

30 September 2022

[REDACTED]

Dear [REDACTED]

LOCAL GOVERNMENT OFFICIAL INFORMATION AND MEETINGS ACT Request: 2022-58

Thank you for your email of 28 September 2022 to the Carterton District Council requesting the following information:

*“Why does the publication for candidates
Not have the 2022 figures 2 months after year end (now 3 months)? Even now expected if
the accounts are that slow.
Concentrate on the LTP which is widely considered not to be worth the electronic space it
takes up.?”*

*Why have the council raised over ten million in debt at a time when it appears to have?
The same amount in cash and equivalents PLUS for some reason five million in investments?*

*This information seems to me to be totally misleading.
Could you please educate me?*

*Candidates have told me that the ten million of new debt is for; the effluent treatment, the
council is out of money.
A huge variety in understanding by councillors.
Do you feel you have communicated satisfactorily?”*

Your request has been considered under the Local Government Official Information and Meeting Act 1987 (the Act).

The response to your request is in the order below.

Why does the publication for candidates? Not have the 2022 figures 2 months after year end (now 3 months)? Even now expected if the accounts are that slow. Concentrate on the LTP which is widely considered not to be worth the electronic space it takes up.?

The Local Government Act 2002 states the following:

Section 99A Pre-Election

(4) The purpose of a pre-election report is to provide information to promote public discussion about the issues facing the local authority.

(5) A pre-election report must be completed and published no later than the day that is 2 weeks before the nomination day for a triennial general election of members of a local authority under the [Local Electoral Act 2001](#).

On 15 July 2022, Carterton's Pre-election Report was issued. Our balance date is 30 June 2022. Consequently, the 2022 financial reports were unavailable at the time of writing the Pre-Election Report.

The Local Government Act provides for Council to use the Long-Term Plan budgets in this situation. We note that the interim draft 2022 Annual Report was included as a paper to the Audit & Risk Committee meeting on 29 September 2022.

Why have the council raised over ten million in debt at a time when it appears to have? The same amount in cash and equivalents PLUS for some reason five million in investments?

Approximately \$7m of council's cash reserves relate to special reserves, which have been collected for, and must be used for, specific purposes. This can be for capital projects when the criteria are met.

Council can choose to fund capital projects using other reserves, for example, depreciation reserves are generally used to fund renewal capital expenditure.

The 2023 Annual Plan capital programme is approximately \$9 million, of which \$6.3 million is to be funded via special reserves and depreciation reserves, with the remainder funded using external loans.

Council generally uses loan funding for capital projects that are new (rather than renewals), or relate to an increase in level of service, or to address increased demand. By using loan funding, this spreads the cost of the asset across future generations who are benefitting from the asset over its life, rather than just putting the burden on current ratepayers.

As part of the annual plan and long-term plan process, council can consider how it wishes to fund capital projects, including how reserves are utilised.

This information seems to me to be totally misleading. Could you please educate me?

We hope the information above helps clarify your concerns.

Candidates have told me that the ten million of new debt is for; the effluent treatment, the council is out of money. A huge variety in understanding by councillors. Do you feel you have communicated satisfactorily?

The Pre-Election Report, Annual Plan, and the 2022 Draft Annual Report explain in detail the Council's financial position. The Draft 2022 Annual Report was presented at the public Audit and Risk Committee meeting on 29 September, and Elected members were given the opportunity to ask questions, which were then answered. This also occurs for the annual plan and the long-term plan.

Elected members have also had information sessions during the year with both staff and external parties, including with the Local Government Funding Agency (LGFA) to discuss borrowing, a session with PwC to discuss treasury (as well as use of PwC as external treasury advisors, with reports to every Ordinary Audit and Risk Committee meeting), and sessions with Eriksens Global on investments.

While we believe the Council has communicated satisfactorily, we are always looking at ways to improve, and have factored several financial sessions into the induction programme for the new Council after elections.

We note the 2022 Annual Report has not yet been audited due to staff shortages in Audit New Zealand. Audit NZ have advised they expect our Audit to be finalised before the end of this calendar year, and Council will then adopt the finalised 2022 Annual Report.

Please note, the Council now proactively publishes LGOIMA responses on our website. As such, we may publish this response on our website after five working days. Your name and contact details will be removed.

Thank you again for your email You have the right to ask an Ombudsman to review this decision. You can do this by writing to info@ombudsman.parliament.nz or Office of the Ombudsman, PO Box 10152, Wellington 6143.

Yours sincerely



Geoff Hamilton
Chief Executive
Carterton District Council