

# SOUTH WAIRARAPA DISTRICT COUNCIL

20 FEBRUARY 2013

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## AGENDA ITEM D4

### CORPORATE SUPPORT GROUP REPORT

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#### **Purpose of Report**

To update Councillors on the Corporate Support Group activities.

#### **Recommendations**

Officers recommend that the Council:

1. *Receive the information.*
2. *Receive the financial statements for the six months ended 31 December 2012.*
3. *Receive the tabled financial statements for the seven months ended 31 January 2013.*

## **1. Executive Summary**

The intervening period between the last report and this has been punctuated by annual leave, and catching up on a backlog of work.

The first cut of the budgets has been prepared and will be available in due course.

A draft of the annual plan timetable is included for consideration.

A reasonable amount of time has been spent keeping up to date with the ever changing regulatory environment within local government including implications of the Local Government Act 2002 Amendment Act 2012, and the Productivity Commission's report "Towards Better Regulation"

## **2. Discussion**

### **2.1 Operating System Replacement**

The operating system replacement continues as planned with all modules installed and running. Additional training will take place over the next few months to ensure we get the best out of the system.

### **2.2 Financial Statements**

The financial statements for the six months ended 31 December 2012 are attached as Appendix 1.

The financial statements for the seven months ended 31 January 2013 will be tabled.

### 2.3 Rate Arrears

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

<b>Date</b>	<b>Amount \$'000</b>	<b>Number</b>	<b>Days since instalment due</b>	<b>SWDC component \$'000  (81%)</b>
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

The fragility of rate arrears has unfortunately reared its ugly head. I have no view on why this instalment has increased, however we will be pursuing the outstanding amounts as usual.

An updated report will be tabled.

### 2.4 Local Government Act 2002 Amendment Act 2012

Attached as appendix 3 are two documents providing commentary on the impacts of the above Act.

The first document includes a legal opinion from Simpson Grierson, the brief for this opinion is included in the memo dated 18 January 2013 from Local Government New Zealand

The second document is entitled "Purpose Clause: Frequently Asked Questions" and is published by SOLGM.

No analysis is provided here, however Officer Reports will need to take into account the above changes when preparing reports and recommendations.

It is important that all decision makers are aware of these changes, especially the implications around the LTP being prepared under the old legislation.

## **2.5 Legal Implications**

The changes to the local government legislation may pose some legal challenges, these will need to be included in the analysis sections of reports prepared by Officers.

## **2.6 Financial Considerations**

There are no financial implications arising out of this report.

## **3. Appendix**

Appendix 1 – Financial Statements for the six months ended 31 December 2012

Appendix 2 – Statements for the seven months ended 31 January 2013 (to be tabled)

Appendix 3 – Commentary on Changes to the Local Government Act as a Result of the Local Government Act 2002 Amendment Act 2012

Appendix 4 – Proposed 2013/14 Annual Plan Timeline

Contact Officer: Paul Crimp, Group Manager Corporate Support

**Appendix 1 – Financial  
Statements to 31 December  
2012**

<b>STATEMENT OF FINANCIAL POSITION</b>			
<b>AS AT 31 DECEMBER 2012</b>			
	<b>31 DECEMBER 2012</b>	<b>30 JUNE 2012</b>	<b>MOVEMENT</b>
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and Bank	203,954	1,869,551	(1,665,597)
Short Term Deposits	6,363,636	2,191,218	4,172,419
Investments	-	2,482,206	(2,482,206)
Prepayments & Receivables	2,451,221	2,988,152	(536,932)
GST Receivable		53,514	
Inventories	41,849	42,460	(611)
Properties Intended For Sale	-	-	-
<b>Total Current Assets</b>	<b>9,060,661</b>	<b>9,573,588</b>	<b>(512,927)</b>
<b>Non-Current Assets</b>			
Investments	82,747	82,747	-
Investment Properties	8,325,000	8,325,000	-
Intangible Assets	43,098	43,547	(449)
Property, Plant & Equipment	385,716,495	386,666,317	(949,822)
<b>Total Non-Current Assets</b>	<b>394,167,340</b>	<b>395,117,611</b>	<b>(950,271)</b>
<b>TOTAL ASSETS</b>	<b>\$ 403,228,001</b>	<b>\$ 404,691,199</b>	<b>(1,463,198)</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Cash and Bank	-	-	-
Payables and Accruals	1,439,760	2,925,794	(1,486,034)
GST Payable	(44)	-	
Employee Entitlements	264,926	226,101	38,825
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>1,704,686</b>	<b>4,269,595</b>	<b>(2,564,909)</b>
<b>Non-Current Liabilities</b>			
Public Debt - Non-Current Portion	9,301,291	8,263,259	1,038,032
Finance Leases - Non-Current Portion	(3,377)	-	(3,377)
Provisions - Non-Current Portion	406,955	374,134	32,821
<b>Total Non-Current Liabilities</b>	<b>9,704,869</b>	<b>8,637,393</b>	<b>1,067,476</b>
<b>EQUITY</b>			
Public Equity	141,063,865	141,029,629	34,236
Special Separate & Trust Funds	16,944,570	16,944,570	-
Asset Revaluation Reserve	232,018,461	232,018,461	-
Sinking Fund Reserves	1,789,199	1,789,199	-
Other Reserves	2,352	2,352	-
<b>Total Equity</b>	<b>391,818,446</b>	<b>391,784,210</b>	<b>34,236</b>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>\$ 403,228,001</b>	<b>\$ 404,691,199</b>	<b>(1,463,197)</b>

