

SOUTH WAIRARAPA DISTRICT COUNCIL

12 DECEMBER 2018

AGENDA ITEM D3

CHIEF EXECUTIVE OFFICER REPORT

Purpose of Report

To report to Council on general activities.

Recommendations

Officers recommend that the Council:

1. *Receive the Chief Executive Officer Report.*
2. *To receive the financial statements report for the period ended 31 October 2018.*

1. Executive Summary

The run up to Christmas is always a bit frantic, exacerbated somewhat this year by the completion of the Waiinga Centre.

The announcements from the Government on reviews into the Three Waters (drinking, waste, and storm water), Four Wellbeings, and the Productivity Commission has signalled a further period of close scrutiny of the sector.

Taken together, the three workstreams described above signal a review that is very wide ranging and could result in significant change in the sector.

The release of the Wairarapa Economic Development Strategy and Action Plan is also a milestone in regards to the Wairarapa Councils working together for the betterment of the Wairarapa as a whole. Having Dame Margaret Bazley as chair of the governance group is a real coup for the Wairarapa, and will ensure swift action.

This is the final report before Christmas, and I would like to thank our staff for their dedication and positive attitude during another very busy year.

2. Governance/Leadership/Advocacy

The following table provides the year to date results for KPI's set for the Governance output. This has been updated for the 2017/18 results.

GOVERNANCE, LEADERSHIP AND ADVOCACY MEASURING SERVICE DELIVERY PERFORMANCE					
SERVICE LEVEL	KEY PERFORMANCE INDICATORS	2016/17	2017/18	2017/18	COMMENTS
		ACTUAL	TARGET	ACTUAL	
Opportunities are provided for the community to have its views heard	Ratepayers and residents feel they can contact a Council member to raise an issue or problem	79% (13/14: 73%)	75%	-	The National Research Bureau (NRB) Customer Satisfaction survey was not carried out this year. For the 2015/16 year, in addition to the 79% (2014: 73%) positive response, 13% (2014: 16%) felt they were unable to comment.
	Ratepayers and residents feel that the Mayor and councillors give a fair hearing to their views	63% (13/14: 62%)	75%	-	The National Research Bureau (NRB) Customer Satisfaction survey was not carried out this year. For the 2015/16 year, in addition to the 63% (2014: 62%) positive response, 23% (2014: 21%) felt they were unable to comment.
Council determines what activities it should engage in through consultation and regulatory requirements then sets clear direction	Ratepayers and residents are satisfied with Council's decisions and actions	70% (14/15: 59%)	80%	-	The National Research Bureau (NRB) Customer Satisfaction survey was not carried out this year. For the 2015/16 year, in addition to the 70% (2014: 59%) positive response, 14% (2014: 11%) felt they were unable to comment. The 2014/15 result of 59% was a separate survey with a sample size of 117, and was used to provide an interim indication. The NRB survey size of 300, which is our main survey and has a significantly lower margin of error. The previous NRB survey was in 2013/14. The result for that survey was 76% satisfied with a further 8% unable to comment.
	Ratepayers and residents are satisfied with how Council allocates rates/funds to be spent on the services and facilities provided (target peer group age)	65% (13/14: 64%)	80%	-	The National Research Bureau (NRB) Customer Satisfaction survey was not carried out this year. For the 2015/16 year, in addition to the 65% (2014: 64%) positive response, 14% (2014: 14%) felt they were unable to comment.
Community Boards make decisions that consider local issues	Community Board decision - making reports on local issues	GTN 96% FTN 95% MBA 92%	90%	GTN 90% FTN 94% MBA 93%	This measure reports on the percentage of resolutions made that relate solely to local issues.
	% of ratepayers and residents who know how to contact a community board member	69% (13/14: 65%)	71%	-	The National Research Bureau (NRB) Customer Satisfaction survey was not carried out this year. For the 2015/16 year, in addition to the 69% (2014: 65%) positive response, 0% (2014: 14%) felt they were unable to comment.
Opportunities are available to raise local issues and understand what will happen as a result	Ratepayers and residents satisfied with the way Council involves the public in the decisions it makes	47% (13/14: 49%)	72%	-	The National Research Bureau (NRB) Customer Satisfaction survey was not carried out this year. For the 2015/16 year, in addition to the 47% (2014: 49%) positive response, 31% (2014: 26%) felt they were neither satisfied nor dissatisfied, and 5% (2014: 5%) felt they were unable to comment.
Opportunities are available to raise issues relating to Maori through the Maori Standing Committee	The Maori Standing Committee makes recommendations to Council in relation to policy and plan development and resource management applications	100%	100%	100%	Maori Standing Committee met on 7 occasions. In total 24 resource consent applications were considered. (2017: 7 meetings and 21 resource consent applications).

