

The Final PFI ('FPFI') Project

November 2006

*'Are our rates High ... or Low or What ... how can we tell?
Is our debt too high and unsustainable, are our operating
expenses out of line? ...'*

CAN YOU ANSWER THESE QUESTIONS?



This document is very important for your Council's future.
Please take 10 minutes to read it.

*This is an information package detailing your Council's prospective financial data ...
to be used to respond to your own Council's rating issues as well as debt, asset
and other financial planning options.*

Larry. N. Mitchell

Finance & Policy Analyst (Local Government)

Contents of Input Package

- **Cover Letter** describing the importance of the '*FPFI*' project
- '*FPFI*' **Sample Reports – Debt and Operating Expenditure**
- **Schedule of all '*FPFI*' Reports – included in the project's 'Findings' document**
- **Appendix – '*FPFI*' Subscription Form**



To Whom It May Concern

**This is an Important message ... please, in your own Council's interests
take the time to read and reflect ...**

Personal representations concerning the value of the *Final PFI project* ... 'FPFI' 'Findings' reports

Please fully evaluate this package, particularly the sample Debt and Operating Expenditure reports enclosed. These reports will in my humble opinion prove essential to your Council's future.¹

Your Council's ability to respond to the Government's proposed rates 'Independent Investigation' and to media and ratepayer enquiries is at stake. Do not rely on 'others' to represent your Council's interests!

NO other agency will provide information of this nature or sponsor your Council's positions on rates, debt, assets and other Itccp related data.

This package contains two sample '**FPFI**' reports. These are worthy of close study because they show the value of both the data and the format in which the information is presented.

And remember ... these sample reports are just two of 73 of the full '**FPFI**' datasets.

Debt 'Findings' data interpretation

The '**FPFI**' project covers New Zealand Territorial local Council rates, debt and assets.

The 'Debt' and 'Operating expenditure' reports are chosen for the sample. Rates related reports are even more interesting than these!

The 'Final PFI project' Findings reports have thrown up numerous revealing 'stats' of vital interest to your Council.²

The reports demonstrate the usefulness of the data in the way it has been organised. For instance, use of a 'deflator' of 2006-2016 Itccp data has given much needed reality to projected increases ... of rates, debt, operating expenditures and so on.

The public debate about these topics has been characterised by incomplete and/or frankly misleading selective quotation of inflated financial data.

These subjects of much media and public comment have not been widely reported in 'nominal-deflated' 2006 dollar terms.

¹ The two sample reports are exactly similar to all of the other Final Project's 'Findings' Their functionality includes peer groupings, stats including averages, medians etc and the full data set numbering 73 reports. In total these cover all data normally necessary to inform Councils of their current and prospective financial circumstances. Note these datasets comprise 47 of the 73 TLA's, other reports include the full 73.

² Other project topics are reported, for example the numerous findings concerned with 'Rates' are equally revealing.



As an example the oft quoted debt data, (the average sector figure,) as reported in the 2006 Itccp's shows in the sample report as a + 52% (inflated) increase. But this converts to a 'nominal' (deflated) rate of just + 16.2% for the 10-year period. In dollar per capita terms this on average for the sector equates to a mere \$37! (per capita).

Quoting all of these figures will give the public a much less slanted view of the Itccp data than is presently the case.

Implications of this 'realistic' information

Just consider for a moment what this data (and an additional 71 others – see enclosed *Schedule of 'FPFI' Datasets*) datasets, including rates increases, revenue increases etc would add to your (and media and others) appreciation of your Itccp data.

The 'Findings' reports will allow you to *compare apples with apples* ... instead of *lemons* and respond credibly with a foundation of reality to the many issues being raised by 2006 Itccp data.

This capability will be vital for your Council in assessing your Council's position before the government driven '**Independent (Rates) Investigation**'. And it is not just these 'deflated' comparisons that will be of great value to your Council.

Within the '**FPFI project Findings**' reports there are disclosed numerous other hugely significant co-relations, ratios and data relationships (*Ref; a schedule enclosed covering the full 'FPFI' datasets refers and a separate sample 'Findings' document is available on request*).

Consider the following abbreviated list of points drawn from the analysis of the two enclosed samples, the Debt and Operating expenditure reports.

Properly analysed and interpreted this information as contained in the reports has the potential to give the lie to the views of some in the public debate which seem to have become accepted as truisms ... see for instance Debt 'increases' which when fully interpreted, in 'reality' have not 'gone up'!

- Metro and City Councils on average have **reduced** in real terms their debt per capita (by \$208 and \$58 respectively) over the 10 year Itccp period ... **Has your Council followed this trend?**
- Provincial/Rural and Rural Councils on average have increased in real terms their debt per capita in very 'modest' terms (by a mere \$192 and \$96 respectively) over the 10 year Itccp period ... **Has your Council followed this trend?**
- There is a direct (albeit not very strong) correlation of High growth Councils (those with above average/median population increases) and their increased debt levels ... based on results gained from sub-sampling of 'core' Findings reports. **Has your Council followed this trend?**³
- A normative pattern of increases in prospective (Itccp) operating expenditures is revealed, normative in the sense that increases of expenditures closely track increases in Council cost drivers ... such as population⁴ and higher service levels. These relationships apply to the significant majority of Councils from each of the four groups ... and perhaps more importantly both for inflated and deflated metrics. **Has your Council followed this trend?**

³ ... a rank correlation coefficient between growth and debt of +0.32 ... meaning where growth is high, debt is high but the 'grouped and sector wide' data does not support a 'strong' correlation between the two variables.