<b>STATEMENT OF FINANCIAL PERFORMANCE</b>					
<b>FOR THE PERIOD ENDED 31 DECEMBER 2012</b>					
	<b>YTD</b>			<b>2013</b>	
	<b>Actual</b>	<b>Budget</b>	<b>Variance</b>	<b>Budget</b>	<b>% of Budget</b>
<b>OPERATING INCOME</b>					
Rates	5,533,385	5,528,460	4,925	11,057,000	50%
Rates Penalty	167,395	141,724	25,671	283,449	59%
Interest	93,283	115,914	(22,631)	194,000	48%
Internal Interest Loans	18,907	18,750	157	38,000	50%
Fees & Licences	411,263	344,217	67,046	581,000	71%
User Levies	152,454	179,198	(26,744)	610,000	25%
Commissions	21,499	30,516	(9,017)	61,550	35%
NZ Transport Agency Subsidy	545,955	540,000	5,955	1,310,252	42%
Petrol Tax	38,089	46,362	(8,273)	93,000	41%
Grants, Donations & Subsidies	10,564	11,796	(1,232)	42,000	25%
Rental / Hire	146,848	156,108	(9,260)	312,000	47%
Profit on Sale of Assets	-	-	-	-	0%
Miscellaneous Income	156,381	188,500	(32,119)	377,000	41%
<b>Total Operating Income</b>	<b>7,296,024</b>	<b>7,301,545</b>	<b>(5,521)</b>	<b>14,959,251</b>	<b>49%</b>
<b>OPERATING EXPENDITURE</b>					
Corporate Services	868,449	894,954	26,505	1,789,000	49%
In-House Professional Services	343,871	370,134	26,263	740,262	46%
Governance, Leadership & Advocacy	179,731	210,180	30,449	420,289	43%
Public Protection	495,843	532,122	36,279	1,064,480	47%
Resource Management	189,182	214,068	24,886	428,576	44%
Economic, Cultural & Community Development	153,280	144,000	(9,280)	235,477	65%
Amenities	883,270	939,264	55,994	1,878,579	47%
Land Transport	2,315,927	2,420,820	104,893	4,841,747	48%
Water Supply	1,064,830	1,069,890	5,060	2,139,327	50%
Solid Waste Management	695,134	591,726	(103,408)	1,183,475	59%
Sewerage	576,174	607,296	31,122	1,214,170	47%
Stormwater Drainage	68,924	67,608	(1,316)	134,710	51%
Rate Debtors Written Off	8,974	20,478	11,504	41,000	22%
Bad Debts	-	-	-	-	0%
Loss on Sale of Assets	-	-	-	-	0%
<b>Total Operating Expenditure</b>	<b>7,843,589</b>	<b>8,082,540</b>	<b>238,951</b>	<b>16,111,092</b>	<b>49%</b>
<b>Operating Surplus/(Deficit)</b>	<b>(547,566)</b>	<b>(780,995)</b>	<b>(244,472)</b>	<b>(1,151,841)</b>	<b>48%</b>
<b>CAPITAL EXPENDITURE INCOME</b>					
NZ Transport Agency Subsidy	510,402	510,000	(402)	1,113,748	46%
Grants, Donations & Subsidies	-	9,378	9,378	-	0%
Contributions	71,071	151,146	80,075	302,000	24%
<b>Total Capital Expenditure Income</b>	<b>581,473</b>	<b>670,524</b>	<b>89,051</b>	<b>1,415,748</b>	<b>41%</b>
<b>OTHER INCOME</b>					
Assets Vesting in Council	328	21,084	20,756	-	0%
Gain on Asset Revaluations	-	20,058	20,058	40,000	0%
<b>Total Other Income</b>	<b>328</b>	<b>41,142</b>	<b>40,814</b>	<b>40,000</b>	<b>1%</b>
<b>TOTAL SURPLUS / (DEFICIT)</b>	<b>\$ 34,236</b>	<b>\$ (69,329)</b>	<b>\$ (114,608)</b>	<b>\$ 303,907</b>	<b>11%</b>
Included in the operating expenditure is:					
Depreciation	2,011,036	2,092,446	(81,410)	3,914,248	51%
Interest	315,000	322,878	(7,878)	722,992	44%

						<b>SUMMARY OF INVESTMENTS</b>		Dec-12
<b>ORGANISATION</b>		<b>INTEREST RATE</b>	<b>INVESTED DATE</b>	<b>MATURITY DATE</b>	<b>TOTAL INVESTED</b>	<b>INVESTED FUNDS %</b>	<b>AUTHORISED FUNDS %</b>	
<b>SHORT TERM FUNDS</b>								
<b>Registered Banks</b>								
ASB LOAN REDEMPT RES	99182811	3.83%	29-Oct-12	17-Jan-13	\$1,052,899.97			
Money maker		0.00%	31-Aug-12	On Call	\$221.37			
					<b>\$1,053,121.34</b>	<b>16%</b>	<b>30%</b>	
ANZ CALL ACCOUNT	99182813	3.00%	31-Aug-12	On Call	\$50,711.18			
ANZ LOAN REDEMPT RES	99182813	3.25%	29-Oct-12	28-Feb-13	\$1,053,600.24			
					<b>\$1,104,311.42</b>	<b>17%</b>	<b>30%</b>	
BNZ AUTOCALL (-025)	99182812	3.20%	31-Aug-12	On Call	\$151,429.57			
BNZ - Reserves Fund	99182812	3.00%	13-Dec-12	12-Jan-13	\$726,586.39			
					<b>\$878,015.96</b>	<b>14%</b>	<b>30%</b>	
KIWIBANK - Reserves Fund	99182819	2.50%	31-Aug-12	On Call	\$721,030.57			
					<b>\$721,030.57</b>	<b>11%</b>	<b>30%</b>	
NATIONAL BANK NZ	99182815	2.40%	31-Aug-12	On Call	\$2,094.40			
NATIONAL BANK NZ	99182815		31-Aug-12	On Call	\$372.37			
					<b>\$2,466.77</b>	<b>0%</b>	<b>30%</b>	
WBS (21220)	99182816	4.35%	21-Dec-12	19-Jun-13	146,955.08			
WBS (21220)	99182816	4.50%	23-Mar-12	19-Sep-12	\$150,240.19			
WBS (21220)	99182816	4.35%	2-Oct-12	2-Apr-13	\$116,406.15			
WBS (21220)	99182816		31-Aug-12	On Call	\$328.85			
					<b>\$413,930.27</b>	<b>6%</b>	<b>10%</b>	
WESTPAC TRUST CALL	99182814	2.50%	31-Aug-12	On Call	\$190,759.92			
		3.69%	30-Nov-12	21-Jan-13	\$500,000.00			
		3.80%	30-Nov-12	20-Feb-13	\$500,000.00			
		4.09%	30-Nov-12	20-Mar-13	\$500,000.00			
		4.18%	30-Nov-12	5-Apr-13	\$500,000.00			
					<b>\$2,190,759.92</b>	<b>34%</b>	<b>30%</b>	
<b>TOTAL</b>					<b>\$6,363,636.25</b>	<b>88%</b>	<b>100%</b>	
<b>FORESTRY</b>								
Plantation - Hurupi Stock	99283827				\$5,226.00			
					<b>\$5,226.00</b>	<b>0%</b>		
<b>SHARES</b>								
AIRTEL LTD	99283824				\$7,252.00			
FARMLANDS	99283825				\$699.00			
NZ LOC GOVT INS CO	99283823				\$69,569.70			
					<b>\$77,520.70</b>	<b>1%</b>		
<b>TOTAL INVESTMENTS</b>					<b>\$6,446,382.95</b>	<b>89%</b>		

