

Waitara

Lands Act

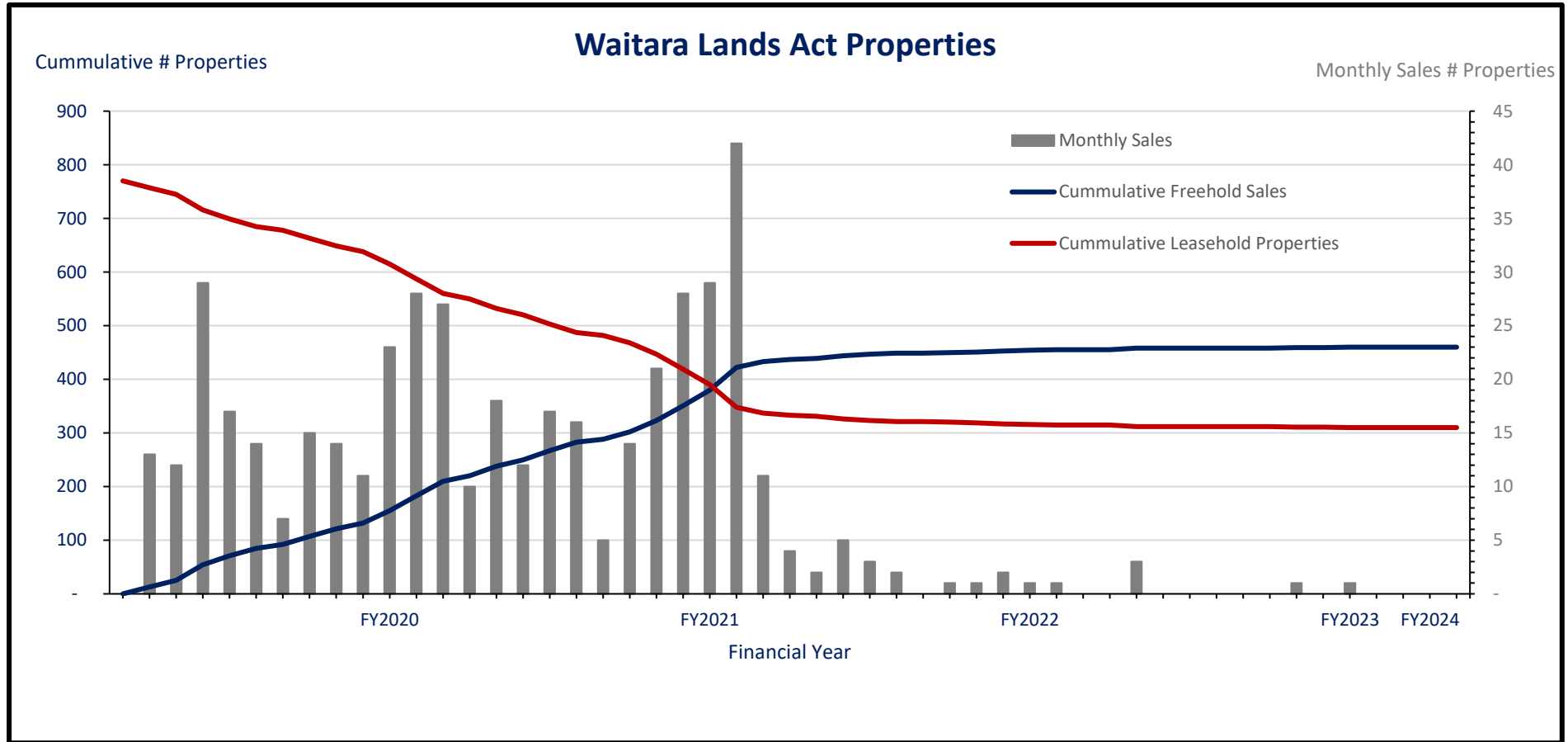
Quarterly Report

30 September 2023

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Graph of Freehold & Leasehold – Quantity Remaining