⁴ Population estimates unsurprisingly are absolutely critical to all Itccp projections.



So where to from here?

Having considered and absorbed the significance of the sample (two of the 73 reports) ... pause for a moment to consider the value of all of the datasets as disclosed in the enclosed 'Schedule of all **'FPFI'** Reports'. Is this not vital information to your Council?

At a time of unprecedented interest in the issues of Council rates, debt, assets and other topics facing the sector ask yourself ...

Can I/We answer these questions ...

'Are our rates High ... or Low or What ... how can we tell? Is our debt too high and unsustainable, are our operating expenses out of line? ... What does all this ltccp data actually mean?'

How will you properly inform your Council of its key prospective financial statistics? ... if you do not have full access to the 'Findings' reports of the **'Final PFI project'**?⁵

To subscribe to the project please fill out the attached enclosed Appendix – 'FPFI' Subscription Form

You would be most welcome to join the growing numbers of subscribers.

Kind Regards

Larry. N. Mitchell

⁵ 'Tip' ... Don't rely on any agency or organisation to give your Councils the required 'answers'. The **'Final PFI project'** represents a major undertaking to marshal all relevant available information ... reports of **Your** data relative to others. The cost to subscribe is a pretty modest **\$3,500 per Council** and this covers all data as scheduled is provided, the 'Findings' report package and (November 14th 2006 Wellington) Workshop attendances.

Final 'PFI' Project Reports (November 06)