<b>SCHEDULE OF CAPITAL EXPENDITURE</b>					
<b>FOR THE PERIOD ENDED 31 DECEMBER 2012</b>					
<b>DESCRIPTION</b>	<b>Month</b>		<b>Year to Date</b>		<b>Annual</b>
	<b>Actual</b>	<b>Budget</b>	<b>Actual</b>	<b>Budget</b>	<b>Budget</b>
<b><u>Amenities</u></b>					
Playgrounds	-	1,888	-	11,328	1,888
Parks & Reserves	-1,344	4,721	18,532	28,326	4,721
Campgrounds	-	2,575	-	15,450	2,575
Swimming Pools	-2,830	4,721	-	28,326	4,721
Toilets	4,675	17,167	5,303	103,002	17,167
Cemeteries	-	3,863	620	23,178	3,863
Libraries	-	-	-	-	-
Rental Properties	-	1,717	-	10,302	1,717
Community Housing	3,324	3,004	17,799	18,024	3,004
Community Buildings	-	-	-	-	-
Greytown Town Hall Redevelopment	-	-	-	-	-
Martinborough Town Hall	-	-	-	-	-
Featherston Town Centre	-	-	-	-	-
Greytown Town Centre	-	858	-	5,148	858
Martinborough Town Centre	-	858	-	5,148	858
Library Books	7,384	7,983	52,730	47,898	7,983
Amenities (Miscellaneous)	-	-	-	-	-
	11,209	49,355	94,984	296,130	49,355
<b><u>Water Supply</u></b>					
Water Supply	-	31,260	21,722	187,560	31,260
Water Supply (MBA)	-	-	-	-	-
Plant & Bores	-	-	-	-	-
FSTN Supplementary water supply	3,525	2,605	3,525	15,630	2,605
Plant & Bores (MBA)	-	-	-390	-	-
Reservoirs	12,280	-	55,649	-	-
Water Supply (Misc.)	-	-	3,924	-	-
	15,805	33,865	84,430	203,190	33,865
<b><u>Solid Waste Management</u></b>					
Solid Waste Management	-	4,437	-	26,622	4,437
Solid Waste Management	-	-	-	-	-
Solid Waste Management (Miscellaneous)	-	-	-	-	-
	-	4,437	-	26,622	4,437
<b><u>Stormwater Reticulation</u></b>					
Stormwater Reticulation	-	-	-	-	-
Stormwater Reticulation	-	-	-	-	-
Stormwater Reticulation (Miscellaneous)	-	-	-	-	-
	-	-	-	-	-
<b><u>Sewerage</u></b>					
Sewerage	-	14,328	6,844	85,968	14,328
Sewerage	-	-	-	-	-
Sewerage	-	-	-	-	-
Sewerage (Lake Ferry)	-	1,303	-	7,818	1,303
Oxidation Ponds	9,555	3,473	9,555	20,838	3,473
Oxidation Ponds	-	-	-	-	-
Oxidation Ponds	9,555	-	9,555	-	-
Sewerage (Miscellaneous)	-	36,905	81,925	-	36,905
Alternative Disposal System (GTN)	-	-	-	-	-
Alternative Disposal System (MBA)	-	-	-	-	-
Alternative Disposal System (FSTN)	-	-	-	-	-
	19,110	56,009	107,879	114,624	56,009



<b>SCHEDULE OF CAPITAL EXPENDITURE</b>						
<b>FOR THE PERIOD ENDED 31 DECEMBER 2012</b>						
<b>Land Transport</b>						
New St. Lighting (Other Roads) - 2	-	3,455	-	20,730	3,455	
Signs/Guardrails (Other Roads) -	4,119	3,460	10,699	20,760	3,460	
Signs/Guardrails (SPRs) - 222	-	-	-	-	-	
New Bridges (Other Roads) - 215	-	-	54	-	-	
Structures Renewal (SPR) -215	4,087	7,136	12,473	42,816	7,136	
Seal Extensions	-	-	-	-	-	
Seal Extensions (SPRs)	-	-	-	-	-	
Reseals (Other Roads) - 212	4,473	40,932	12,418	245,592	40,932	
Reseals (SPRs) - 212	-	5,313	321	31,878	5,313	
Rehabilitation (Other Roads) - 21	2,045	22,490	17,809	134,940	22,490	
Rehabilitation (SPRs) - 214	-	6,033	-	36,198	6,033	
New Footpaths	-	6,920	-	41,520	6,920	
Footpath Renewals	-	3,460	-2,280	20,760	3,460	
Drain Renewal (Other Roads) - 21	-	17,300	3,838	103,800	17,300	
Drainage Renewal (SPR) - 213	-	1,730	-	10,380	1,730	
Minor Safety Works (Other) - 341	-	8,888	5,115	53,328	8,888	
Erosion Control (SPRs) - 244	-	18,641	994	111,846	18,641	
Land Transport (Misc.)	-	-	-	-	-	
New Bridges (SPRs)	-	-	-	-	-	
Minor Safety Works (SPRs) - 341	-	567	-	3,402	567	
Road metalling (renewal) other -	16,069	19,895	34,480	119,370	19,895	
Road metalling (renewal) (SPR) -	-	1,298	-	7,788	1,298	
Development Work	-	-	-	-	-	
Asso Improvements (Other) - 231	-	4,325	54	25,950	4,325	
Traffic Services Renewal (SPR)	-	433	-	2,598	433	
Preventative Maintenance (SPR)1	5,266	-	46,914	-	-	
Improve-expand-replace - 322	-	-	-	-	-	
Emergency Work (SPR)11/12 - 14	-	-	37,668	-	-	
Preventative Maintenance (SPR)	20,108	-	358,902	-	-	
	56,168	172,276	539,457	1,033,656	172,276	
<b>Information Technology</b>						
IT Hardware	(920)	4,267	34,684	25,602	4,267	
IT Software	7,292	24,500	99,135	147,000	24,500	
IT Networks & Cabling	-	-	-	-	-	
Geographical information system	-	1,784	-	10,704	1,784	
	6,372	30,551	133,819	183,306	30,551	
<b>Land</b>						
Land	-	-	35,130	-	-	
	-	-	35,130	-	-	
<b>Council Property</b>						
Council Offices	-	833	7,708	4,998	833	
Office Equipment & Furniture	-	2,327	-	13,962	2,327	
Other Equipment	-	-	622	-	-	
Motor Vehicles	45,193	9,297	45,193	55,782	9,297	
	45,193	12,457	53,523	74,742	12,457	
<b>Public Protection</b>						
Rural Fire	-	-	1,110	-	-	
	-	-	1,110	-	-	
	\$153,856	\$358,950	\$1,050,333	\$1,932,270	\$358,950	

