

Waitara

Lands Act

Quarterly Report

31 December 2021

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*	(45,633)	(2,965)
Interest earned	60,146	0
Accumulated income	5,377,897	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 @ 31 Dec	Previous Distributions	Available Distributions @31 Dec
HLF	1,792,632	62,824	(123,856)	1,731,600	(1,728,488)	3,112
TRC	2,688,949	N/A	-	2,688,949	(2,684,621)	4,328
WPCF	896,316	125,647	-	1,021,964	(1,020,068)	1,896
	5,377,897	188,471	(123,856)	5,442,512*	(5,433,177)	9,335

*Note. As at 31 December 2021 the debtors balance is \$48,598 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 @ 31 Dec
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	267,158	216,370	483,888
Less debtors	(113,839)	(119,712)	(233,551)
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*	(118,162)	(478)	(118,641)
	1,179,343	1,516,050	2,695,394

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

The distribution calculation for Future Income are as follows:

	Subpart 1	Subparts 2-5	Total @ 31 Dec	Previous Distributions	Available Distributions @ 31 Dec
HLF	294,836	758,025	1,052,861	(905,036)	147,825
TRC	589,672	-	589,672	(524,383)	65,289
WPCF	294,836	758,025	1,052,861	(905,036)	147,825
	1,179,343	1,516,050	2,695,394	(2,334,456)	360,938

Freehold income

	Subpart 1	Subparts 2-5	Total @ 31 Dec
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	2,107,000	1,167,000	3,274,000
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	(26,084)	N/A	(26,084)
	32,051,316	17,880,500	49,931,816

The distribution calculation for Future Income are as follows:

	Subpart 1	Subparts 2-5	Total @ 31 Dec	Previous Distributions	Available Distributions @ 31 Dec
HLF	8,012,829	8,940,250	16,953,079	(16,467,473)	485,606
TRC	16,025,658	-	16,025,658	(15,489,447)	536,211
WPCF	8,012,829	8,940,250	16,953,079	(16,467,473)	485,606
NPDC reimburse expenses	(728,684)	-	(728,684)	(771,106)	(42,422)
	31,322,632	17,880,500	49,203,132	(49,195,500)	(1,465,000)

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 – 31 December 2021			
Legal Fees	6,490		6,490
Valuation Fees	2,800		2,800
Bank Fees	319		319
Survey Fees			
Property rates	6,289	479	6,767
NPDC Staff hours	102,265		102,265
SUBTOTAL 2021-22	118,162	479	118,641
Total Leasehold expenses	1,174,144	32,107	1,206,251

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
SUBTOTAL 2020-21	268,207	0	268,207
1 July 2021 – 30 June 2022			
Legal Fees	18,052		18,052
Valuation fees	7,700		7,700
Survey fees	(121)		(121)
Professional fees	8,463		8,463
Valuation Recovery	(8,010)		(8,010)
SUBTOTAL 2021-22	26,084		26,084
Total Freehold expenses	785,591	0	785,591

Distributions upto 31 December 2021

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. During the 2021/22 financial year there's been an Interim distribution for Freehold income of \$13.2m (\$11.42 in July and \$1.8m in October) and \$1.12m of Leasehold income distributed July.

As at 31 December 2021 there is \$1.55m available to transfer relating to Freehold income and \$370k 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	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	4,244,427	438,879	485,606	150,936	19,737,540
Taranaki Regional Council (River Funds)	2,540,439	4,300,713	6,531,880	425,357	4,656,853	243,208	536,211	69,616	19,304,278
Waitara Perpetual Community Fund	1,008,455	4,671,606	7,551,441	483,826	4,244,427	432,823	485,606	149,721	19,027,903
Reimburse NPDC expenses		423,575	265,238		82,293		42,422	0	813,529
Annual Net Distribution	5,181,041	14,067,500	21,900,000	1,471,682	13,228,000	1,114,910	1,549,845	370,273	58,883,250

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

Forecast distributions

The distribution calculation forecast is based on:

- freehold and leasehold income for the period 30 June 2022 - 2024 (assuming a 10% take up in 2022, 2023 and a 12% take up in 2024)

	Forecast YE 30 June 2022	Forecast YE 30 June 2023	Forecast YE 30 June 2024
Hapū Land Fund	2,793,970	2,644,560	2,935,797
Taranaki Regional Council (River Funds)	2,459,286	2,254,425	2,535,815
Waitara Perpetual Community Fund	2,795,898	2,646,287	2,937,306
Annual Net Distribution	8,049,154	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 31 Dec 2021	Forecast YE 30 Jun 2022
HLF Income	1,632,146	7,528,174*	9,309,512*	1,267,707	2,793,970
Interest income	6,077	14,289	5,463	17,992	51,306
Expenses	0	(250,000)	0	(250,000)	0
Cumulative Closing HLF balance	1,638,223	8,930,686	18,245,661	19,281,361	21,090,938

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

Current Westpac bank account balance = \$18,644,819

Current liability to be distributed from NPDC in February 2022 = \$485,606

Leasehold income to be distributed from NPDC in July 2022 = \$150,936

Total available funds = \$ 19,281,361

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 As at 31 Dec 2021	Forecast YE 30 Jun 2022
WPCF Income	1,008,455	7,449,501*	9,303,512*	1,266,491	2,795,898
Gain on investment	0	0	408,653	587,448	723,903
Interest income	0	45,397	55,160	848	0
Release	0	0	0	0	(52,150)
Expenses	0	0	32,741	0	(52,150)
Grant distributions	0	0	0	0	0
Cumulative Closing WPCF Balance	1,008,455	8,503,353	18,237,886	20,092,673	21,653,386

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

Current Westpac bank account balance = \$490

Current Mercer balance \$19,456,856 (See table below)

Current liability to be distributed from NPDC February 2022 = \$485,606

Leasehold income to be distributed from NPDC in July 2022 = \$149,721

Total available funds = \$20,092,672

WPCF - Mercer	As at 31 Dec 2021		
	Mercer Balanced Portfolio	Mercer Growth Portfolio	Total
Initial investment - Opening balance	4,200,000	4,200,000	8,400,000
Subsequent Investments	5,088,378	4,972,378	10,060,755
Drawdown	0	0	0
Realised/unrealised gain or loss	421,090	575,011	996,101
Closing WPCF Balance per Mercer	9,709,468	9,747,389	19,456,856