Measure: **Debt**

Dataset: **LTCCP Reports**

Source: **LTCCP 2006-2016**

Deflator: **2.8% GDP Default used**

Peer Group	Council Name	Pop ⁿ Current	Pop ⁿ 2016	Debt Now \$000	Debt Year 10 \$000	Debt Year 10 Deflated	LTCCP Inflated				LTCCP Deflated			
							% Incr/Decr of Debt over 10 yrs	\$000 Incr/Decr of Debt over 10 yrs	% Incr/Decr of Debt per Capita over 10 yrs	\$ Incr/Decr of Debt per Capita over 10 yrs	% Incr/Decr of Debt over 10 yrs	\$000 Incr/Decr of Debt over 10 yrs	% Incr/Decr of Debt per Capita over 10 yrs	\$ Incr/Decr of Debt per Capita over 10 yrs
Metro	Auckland City	437,900	539,054	351,557	372,436	282,566	6%	\$20,879	-13.9%	-\$112	-20%	-\$68,991	-34.7%	-\$279
(All)	Christchurch City	344,100	387,695	169,937	375,452	284,855	121%	\$205,515	96.1%	\$475	68%	\$114,918	48.8%	\$241
	Dunedin City	140,000	145,702	169,000	229,000	173,742	36%	\$60,000	30.2%	\$365	3%	\$4,742	-1.2%	-\$15
	Hamilton City	129,200	157,494	238,515	544,568	413,163	128%	\$306,053	87.3%	\$1,612	73%	\$174,648	42.1%	\$777
	Hutt City	100,500	100,500	100,891	40,263	30,547	-60%	-\$60,628	-60.1%	-\$603	-70%	-\$70,344	-69.7%	-\$700
	Manukau City	333,400	435,181	184,809	444,915	337,556	141%	\$260,106	84.4%	\$468	83%	\$152,747	39.9%	\$221
	North Shore City	216,000	263,303	311,897	320,460	243,132	3%	\$8,563	-15.7%	-\$227	-22%	-\$68,765	-36.1%	-\$521
	Waitakere City	195,600	240,783	381,000	702,000	532,606	84%	\$321,000	49.7%	\$968	40%	\$151,606	13.6%	\$264
	Wellington City	180,300	213,405	330,311	480,740	364,736	46%	\$150,429	23.0%	\$421	10%	\$34,425	-6.7%	-\$123
City	Invercargill City	49,700	50,199	48,000	61,500	46,660	28%	\$13,500	26.9%	\$259	-3%	-\$1,340	-3.8%	-\$36
(All)	Napier City	55,500	57,188	66,246	66,792	50,675	1%	\$546	-2.2%	-\$26	-24%	-\$15,571	-25.8%	-\$308
	New Plymouth District	68,000	70,068	96,000	103,000	78,146	7%	\$7,000	4.1%	\$58	-19%	-\$17,854	-21.0%	-\$296
	Palmerston North City	78,700	84,386	160,000	270,000	204,848	69%	\$110,000	57.4%	\$1,167	28%	\$44,848	19.4%	\$394
	Porirua City	50,600	53,719	27,939	31,785	24,115	14%	\$3,846	7.2%	\$40	-14%	-\$3,824	-18.7%	-\$103
	Rotorua District	68,700	71,498	122,000	159,000	120,633	30%	\$37,000	25.2%	\$448	-1%	-\$1,367	-5.0%	-\$89
	Tauranga District	107,900	142,217	182,892	314,147	238,343	72%	\$131,255	30.3%	\$514	30%	\$55,451	-1.1%	-\$19
	Upper Hutt City	37,200	37,574	24,527	37,682	28,589	54%	\$13,155	52.1%	\$344	17%	\$4,062	15.4%	\$102
	Whangarei District	72,100	79,643	126,386	166,939	126,656	32%	\$40,553	19.6%	\$343	0%	\$270	-9.3%	-\$163
Prov/Rural	Ashburton District	26,900	29,131	34,118	19,965	15,147	-41%	-\$14,153	-46.0%	-\$583	-56%	-\$18,971	-59.0%	-\$748
(17/36)	Far North District	57,800	61,363	74,072	82,824	62,838	12%	\$8,752	5.3%	\$68	-15%	-\$11,234	-20.1%	-\$257
	Franklin District	57,400	68,610	91,000	47,000	35,659	-48%	-\$44,000	-56.8%	-\$900	-61%	-\$55,341	-67.2%	-\$1,066
	Gisborne District	44,800	42,610	44,824	28,204	21,398	-37%	-\$16,620	-33.8%	-\$339	-52%	-\$23,426	-49.8%	-\$498
	Hastings District	71,400	75,802	9,600	40,000	30,348	317%	\$30,400	292.5%	\$393	216%	\$20,748	197.8%	\$266
	Horowhenua District	30,500	29,895	34,000	75,000	56,902	121%	\$41,000	125.0%	\$1,394	67%	\$22,902	70.7%	\$789
	Kaipara District	18,050	18,414	16,000	85,000	64,489	431%	\$69,000	420.7%	\$3,730	303%	\$48,489	295.1%	\$2,616
	Kapiti Coast District	48,100	58,634	78,124	150,368	114,084	92%	\$72,244	57.9%	\$940	46%	\$35,960	19.8%	\$322
	Masterton District	23,300	23,534	9,100	24,600	18,664	170%	\$15,500	167.6%	\$655	105%	\$9,564	103.1%	\$403
	Matamata Piako District	30,300	30,604	33,569	40,623	30,821	21%	\$7,054	19.8%	\$219	-8%	-\$2,748	-9.1%	-\$101
	Rodney District	90,600	121,759	244,582	429,921	326,180	76%	\$185,339	30.8%	\$831	33%	\$81,598	-0.8%	-\$21
	Ruapehu District	14,298	14,298	27,990	29,830	22,632	7%	\$1,840	6.6%	\$129	-19%	-\$5,358	-19.1%	-\$375
	South Taranaki District	27,300	24,940	52,000	124,000	94,079	138%	\$72,000	161.0%	\$3,067	81%	\$42,079	98.0%	\$1,867
	South Waikato District	23,472	23,472	9,867	10,548	8,003	7%	\$681	6.9%	\$29	-19%	-\$1,864	-18.9%	-\$79
	Thames-Coromandel District	26,700	28,346	41,000	77,000	58,420	88%	\$36,000	76.9%	\$1,181	42%	\$17,420	34.2%	\$525
	Waimakariri District	41,000	53,517	68,000	103,000	78,146	51%	\$35,000	16.0%	\$266	15%	\$10,146	-12.0%	-\$198
	Wanganui District	44,400	44,400	56,160	63,320	48,041	13%	\$7,160	12.7%	\$161	-14%	-\$8,119	-14.5%	-\$183

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Final 'PFI' Project Reports (November 06)