2.1 Representation Review

Council resolved to retain the status quo, and advertised this as required.

We did not receive any submissions (submissions closed 3 December 2018) accordingly the status quo will be retained.

As part of the main resolution, Council resolved to hold a further representation review in three years' time – this will need to commence in two years' time in order to be effective for the 2022 elections.

2.2 Three Water Review

The Government released their long awaited findings on the "Three Waters" review.

The announcement was not definitive in terms of actions, rather signalled a timeframe for the completion of further work.

Attached as Appendix 1 is a copy of the cabinet minute which succinctly summarises the issues the Government see the delivery of three waters are facing, and a timeframe for completion of policy proposals.

In summary the Government is preparing policy proposals to enable drafting of legislation in the following areas:

- System wide reform of regulation of drinking water.
- Risk management regime for sources of drinking water.
- Targeted reform of environmental regulation of wastewater aimed at lifting environmental performance within the existing RMA framework.

The Minute also indicates policy work to enable drafting of legislation if required, following further analysis, in the following areas:

- Regulatory reform only, with voluntary, sector led reforms to service delivery arrangements
- A three waters fund to support voluntary service delivery improvements
- An aggregated system of dedicated, publicly owned, drinking water and wastewater providers

The above does not preclude investigation of other options.

Assets remain in public ownership, though public ownership is not defined.

2.3 Four Wellbeings Review

The Government has also released material in relation to a review of what we call the four wellbeings.

This review is entitled "Local Governance for Community Wellbeing", and included as Appendix 2 is a copy of the cabinet paper.

The full Cabinet Paper is included as the Cabinet Minute does not adequately summarise all the discussion points.

Paragraph 40 of the Cabinet Paper is part of a chapter entitled "Exploring the future of local governance" and probably summarises the direction of thinking best:

40. I propose to explore a paradigm of local governance that is empowered to develop localised initiatives to tackle areas of concern such as hazard and risk management, social enterprise, young people not participating in trade, work or education, barriers to employment, and homelessness and social housing

My view on reading the Cabinet Paper is that this is a very wide ranging review of Local Government and the roles and responsibilities of local government.

2.4 Productivity Commission Review

The Government has asked the Productivity Commission to undertake an inquiry into local government funding and financing and where shortcomings in the current system are identified, to examine options and approaches for improving the system.

As is usual with initiatives like this, we will rely on our industry bodies (SOLGM and LGNZ) to collate the detailed responses. Small local authorities rely on the policy expertise held by the industry bodies to assist in the analysis where we do not have the time, resource, or expertise to comprehensively respond.

These responses will be reviewed, and if appropriate presented to the February Council meeting for support and endorsement.

If there are particular points we would wish to make these can be made by separate submission.

3. Strategic Planning and Policy Development

3.1 Meetings/Conferences

3.1.1. Chief Executives Forum

One Chief Executives forum was held during the reporting period.

Agenda items included Regional Trails Framework, and Wellington Regional Investment Plan.

3.1.2. Rural & Provincial

This is always a useful forum discussing a wide range of topical matters.

The number of Ministers who present at this forum indicates the value the government see in the gathering and the rural and provincial sector.