**Appendix 2 – Financial  
Statements to 31 January  
2013 (tabled)**

**Appendix 3 – Commentary  
on Changes to the Local  
Government Act as a Result  
of the Local Government Act  
2002 Amendment Act 2012**



18 January 2013

### **Mayors, Chairs and Chief Executives**

Following the enactment of the Better Local Government Amendment Bill 2012, there has been a significant change to the purpose of local government. Therefore, we have commissioned Simpson Grierson to provide us with advice on how this change will affect the sector.

We now enclose this advice for free distribution to all our members.

The advice details the nature of the legal risk associated with the legislative change and recommends procedural changes to minimise, as much as possible, the legal exposure.

There will be legal uncertainty until the parameters of the law are tested in court.

In addition, Jonathan Salter, Partner at Simpson Grierson, has accepted an invitation to speak to this advice and take questions from the sector at upcoming rural, provincial, metro and regional sector meetings.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'LY', located below the 'Yours sincerely' text.

Lawrence Yule  
President  
Local Government New Zealand

18 January 2013

**Partner Reference**  
J M T Salter - Wellington

Malcolm Alexander  
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Dear Malcolm

### **The amended purpose of local government – risk management**

1. We have been asked to advise on the change to the purpose of local government effected by the Local Government Act 2002 Amendment Act 2012 (**Amendment Act**). In particular, we are to address how local authorities may mitigate litigation risk arising from the change.

#### **Executive Summary**

- The change to the purpose clause (section 10) is a significant and complex change from a legal perspective.
- It offers generous opportunities for those wishing to challenge activities and expenditures of local authorities, by way of judicial review or declaratory proceedings.
- Continued detailed analysis of the implications and effects for local government will be appropriate in the New Year.
- The absence of transitional or savings provisions could be taken to suggest that Parliament did not regard the practical effect as significant. This may be backed up by some comments from members of the government in resisting submissions during the legislative process aimed at moderating the perceived rigour of the changes. However, the Courts will likely start from an established assumption that if Parliament changes statutory wording, it does so intending a change in interpretation.
- Whilst it is difficult to anticipate the approach the courts may take to a judicial review, there may be some expectation that:
  - they may be inclined to take a pragmatic approach to the economic concepts;
  - they will be less inclined to intervene where the elected council has applied its mind to the issues and exercised a discretion;
  - they will be more likely to intervene where the council has not applied its mind to the issues, especially specific analysis of "most cost effective".

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[www.simpsongrierson.com](http://www.simpsongrierson.com)

- There can be some comfort that matters expressly mandated by the 2012 long term plans will be intra vires, but their delivery will have to be in a most cost effective manner.
- There is scope for interpretation around the terms "local infrastructure" and "local public services".
- On any new expenditure or activity which is outside the scope of section 11A, a council should expressly determine that the activity falls within "local infrastructure" or "local public services", and address why it meets the community's needs for the expenditure or activity which is "good quality".
- Council reports should, as a matter of course, address options and identify the recommended one as seen as being most cost effective for households and businesses (allowing for costs over time and indirect and contingent costs).

In the balance of this letter, we expand on the issues which support these views.

At this time, the two critical points to be made are:

- the actual legal effect of the changes on local authority powers will depend on judicial interpretation; and
- local authorities may be able to avoid unwelcome judicial outcomes by approaching the issues with caution and giving express attention to the new concepts wherever practicable.

### The Legislative context

2. As enacted in 2002, the purpose of the Local Government Act 2002 (**LGA**) set out in section 3 was:

#### **3 Purpose**

The purpose of this Act is to provide for democratic and effective local government that recognises the diversity of New Zealand communities; and, to that end, this Act—

- (a) states the purpose of local government; and
- (b) provides a framework and powers for local authorities to decide which activities they undertake and the manner in which they will undertake them; and
- (c) promotes the accountability of local authorities to their communities; and
- (d) provides for local authorities to play a broad role in promoting the social, economic, environmental, and cultural well-being of their communities, taking a sustainable development approach.

3. Section 10 set out the purpose of local government as:

#### **10 Purpose of local government**

The purpose of local government is—

- (a) to enable democratic local decision-making and action by, and on behalf of, communities; and
- (b) to promote the social, economic, environmental, and cultural well-being of communities, in the present and for the future.

4. The role of a local authority and the status and powers of a local authority are linked to the purpose statement in section 10 as follows:

**11 Role of local authority**

The role of a local authority is to—

- (a) give effect, in relation to its district or region, to the purpose of local government stated in section 10; and
- (b) perform the duties, and exercise the rights, conferred on it by or under this Act and any other enactment.

**12 Status and powers**

(1) A local authority is a body corporate with perpetual succession.