Measure: **Debt**

Dataset: **LTCCP Reports**

Source: **LTCCP 2006-2016**

Deflator: **2.8% GDP Default used**

Peer Group	Council Name	Pop ⁿ Current	Pop ⁿ 2016	Debt Now \$000	Debt Year 10 \$000	Debt Year 10 Deflated	LTCCP Inflated				LTCCP Deflated			
							% Incr/Decr of Debt over 10 yrs	\$000 Incr/Decr of Debt over 10 yrs	% Incr/Decr of Debt per Capita over 10 yrs	\$ Incr/Decr of Debt per Capita over 10 yrs	% Incr/Decr of Debt over 10 yrs	\$000 Incr/Decr of Debt over 10 yrs	% Incr/Decr of Debt per Capita over 10 yrs	\$ Incr/Decr of Debt per Capita over 10 yrs
Rural	Buller District	11,215	11,215	13,337	20,574	15,609	54%	\$7,237	54.3%	\$645	17%	\$2,272	17.0%	\$203
(12/19)	Carterton District	7,160	7,160	1,614	494	375	-69%	-\$1,120	-69.4%	-\$156	-77%	-\$1,239	-76.8%	-\$173
	Hurunui District	10,850	12,850	9,292	7,221	5,479	-22%	-\$2,071	-34.4%	-\$294	-41%	-\$3,813	-50.2%	-\$430
	Kaikoura District	3,610	3,610	5,978	9,866	7,485	65%	\$3,888	65.0%	\$1,077	25%	\$1,507	25.2%	\$418
	McKenzie District	3,717	3,717	0	0	0	0%	\$0	0.0%	\$0	0%	\$0	0.0%	\$0
	Opotiki District	9,530	9,530	7,301	5,724	4,343	-22%	-\$1,577	-21.6%	-\$165	-41%	-\$2,958	-40.5%	-\$310
	Otorohanga District	9,450	9,450	15,061	3,007	2,281	-80%	-\$12,054	-80.0%	-\$1,276	-85%	-\$12,780	-84.9%	-\$1,352
	South Wairarapa District	8,800	8,800	7,855	13,058	9,907	66%	\$5,203	66.2%	\$591	26%	\$2,052	26.1%	\$233
	Stratford District	8,930	8,930	6,386	6,754	5,124	6%	\$368	5.8%	\$41	-20%	-\$1,262	-19.8%	-\$141
	Wairoa District	8,440	8,440	6,429	13,169	9,991	105%	\$6,740	104.8%	\$799	55%	\$3,562	55.4%	\$422
	Waitomo District	9,610	9,610	34,409	77,024	58,438	124%	\$42,615	123.8%	\$4,434	70%	\$24,029	69.8%	\$2,500
	Westland District	7,940	7,940	8,058	8,361	6,343	4%	\$303	3.8%	\$38	-21%	-\$1,715	-21.3%	-\$216
Metro Group Stats														
	AVERAGE	230,778	275,902	248,657	389,982	295,878	56%	\$141,324	31.2%	\$374	18%	\$47,221	-0.4%	-\$15
	MEDIAN	195,600	240,783	238,515	375,452	284,855	46%	\$150,429	30.2%	\$421	10%	\$34,425	-1.2%	-\$15
	STD DEVIATION	115,004	147,544	98,315	189,102	143,472	68%	\$140,206	53.8%	\$657	51%	\$103,441	40.8%	\$452
City Group Stats														
	AVERAGE	65,378	71,832	94,888	134,538	102,074	34%	\$39,651	24.5%	\$350	2%	\$7,186	-5.5%	-\$58
	MEDIAN	68,000	70,068	96,000	103,000	78,146	30%	\$13,500	25.2%	\$343	-1%	-\$1,340	-5.0%	-\$89
	STD DEVIATION	20,629	30,332	57,189	101,929	77,333	26%	\$48,233	20.4%	\$360	20%	\$25,538	15.5%	\$214
Prov/Rural Group Stats														
	AVERAGE	39,784	44,078	54,353	84,188	63,874	83%	\$29,835	74.3%	\$661	39%	\$9,520	32.3%	\$192
	MEDIAN	30,500	30,604	41,000	63,320	48,041	51%	\$15,500	19.8%	\$266	15%	\$9,564	-9.1%	-\$79
	STD DEVIATION	20,406	27,222	55,000	97,097	73,667	128%	\$51,443	126.5%	\$1,194	97%	\$31,808	96.0%	\$908
Rural Group Stats														
	AVERAGE	8,271	8,438	9,643	13,771	10,448	19%	\$4,128	18.2%	\$478	-8%	\$805	-8.3%	\$96
	MEDIAN	8,865	8,865	7,578	7,791	5,911	5%	\$336	4.8%	\$40	-10%	-\$620	-9.9%	-\$71
	STD DEVIATION	2,424	2,673	8,839	20,739	15,735	64%	\$13,160	65.3%	\$1,390	49%	\$8,456	49.4%	\$894
Total of all Groups Stats														
	AVERAGE	73,212	84,685	87,907	134,407	101,974	52%	\$46,500	42.2%	\$500	16%	\$14,067	8.4%	\$80
	MEDIAN	44,400	44,400	44,824	63,320	48,041	32%	\$8,752	23.0%	\$343	0%	\$270	-5.0%	-\$79
	STD DEVIATION	94,356	116,265	101,980	170,048	129,015	91%	\$84,408	88.2%	\$1,036	69%	\$51,197	66.7%	\$729

Final 'PFI' Project Reports (November 06)