The meeting commences with a Mayoral only, and Chief Executive only meeting.

The CE session included a presentation from Local Government New Zealand on initiatives and material for next year's local body elections. There is more of a focus on ensuring candidates are aware of what becoming an elected member really entails.

Water New Zealand provided a useful presentation on health matters in relation to wastewater.

The main rural and provincial agenda included the following:

- An insightful presentation on New Zealand drinking water quality (it isn't all that bad) and an interesting point that the landscape is literally covered in campylobacter and our obsession with this is misplaced. Most outbreaks are due to home hygiene, not drinking water.
- Hon Phil Twyford on Housing and Urban Development (there will be no rent subsidies for tenants of local authority housing units)
- Hon Nania Mahuta on three waters review – this was the final session and ensured a good attendance to the end of the session.

Presentations were also made on Housing New Zealand strategy; Connecting Rural New Zealand; Waste and recycling; Tourism and responsible camping; and climate change and insurance

All in all, a useful, relevant, and interesting agenda.

3.1.3. Featherston Wastewater Application

Deliberations continue with the Regional Council in an effort to advance this application.

Two meetings were held with Regional Council consenting officers to try and advance this application.

The result of these meetings was, among others, to apply for a short term consent to allow us to at least start irrigating.

Our application, if granted, will allow us to commence irrigating early February 2016, and reduce or eliminate discharges during the very lowest flow periods.

One of the key benefits will be that, if granted, the impact of delays caused by any appeals for either our consent, or the Proposed Natural Resources Regional Plan, will be minimised as we can still irrigate to land.

An additional benefit will be that a monitoring regime will allow additional data to be collected to inform the main consent.

3.1.4. Roding Review – S17A

We have been undertaking the statutory review of how Roding services should be governed and managed over the last few months.

Five meetings were attended over the reporting period; these meetings are up to 4 hours and include the three Wairarapa local authorities and NZTA representatives.

While SWDC and CDC have resolved a way forward, we are still in positive discussions with MDC, and await the outcome of the completion of their 17A review.

3.1.5. Wairarapa Regional Economic Development Strategy

Six meetings, including the launch, have been attended in regards to the Wairarapa Regional Economic Development Strategy, during the reporting period.

Following the launch, activity included setting up the governance structure, and commencing work on liaising with those who have, or are about to, make applications.

3.1.6. Wellington Water Limited

Three meetings and a number of discussions have been held with Wellington Water, discussing whether or not to become a shareholding member, and have Wellington Water manage our three waters service delivery (not asset ownership).

This is an excellent opportunity to provide ratepayers with a level of resilience not available to many small local authorities, and in addition a readily available level of expertise that will assist in a high level of service delivery.

Wellington Water have advised that their constitutional matters have been resolved, and following discussions with the shareholding members they have invited us to formally consider membership.

This will be commenced at the February meeting whereby a paper will be presented to ascertain whether SWDC undertakes the requisite public consultation.

3.1.7. Wairarapa Water Limited

The second WWL, Wairarapa Water Limited, continues their analysis of water storage options for the Wairarapa. The options being considered include incorporating urban supply (for MDC and CDC at this stage), and the

meeting attended reviewed the work to date and agreed further work streams.

It is important we continue to move this matter forward; the climate change predictions are compelling in that they support the need for water storage.

Minister Jones has made it quite clear that the current Government are only interested in small scale schemes, of which the current Black Creek/Wakamoekau scheme is.

While South Wairarapa does not benefit directly in this stage, for the future prosperity of the Wairarapa we do need to continue to support this scheme.

There may well be options where South Wairarapa can benefit, for example river recharge, from this scheme.

The three Wairarapa Councils, and the Regional Council, have agreed an additional workstream bringing together those aspects of the work as they relate to regional prosperity and urban supply.

The Water project is a key plank of the Wairarapa Economic Development Strategy.

