

# SOUTH WAIRARAPA DISTRICT COUNCIL

26 JUNE 2013

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## AGENDA ITEM D3

### CHIEF EXECUTIVE

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#### **Purpose of Report**

To update Councillors on the Chief Executive activities.

#### **Recommendations**

Officers recommend that the Council:

1. *Receives the information.*
2. *Receive the financial statement for the ten months ended 30 April 2013.*
3. *Receive the financial statements for the 11 months ended 31 May 2013.*
4. *Elect to report as a "tier 2" reporting entity for annual report under Public Benefit Entity reporting standards.*

#### **1. Executive Summary**

The past six weeks have certainly been busy however routines are now settling down a bit.

As advised earlier, Vanessa Tipoki has tendered her resignation for personal reasons.

Vanessa has done an excellent job in her group manager role. An advertisement has been placed for a replacement, on a full time basis.

The submission to the Local Government Commission was lodged on 22 May 2013. The commission has considered and accepted the application.

Key meetings attended have included:

- Chief Executive Forum
- WREMO
- Rural and Provincial
- Governance

The annual plan is presented for adoption under a separate paper following the usual round of public consultation and submissions.

## 2. Discussion

### 2.1 Financial Statements

The financial statements for the ten months ended 30 April 2013, and eleven months ended 31 May 2013 are attached as Appendix 1 and 2 respectively.

### 2.2 Rate Arrears

Efforts continue on rate arrears. The table below outlines the situation as at 11 February 2013, and excludes multi ownership Maori land.

Date	Amount \$'000	Number	Days since instalment due	SWDC component \$'000  (81%)
30 June 2011	\$851	631	31	\$689
1 August 2011	\$780	463	64	\$632
28 November 2011	\$969	760	7	\$785
1 March 2012	\$925	690	7	\$740
16 March 2012	\$830	602	23	\$672
23 March 2012	\$790	555	30	\$640
1 June 2012	\$855	722	10	\$692
19 June 2012	\$730	632	31	\$591
10 September 2012	\$947		21	\$767
15 February 2013	\$820	565	57	\$664
17 June 2013	913	740	27	\$739

These levels are disappointingly high. Follow up letters have been sent.

An additional "annual" penalty is applied to all outstanding amounts as at 30 June – this is applied in the first couple of weeks of July.

Following the application of this penalty we will be writing to those who have an interest in any of the properties (e.g. mortgagors) demanding payment.

As has been requested by Council, a more aggressive approach will be taken on arrears.

### 2.3 Sandy Bay

A draft lease has been sent to Hiwi Trust and we are awaiting feedback.

## **2.4 Annual Plan**

The Annual Plan public consultation process has been completed, the annual plan is presented for adoption under a separate paper.

## **2.5 Governance**

The application from the Wairarapa Councils was delivered to the Local Government Commission on 22 May 2013.

The Commission accepted the application and at its meeting of 13 June 2013, agreed to assess the application.

The Commission identified the "community of interest" as being the whole Wellington region. One of the tests in deciding whether to accept and assess the application was that the application had to show demonstrable community support across the "community of interest", i.e. the whole region. This is a significant hurdle and it is comforting to know that the application was prepared in such a manner as to demonstrate this. A credit to the working party.

The covering letter and decision paper are attached as Appendix 3.

The working party is now gearing up to address any matters the Local Government Commission.

The working party has also raised with Officers the issue of relooking at shared services and what progress can be made on these. A preliminary paper was presented to the 11 June meeting.

## **2.6 Chief Executives Forum/Rural & Provincial**

I attended the above meetings and the key message from both was the amount of work Government was doing in the local government sector.

There are seven key workstreams:

- RMA
- Development Contributions
- Liquor
- 3 Waters
- Irrigation
- Productivity Commission
- Better Local Government

There was an interesting discussion on earthquake strengthening and the debate around having to strengthen to either 34% or 67% of code. While there was nothing definitive, apparently there is going to be a determination from the Minister issued sometime around November 2013 to clarify the issue.

## **2.7 LGOIMA Requests**

Since the last report to Council we have received three LGOIMA requests – they were seeking data on cemeteries; dog registration and data on all our liquor licence holders.

## **2.8 Public Benefit Entities Reporting**

As a procedural matter I have included a resolution to adopt “tier 2” reporting requirements.

A tier 2 entity is a public entity that has expenses between \$2 million and \$30 million and is “non publicly accountable” (publicly accountable entities are those who issue financial instruments)

While our reporting generally represents tier 2 requirements, we need to formally resolve to report in this manner.

## **3. Appendix**

Appendix 1 – Financial Statements for the Ten Months Ended 30 April 2013

Appendix 2 – Financial Statements for the Eleven Months ended 31 May 2013

Appendix 3 – Letter from Local Government Commission

Contact Officer: Paul Crimp, Chief Executive

**Appendix 1 – Financial  
Statements for the Ten  
Months Ended 30 April 2013**

**STATEMENT OF FINANCIAL PERFORMANCE  
FOR THE PERIOD ENDED 30 APRIL 2013**

	YTD			2013	
	Actual	Budget	Variance	Budget	% of Budget
<b><u>OPERATING INCOME</u></b>					
Rates	11,061,910	11,057,000	4,910	11,057,000	100%
Rates Penalty	272,667	264,323	8,344	283,449	96%
Interest	166,414	193,190	(26,776)	194,000	86%
Internal Interest Loans	31,237	31,250	(13)	38,000	82%
Fees & Licences	560,864	502,015	58,849	581,000	97%
User Levies	372,026	369,664	2,362	610,000	61%
Commissions	21,694	50,860	(29,166)	61,550	35%
NZ Transport Agency Subsidy	902,418	902,000	418	1,310,252	69%
Petrol Tax	65,815	77,270	(11,455)	93,000	71%
Grants, Donations & Subsidies	11,320	19,660	(8,340)	42,000	27%
Rental / Hire	233,042	260,180	(27,138)	312,000	75%
Profit on Sale of Assets	6,889	-	6,889	-	0%
Miscellaneous Income	263,984	277,000	(13,016)	377,000	70%
<b>Total Operating Income</b>	<b>13,970,281</b>	<b>14,004,412</b>	<b>(34,131)</b>	<b>14,959,251</b>	
<b><u>OPERATING EXPENDITURE</u></b>					
Corporate Services	1,403,781	1,491,590	87,809	1,789,000	78%
In-House Professional Services	585,879	616,890	31,011	740,262	79%
Governance, Leadership & Advocacy	326,536	350,300	23,764	420,289	78%
Public Protection	820,755	886,870	66,115	1,064,480	77%
Resource Management	310,757	356,780	46,023	428,576	73%
Economic, Cultural & Community Development	231,460	233,040	1,580	235,477	98%
Amenities	1,713,933	1,565,440	(148,493)	1,878,579	91%
Land Transport	3,980,117	4,034,700	54,583	4,841,747	82%
Water Supply	1,739,173	1,783,150	43,977	2,139,327	81%
Solid Waste Management	978,531	986,210	7,679	1,183,475	83%
Sewerage	1,005,853	1,012,160	6,307	1,214,170	83%
Stormwater Drainage	109,247	112,680	3,433	134,710	81%
Rate Debtors Written Off	17,323	34,130	16,807	41,000	42%
Bad Debts	-	-	-	-	0%
Loss on Sale of Assets	35,700	-	(35,700)	-	0%
<b>Total Operating Expenditure</b>	<b>13,259,044</b>	<b>13,463,940</b>	<b>204,896</b>	<b>16,111,092</b>	
<b>Operating Surplus/(Deficit)</b>	<b>711,236</b>	<b>540,472</b>	<b>170,764</b>	<b>(1,151,841)</b>	
<b><u>CAPITAL EXPENDITURE INCOME</u></b>					
NZ Transport Agency Subsidy	1,155,714	1,155,000	714	1,113,748	104%
Grants, Donations & Subsidies	-	-	-	-	
Contributions	184,346	251,910	(67,564)	302,000	61%
<b>Total Capital Expenditure Income</b>	<b>1,340,060</b>	<b>1,406,910</b>	<b>(66,850)</b>	<b>1,415,748</b>	
<b><u>OTHER INCOME</u></b>					
Assets Vesting in Council	788	35,140	(34,352)	-	0%
Gain on Asset Revaluations	-	-	-	40,000	0%
<b>Total Other Income</b>	<b>788</b>	<b>35,140</b>	<b>(34,352)</b>	<b>40,000</b>	
<b>TOTAL SURPLUS / (DEFICIT)</b>	<b>\$ 2,052,084</b>	<b>\$ 1,982,522</b>	<b>\$ 69,562</b>	<b>\$ 303,907</b>	