Distributions up to 30 September 2023

	Hapu Land Fund	Taranaki Regional Council (River Funds)	Waitara Perpetual Community Fund	Reimburse NPDC expenses	Annual Net Distribution
Actual Accumulated Income 17 March 2019	1,632,146	2,540,439	1,008,455	0	5,181,040
Actual Interim Freeholds Distributed in 2019/20 Financial Year	4,671,606	4,300,713	4,671,606	423,575	14,067,500
Actual Interim Freeholds Distributed in 2020/21 Financial Year	7,551,441	6,531,880	7,551,441	265,238	21,900,000
Actual Leaseholds Distributed in 22 July 2020	562,499	425,357	483,826	0	1,471,682
Actual Interim Freeholds Distributed in 2021/22 Financial Year	4,840,430	5,263,861	4,840,430	151,153	15,095,875
Actual Leaseholds Distributed in 22 July 2021	438,879	243,208	432,823	0	1,114,910
Actual Interim Freeholds Distributed in 2022/23 Financial Year	520,947	261,895	520,947	**(46,664)	1,257,125
Actual Leaseholds Distributed in 29 July 2022	316,301	177,342	313,017	0	806,660
Actual Interim Freeholds Distributed in 2023/24 Financial Year	114,551	231,102	114,551	17,795	478,000
Actual Leaseholds Distributed in 15 August 2023	327,417	221,597	325,647	0	874,661
WLA-00 Available balance to transfer	(723)	(1,446)	(723)	2,891	0
NPDC-00 Available balance to transfer*	66,456	30,234	66,719	0	163,409
Total Balance	21,041,951	20,226,183	20,328,740	813,988	62,410,862

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

**Note: NPDC over reimbursed NPDC expenses relating to the end of December 2021 quarter. In July 2022 the \$46,664 shows NPDC transferring funds back to the Waitara Lands Operating Bank Account.

Distributions Commentary up to 30 September 2023

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 2021.

During the 2022/23 financial year there's been an interim distribution for Freehold income of \$1.3m (\$537k in July and \$720k in November) and \$807k of 2021/22 Leasehold income distributed in July 2022.

During the 2023/24 financial year there's been an interim distribution for Freehold income of \$478k and \$875k of 2022/23 Leasehold income distributed in August 2023.

As at 30 September 2023 there is \$163k available for Leasehold income and \$0k for Freehold income.

Forecast distributions

The distribution calculation included in LTP 2021-31, for the period 1 July 2023 - 30 June 2024 is based on:

- freehold and leasehold income assumed a 12% take up in 2024

The revised distribution calculation forecast, for the period 1 July 2023 - 30 June 2024 is based on:

- freehold and leasehold income assuming a 1% take up

The distribution calculation to be included in LTP 2024-34 (working version) is based on:

- freehold and leasehold income assuming a 1% take up per year

	LTP 2021-31) YE 30 June 2024	Forecast YE 30 June 2024 (Revised)	Forecast YE 30 June 2025	Forecast YE 30 June 2026	Forecast YE 30 June 2027
Hapū Land Fund	2,935,797	629,764	641,725	654,562	668,317
Taranaki Regional Council (River Funds)	2,535,815	240,619	244,565	248,762	253,221
Waitara Perpetual Community Fund	2,937,306	629,764	641,725	654,562	668,317
Annual Net Distribution	8,408,918	1,500,147	1,528,016	1,557,885	1,589,854

Lease summary

Waitara Lease Portfolio

As at 30 September 2023

Annual invoiced rental \$1,016,233

Lease Arrears

6 Months	\$36,607
12 Months	\$60,954
24 Months <u>And</u> Older	\$86,311
Total	\$183,872

Average Rental \$3,268

Current Leases 307

Expired Leases (being renewed) 6

Number of Leases 313

Leases expiring within 6 Months 11

Lease Summary



■ Expired Leases (being renewed) ■ Current Leases

Debtors arrears

Arrears 24 Months and Older:

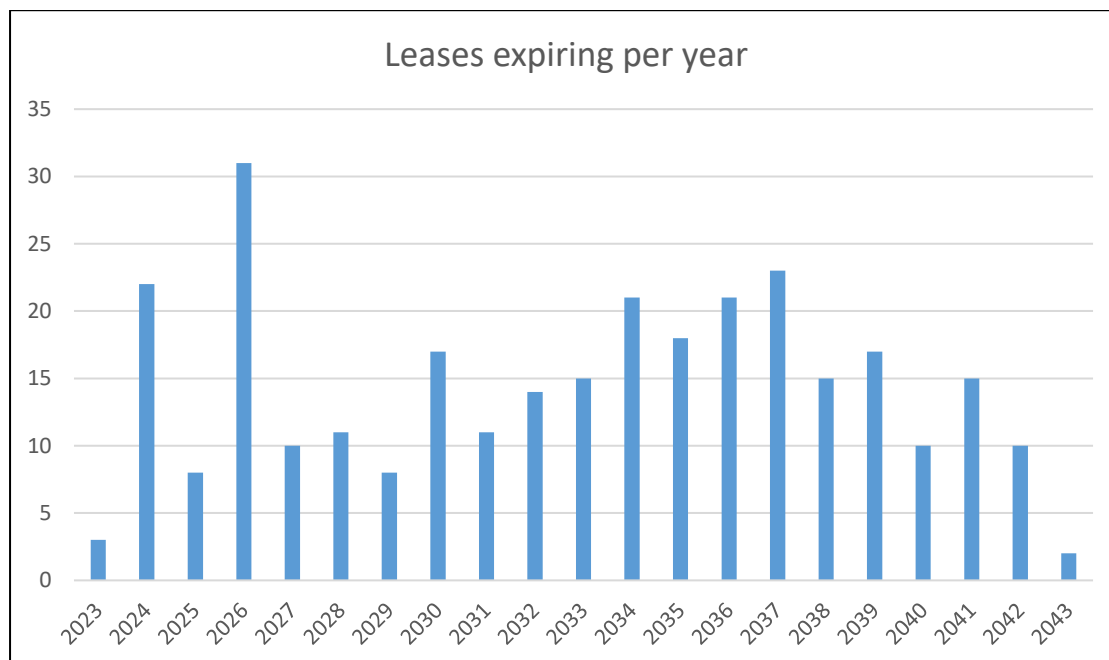
DESCRIPTION	NUMBER	AMOUNT
On payment plan	3	\$24,285
Other - Estate (lessee recently deceased)	1	\$5,486
Engaging with Council - not on a payment plan	2	\$17,013
Not engaging with Council - not on a payment plan	4	\$39,527
TOTAL	10	\$86,311

Lease Expiration

Expired Leases as at 30 September 2023:

DESCRIPTION	NUMBER
With solicitor to sign	1
Not engaging with Council	5
TOTAL	6

Future expiration of leases per year -



Sales of Leases

Lease Transfers July 2023 - September 2023:

DESCRIPTION	NUMBER
Residential transfers - open market sales	3
Residential transfers - estate transfer to family via Will	2
Residential transfers – mortgagee sales	1
Commercial transfers - open market sales	0
TOTAL	6

Freeholding summary

Freeholding Applications July 2023 - September 2023:

DESCRIPTION	NUMBER
Residential applications	4
Commercial applications	0
Industrial applications	0
TOTAL	4

Freeholding Purchases July 2023 - September 2023:

DESCRIPTION	NUMBER
Residential sales	0
Commercial sales	0
Industrial sales	0
TOTAL	0

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)).

	Hapū Land Fund	Interest Income	Expenses	Cumulative Closing HLF balance
Actual 2018.19	1,632,146	6,077	0	1,638,223
Actual 2019.20	7,528,174*	14,289	(250,000)	8,930,686
Actual 2020.21	9,309,512*	5,463	0	18,245,661
Actual 2021.22	1,797,982*	112,191	(250,000)	19,905,834
Actual 2022.23	708,404*	264,105	(4,048,500)	16,902,768
Actual 2023.24	65,733	258,495	0	17,226,995
Forecast (Revised) YE 30 Jun 2024	629,764	719,725	0	18,252,257

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

Current Westpac bank account balance = \$6,161,263 (\$5m Term deposit matured on 28 September 2023)