(2) For the purposes of performing its role, a local authority has—

- (a) full capacity to carry on or undertake any activity or business, do any act, or enter into any transaction; and
  - (b) for the purposes of paragraph (a), full rights, powers, and privileges.
- (3) Subsection (2) is subject to this Act, any other enactment, and the general law.
- (4) A territorial authority must exercise its powers under this section wholly or principally for the benefit of its district.
- (5) A regional council must exercise its powers under this section wholly or principally for the benefit of all or a significant part of its region, and not for the benefit of a single district.
- (6) Subsections (4) and (5) do not—
- (a) prevent 2 or more local authorities engaging in a joint undertaking, a joint activity, or a co-operative activity; or
  - (b) prevent a transfer of responsibility from one local authority to another in accordance with this Act; or
  - (c) restrict the activities of a council-controlled organisation; or
  - (d) prevent a local authority from making a donation (whether of money, resources, or otherwise) to another local authority or to a person or organisation outside its district or region or outside New Zealand—
    - (i) if the local authority considers, on reasonable grounds, that the donation will benefit its district or region, or the communities within its district or region; or
    - (ii) if the local authority considers, on reasonable grounds, that a benefit will be conferred on the local government sector as a whole; or
    - (iii) for emergency relief; or
  - (e) prevent a local authority from making a donation (whether of money, resources, or otherwise) to a local government body outside New Zealand to enable it to share its experience and expertise with that body.

5. Section 13 provides:

**13 Performance of functions under other enactments**

Sections 10 and 12(2) apply to a local authority performing a function under another enactment to the extent that the application of those provisions is not inconsistent with the other enactment.

6. The Amendment Act has altered section 3 and section 10 as follows:

**4 Section 3 amended (Purpose)**

Replace section 3(d) with:

- "(d) provides for local authorities to play a broad role in meeting the current and future needs of their communities for good-quality local infrastructure, local public services, and performance of regulatory functions."

**7 Section 10 amended (Purpose of local government)**

(1) Replace section 10(b) with:

- "(b) to meet the current and future needs of communities for good-quality local infrastructure, local public services, and performance of regulatory functions in a way that is most cost-effective for households and businesses."
- (2) In section 10, insert as subsection (2):
- "(2) In this Act, **good-quality**, in relation to local infrastructure, local public services, and performance of regulatory functions, means infrastructure, services, and performance that are—
- "(a) efficient; and
- "(b) effective; and
- "(c) appropriate to present and anticipated future circumstances."
7. Sections 11 and 12 are unaltered but the effect of them has changed due to the link with section 10: The powers of local authorities are defined in section 12 by reference to the role of local government in section 11, which in turn is defined by reference to the purpose of local government in section 10.<sup>1</sup>
8. The change to the purpose of the Act (to section 3(d)) is relatively unproblematic. The effect is a change from a purpose of the Act being to provide for local authorities to play a broad role in promoting community wellbeing in a sustainable way, to them playing a broad role in meeting the current and future needs of their communities for good quality local infrastructure, local public services and the performance of regulatory functions. The term "good quality" has the meaning ascribed to it by the new section 10(2).
9. This purpose is relevant to the interpretation of the Act in its generality. Section 5(1) of the Interpretation Act 1999 provides that "the meaning of an enactment must be ascertained from its text and in light of its purpose."
10. The far more significant change is to the purpose of local government in section 10 for three main reasons,
- (a) the purpose of meeting communities' current and future needs for good quality local infrastructure, local public services and regulatory functions, has an additional component – to do so in a way that is most cost effective for households and businesses.
- (b) this purpose provision does not just aid interpretation of the Act. By virtue of the link to sections 11 and 12, it plays a fundamental part in defining the role of local authorities and circumscribes their powers. This is because the general powers of a local authority are defined by reference to its role which is defined by reference to the purpose: a local authority has full capacity to carry on or undertake any activity or business, do any act or enter into any transaction, but only for the purpose of performing its role.<sup>2</sup>

<sup>1</sup> Section 11A is also unchanged, but its effect is modified by its reference to the role in section 11. Section 11A provides:

**11A Core services to be considered in performing role**

In performing its role, a local authority must have particular regard to the contribution that the following core services make to its communities:

(a) network infrastructure:

(b) public transport services:

(c) solid waste collection and disposal:

(d) the avoidance or mitigation of natural hazards:

(e) libraries, museums, reserves, recreational facilities, and other community infrastructure.

<sup>2</sup> The specific constraints in subsections (3) to (5) of section 12 continue to apply, as do the specific authorisations in section 12(6), at least in so far as the latter are not prevented by subsections (4) and (5).



- (c) the link to community choice is weakened. The previous definition of "community outcomes" which linked them to the promotion of community wellbeing meant that what constituted a particular council's role and therefore its powers was determined through the community engagement and consultation process of the long term plan. This meant that appropriate consultation could substantially define what it was which promoted "community wellbeing". "Community outcomes" now means "the outcomes that a local authority aims to achieve in meeting the current and future needs of communities for good quality local infrastructure, local public services, and performance of regulatory functions". This means that long term plan consultation may still mandate activities. However, the manner of delivery must be in a manner that is most cost effective for households and businesses. This has less to do with community preference manifested through consultation and is clearly directed solely at economic and financial considerations.

11. The role of local authorities by virtue of the unamended section 11(b) is to perform the duties, and exercise the rights, conferred on them by or under the Local Government Act 2002 and any other enactment. Importantly this includes various statutory duties conferred under legislation such as the Resource Management Act 1991 and the Building Act 2004. However, by virtue of section 13 of the LGA the performance of such regulatory functions must now be in a way that is most cost effective for households and businesses.

#### Litigation Risk

12. The obvious litigation risk that arises from these changes is that any disaffected party may have grounds for a successful judicial review if it can establish that a Council expenditure relates to an activity, action or transaction which cannot be shown to meet the community's need for efficient and effective local infrastructure, or local public services in a way that is most cost effective for households and businesses. This could occur in several ways:
- (a) it is not established that the community's needs are met by the activity;
  - (b) the activity does not fall within "local infrastructure", "local public services" or "regulatory functions";
  - (c) it is not the most cost effective option for households and businesses.

#### Absence of Transition or Savings

13. Although there are indications in the legislative process that the intention was to narrow Council activity, there are no transitional provisions or savings of particular actions enacted. This could suggest that Parliament did not consider the change to be one that would raise particular difficulties in managing transition – as the relevant provisions took effect immediately following Royal assent.
14. In terms of section 96(1) of the LGA, the effect of a long term plan is to provide a formal and public statement of the local authority's intentions in relation to the matters covered by the plan. Section 96(2) and (4) provides that the adoption of a long term plan does not constitute a decision to act on any specific matter included within it and that no person may compel a council to implement the provisions of an LTP. However, it is reasonable to assume that had Parliament intended that the LTPs adopted under the legislation that applied just six months before it was amended ceased to be a "formal and public statement of the local authorities intentions" it would have provided

some statutory mechanism for transitioning to the altered purpose and powers of local authorities. There are therefore indications that a pragmatic approach might be taken by the Courts for so long as activities and expenditure remain within the ambit of matters set out in the 2012 long term plans during their currency.