Included in the operating expenditure is:

Depreciation	3,424,664	3,487,410	(62,746)	3,914,248	87%
Interest	518,558	538,130	(19,572)	722,992	72%

# SOUTH WAIRARAPA DISTRICT COUNCIL

## STATEMENT OF FINANCIAL POSITION AS AT 30 APRIL 2013

	30 APRIL 2013	30 JUNE 2012	MOVEMENT
<b><u>ASSETS</u></b>			
<b><u>Current Assets</u></b>			
Cash and Bank	140,303	1,869,551	(1,729,248)
Short Term Deposits	6,347,099	2,191,218	4,155,881
Investments	-	2,482,206	(2,482,206)
Prepayments & Receivables	5,292,059	2,988,152	2,303,907
GST Receivable		53,514	
Inventories	44,024	42,460	1,563
Properties Intended For Sale	-	-	-
<b>Total Current Assets</b>	<b>11,823,485</b>	<b>9,573,588</b>	<b>2,249,897</b>
<b><u>Non-Current Assets</u></b>			
Investments	83,207	82,747	460
Investment Properties	8,325,000	8,325,000	-
Intangible Assets	61,278	43,547	17,731
Property, Plant & Equipment	385,766,577	386,666,317	(899,740)
<b>Total Non-Current Assets</b>	<b>394,236,061</b>	<b>395,117,611</b>	<b>(881,549)</b>
<b>TOTAL ASSETS</b>	<b>\$ 406,059,546</b>	<b>\$ 404,691,199</b>	<b>1,368,347</b>
<b><u>LIABILITIES</u></b>			
<b><u>Current Liabilities</u></b>			
Cash and Bank	-	-	-
Payables and Accruals	2,268,246	2,925,794	(657,548)
Employee Entitlements	222,461	226,101	(3,640)
Public Debt - Current Portion	0	1,074,760	(1,074,760)
Finance Leases - Current Portion	-	10,119	(10,119)
Provisions - Current Portion	-	32,821	(32,821)
<b>Total Current Liabilities</b>	<b>2,490,707</b>	<b>4,269,595</b>	<b>(1,778,888)</b>
<b><u>Non-Current Liabilities</u></b>			
Public Debt - Non-Current Portion	9,275,935	8,263,259	1,012,676
Finance Leases - Non-Current Portion	49,655	-	49,655
Provisions - Non-Current Portion	406,955	374,134	32,821
<b>Total Non-Current Liabilities</b>	<b>9,732,544</b>	<b>8,637,393</b>	<b>1,095,151</b>
<b><u>EQUITY</u></b>			
Public Equity	143,080,028	141,029,629	2,050,399
Special Separate & Trust Funds	16,944,570	16,944,570	-
Asset Revaluation Reserve	232,020,146	232,018,461	1,685
Sinking Fund Reserves	1,789,199	1,789,199	-
Other Reserves	2,352	2,352	-
<b>Total Equity</b>	<b>393,836,295</b>	<b>391,784,210</b>	<b>2,052,085</b>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>\$ 406,059,546</b>	<b>\$ 404,691,199</b>	<b>1,368,348</b>

# SOUTH WAIRARAPA DISTRICT COUNCIL

## STATEMENT OF CASHFLOWS AS AT 30 APRIL 2013

	30 APRIL 2013	30 APRIL 2012	30 JUNE 2012
<b><u>OPERATING ACTIVITIES</u></b>			
<b><u>Cash was provided from:</u></b>			
Rates	8,318,643	8,293,636	13,178,871
Government Grants & Subsidies	2,956,174	1,556,884	2,956,994
Petrol Tax	58,623	60,014	80,743
Other Income	2,233,639	2,397,946	1,811,947
Interest on Investments	173,164	176,078	236,841
<b>Total Operating Cash Inflow</b>	<b>13,740,242</b>	<b>12,484,558</b>	<b>18,265,396</b>
<b><u>Cash was applied to:</u></b>			
Payments to Suppliers & Employees	10,688,140	9,288,450	12,900,557
Interest Paid	542,471	549,571	654,053
<b>Total Operating Cash Outflow</b>	<b>11,230,611</b>	<b>9,838,021</b>	<b>13,554,610</b>
<b>Net Cashflow from Operating Activities</b>	<b>2,509,631</b>	<b>2,646,537</b>	<b>4,710,786</b>
<b><u>INVESTING ACTIVITIES</u></b>			
<b><u>Cash was provided from:</u></b>			
Sale of Property, Plant & Equipment	-	-	91,765
Term Investments, Shares & Advances	-	1,878,852	533,269
Investments in Loan Redemption & Sinking Funds	-	-	-
<b>Total Investing Cash Inflow</b>	<b>-</b>	<b>1,878,852</b>	<b>625,034</b>
<b><u>Cash was applied to:</u></b>			
Purchase of Property, Plant & Equipment	2,542,655	2,940,556	4,663,883
Term Investments, Shares & Advances	-	-	24,269
Investments in Loan Redemption & Sinking Funds	-	-	509,000
<b>Total Investing Cash Outflow</b>	<b>2,542,655</b>	<b>2,940,556</b>	<b>5,197,152</b>
<b>Net Cashflow from Investing Activities</b>	<b>(2,542,655)</b>	<b>(1,061,704)</b>	<b>(4,572,118)</b>
<b><u>FINANCING ACTIVITIES</u></b>			
<b><u>Cash was provided from:</u></b>			
Public Debt	-	5,431,601	6,431,601
<b>Total Financing Cash Inflow</b>	<b>-</b>	<b>5,431,601</b>	<b>6,431,601</b>
<b><u>Cash was applied to:</u></b>			
Repayment of Public Debt	22,549	5,493,536	5,503,634
<b>Total Financing Cash Outflow</b>	<b>22,549</b>	<b>5,493,536</b>	<b>5,503,634</b>
<b>Net Cash Flow from Financing Activities</b>	<b>(22,549)</b>	<b>(61,935)</b>	<b>927,967</b>
<b>NET INCREASE / (DECREASE) IN CASH</b>	<b>(55,573)</b>	<b>1,522,898</b>	<b>1,066,635</b>
<b>OPENING CASH BALANCE</b>	<b>1 JULY 2012</b>	<b>6,542,975</b>	<b>3,573,219</b>
<b>CLOSING CASH BALANCE</b>	<b>30 APRIL 2013</b>	<b>\$ 6,487,402</b>	<b>\$ 5,096,117</b>
<b>\$ 6,487,402</b>		<b>\$ 5,096,117</b>	<b>\$ 6,542,975</b>
<b><u>REPRESENTED BY:</u></b>			
Cash and Bank	140,303	393,566	1,869,551
Short Term Deposits	6,347,099	4,702,551	4,308,260
Investments	-	-	365,164
<b>\$ 6,487,402</b>		<b>\$ 5,096,117</b>	<b>\$ 6,542,975</b>