Measure: **Operating Expenditure (OpEx)**

Dataset: **LTCCP Reports**

Source: **LTCCP 2006-2016**

Deflator: **2.8% GDP Default used**

								LTCCP Inflated				LTCCP Deflated			
								%	\$000	%	\$	%	\$000	%	\$
Peer Group	Council Name	Pop ⁿ Current	Pop ⁿ 2016	Opex Now \$000	OpExp Year 10 \$000	OpExp All 10 yrs \$000	OpExp Year 10 Deflated	Incr/Decr of Opex over 10 yrs	Incr/Decr of Opex over 10 yrs	Incr/Decr of Opex per Capita over 10 yrs	Incr/Decr of Opex per Capita over 10 yrs	Incr/Decr of Opex over 10 yrs	Incr/Decr of Opex over 10 yrs	Incr/Decr of Opex per Capita over 10 yrs	Incr/Decr of Opex per Capita over 10 yrs
Metro	Auckland City	437,900	539,054	473,311	685,859	5,850,721	520,360	45%	\$212,548	17.7%	\$191	9.9%	\$47,049	-10.7%	-\$116
(All)	Christchurch City	344,100	387,695	360,122	498,056	4,407,967	377,874	38%	\$137,934	22.8%	\$238	4.9%	\$17,752	-6.9%	-\$72
	Dunedin City	140,000	145,702	158,956	217,285	1,943,132	164,854	37%	\$58,329	31.3%	\$356	3.7%	\$5,898	-0.3%	-\$4
	Hamilton City	129,200	157,494	135,591	207,779	1,739,181	157,641	53%	\$72,188	25.7%	\$270	16.3%	\$22,050	-4.6%	-\$49
	Hutt City	100,500	100,500	101,402	122,624	1,129,914	93,035	21%	\$21,222	20.9%	\$211	-8.3%	-\$8,367	-8.3%	-\$83
	Manukau City	333,400	435,181	254,844	369,862	3,131,916	280,614	45%	\$115,018	11.2%	\$86	10.1%	\$25,770	-15.6%	-\$120
	North Shore City	216,000	263,303	212,269	315,830	2,727,662	239,620	49%	\$103,561	22.1%	\$217	12.9%	\$27,351	-7.4%	-\$73
	Waitakere City	195,600	240,783	192,579	306,333	2,536,358	232,414	59%	\$113,754	29.2%	\$288	20.7%	\$39,835	-2.0%	-\$19
	Wellington City	180,300	213,405	303,425	392,593	3,522,515	297,859	29%	\$89,168	9.3%	\$157	-1.8%	-\$5,566	-17.1%	-\$287
City	Invercargill City	49,700	50,199	53,181	68,933	608,881	52,299	30%	\$15,752	28.3%	\$303	-1.7%	-\$882	-2.6%	-\$28
(All)	Napier City	55,500	57,188	65,170	86,814	788,232	65,866	33%	\$21,644	29.3%	\$344	1.1%	\$696	-1.9%	-\$22
	New Plymouth District	68,000	70,068	92,260	121,610	1,086,140	92,265	32%	\$29,350	27.9%	\$379	0.0%	\$5	-2.9%	-\$40
	Palmerston North City	78,700	84,386	80,367	124,198	1,053,080	94,229	55%	\$43,831	44.1%	\$451	17.2%	\$13,862	9.3%	\$95
	Porirua City	50,600	53,719	51,813	64,998	586,021	49,314	25%	\$13,185	18.2%	\$186	-4.8%	-\$2,499	-10.3%	-\$106
	Rotorua District	68,700	71,498	87,649	113,011	1,033,150	85,741	29%	\$25,362	23.9%	\$305	-2.2%	-\$1,908	-6.0%	-\$77
	Tauranga District	107,900	142,217	106,380	172,620	1,453,805	130,966	62%	\$66,240	23.1%	\$228	23.1%	\$24,586	-6.6%	-\$65
	Upper Hutt City	37,200	37,574	31,273	38,860	356,100	29,483	24%	\$7,587	23.0%	\$194	-5.7%	-\$1,790	-6.7%	-\$56
	Whangarei District	72,100	79,643	98,640	127,807	1,127,506	96,967	30%	\$29,167	17.3%	\$237	-1.7%	-\$1,673	-11.0%	-\$151
Prov/Rural	Ashburton District	26,900	29,131	25,657	35,157	314,688	26,674	37%	\$9,500	26.5%	\$253	4.0%	\$1,017	-4.0%	-\$38
(17/36)	Far North District	57,800	61,363	72,834	103,958	908,289	78,873	43%	\$31,124	34.4%	\$434	8.3%	\$6,039	2.0%	\$25
	Franklin District	57,400	68,610	53,543	78,322	683,505	59,423	46%	\$24,779	22.4%	\$209	11.0%	\$5,880	-7.2%	-\$67
	Gisborne District	44,800	42,610	60,341	76,092	691,245	57,731	26%	\$15,751	32.6%	\$439	-4.3%	-\$2,610	0.6%	\$8
	Hastings District	71,400	75,802	70,294	87,923	815,091	66,707	25%	\$17,629	17.8%	\$175	-5.1%	-\$3,587	-10.6%	-\$104
	Horowhenua District	30,500	29,895	23,454	35,305	302,612	26,786	51%	\$11,851	53.6%	\$412	14.2%	\$3,332	16.5%	\$127
	Kaipara District	18,050	18,414	28,873	42,331	379,674	32,116	47%	\$13,458	43.7%	\$699	11.2%	\$3,243	9.0%	\$144
	Kapiti Coast District	48,100	58,634	42,212	73,699	601,848	55,915	75%	\$31,487	43.2%	\$379	32.5%	\$13,703	8.7%	\$76
	Masterton District	23,300	23,534	23,985	31,786	283,421	24,116	33%	\$7,801	31.2%	\$321	0.5%	\$131	-0.5%	-\$5
	Matamata Piako District	30,300	30,604	32,435	42,230	383,266	32,040	30%	\$9,795	28.9%	\$309	-1.2%	-\$395	-2.2%	-\$24
	Rodney District	90,600	121,759	116,579	202,400	1,619,403	153,560	74%	\$85,821	29.2%	\$376	31.7%	\$36,981	-2.0%	-\$26
	Ruapehu District	14,298	14,298	21,313	25,694	243,851	19,494	21%	\$4,381	20.6%	\$306	-8.5%	-\$1,819	-8.5%	-\$127
	South Taranaki District	27,300	24,940	30,470	51,865	441,631	39,350	70%	\$21,395	86.3%	\$963	29.1%	\$8,880	41.4%	\$462
	South Waikato District	23,472	23,472	21,219	26,910	243,621	20,417	27%	\$5,691	26.8%	\$242	-3.8%	-\$802	-3.8%	-\$34
	Thames-Coro District	26,700	28,346	50,844	72,752	640,946	55,197	43%	\$21,908	34.8%	\$662	8.6%	\$4,353	2.3%	\$43
	Waimakariri District	41,000	53,517	39,691	55,397	489,201	42,030	40%	\$15,706	6.9%	\$67	5.9%	\$2,339	-18.9%	-\$183
	Wanganui District	44,400	44,400	48,783	62,723	570,112	47,588	29%	\$13,940	28.6%	\$314	-2.5%	-\$1,195	-2.5%	-\$27