### Interpretation Issues

15. There are significant uncertainties in interpreting the changes.
16. Strictly speaking, the term "local" in relation to "infrastructure" and "services" is unnecessary as sections 11 and 12(4) and 12(5) limit the ambit of every council's activities to its district (or region) which is what explains the "local" in "local authority". However, neither of the terms "infrastructure" nor "services" are defined.
17. Section 2 of the Resource Management Act 1991 defines "infrastructure" in quite a narrow way. More helpfully, in section 197 of the LGA, for the purposes of the development contributions provisions, there are definitions of both "community infrastructure" and "network infrastructure". "Community infrastructure" is defined by reference to land or assets of a territorial authority to provide public amenities. "Network infrastructure" means the provision of roads and other transport, water, waste water and storm water collection and management. "Public amenities" would appear to be a wide concept.
18. "Public services" is a term not defined in any legislation, but a dictionary definition includes:
 

A service provided for the community, esp. under the direction of local or central government or other official agency.<sup>3</sup>
19. We have undertaken limited research into New Zealand statutes for use of the term "most cost effective". There is frequent reference to "cost effective" and much less frequent use of "most cost effective", generally in reference to matters to be taken into account or have regard to. There is certainly little clear assistance in the case law to the meaning of the term for present purposes.
20. In a 2001 report by the Auditor General "*Local Government: Improving the Usefulness of Annual Reports*" there was a particular focus on cost effectiveness. The report stated:
 

**Cost effectiveness (impact or outcome over cost)**, and standard and quality of service delivery (standard or quality over cost). [emphasis added]
21. This implies a somewhat different approach to "cost effectiveness" from the standard economic approach which derives from the analysis of economic efficiency, where one alternative is preferred to another if it provides greater benefit at the same or lower cost, or lower cost for the same or greater benefit. This definition leaves open the question of which of two alternatives is more efficient if one provides greater benefit than the other but at lower cost.
22. The word "most" is the superlative of "many and much", that is to say the maximum.
23. Aside from the uncertainty about the meaning of "most cost effective", there is also the dilemma about how to balance the impacts on households and businesses, and over

3 Shorter Oxford English Dictionary (6th Ed Oxford University Press, United States 2007)

time (for example an option which is cheapest now may be more expensive to maintain, or vice versa).

24. Potentially a great deal of analysis and consideration could be applied to clarifying these concepts. There is a great deal of UK case law (not much of it encouraging) on the meaning of "best value for money", which may mean much the same as "most cost effective", or at least give an indication of the approach that will likely be taken by the judiciary.

#### **Possible approaches**

25. Given the apparent ambivalence of the Government about the effect of the reform beyond encouraging fiscal restraint, and the reluctance of Judges to engage in arcane economic arguments, it may be reasonable to expect sympathetic judicial consideration provided it is clear there is explicit Council consideration of the relevant matters. The traditional position of the Courts is not to intervene in the exercise of Council discretion provided the relevant mandatory considerations have been taken into account and the outcome is not otherwise, in a legal sense, unreasonable.
26. In relation to future decision making on activities which are not clearly within the ambit of core services set out in section 11A of the LGA and 2012 long term plans, it would be prudent to specifically address why the Council believes that the activity "meets the current and future needs of communities for one or other of good quality local infrastructure, good quality local public services, or good quality performance of regulatory functions". In relation to any decision making that involves expenditure, there should be a sufficient identification of alternatives and costs to address the Council's assessment that the expenditure is in a way that is most cost effective for households and businesses.

Yours sincerely



pp.  
Jonathan Salter  
Partner

SIMPSON GRIERSON

## Purpose Clause: Frequently Asked Questions

### Disclaimer

These frequently asked questions represent SOLGM's interpretation of the new statement of purpose of local government as set out in section 10 of the Local Government Act 2002, as it appears in the version of the Bill post the Committee of the House Stage.

The answers herein are based on an interpretation of section 10 that accords with our understanding of the Government's intention, principles of statutory interpretation, and the other provisions of the Act.

Every effort has been made to ensure that the information in this guide is as accurate as possible, including review by legal advisors and representatives of the Department of Internal Affairs. The courts are the final arbiter of what legislation actually means.

This document is not a substitute for appropriate legal and policy advice. Neither SOLGM nor the individuals involved in the preparation of this document accepts any liability for loss or damage arising from the use of material contained herein.

#### 1. *What's happened to the purpose clause?*

Parliament has amended section 10(b) of the Local Government Act 2002 by deleting the references to the "*promoting the social, environmental, economic and cultural wellbeing of their communities, in the present and future*" and replacing it with the following:

*(the purpose of local government is "to meet the current and future needs of communities for good quality local infrastructure, local public services, and the performance of regulatory functions in a way that is most cost-effective for households and businesses").*

Parliament has also made a similar change to section 3(d) of the same Act (the section that sets out the purpose for the Local Government Act itself). The amendment establishes that the Act

*“provides for local authorities to play a broad role in meeting the current and future needs of their communities for good-quality local infrastructure, local public services and performance of regulatory functions.”*

More generally, Parliament amended other references to community wellbeing in the Local Government Act. These include amendments to:

- the section 5 definitions of *community outcomes* and *significance*
- the explanation of “taking a sustainable development approach” in section 14(1)(h)(i) – where the term *wellbeing* has been replaced with the word *interests*
- the section 77(1)(b)(i) requirements for decision-making processes – where again the term *interests* has been used
- section 101(3)(b) – the complete reference to wellbeing has been removed, leaving this as a duty to consider the overall impact for any allocation of revenue needs on the community.

## 2. *Why has this change been made?*

The Government announced these changes as part of the 19 March Better Local Government announcements under the heading “refocus the role of local government”.

That set of announcements criticized the present purpose of local government as “unrealistic”, “creating false expectations about what councils can achieve” and “confusing the proper roles with respect to central government and the private sector”.