# SOUTH WAIRARAPA DISTRICT COUNCIL

## SCHEDULE OF CAPITAL EXPENDITURE FOR THE PERIOD ENDED 30 APRIL 2013

DESCRIPTION	Month		Year to Date		Annual
	Actual	Budget	Actual	Budget	Budget
<b><u>Amenities</u></b>					
Playgrounds	-	1,888	2,893	18,880	22,660
Parks & Reserves	684	4,721	28,315	47,210	56,650
Campgrounds	-	2,575	-	25,750	30,900
Swimming Pools	9,083	4,721	31,741	47,210	56,650
Toilets	5,433	17,167	164,514	171,670	206,000
Cemeteries	213	3,863	6,425	38,630	46,350
Libraries	-	-	-	-	-
Rental Properties	1,812	1,717	1,812	17,170	20,600
Community Housing	-	3,004	17,799	30,040	36,050
Community Buildings	-	3,922	12,573	-	56,881
Greytown Town Hall	-	-	-	-	4,635
Martinborough Town Hall	-	-	-	-	54,006
Featherston Town Centre	-	-	-	-	-
ANZAC Hall	-	-	-	-	15,450
Featherston Stadium	-	-	-	-	16,480
Featherston Town Centre	-	858	9,712	8,580	10,300
Greytown Town Centre	-	858	-	8,580	10,300
Martinborough Town Centre	-	858	-	8,580	10,300
Library Books	7,986	7,983	72,777	79,830	95,790
Amenities (Miscellaneous)	-	-	-	-	-
	25,210	54,135	348,561	502,130	750,002
<b><u>Water Supply</u></b>					
Water Supply	305	31,260	127,901	312,600	375,120
Water Supply (MBA)	-	-	-	-	-
Water Races	-	1,303	-	13,030	15,630
Plant & Bores	-	-	-	-	-
FSTN Supplementary water supply	7,772	2,605	12,609	26,050	31,260
Plant & Bores (MBA)	-	-	8,884	-	-
Reservoirs	-	-	56,511	-	-
Pirinoa Water Supply	-	667	9,151	6,670	8,000
Water Supply (Misc.)	-	-	9,636	-	-
	8,077	35,835	224,693	358,350	430,010
<b><u>Solid Waste Management</u></b>					
Solid Waste Management	-	4,437	-	44,370	53,244
Solid Waste Management	-	-	-	-	-
Solid Waste Management (Miscellaneous)	-	-	-	-	-
	-	4,437	-	44,370	53,244
<b><u>Stormwater Reticulation</u></b>					
Stormwater Reticulation	-	-	-	-	167,060
Stormwater Reticulation	-	-	-	-	-
Stormwater Reticulation (Miscellaneous)	-	-	-	-	-
	-	-	-	-	167,060
<b><u>Sewerage</u></b>					
Sewerage	-	14,328	11,432	143,280	240,370
Sewerage	-	-	3,859	-	-
Sewerage	-	-	7,718	-	-
Sewerage (Lake Ferry)	-	1,303	-	13,030	15,630
Oxidation Ponds	60	3,473	18,448	34,730	81,680
Oxidation Ponds	-	-	300	-	-
Oxidation Ponds	2,834	-	25,808	-	-
Sewerage (Miscellaneous)	-	36,905	127,500	-	52,100
Alternative Disposal System (GTN)	-	-	-	-	644,904
Alternative Disposal System (MBA)	-	-	-	-	78,150
Alternative Disposal System (FSTN)	-	-	-	-	104,200
	2,894	56,009	195,065	191,040	1,217,034
<b><u>Land Transport</u></b>					
New St. Lighting (Other Roads) - 222	2,421	3,455	2,421	34,550	41,456
Signs/Guardrails (Other Roads) - 222	5,113	3,460	19,337	34,600	41,520
Signs/Guardrails (SPRs) - 222	-	-	-	-	-
New Bridges (Other Roads) - 215	1,943	-	1,997	-	-