3.1.8. Other Meetings

We have had a couple of meetings with the Orchards retirement village to continue to address issues as early as possible. Russell O'Leary is leading our response under the "One Stop Shop" initiative we have and this is working very well. The last meeting was attended by 20 SWDC and Orchards development staff and advisors – highlighting the complexity of this type of project.

Discussions continue with Fab Feathy coordinators to ensure the best outcomes are achieved, in terms of projects and interactions with the Featherston Community Board and Council.

Saturday the 10th November was a busy and productive day. Mayor Napier and I met with Mayor Smith (Palmerston North City) to discuss their approach to Spatial Planning and had an informative working lunch. The afternoon was capped off attending the unveiling of the Featherston Camp Memorial Sculpture, what a stunning sculpture and achievement, an outstanding effort by the Trust members.

Discussions have continued on the office refurbishment, with options being considered.

Mayor Napier and I met with Greytown Districts Trustlands Trust to continue discussions with regards to the sports hub in Greytown, possibly to be developed in conjunction with Kuranui College.

Finally, progress has been made on the landswap with regards to the Tilsons Road land we currently occupy. We are hopeful of a hearing in the Maori Land Court April next year to seek a determination – which will follow

a meeting of owners which will need to occur sometime prior to the Maori Land Court Hearing.

4. Corporate

4.1 Financial Statements

The Financial Statements and Financial Report as at 31 October 2018 are presented at this meeting for adoption (Appendix 3).

The majority of the variances described are due to seasonal variations.

Our review processes have not highlighted any matters that may materially impact the full year result, at this relatively early stage.

4.2 Occupational Health and Safety

We continue to make good progress on health and safety matters.

In particular we are focusing on working with volunteers. This has proven somewhat more complex than first thought. We will have working guidance available in due course.

A health and safety report is included in Appendix 4.

4.3 Waihinga Centre/Martinborough Town Hall

The Waihinga Centre and Town Hall strengthening project will have been opened by the time this report is considered.

A separate report provides a summary of this project.