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Larry N. Mitchell Finance & Policy Analyst (Local Government)

Final 'PFI' Project Reports (November 06)

Measure: **Operating Expenditure (OpEx)**

Dataset: **LTCCP Reports**

Source: **LTCCP 2006-2016**

Deflator: **2.8% GDP Default used**

Peer Group	Council Name	Pop ⁿ Current	Pop ⁿ 2016	Opex Now \$000	OpExp Year 10 \$000	OpExp All 10 yrs \$000	OpExp Year 10 Deflated	LTCCP Inflated				LTCCP Deflated			
								%	\$000	%	\$	%	\$000	%	\$
								Incr/Decr of Opex over 10 yrs	Incr/Decr of Opex over 10 yrs	Incr/Decr of Opex per Capita over 10 yrs	Incr/Decr of Opex per Capita over 10 yrs	Incr/Decr of Opex over 10 yrs	Incr/Decr of Opex over 10 yrs	Incr/Decr of Opex per Capita over 10 yrs	Incr/Decr of Opex per Capita over 10 yrs
Rural	Buller District	11,215	11,215	13,474	18,328	168,820	13,905	36%	\$4,854	36.0%	\$433	3.2%	\$431	3.2%	\$38
(12/19)	Carterton District	7,160	7,160	7,288	8,727	80,146	6,621	20%	\$1,439	19.7%	\$201	-9.1%	-\$667	-9.1%	-\$93
	Hurunui District	10,850	12,850	19,671	25,839	233,422	19,604	31%	\$6,168	10.9%	\$198	-0.3%	-\$67	-15.9%	-\$287
	Kaikoura District	3,610	3,610	3,872	5,431	48,137	4,120	40%	\$1,559	40.3%	\$432	6.4%	\$248	6.4%	\$69
	McKenzie District	3,717	3,717	8,142	10,473	94,137	7,946	29%	\$2,331	28.6%	\$627	-2.4%	-\$196	-2.4%	-\$53
	Opotiki District	9,530	9,530	8,459	10,396	93,478	7,887	23%	\$1,937	22.9%	\$203	-6.8%	-\$572	-6.8%	-\$60
	Otorohanga District	9,450	9,450	11,161	12,948	121,991	9,824	16%	\$1,787	16.0%	\$189	-12.0%	-\$1,337	-12.0%	-\$142
	Sth Wairarapa District	8,800	8,800	11,460	14,727	133,669	11,173	29%	\$3,267	28.5%	\$371	-2.5%	-\$287	-2.5%	-\$33
	Stratford District	8,930	8,930	10,660	13,841	121,883	10,501	30%	\$3,181	29.8%	\$356	-1.5%	-\$159	-1.5%	-\$18
	Wairoa District	8,440	8,440	15,802	19,880	180,718	15,083	26%	\$4,078	25.8%	\$483	-4.6%	-\$719	-4.6%	-\$85
	Waitomo District	9,610	9,610	12,119	14,767	134,716	11,204	22%	\$2,648	21.8%	\$276	-7.6%	-\$915	-7.6%	-\$95
	Westland District	7,940	7,940	11,258	14,088	128,654	10,689	25%	\$2,830	25.1%	\$356	-5.1%	-\$569	-5.1%	-\$72
Metro Group Stats															
	AVERAGE	230,778	275,902	243,611	346,247	2,998,818	262,697	42%	\$102,636	21.1%	\$224	7.6%	\$19,086	-8.1%	-\$91
	MEDIAN	195,600	240,783	212,269	315,830	2,727,662	239,620	45%	\$103,561	22.1%	\$217	9.9%	\$22,050	-7.4%	-\$73
	STD DEVIATION	115,004	147,544	118,683	169,344	1,453,117	128,481	12%	\$53,972	7.5%	\$78	9.0%	\$18,945	5.7%	\$83
City Group Stats															
	AVERAGE	65,378	71,832	74,081	102,095	899,213	77,459	36%	\$28,013	26.1%	\$292	2.8%	\$3,377	-4.3%	-\$50
	MEDIAN	68,000	70,068	80,367	113,011	1,033,150	85,741	30%	\$25,362	23.9%	\$303	-1.7%	-\$882	-6.0%	-\$56
	STD DEVIATION	20,629	30,332	25,112	40,822	340,205	30,972	13%	\$17,852	8.0%	\$89	10.2%	\$9,428	6.0%	\$68
Prov/Rural Group Stats															
	AVERAGE	39,784	44,078	44,855	64,973	565,436	49,295	42%	\$20,119	33.4%	\$386	7.7%	\$4,440	1.2%	\$15
	MEDIAN	30,500	30,604	39,691	55,397	489,201	42,030	40%	\$15,706	29.2%	\$321	5.9%	\$2,339	-2.0%	-\$24
	STD DEVIATION	20,406	27,222	24,958	42,228	338,640	32,039	17%	\$18,735	17.3%	\$217	12.9%	\$9,495	13.1%	\$142
Rural Group Stats															
	AVERAGE	8,271	8,438	11,114	14,120	128,314	10,713	27%	\$3,007	25.5%	\$344	-3.5%	-\$401	-4.8%	-\$69
	MEDIAN	8,865	8,865	11,210	13,965	125,323	10,595	27%	\$2,739	25.5%	\$356	-3.5%	-\$428	-4.8%	-\$66
	STD DEVIATION	2,424	2,673	4,102	5,412	49,282	4,106	7%	\$1,429	8.1%	\$137	5.2%	\$496	6.1%	\$90
Total of all Groups Stats															
	AVERAGE	73,212	84,685	79,896	112,959	983,712	85,702	37%	\$33,062	27.6%	\$326	3.9%	\$5,805	-3.2%	-\$39
	MEDIAN	44,400	44,400	48,783	64,998	586,021	49,314	32%	\$15,751	26.5%	\$305	0.0%	\$5	-4.0%	-\$49
	STD DEVIATION	94,356	116,265	98,583	141,333	1,216,237	107,229	14%	\$43,980	12.8%	\$164	10.9%	\$12,478	9.7%	\$113