# SOUTH WAIRARAPA DISTRICT COUNCIL

## SCHEDULE OF CAPITAL EXPENDITURE FOR THE PERIOD ENDED 30 APRIL 2013

DESCRIPTION	Month		Year to Date		Annual
	Actual	Budget	Actual	Budget	Budget
Structures Renewal (SPR) - 215	-	7,136	-	71,360	85,635
Seal Extensions	-	-	-	-	-
Seal Extensions (SPRs)	-	-	-	-	-
Reseals (Other Roads) - 212	5,558	40,932	453,310	409,320	491,182
Reseals (SPRs) - 212	298	5,313	63,533	53,130	63,759
Rehabilitation (Other Roads) - 214	4,475	22,490	29,559	224,900	269,880
Rehabilitation (SPRs) - 214	-	6,033	36	60,330	72,401
New Footpaths	-	6,920	3,877	69,200	83,040
Footpath Renewals	4,728	3,460	4,280	34,600	41,520
Drain Renewal (Other Roads) - 213	704	17,300	12,612	173,000	207,600
Drainage Renewal (SPR) - 213	-	1,730	-	17,300	20,760
Minor Safety Works (Other) - 341	210	8,888	6,952	88,880	106,656
Erosion Control (SPRs) - 244	-	18,641	994	186,410	223,689
Land Transport (Misc.)	-	-	-	-	-
New Bridges (SPRs)	-	-	-	-	-
Minor Safety Works (SPRs) - 341	-	567	-	5,670	6,808
Road metalling (renewal) other - 211	-	19,895	38,412	198,950	238,740
Road metalling (renewal) (SPR) - 211	-	1,298	125	12,980	15,570
Development Work	-	-	-	-	-
Asso Improvements (Other) - 231	-	4,325	54	43,250	51,900
Asso Improvements (SPR) - 231	-	-	54	-	51,901
Traffic Services Renewal (SPR)	-	433	-	4,330	5,190
Preventative Maintenance (SPR) 11/12 - 241	415	-	80,296	-	-
Improve-expand-replace - 322	-	-	-	-	-
Emergency Work (SPR) 11/12 - 141	415	-	82,159	-	-
Preventative Maintenance (SPR) 12/13 - 241	4,066	-	626,253	-	-
	30,346	172,276	1,426,262	1,722,760	2,119,207
<b>Information Technology</b>					
IT Hardware	3,979	4,267	46,343	42,670	51,200
IT Software	3,315	24,500	110,821	245,000	294,000
IT Networks & Cabling	-	-	-	-	-
Geographical information system	-	1,784	13,516	17,840	21,402
	7,294	30,551	170,681	305,510	366,602
<b>Land</b>					
Land	-	-	35,130	-	-
	-	-	35,130	-	-
<b>Council Property</b>					
Council Offices	-	833	7,717	8,330	10,000
Office Equipment & Furniture	-	2,327	-	23,270	17,680
Other Equipment	1,052	-	1,674	-	10,240
Motor Vehicles	-	9,297	92,525	92,970	111,560
	1,052	12,457	101,915	124,570	149,480
<b>Public Protection</b>					
Rural Fire	-	-	-	-	-
	-	-	-	-	-
	\$ 74,872	\$ 365,700	\$ 2,502,308	\$ 3,248,730	\$ 5,252,639

# SOUTH WAIRARAPA DISTRICT COUNCIL

## SCHEDULE OF INVESTMENTS AS AT 30 APRIL 2013

<u>ORGANISATION</u>	<u>INTEREST RATE</u>	<u>DATE INVESTED</u>	<u>DATE MATURES</u>	<u>TOTAL INVESTED</u>	<u>INVESTED FUNDS %</u>	<u>AUTHORISED FUNDS %</u>
<b><u>SHORT TERM FUNDS</u></b>						
<b><u>Registered Banks</u></b>						
BNZ Autocall Account	3.20%	30-Apr-13	On Call	704,463.76		
BNZ Reserves Fund	4.00%	13-Mar-13	9-Sep-13	731,974.40		
<b>Total BNZ Funds</b>				<b>\$ 1,436,438</b>	<b>22%</b>	<b>30%</b>
Kiwibank Reserves Fund	2.50%	30-Apr-13	On Call	721,030.57		
<b>Total Kiwibank Funds</b>				<b>\$ 721,031</b>	<b>11%</b>	<b>30%</b>
ASB Loan Redemption Reserves	3.93%	28-Feb-13	27-Aug-13	\$ 1,187,751		
<b>Total ASB Funds</b>				<b>\$ 1,187,751</b>	<b>18%</b>	<b>30%</b>
National Bank of NZ	2.40%	30-Apr-13	On Call	\$ 2,094		
National Bank of NZ	0.00%	30-Apr-13	On Call	\$ 372		
<b>Total NBNZ Funds</b>				<b>\$ 2,467</b>	<b>0%</b>	<b>30%</b>
ANZ Call Account	3.00%	30-Apr-13	On Call	\$ 50,953		
Loan Redemption Reserves	3.90%	28-Feb-13	27-Aug-13	\$ 1,186,108		
<b>Total ANZ Funds</b>				<b>\$ 1,237,060</b>	<b>19%</b>	<b>30%</b>
Westpac Call Account	2.50%	30-Apr-13	On Call	\$ 192,712		
Westpac Term Deposit	3.70%	28-Feb-13	20-May-13	\$ 500,000		
0	4.02%	28-Feb-13	5-Jun-13	\$ 650,000		
<b>Total Westpac Funds</b>				<b>\$ 1,342,712</b>	<b>21%</b>	<b>30%</b>
<b><u>Other</u></b>						
WBS (21220)	4.35%	21-Dec-12	19-Jun-13	\$ 146,955		
WBS (21220)	4.25%	18-Mar-13	14-Sep-13	\$ 153,454		
WBS (21220)	4.25%	31-Mar-13	27-Sep-13	\$ 118,896		
WBS (21220)		30-Apr-13	On Call	\$ 334		
<b>Total Other Funds</b>				<b>\$ 419,640</b>	<b>7%</b>	<b>10%</b>
<b>TOTAL SHORT TERM FUNDS</b>				<b>\$ 6,347,099</b>	<b>99%</b>	<b>100%</b>
<b><u>SHARES</u></b>						
NZ Local Govt Insurance Co Limited				\$ 69,570		
Airtel Limited				\$ 7,262		
Farmlands Trading Society Limited				\$ 1,159		
<b>TOTAL SHARES</b>				<b>\$ 77,981</b>	<b>1%</b>	
<b><u>FORESTRY</u></b>						
Plantation - Hurupi Stock				\$ 5,226		
<b>TOTAL FORESTRY</b>				<b>\$ 5,226</b>		
<b>TOTAL INVESTMENTS</b>				<b>\$ 6,430,305</b>		
<b><u>REPRESENTED BY:</u></b>						
Short Term Deposits				6,347,099	99%	
Investments - Current Assets				-	0%	
Investments - Non-Current Assets				83,207	1%	
				<b>\$ 6,430,305</b>	<b>100%</b>	