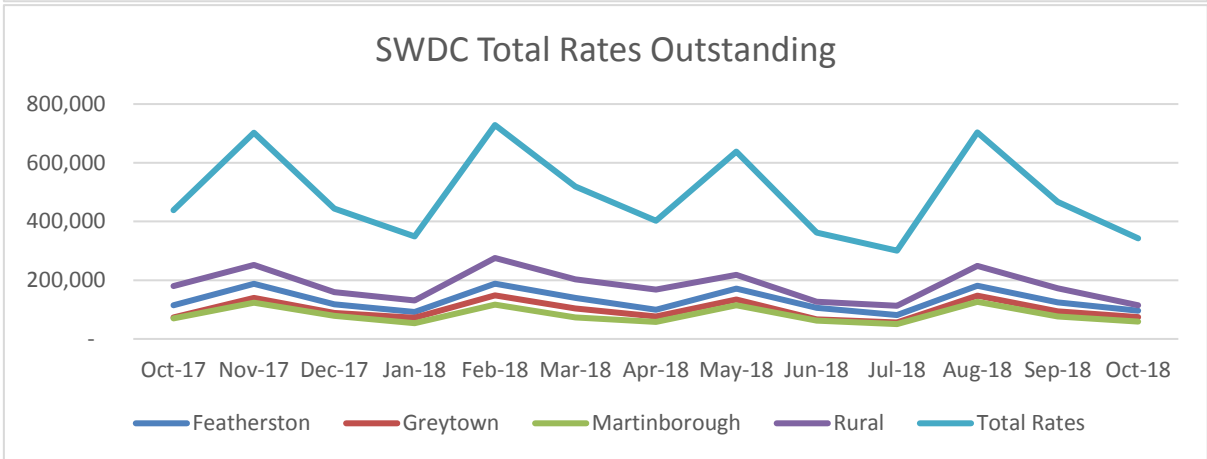
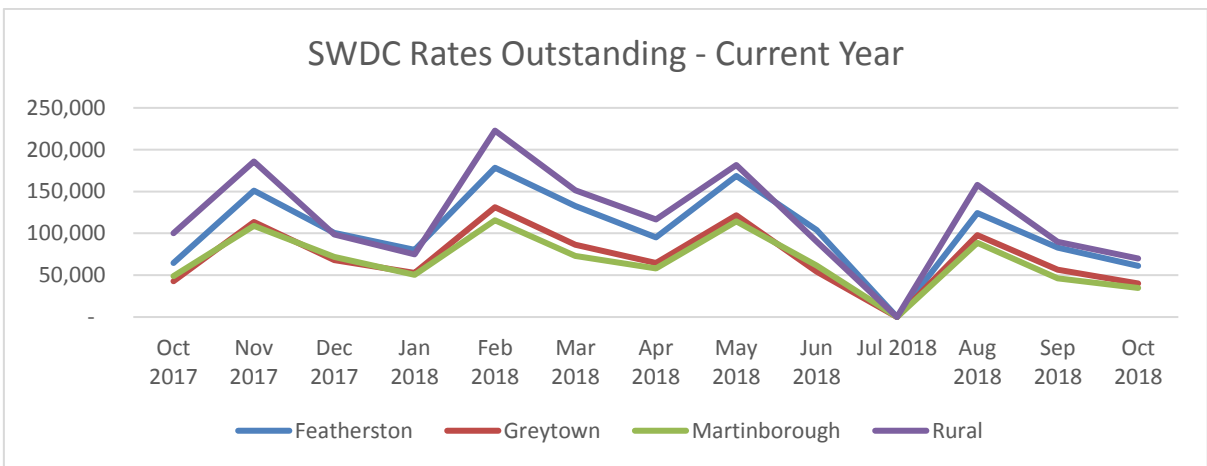
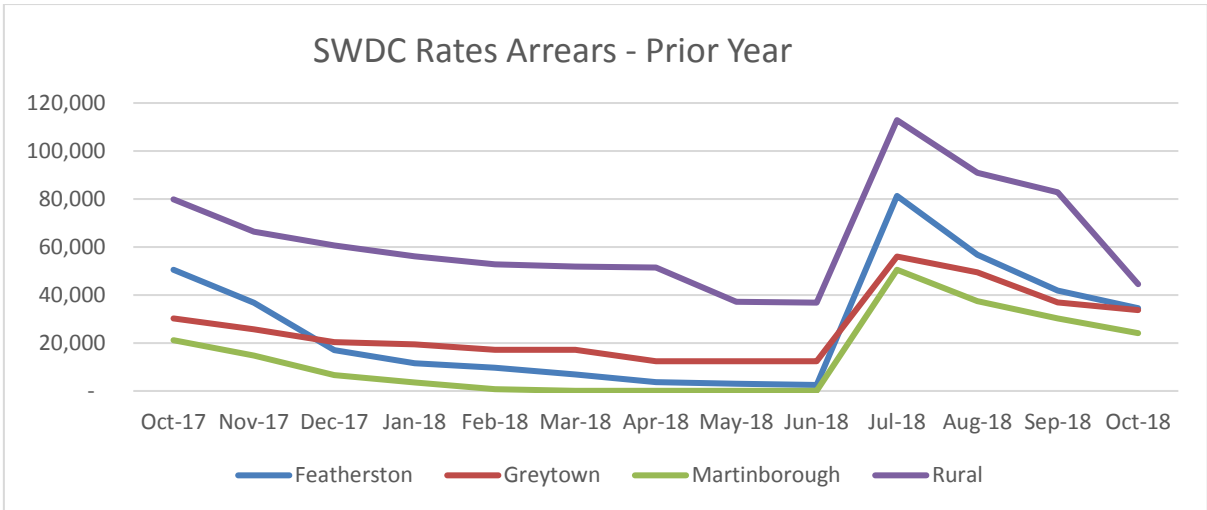
4.4 Action Items