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Larry N. Mitchell Finance & Policy Analyst (Local Government)



Schedule of all ‘FPFI’ Reports – included in the project’s ‘Findings’ document

LTCCP Datasets	
Measure or Ratio	Explanation and Comments
Population Growth	Population estimates the MOST vital of Itccp assumptions is scheduled in meaningful terms with all useful ‘stats’ clearly reported and interpreted.
Operating Revenue	See sample reports enclosed, shows 2006-2016 Itccp prospective financial information for this measure, including growth and per capita data with full interpretative ‘stats’ ... as per sample reports.
Operating Expenditure	As for above.
Depreciation	
Surplus/Deficit	
Subsidies	
Development Financial Contributions	
Financial Interest Paid	
Capital Expenditure	
Investments	
Property, Plant & Equipment	
Debt	
Ratepayers Equity	
Rates	
LTCCP Specialised Ratios Datasets	
Measure or Ratio	Explanation and Comments
Depreciation Growth to Property, Plant & Equipment Growth	These specialised ratio’s datasets report ‘some’ useful ratios, most are familiar/ubiquitous requiring no added explanation and all are clearly labelled within column headings of each report.
Infrastructural Assets Growth to Total Assets Growth	
Financial Interest Growth to Operating Revenue Growth	
Debt to Equity	This ‘specialised’ ratio’s datasets report contain ‘some’ useful ratios, most are familiar/ubiquitous requiring no added explanation and all are clearly labelled within the column headings of each report. The ‘Debt to Equity’ ratio is self-explanatory and is commonly used for financial management ... just as many of the other ratios are. Note other ‘Specialised’ reports are available to subscribers using the ‘DataMining’ tool drawing from the ‘NZLG Database’.