**Appendix 2 – Financial  
Statements for the Eleven  
Months ended 31 May 2013**

# SOUTH WAIRARAPA DISTRICT COUNCIL

## STATEMENT OF FINANCIAL PERFORMANCE FOR THE PERIOD ENDED 31 MAY 2013

	YTD			2013	
	Actual	Budget	Variance	Budget	% of Budget
<b><u>OPERATING INCOME</u></b>					
Rates	11,057,670	11,057,000	670	11,057,000	100%
Rates Penalty	307,652	283,449	24,203	283,449	109%
Interest	184,410	212,509	(28,099)	194,000	95%
Internal Interest Loans	31,237	34,375	(3,138)	38,000	82%
Fees & Licences	598,639	541,459	57,180	581,000	103%
User Levies	386,462	391,968	(5,506)	610,000	63%
Commissions	22,328	55,946	(33,618)	61,550	36%
NZ Transport Agency Subsidy	1,011,707	1,012,621	(914)	1,310,252	77%
Petrol Tax	72,570	84,997	(12,427)	93,000	78%
Grants, Donations & Subsidies	11,570	21,626	(10,056)	42,000	28%
Rental / Hire	277,272	286,198	(8,926)	312,000	89%
Profit on Sale of Assets	6,889	-	6,889	-	0%
Miscellaneous Income	288,790	304,700	(15,910)	377,000	77%
<b>Total Operating Income</b>	<b>14,257,197</b>	<b>14,286,848</b>	<b>(29,651)</b>	<b>14,959,251</b>	<b>95%</b>
<b><u>OPERATING EXPENDITURE</u></b>					
Corporate Services	1,601,409	1,640,749	39,340	1,789,000	90%
In-House Professional Services	650,078	678,579	28,501	740,262	88%
Governance, Leadership & Advocacy	381,455	385,330	3,875	420,289	91%
Public Protection	892,526	975,557	83,031	1,064,480	84%
Resource Management	332,943	392,458	59,515	428,576	78%
Economic, Cultural & Community Development	235,604	256,344	20,740	235,477	100%
Amenities	1,879,908	1,721,984	(157,924)	1,878,579	100%
Land Transport	4,397,318	4,438,170	40,852	4,841,747	91%
Water Supply	1,899,607	1,961,465	61,858	2,139,327	89%
Solid Waste Management	1,068,132	1,084,831	16,699	1,183,475	90%
Sewerage	1,102,132	1,113,376	11,244	1,214,170	91%
Stormwater Drainage	118,705	123,948	5,243	134,710	88%
Rate Debtors Written Off	17,323	37,543	20,220	41,000	42%
Bad Debts	-	-	-	-	0%
Loss on Sale of Assets	35,700	-	(35,700)	-	0%
<b>Total Operating Expenditure</b>	<b>14,612,840</b>	<b>14,810,334</b>	<b>197,494</b>	<b>16,111,092</b>	<b>91%</b>
<b>Operating Surplus/(Deficit)</b>	<b>(355,644)</b>	<b>(523,486)</b>	<b>(227,145)</b>	<b>(1,151,841)</b>	
<b><u>CAPITAL EXPENDITURE INCOME</u></b>					
NZ Transport Agency Subsidy	1,193,970	1,193,764	(207)	1,113,748	107%
Grants, Donations & Subsidies	-	17,193	17,193	-	0%
Contributions	227,170	277,101	49,931	302,000	75%
<b>Total Capital Expenditure Income</b>	<b>1,421,140</b>	<b>1,488,058</b>	<b>66,917</b>	<b>1,415,748</b>	<b>100%</b>
<b><u>OTHER INCOME</u></b>					
Assets Vesting in Council	788	38,654	37,866	-	0%
Gain on Asset Revaluations	-	36,773	36,773	40,000	0%
<b>Total Other Income</b>	<b>788</b>	<b>75,427</b>	<b>74,639</b>	<b>40,000</b>	<b>2%</b>
<b>TOTAL SURPLUS / (DEFICIT)</b>	<b>\$ 1,066,285</b>	<b>\$ 1,039,999</b>	<b>\$ (85,589)</b>	<b>\$ 303,907</b>	

Included in the operating expenditure is:

Depreciation	3,774,540	3,836,151	(61,611)	3,914,248	96%
Interest	567,763	591,943	(24,180)	722,992	79%

# SOUTH WAIRARAPA DISTRICT COUNCIL

## STATEMENT OF FINANCIAL POSITION AS AT 31 MAY 2013

	31 MAY 2013	30 JUNE 2012	MOVEMENT
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and Bank	424,729	1,869,551	(1,444,822)
Short Term Deposits	7,755,511	2,191,218	5,564,293
Investments	-	2,482,206	(2,482,206)
Prepayments & Receivables	2,242,747	2,988,152	(745,406)
Inventories	41,883	42,460	(577)
Properties Intended For Sale	-	-	-
<b>Total Current Assets</b>	<b>10,464,870</b>	<b>9,573,588</b>	<b>891,282</b>
<b>Non-Current Assets</b>			
Investments	83,207	82,747	460
Investment Properties	8,325,000	8,325,000	-
Intangible Assets	42,724	43,547	(823)
Property, Plant & Equipment	385,737,937	386,666,317	(928,380)
<b>Total Non-Current Assets</b>	<b>394,188,868</b>	<b>395,117,611</b>	<b>(928,743)</b>
<b>TOTAL ASSETS</b>	<b>\$ 404,653,738</b>	<b>\$ 404,691,199</b>	<b>(37,461)</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Cash and Bank	-	-	-
Payables and Accruals	1,833,317	2,925,794	(1,092,477)
Employee Entitlements	246,260	226,101	20,160
Public Debt - Current Portion	0	1,074,760	(1,074,760)
Finance Leases - Current Portion	-	10,119	(10,119)
Provisions - Current Portion	-	32,821	(32,821)
<b>Total Current Liabilities</b>	<b>2,079,578</b>	<b>4,269,595</b>	<b>(2,190,017)</b>
<b>Non-Current Liabilities</b>			
Public Debt - Non-Current Portion	9,270,105	8,263,259	1,006,846
Finance Leases - Non-Current Portion	46,605	-	46,605
Provisions - Non-Current Portion	406,955	374,134	32,821
<b>Total Non-Current Liabilities</b>	<b>9,723,665</b>	<b>8,637,393</b>	<b>1,086,272</b>
<b>EQUITY</b>			
Public Equity	142,094,228	141,029,629	1,064,600
Special Separate & Trust Funds	16,944,570	16,944,570	-
Asset Revaluation Reserve	232,020,146	232,018,461	1,685
Sinking Fund Reserves	1,789,199	1,789,199	-
Other Reserves	2,352	2,352	-
<b>Total Equity</b>	<b>392,850,495</b>	<b>391,784,210</b>	<b>1,066,285</b>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>\$ 404,653,738</b>	<b>\$ 404,691,199</b>	<b>(37,460)</b>