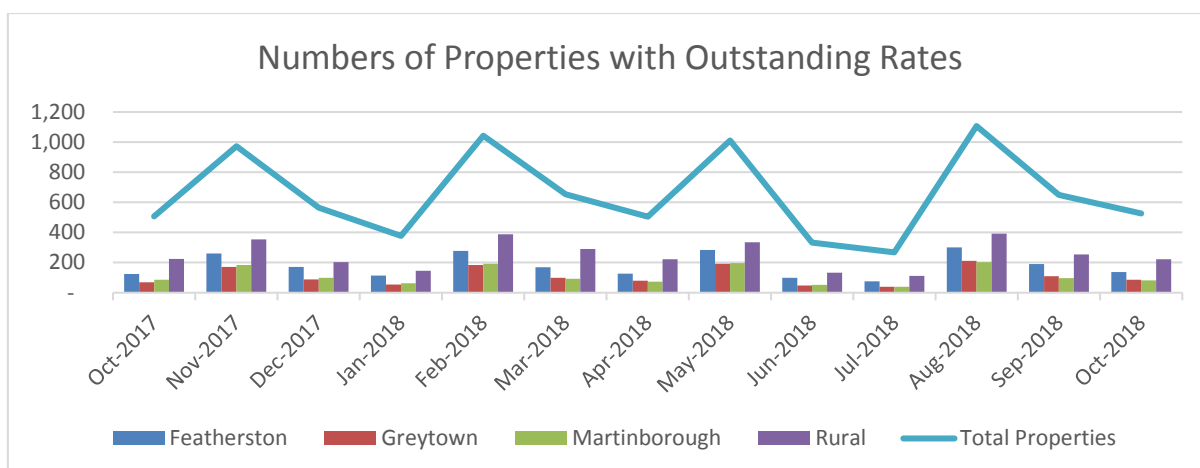
A brief report will be tabled.

4.5 Rates Arrears (Incl. GST) as at 31 October 2018

The continued good work on the rates debt front shows in the trends. As previously discussed, these trends are very sensitive and can change, however our consistent approach appears to be paying dividends.

Total rates outstanding are at a slightly lower level to the same period last year, continuing the downward trend.





4.6 LGOIMA Requests

Date Received	Subject	Working Days to respond
16 October 2018	Pool Fencing	4
16 October 2018	Rates allocation	22
5 November 2018	Lists of consents issued for swimming pools in district.	14
14 November 2018	Bullying statistics.	9
19 November 2018	Monies paid to Ratepayer and Residence Associations.	5
20 November 2018	Monies paid to) chambers of commerce (2) Property Council branches (3) industry groups (4) other lobby groups	
20 November 2018	Koro Club Membership and details of holders.	1
21 November 2018	Cost of "Hold Music".	3
22 November 2018	Expenditure on staff at Christmas.	
23 November 2018	Staff paid over 200K.	1
23 November 2018	The total spent on electricity and the number of kilowatts used.	
23 November 2018	Koha Payments.	1
23 November 2018	The total amount spent on A4 printer/copier paper and the number of reams (of 500 pages).	
23 November 2018	The numbers of vehicles in the Council fleet per FTE staff and the mean and median purchase value of vehicles in the fleet.	
27 November 2018	Featherston Wastewater Plant.	
28 November 2018	Papers relating to building consent application for a steel framed habitable farm shed.	

We continue to charge for those requests that require more than 1 hour and 20 pages of material. This charging regime is standard and used by central government.

5. Appendices

Appendix 1 – Three Waters Cabinet Minute

Appendix 2 – Four Wellbeings Cabinet Paper

Appendix 3 – Financial Statements for the period ended 31 October 2018

Appendix 4 – Health and Safety Report

Contact Officer: Paul Crimp, Chief Executive Officer

Appendix 1 – Three Waters Cabinet Minute

Appendix 2 – Four Wellbeings Cabinet Paper

**Appendix 3 – Financial
Statements and Report for
the period ended 31 October
2018**

Appendix 4 – Health and Safety Report