The following comment has been overlooked in most commentary post the announcements

*“A balance is needed that provides greater clarity of councils’ role but which recognises the diverse needs of local communities throughout New Zealand.”*

## 3. *When do the changes to the purpose clause take effect ?*

The new purpose clause took effect on 5 December 2012. There is no transition clause – so the new purpose applied to all decisions taken on, and from, 5 December

4. *What's happened to the "core services clause" that Parliament added to the Act in 2010? How do this clause and the new purpose clause "fit together"?*

Section 11A (the so-called core services clause) remains in the Act. The latest amendments to the Act have not amended this clause in any way. As now, when making decisions and taking action your local authority should have regard to the contribution that the specified list of services make to your community. The link with section 10 (if there is one) is no more or less direct than at present.

5. *What are "local infrastructure", "local public services" and "local regulation" ?*

The Act does not define the term "local". The Better Local Government announcements suggest the Government's intent in using the term "local" was to focus local authorities on *"those services that only councils can provide or performing only those roles local authorities can perform."* That seems somewhat different from the dictionary definition of "local" which is *"belonging to, existing in or peculiar to a particular place"*. Read in conjunction with the purpose sections 11 and 12 appear to reinforce that notion that local is constrained by the "borders of the district or region".

While there is no direct definition of "infrastructure" in the Local Government Act, one can see "clues" in section 197. This section defines both network and community infrastructure as:

- *network infrastructure* – means the provision of roads and other transport, water, wastewater, and stormwater collection and management
- *community infrastructure* – land or development assets on land, owned or controlled by a territorial authority to provide public amenities (including land to be used for these purposes).

Obviously this is a very territorial focused definition.

The dictionary definition is *a. basic structural foundations of a society or enterprise and b. roads, bridges, sewers etc regarded as a country's economic foundation*

In a similar vein there is no definition of a "public service". The dictionary definition of public is *"open to, or shared by all"*, and the definition of service is *"1. work, or the doing of work for another or for a community ... 3. assistance or benefit given. 4. provision or supply of a public need. ..."* In other words a public service involved the provision or supply a need that is open to, or shared by all".

6. *The purpose clause refers to good-quality local infrastructure, local public services, and performance of regulatory functions. What does good quality mean, and whose judgment is this to make?*

The Act defines “good-quality” as

*“infrastructure, services and performance that are*

*(a) efficient; and*

*(b) effective; and*

*(c) appropriate to present and anticipated future circumstances.”*

The Act does not define any of “*efficient*”, “*effective*” or “*appropriate to ...*”. In this instance, the Courts will read these terms as having the meaning ascribed to them in the dictionary (we used the Oxford English Dictionary).

Efficient means “*productive with a minimum waste or effort*”. That is to say that the common English meaning of efficient corresponds with the economist’s concept of *productive efficiency*.

Effective means “*1. Producing the intended result. 2. impressive, striking. 3. actual, existing. 4. Operative.*”

Appropriate in this context means “*suitable or proper*” given the present and anticipated future needs of the community.

Taken as a whole, a good quality local service, or piece of infrastructure is something that is delivered at the least cost consistent with the achievement of the council’s desired results, both now and in the future. When viewed in this light one has to ask whether this is effectively any different from the way council’s “do the business” at present.

There will be a temptation for some to argue that one or more aspects of this definition have greater weight than the others, most likely that efficiency is more important. There is no provision anywhere in the Act that gives any of these aspects greater weight in law than the other.

The Act does not specify a process for making judgments, or even whose role it is to make judgments as to what constitute “good-quality”. It must therefore be regarded as a policy decision for your local authority to make, within the construct of the Act. A decision-making process that demonstrates that your local authority has turned its mind to efficiency, effectiveness, and appropriateness for the present and future needs of the community will be most defensible in the event of challenge. Your decision-making process and report templates how your council considered these matters.

7. *The purpose clause refers to “performing (functions) in a way that is most cost-effective for households and businesses”. How should cost-effectiveness for households and businesses be measured? Whose judgment is this to make?*

The dictionary definition of cost effective is “*effective in relation to its cost*”. While this might sound like a blinding flash of the obvious, it does imply two things. Firstly, that the end objective or desired end result from the decision or action is achieved. Secondly, the use of the word “most” suggest that the objective is achieved at lowest cost – which in this context is intended as lowest cost consistent with the achievement of the objective. This is not necessarily the same as the concept of least cost that was initially contained in the 19 March announcements.

The Bill specifically refers to households and businesses – while it may be tempting to consider only the costs to those agencies, you are still responsible for considering the interests of the community. While households and businesses should be given primacy, we consider that costs to others (such as central government and the community/voluntary sector) should be considered too.

The previous Minister has publicly suggested that he considers this will see local authorities doing more cost-benefit analysis and/or preparing more robust business cases to support some expenditures. This suggests that local authorities should be considering different options for achieving the same end objective (as is required in the present section 77), and looking at the cost and likely effectiveness of each.

To take a relatively simple example, suppose demand for a particular activity has risen to design capacity. When married with section 77 the purpose clause may point local authorities in considering expanding capacity, managing demand by pricing, rationing and the like (depending on the service).

In the case of a proposed new activity, your local authority should consider why it might undertake the new activity (i.e. its rationale for service delivery), and whether there are other options (e.g. provide a community agency with incubator funding, advocate to central government). The council would then perform an assessment of benefits from the activity as against the cost of each option.

In the absence of other qualifiers, it is reasonable to assume that what is cost-effective is a policy judgment for elected members to make. That being the case the Courts are most likely to intervene in a policy decision if it is clear your local authority has not turned its mind to the requirement, or on administrative law grounds.

This should not be taken as a licence to treat the new purpose statement lightly. In particular, requests that councils undertake new activities should be treated with



caution, especially those coming in during the latter stages of long-term or annual plan processes where there might be a temptation for “seat of the pants” judgment.

Another place to be wary is in the undertaking of activity “for strategic reasons”. Be clear what these reasons are – and don’t forget to undertake an analysis of the costs.

8. *What analysis should we undertake to support decision-making in the light of the new purpose clause?*

We see two key requirements.