# SOUTH WAIRARAPA DISTRICT COUNCIL

## STATEMENT OF CASHFLOWS AS AT 31 MAY 2013

	31 MAY 2013	31 MAY 2012	30 JUNE 2012
<b><u>OPERATING ACTIVITIES</u></b>			
<b><u>Cash was provided from:</u></b>			
Rates	11,218,864	11,155,567	13,178,871
Government Grants & Subsidies	3,243,285	1,169,531	2,956,994
Petrol Tax	58,622	60,015	80,743
Other Income	2,082,051	2,909,003	1,811,947
Interest on Investments	181,332	185,103	236,841
<b>Total Operating Cash Inflow</b>	<b>16,784,154</b>	<b>15,479,219</b>	<b>18,265,396</b>
<b><u>Cash was applied to:</u></b>			
Payments to Suppliers & Employees	11,678,669	9,669,457	12,900,557
Interest Paid	591,454	599,472	654,053
<b>Total Operating Cash Outflow</b>	<b>12,270,123</b>	<b>10,268,929</b>	<b>13,554,610</b>
<b>Net Cashflow from Operating Activities</b>	<b>4,514,031</b>	<b>5,210,290</b>	<b>4,710,786</b>
<b><u>INVESTING ACTIVITIES</u></b>			
<b><u>Cash was provided from:</u></b>			
Sale of Property, Plant & Equipment	-	-	91,765
Term Investments, Shares & Advances	-	1,878,852	533,269
Investments in Loan Redemption & Sinking Funds	-	-	-
<b>Total Investing Cash Inflow</b>	<b>-</b>	<b>1,878,852</b>	<b>625,034</b>
<b><u>Cash was applied to:</u></b>			
Purchase of Property, Plant & Equipment	2,845,337	3,697,257	4,663,883
Term Investments, Shares & Advances	-	-	24,269
Investments in Loan Redemption & Sinking Funds	-	-	509,000
<b>Total Investing Cash Outflow</b>	<b>2,845,337</b>	<b>3,697,257</b>	<b>5,197,152</b>
<b>Net Cashflow from Investing Activities</b>	<b>(2,845,337)</b>	<b>(1,818,405)</b>	<b>(4,572,118)</b>
<b><u>FINANCING ACTIVITIES</u></b>			
<b><u>Cash was provided from:</u></b>			
Public Debt	-	5,431,601	6,431,601
<b>Total Financing Cash Inflow</b>	<b>-</b>	<b>5,431,601</b>	<b>6,431,601</b>
<b><u>Cash was applied to:</u></b>			
Repayment of Public Debt	31,428	5,499,167	5,503,634
<b>Total Financing Cash Outflow</b>	<b>31,428</b>	<b>5,499,167</b>	<b>5,503,634</b>
<b>Net Cash Flow from Financing Activities</b>	<b>(31,428)</b>	<b>(67,566)</b>	<b>927,967</b>
<b>NET INCREASE / (DECREASE) IN CASH</b>	<b>1,637,266</b>	<b>3,324,319</b>	<b>1,066,635</b>
<b>OPENING CASH BALANCE</b>	<b>1 JULY 2012</b>	<b>6,542,975</b>	<b>5,476,340</b>
<b>CLOSING CASH BALANCE</b>	<b>31 MAY 2013</b>	<b>\$ 8,180,241</b>	<b>\$ 6,542,975</b>
<b><u>REPRESENTED BY:</u></b>			
Cash and Bank	424,729	193,731	1,869,551
Short Term Deposits	7,755,511	6,703,807	4,308,260
Investments	-	-	365,164
	<b>\$ 8,180,241</b>	<b>\$ 6,897,538</b>	<b>\$ 6,542,975</b>

# SOUTH WAIRARAPA DISTRICT COUNCIL

## SCHEDULE OF CAPITAL EXPENDITURE FOR THE PERIOD ENDED 31 MAY 2013

DESCRIPTION	Month		Year to Date		Annual
	Actual	Budget	Actual	Budget	Budget
<b>Amenities</b>					
Playgrounds	-	1,888	2,893	20,768	22,660
Parks & Reserves	1,769	4,721	30,084	51,931	56,650
Campgrounds	-	2,575	-	28,325	30,900
Swimming Pools	10,554	4,721	42,295	51,931	56,650
Toilets	-	17,167	164,514	188,837	206,000
Cemeteries	-	3,863	6,425	42,493	46,350
Libraries	-	-	-	-	-
Rental Properties	-	1,717	1,812	18,887	20,600
Community Housing	-	3,004	17,799	33,044	36,050
Community Buildings	-	3,922	28,410	-	56,881
Greytown Town Hall	-	-	-	-	4,635
Martinborough Town Hall	-	-	-	-	54,006
Featherston Town Centre	-	-	-	-	-
ANZAC Hall	-	-	-	-	15,450
Featherston Stadium	-	-	-	-	16,480
Featherston Town Centre	-	858	9,712	9,438	10,300
Greytown Town Centre	-	858	-	9,438	10,300
Martinborough Town Centre	-	858	-	9,438	10,300
Library Books	5,567	7,983	78,344	87,813	95,790
Amenities (Miscellaneous)	-	-	-	-	-
	17,889	54,135	382,287	552,343	750,002
<b>Water Supply</b>					
Water Supply	399	31,260	128,300	343,860	375,120
Water Supply (MBA)	-	-	-	-	-
Water Races	-	1,303	-	14,333	15,630
Plant & Bores	-	-	-	-	-
FSTN Supplementary water supply	-	2,605	12,609	28,655	31,260
Plant & Bores (MBA)	-	-	8,884	-	-
Reservoirs	-	-	56,511	-	-
Pirinoa Water Supply	-	667	9,151	7,337	8,000
Water Supply (Misc.)	-	-	9,636	-	-
	399	35,835	225,092	394,185	430,010
<b>Solid Waste Management</b>					
Solid Waste Management	-	4,437	-	48,807	53,244
Solid Waste Management	-	-	-	-	-
Solid Waste Management (Miscellaneous)	-	-	-	-	-
	-	4,437	-	48,807	53,244
<b>Stormwater Reticulation</b>					
Stormwater Reticulation	-	-	-	-	167,060
Stormwater Reticulation	-	-	-	-	-
Stormwater Reticulation (Miscellaneous)	-	-	-	-	-
	-	-	-	-	167,060
<b>Sewerage</b>					
Sewerage	67,781	14,328	79,214	157,608	240,370
Sewerage	-	-	3,859	-	-
Sewerage	-	-	7,718	-	-
Sewerage (Lake Ferry)	6,018	1,303	6,018	14,333	15,630
Oxidation Ponds	-	3,473	18,448	38,203	81,680
Oxidation Ponds	-	-	300	-	-
Oxidation Ponds	-	-	25,808	-	-
Sewerage (Miscellaneous)	-	36,905	143,336	-	52,100
Alternative Disposal System (GTN)	-	-	-	-	644,904
Alternative Disposal System (MBA)	-	-	-	-	78,150
Alternative Disposal System (FSTN)	-	-	-	-	104,200
	73,800	56,009	284,701	210,144	1,217,034
<b>Land Transport</b>					
New St. Lighting (Other Roads) - 222	3,462	3,455	5,883	38,005	41,456
Signs/Guardrails (Other Roads) - 222	1,068	3,460	20,405	38,060	41,520
Signs/Guardrails (SPRs) - 222	-	-	-	-	-



