353	18,237,886	18,291,366	18,179,681	21,350,561

*Includes income prior to 30 June with balance transferred in July.

Current Westpac bank account balance = \$208,424

Current Mercer balance \$17,632,017 (See table below)

Current liability to be distributed from WLA November 2022 = \$266,436

Leasehold income to be distributed from NPDC in July 2023 = \$75,883

Current Community Board expenses to be distributed From WPCF in November 2022 = \$3,080

Total available funds = \$18,179,681

WPCF - Mercer	As at 30 September 2022		
	Mercer Balanced Portfolio	Mercer Growth Portfolio	Total
Initial investment - Opening balance	4,200,000	4,200,000	8,400,000
Subsequent Investments	5,552,977	5,462,342	11,015,318
Drawdown	0	0	0
Realised/unrealised gain or (loss)	(877,604)	(905,698)	(1,783,301)
Closing WPCF Balance per Mercer	8,875,373	8,756,644	17,632,017