Firstly, you should establish whether and how the proposal under consideration sits with the general “business” listed in new purpose. This is most readily applicable to new activities, but might equally apply to a proposal to cease activity. In other words, does the proposed activity fit within the definitions of local infrastructure, a local public service or the performance of a local regulatory duty.

The second part, the establishment of cost-effectiveness applies to a wider range of decisions. This involves the consideration of the desired objective, options and costs as stated in the answer to question 7. above.

9. *Do the changes to the Local Government Act mean that local authorities are prohibited from undertaking investments and commercial activities?*

The Local Government Act does not contain a blanket prohibition on investments and commercial activities..

Section 14(1)(fa) requires local authorities to periodically assess the expected risks and returns from investing in or undertaking a commercial activity, and that a local authority should satisfy itself that returns outweigh risks. That this requirement exists, and has not been changed, suggests Parliament has no intent to prohibit commercial activity outright. In a similar vein the investment policy provisions (section 105) have been retained unchanged.

The distinction between what is an investment, and what is a commercial activity is not always clear. An activity that involves holding an asset in expectation of a financial return is more likely to be an investment activity, and an activity that involves holding an asset in an organization that is trading is more likely to be a commercial activity.

The distinction is important because the answers are slightly different. The main issue with an investment activity will be whether it is most cost-efficient for households and businesses. An investment activity demonstrates this by

demonstrating that it is actually generating the rate of return, and that is greater than other potential uses of the funds. You should be wary of investments that are not generating a return, or generating a return lower than the council could have expected from other opportunities – especially if the activity has underperformed over a period of time.

A commercial activity not only needs to demonstrate that it is most cost-effective for households and businesses, but that also that the activity itself is local infrastructure, a local public service, or performance of a regulatory function.

What about otherwise commercial assets held for “*strategic reasons*” such as port company shares? Generally these involve a judgment that public ownership is important for its own sake. This in itself may not be sufficient to comply with the new purpose of local government – especially the requirements around cost-effectiveness for households and businesses.

We cannot understate the importance of section 14(1)(fa) analysis as an important evidence base to support your local authority undertaking commercial and investment activities. For existing activities this should take place as soon as possible after enactment, an analysis for proposed new activity should be done as part of the decision-making process.

10. *Suppose we already deliver an activity that we doubt is covered by the new purpose clause. What should we do then?*

SOLGM considers local authorities are most likely to find themselves in this situation where they propose to undertake an activity that is already being conducted by central government or the public sector. All of the examples cited in the *Better Local Government* announcements were things that would sit with central government. That is to say that it is the “localness” of a proposed activity (or otherwise) that is most likely to fall foul of the new statement of purpose.

The dictionary definition of public service is wide enough to encompass most activities.

Before going further, check the rest of the legislation to ensure that there are no other provisions that contemplate that local authorities would/could undertake the activity. For example, on first glance it appears commercial activities fall outside the scope of section 10, but on reading sections 14, 99A and 105 it is clear such activity is permitted. This type of analysis would best be done by a lawyer.

In the event that the activity falls outside the new purpose clause your local authority will need to cease/exit the service as soon as possible. If the service is a significant activity, that will mean an amendment to the LTP (and the associated

consultation and audit requirements). Depending on the facts of the particular case your local authority may have to amend other policies, or avail itself of the section 80 provision regarding inconsistent decisions.

11. *Suppose we wish to deliver a new activity – how do we establish that this is a “local public service”? Whose judgment is this to make?*

Establish the need – in most instances there would be a business case (or similar) that supports the new activity – establishes it’s a service ... Clear statement of objectives, costing of activities (this will help establish effective and efficient legs of good quality).

Consider who is providing the service – is this something private sector, or central government are delivering in your local area (and if not, why not ... ). Is it something the private sector could provide, and if so is there some temporary “bridging or support role” that your local authority could provide in the meantime.

12. *Do we need to amend any strategy, policy or plan that has the four well-beings embedded in them?*

The removal of references to “the four well-beings” in legislation does not necessarily mean that any strategy or policy or plan rooted in wellbeing (we’ll call this a wellbeing approach) is ultra vires and needs amendment.

The Act still requires local authorities to take a sustainable development approach which includes taking the social, economic and cultural interests of the community into account, as well as the need to maintain and enhance the quality of the environment. The dictionary definition of interests that sits most logically in this context is ‘*principle or cause*’. In this context the term interests is far from incompatible with wellbeing as we presently conceive it.

Most strategies, policies and plans result in some form of policy, service delivery, or activity choice. We advise that all services and activities be checked against the purpose clause to ensure that they are local infrastructure, local public services or local regulation.

A strategy, policy or plan adopted under other legislation will generally be governed by that legislation, and the requirements therein.

13. *We have a contractual obligation to fund an activity that we consider sits outside the new purpose? What should we do then?*

The answer in any individual case will turn on facts specific to the contract or agreement, as well as application of statute such as the Illegal Contracts Act. Take legal advice.

# **Appendix 4 – Proposed 2013/14 Annual Plan Timeline**

<b>2013/14 Draft Annual Plan Timetable</b>			
February	Wed	6	<b>Waitangi Day</b>
	Wed	20	<b>Council / Policy &amp; Finance Meetings</b>
	Wed	27	Workshop with Councillors on issues and seek guidance
March	Wed	20	Draft first cut AP to Councillors
	Friday	29	<b>Good Friday</b>
April	Mon	1	<b>Easter Monday</b>
	Wed	3	<b>Council / Policy &amp; Finance Meetings</b>
	Wed	3	Annual Plan workshop
	Thur	10	Deliver final Draft Annual Plan to Mayor / Councillors
	<b>Tue</b>	<b>17</b>	<b>Adopt Draft Annual Plan- Special Meeting</b>
	Thur	25	<b>ANZAC Day</b>
May	Mon	6	Public consultation Martinborough
	Tue	13	Public consultation Featherston
	Wed	14	Public consultation Greytown
	Wed	15	<b>Council / Policy &amp; Finance Meetings</b>
	Thur	16	Public consultation Rural
	Mon	20	Submissions close
	Fri	31	Submission summary to Mayor / Councillors
June	Mon	3	<b>Queen's Birthday</b>
	Mon	10	Hearing of submissions
	Tue	11	Hearing of submissions
	Wed	26	<b>Council / Policy &amp; Finance Meetings</b>
	Wed	26	<b>Adopt AP</b>