# SOUTH WAIRARAPA DISTRICT COUNCIL

## SCHEDULE OF INVESTMENTS AS AT 31 MAY 2013

<u>ORGANISATION</u>	<u>INTEREST RATE</u>	<u>DATE INVESTED</u>	<u>DATE MATURES</u>	<u>TOTAL INVESTED</u>	<u>INVESTED FUNDS %</u>	<u>AUTHORISED FUNDS %</u>
<b>SHORT TERM FUNDS</b>						
<b>Registered Banks</b>						
BNZ Autocall Account	3.20%	31-May-13	On Call	1,112,445.09		
BNZ Reserves Fund	4.00%	13-Mar-13	9-Sep-13	<u>731,974.40</u>		
<b>Total BNZ Funds</b>				<b>\$ 1,844,419</b>	<b>24%</b>	<b>30%</b>
Kiwibank Reserves Fund	2.50%	31-May-13	On Call	<u>721,030.57</u>		
<b>Total Kiwibank Funds</b>				<b>\$ 721,031</b>	<b>9%</b>	<b>30%</b>
ASB Loan Redemption Reserves	3.93%	28-Feb-13	27-Aug-13	\$ 1,187,751		
<b>Total ASB Funds</b>				<b>\$ 1,187,751</b>	<b>15%</b>	<b>30%</b>
National Bank of NZ	2.40%	31-May-13	On Call	\$ 2,094		
National Bank of NZ	0.00%	31-May-13	On Call	<u>372</u>		
<b>Total NBNZ Funds</b>				<b>\$ 2,467</b>	<b>0%</b>	<b>30%</b>
ANZ Call Account	3.00%	31-May-13	On Call	\$ 50,996		
Loan Redemption Reserves	3.90%	28-Feb-13	27-Aug-13	<u>1,186,108</u>		
<b>Total ANZ Funds</b>				<b>\$ 1,237,103</b>	<b>16%</b>	<b>30%</b>
Westpac Call Account	2.50%	31-May-13	On Call	\$ 193,100		
Westpac Term Deposit	3.46%	30-May-13	20-Jun-13	\$ 500,000		
Westpac Term Deposit	3.51%	30-May-13	5-Jul-13	\$ 500,000		
Westpac Term Deposit	3.64%	30-May-13	5-Aug-13	\$ 500,000		
Westpac Term Deposit	4.02%	28-Feb-13	5-Jun-13	<u>650,000</u>		
<b>Total Westpac Funds</b>				<b>\$ 2,343,100</b>	<b>30%</b>	<b>30%</b>
<b>Other</b>						
WBS (21220)	4.35%	21-Dec-12	19-Jun-13	\$ 146,955		
WBS (21220)	4.25%	18-Mar-13	14-Sep-13	\$ 153,454		
WBS (21220)	4.25%	31-Mar-13	27-Sep-13	\$ 118,896		
WBS (21220)		31-May-13	On Call	<u>334</u>		
<b>Total Other Funds</b>				<b>\$ 419,640</b>	<b>5%</b>	<b>10%</b>
<b>TOTAL SHORT TERM FUNDS</b>				<b><u>\$ 7,755,511</u></b>	<b>99%</b>	<b>100%</b>
<b>SHARES</b>						
NZ Local Govt Insurance Co Limited				\$ 69,570		
Airtel Limited				\$ 7,252		
Farmlands Trading Society Limited				<u>1,159</u>		
<b>TOTAL SHARES</b>				<b><u>\$ 77,981</u></b>	<b>1%</b>	
<b>FORESTRY</b>						
Plantation - Hurupi Stock				\$ 5,226		
<b>TOTAL FORESTRY</b>				<b><u>\$ 5,226</u></b>		
<b>TOTAL INVESTMENTS</b>				<b><u>\$ 7,838,718</u></b>		
<b>REPRESENTED BY:</b>						
Short Term Deposits				7,755,511	99%	
Investments - Current Assets				-	0%	
Investments - Non-Current Assets				<u>83,207</u>	<u>1%</u>	
				<b><u>\$ 7,838,718</u></b>	<b>100%</b>	

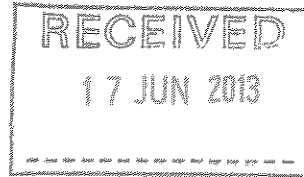
# **Appendix 3 – Letter from Local Government Commission**



# Local Government Commission

## Mana Kāwanatanga ā Rohe

17 June 2013



Paul Crimp  
Chief Executive  
South Wairarapa District Council  
PO Box 6  
**Martinborough 5741**

Dear Paul

### **Decisions on the Wairarapa Councils' (Masterton, Carterton and South Wairarapa) local government reorganisation application**

I refer to the Wairarapa Councils' application for reorganisation of local government in Wairarapa lodged with the Commission on 22 May 2013, under clause 3 of Schedule 3 of the Local Government Act 2002 (the Act).

This is to inform you that at its meeting on 13 June 2013, the Commission, after careful consideration of the material provided in the application and subsequently, agreed, pursuant to clause 6 of Schedule 3 of the Act, to assess the application.

Before proceeding to assess the application, however, the Commission, pursuant to clause 8(1), must first be satisfied there is demonstrable community support in the district of each affected territorial authority for local government reorganisation in the area. This is also to inform you that the Commission was satisfied in this regard.

I have enclosed a copy of the detailed decisions and explanations on these matters. I draw your attention to the Commission's decision that the wider Wellington Region is considered to be the 'affected area'.

The next stage of the process involves the Commission advising the affected and adjoining local authorities of these decisions, publicly notifying the application and seeking alternative applications under clause 9 of Schedule 3. I advise that the Commission has decided to defer public notification of the application and invitation for alternative applications pending expected receipt and consideration of a further reorganisation application(s) relating to Wellington Region.

I will write to you to inform you of the call for alternative applications as required by clause 9 of Schedule 3 of the Act, when a date for public notice and call for alternative applications has been decided.

The Commissioners would now like to meet with the mayor and councillors of your Council to provide them with an opportunity to meet the Commissioners and for the Commission to set out the next steps and possible timeline in the reorganisation process. One of my staff will contact you to arrange this meeting.

If you wish to discuss any part of these decisions please feel free to contact me on (04) 460 2202 or Gavin Beattie on (04) 460 2204.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Donald Riezebos', with a long horizontal stroke extending to the right.

Donald Riezebos  
Chief Executive Officer



## **LOCAL GOVERNMENT COMMISSION MANA KĀWANATANGA Ā ROHE**

### **Decisions of the Commission under clauses 6 and 8 of Schedule 3 of the Local Government Act 2002 on an application by Masterton, Carterton and South Wairarapa District Councils for reorganisation of local government in Wairarapa**

#### **Introduction**

1. On 22 May 2013 the Local Government Commission received an application from Masterton, Carterton and South Wairarapa District Councils (herein the Wairarapa councils), under clause 3 of Schedule 3 of the Local Government Act 2002 (the Act), for reorganisation of local government in the Wairarapa. Specifically the application is for the three Wairarapa councils to be united and to assume the powers of a regional council i.e. to become a unitary authority. The application proposes that the unitary authority comprise a mayor and twelve councillors elected from seven wards to ensure good geographical distribution and local participation with no councillors elected at large. It also proposes the use of committees to address matters of special interest, such as Māori issues and rural issues.
2. At a meeting on 13 June 2013, the Commission considered the application and made a number of decisions pursuant to Schedule 3 of the Act. The purpose of this document is to set out those decisions and the reasons for them, and to identify the next steps which the Commission must take.