LTCCP Agency Datasets

(... all 73 Councils data included)

Measure or Ratio	Explanation and Comments
Rates to Household Income ratio	Rates <u>totals</u> taken from 2006 LTCCP's for <u>every</u> Council and their group* and over the whole sample divided by the <u>number of</u> households expressed as a % for 10 years ... <i>the average City or District household's income that is spent upon rates.</i> * Groups consist of 'peers' and are based on ' Base Stats ' standard cohorts
Rates Income Increase	The parameters for the Rates to Income measure are more complex. The rates survey data used has gst excluded from the totals but each measure, (where present, mostly for larger Councils) the Rates figure includes all other known ratepayer service charges including water charges so that as far as has been possible, the rates figures used are 'comparable'. The 'rates increase' totals referred to are the 2006 and 2016 rates totals disclosed in the 2006-2016 LTCCP's P & L ...statement of financial performance.
Asset to Debt	Assets <u>total</u> compared to Debt <u>total</u> – for 10 years. Indicates ... <i>the level of debt associated with assets</i> (and their buildup) over 10 years. 'Close the loop' asset test results are made proving out and identifying the sources of all asset funding providing findings relating to the adequacy of depreciation and other sources of capital funds.
Interest Expense to Rates ratio	Interest <u>totals</u> compared to rates <u>totals</u> – for 10 years. Indicates ... <i>the capacity of a council to meet its debt servicing costs.</i>

Napier City Survey Rates Results

Average Residential Rates Graphs 1993/2000-2003/2004	Earlier versions of the NCC survey data ... to give a time series dimension to 'rates'
Average Residential Rates Graph 2005/2006	Where (smaller) Council rates comparisons have not been made for the Rates Income Increase data (above), the 2005 data has been included as this survey is the only alternative rates comparison data available. When the 2006 NCC Survey Data (the current year) becomes available this information will be included in the Findings Reports.
Average Residential Rates Graph 2006/2007	

'DataMining' Datasets

Measure or Ratio	Explanation and Comments
Fixed Assets to Depreciation	One example only of the 'n' datasets that can be quickly zipped up using the ' DataMining ' report-writing tool.



‘Base Stats with Trendz’ 2006 Supporting Reports

Explanation and Comment

The ‘Base Stats with Trendz’ selected reports are taken from the 2006 ‘Base Stats’ package where these graphs and tables relate to the subject topics of the ‘FPFI’ project ... rates, debt and assets.

Measure or Ratio	Measure or Ratio
The Niceties to Amenities measure	Combined Composite Indices Table
Debt per Capita	Outcomes-Results Income Factors Table
Debt per Ratepayer	Outcomes-Results Economic Factors Table
Debt Asset Test	Outcomes-Results Wealth Factors Table
Current Debt to Total Debt	Population Density
Rating Revenue Ratio	Ratepayer Density (Area)
Council Revenue per Ratepayer	Dwelling Density
Council Expenditure per Ratepayer	Multi-unit Dwellings
Ratepayers Equity per Ratepayer	Roading Density
Reported Surplus (deficit)	Ratepayer Density within the District Population
Ratepayers Equity per Ratepayer	Cohort Size Rankings (Graphical)
Debt Capacity Test	Cohort Size Rankings (absolute) Table
Current Debt to Total Debt	Audit Fee to Retained Earnings Ratio
Current Ratio	Audit Fee to Total Revenue Ratio
1 Year Term Debt	CEO Package to Retained Earnings Ratio
2 Year Term Debt	CEO Package to Total Revenue Ratio
3-5 Year Term Debt	Councillors Fees to Retained Earnings Ratio
5 Years ‘plus’ Term Debt	Councillors Fees to Total Revenue Ratio
Projected Revenues	Retained Earnings per Full Time Employee
Projected Expenditures	Total Revenue per Full Time Employee
Operating Revenue	Retained Earnings per Council Member
Total Council Expenditure	Total Revenue per Council Member
	Councillors Fees
	Number of Full Time Employees per Member Ratio
	Difficulty Factors Tables

Footnote: The collective wisdom and IP developments of over 10 years of the ‘NZLG Database’ and ‘Base Stats with Trendz’ to September 2006 (including PFI LTCCP 2006-2016 data) has contributed to the reports listed above.



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‘FPFI’ Subscription Form

Name: _____

Position: _____

Council Name: _____

Address: _____

Phone: _____ Email: _____

Please add me to your list of subscribers for:

☐

Final PFI ‘Package’

Tick

The total cost of the project, will be pegged at \$3,500* per subscribing Council which in addition to you receiving your detailed Final PFI reports and Findings also includes attendances at a one day workshop for the presentation and discussion of the findings.

Cost is \$3,500.00 plus gst of \$437.50. Total \$3,937.50

** Excludes gst plus reasonable disbursements but includes your own Council's ‘Findings’ reports and two Final PFI one day Workshop attendances.*

☐

1 Day Workshop (14th November 2006, Wellington – Venue to be advised)

Tick

This one-day Workshop is open to all comers and forms part of the PFI ‘package deal’ detailed above. The Workshop is to be held in Wellington on the day before the *Conferenz ‘LG Fin 06’* November 14th. The sessions will cover all of the usual suspects, the FAQ’s relating to financial plans associated with rates, (‘are ours too high?’) debt, (‘is ours still prudent?’) and assets, (‘are we providing sufficient depreciation?’) and so on. Further particulars and session details are included in the PFI ‘package’ (available upon request).

Cost is \$950 per attendee.

Post form to Larry.N.Mitchell, PO Box 103, Puhoi, North Auckland or Fax to 09 422 0700

***Make cheques payable on receipt of Invoice to
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