Term Deposits = \$11,000,000

Current liability to be distributed from WLA = \$-723

Leasehold income to be distributed from NPDC in July 2024 = \$66,456

Total available funds = \$17,226,995

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

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

	WPCF Income	Gain/ (Loss) on investment	Interest income	Release	Expenses	Grant distributions	Cumulative Closing WPCF balance
Actual 2018.19	1,008,455	0	0	0	0	0	1,008,455
Actual 2019.20	7,449,501*	0	45,397	0	0	0	8,503,353
Actual 2020.21	9,303,512*	408,653	55,160	0	(32,741)	0	18,237,886
Actual 2021.22	1,794,698*	(1,739,088)	1,190	0**	(3,320)	0	18,291,366
Actual 2022.23	706,633*	1,349,052	15,030	0	(11,330)	(167,460)#	20,183,292
Actual 2023.24	65,997	(510,077)	7,276	0	0	0	19,746,487
Forecast (Revised) YE 30 Jun 2024	629,764	875,179		0	0	262,332	20,989,099

** Includes \$59,138 Approved FY22 Release for Waitara Marine Park.

Includes \$1,200 distributed to NPDC for logo design.

Current Westpac bank account balance = \$756,632

Current Mercer balance \$18,923,858(See table below)

Current liability to be distributed from WLA = \$-723

Leasehold income to be distributed from NPDC in July 2024 = \$66,719

Total available funds = \$19,746,487

WPCF - Mercer	As at 30 September 2023		
	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)	(312,869)	(178,591)	(491,460)
Closing WPCF Balance per Mercer	9,440,108	9,483,750	18,923,858

Appendix

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*	(21,280)	(1,513)
Interest earned	60,146	0
Accumulated income	5,402,250	189,923

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	1,800,750	63,308	(123,856)	1,740,202	(1,739,704)	498
TRC	2,701,125	N/A	-	2,701,125	(2,700,891)	234
WPCF	900,375	126,615	-	1,026,990	(1,026,229)	761
	5,402,250	189,923	(123,856)	5,468,317*	(5,466,824)	1,493

*Note. As at 30 September 2023 the debtors balance is \$22,793 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	570,537	425,618	996,155
Income FY24	86,602	104,306	190,908
Less debtors	(137,876)	(84,081)	(221,957)
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*	(124,342)	(18,141)	(142,482)
Less expenses FY24*	(35,583)	(0)	(35,583)
	1,874,103	2,269,942	4,144,045

*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	468,526	1,134,971	1,603,497	(1,537,539)	65,958
TRC	937,052	-	937,052	(907,052)	30,000
WPCF	468,526	1,134,971	1,603,497	(1,537,539)	65,958
	1,874,103	2,269,942	4,144,045	(3,982,130)	161,916

As at 30 September 2023 there are 307 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	760,000	198,000	958,000
Sales Income FY24	0	0	0
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	(22,053)	N/A	(22,053)
Less expenses FY24	(2,891)	N/A	(2,891)
	33,176,012	18,808,500	51,984,512

* 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	8,294,003	9,404,250	17,698,253	(17,698,976)	(723)
TRC	16,588,006	-	16,588,006	(16,589,451)	(1,446)
WPCF	8,294,003	9,404,250	17,698,253	(17,698,976)	(723)
NPDC reimburse expenses	(813,988)	-	(813,988)	(811,097)	2,891
	32,362,024	18,808,500	51,170,524	(52,798,500)	0

Expenditure analysis

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	19,855	17,149	37,005
Valuation Fees	7,375		7,375
Bank Fees			
Survey Fees			
Property rates	8,354	991	9,345
NPDC Staff hours	88,758		88,758
SUBTOTAL 2022-23	124,342	18,141	142,482
1 July 2023 – 30 June 2024			
Legal Fees	618	0	618
Valuation Fees	5,703	0	5,703
Bank Fees	0	0	0
Professional Fees	1,560	0	1,560
Property rates	3,200	0	3,200
NPDC Staff hours	24,503	0	24,503
SUBTOTAL 2023-24	35,583	0	35,583
Total Leasehold expenses	1,381,611	50,726	1,432,337

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	7,877		7,877

Valuation fees	6,728		6,728
Survey fees			
Professional fees	12,448		12,448
Valuation Recovery	(5,000)		(5,000)
SUBTOTAL 2022-23	22,053		22,053
1 July 2023 – 30 June 2024			
Legal Fees	1,656		1,656
Valuation fees	2,400		2,400
Survey fees	0		0
Professional fees	1,235		1,235
Valuation Recovery	(2,400)		(2,400)
SUBTOTAL 2023-24	2,891		2,891
Total Freehold expenses	813,988	0	813,988