#### **Decisions**

3. At its meeting on 13 June 2013, the Commission:
  - a) declared, under clause 2(c) of Schedule 3 of the Local Government Act 2002, that the affected area in respect of the Wairarapa councils' application is the area comprising Wellington Region as presently constituted
  - b) agreed, under clause 6 of Schedule 3, to assess the application
  - c) agreed, under clause 8(1) of Schedule 3, that the Commission has sufficient information to be satisfied there is demonstrable community support in the district of each affected territorial authority for local government reorganisation in Wellington Region
  - d) decided to defer public notification of the application and invitation for alternative applications pending expected receipt and consideration of a further reorganisation application(s) relating to Wellington Region.

## Reasons for the decision

4. The Commission was required under clause 6 of Schedule 3 to consider the application as soon as practicable after receiving it, which was on 22 May 2013, and to decide whether or not to assess the application.
5. Clause 7 sets out the grounds on which the Commission may decline to assess an application. The Commission found that none of these grounds applied in respect of the Wairarapa councils' application.
6. Among other things, the Commission was required to consider information provided demonstrating community support in the district of each affected territorial authority for the application. In order to satisfy itself on this requirement, the Commission needed to determine which were the affected territorial authorities.
7. An affected territorial authority is, under the amended section 5 of the Act, a territorial authority that contains an affected area. An affected area is defined under clause 2 of Schedule 3 and includes an area that would be included in a new or different local authority if the reorganisation were to proceed. On this basis, the Commission agreed that the affected areas included the districts of Masterton, Carterton and South Wairarapa.
8. The Commission also agreed that the small part of Tararua District currently within Wellington Region but proposed to be transferred to Manawatu-Wanganui Region was also an affected area.
9. Under clause 2(c), the Commission, after careful consideration, agreed that the Greater Wellington Regional Council (GWRC) would be materially affected in terms of its operational scale, scope and capability, if local government was to be reorganised in accordance with the application because:
  - 88 staff<sup>1</sup> (21% of GWRC staff) would be affected by the Wairarapa proposal and this is a significant proportion of GWRC staffing numbers which would materially affect the *scale* of the council's operations
  - the area of land GWRC would administer would reduce by 72%, which would affect the extent of the environmental management and flood management operations (i.e. *scope*) by covering a significantly reduced land area
  - the reduction in its area and in these functions could affect GWRC's ability to attract and retain specialist staff in functions that in future were primarily provided in Wairarapa, which would impact on the *capacity* of GWRC.
10. On the basis that GWRC would be materially affected, the Commission declared the areas of the territorial authorities comprising the balance of Wellington Region also to be affected areas.

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<sup>1</sup> These are staff that GWRC has identified as being located in Masterton.

11. Having agreed the affected areas and therefore the affected territorial authorities, the Commission was then in a position to assess whether there was the required information demonstrating community support in the district of each affected territorial authority for the application. For this purpose it considered the following information:
  - the results of a Wairarapa Governance Review Working Party consultation exercise between December 2012 and February 2013
  - an independent Wellington-region-wide public opinion survey of all eight territorial authority areas undertaken by Colmar Brunton in June/July 2012
  - other local authority public consultation exercises indicating a level of support for a stand-alone Wairarapa council
  - letters of support from Māori/iwi based in Wairarapa
  - letters of support from the mayors of three territorial authorities in Wellington Region.
12. In respect of the areas of Tararua District currently within Wellington Region, the Commission received information demonstrating community support for the application as follows:
  - support from the largest landholder in the area
  - local authority support for the present Masterton boundary becoming the new regional boundary
  - an email from forestry interests in the area supporting the proposed regional boundary change.
12. On the basis of the above information, the Commission came to the conclusion that there was sufficient information demonstrating community support for the application in the districts of all the affected territorial authorities. The Commission also concluded that the application included all the other information required by clause 5(1). As there were no further grounds to decline to assess the application, under clause 7, the Commission agreed it would assess the application.
13. Prior to proceeding to assess and application, however, the Commission must next be satisfied, under clause 8(1) of Schedule 3, that there is demonstrable community support in the district of each affected territorial authority for local government reorganisation in the affected area. (NB this requirement is different from the community support *for the application* set out under clause 5(1)(f) of Schedule 3 referred to above.)
14. At its meeting on 13 June 2013, in addition to deciding whether to assess the application, the Commission also considered whether it had sufficient information to satisfy itself under clause 8(1). It concluded it did have sufficient information. The basis for this decision was the numerous consultation exercises that had occurred in Wellington Region over recent times. This included an independent Wellington-region-wide public opinion survey of all eight territorial authority areas undertaken by Colmar Brunton in June/July 2012. Based on this survey, there is evidence of support in each affected territorial authority for some form of local government reorganisation.

## **Relevant matters the Commission took into consideration**

- 15 In its considerations relating to community support, the Commission took into account whether community support was demonstrated or was demonstrable in each of the affected areas, and whether the support was demonstrated or demonstrable from organisations and individuals located within the affected areas and/or representing parts of those areas.
- 16 The Commission noted that the evidence demonstrating community support did not need to indicate a particular level or type of support in the affected area, this includes whether there was majority support, as this is not a requirement in the Act.
- 17 As a result, and being satisfied with the level of information provided, the Commission considered it did not need to undertake any consultation of its own at this time.
- 18 As part of its consideration in future, as to whether to proceed to issue a draft reorganisation proposal and then a final proposal, the Commission will need to continue to assess levels of community support for local government reorganisation in Wellington Region and for particular options that may be identified during the process. At each step in this process the Commission will need to continue to satisfy itself on the existence of demonstrable community support.

## **Next steps**

- 19 Having agreed to assess the Wairarapa councils' application and satisfied itself there is demonstrable community support in the district of each affected territorial authority for local government reorganisation in the affected area i.e. Wellington Region, the Commission is next required to take certain prescribed steps.
- 20 In the meantime, GWRC has advised the Commission that it intends lodging a reorganisation application relating to Wellington Region. In light of this advice, the Commission has decided to await receipt of this application and consider whether it meets necessary requirements, with a view to carrying out required public notification of both the Wairarapa application and any further Wellington application concurrently.
- 20 Accordingly the Commission has agreed to proceed, as required, to advise the Wairarapa councils and affected local authorities of its decisions in relation to the Wairarapa application. It will consider at its next meeting the appropriate timing to carry out the following further steps:
  - advising each local authority that adjoins an affected local authority and any other person, body or group the Commission considers should be notified, of the Commission's decisions
  - giving public notice of:
    - receipt of reorganisation application(s) including the type of reorganisation(s) proposed, local authorities affected and extent of the affected area
    - where further information about the application(s) can be obtained
    - an invitation for persons, bodies and groups to submit alternative applications in relation to the affected area
    - when alternative applications must be received by.