

**MINUTES OF PUBLIC EXCLUDED STRATEGY WORKING COMMITTEE MEETING
HELD AT THE SUPPER ROOM, WAIHINGA CENTRE, TEXAS STREET, MARTINBOROUGH
ON WEDNESDAY, 26 FEBRUARY 2025 AT 9:00 AM**

PRESENT: Acting Mayor Melissa Sadler-Futter (Chair), Cr Alistair Plimmer, Cr Aidan Ellims, Cr Martin Bosley, Cr Colin Olds, Cr Pip Maynard, Cr Rebecca Gray (via MS Teams), Cr Kaye McAulay, Ms Violet Edwards.

APOLOGIES: Cr Aaron Woodcock, Mayor Martin Connelly.

IN ATTENDANCE: Paul Gardner (Group Manager, Corporate Services), Janice Smith (Chief Executive Officer), (Charly Clarke, Chief Financial Officer), Alex Pigou (Team Lead, Communications), Amy Andersen (Lead Advisor, Democracy & Committees).

██████████ (Simpson Grierson).

CONDUCT OF BUSINESS: This meeting was held in the Supper Room, Waihinga Centre, Texas Street, Martinborough and via audio-visual conferencing commencing at 9:01am. The meeting was held under public excluded provisions from 9:04am to 11:27am except where expressly noted.

OPEN SECTION

1 KARAKIA TIMATANGA – OPENING

All in attendance opened the meeting.

2 APOLOGIES

2.1 APOLOGIES

COMMITTEE RESOLUTION SWC2025/14

Moved: Cr C Olds

Seconded: Cr M Bosley

To accept the apologies from Mayor Connelly and Cr Woodcock.

CARRIED

3 CONFLICTS OF INTEREST

No interests were disclosed relating to items on the agenda or interests not already recorded on a relevant register.

4 PUBLIC EXCLUDED BUSINESS

4.1 REVIEW OF AUDIT OUTCOMES

Mr Gardner spoke to matters included in the report and provided background on the audit process to date, the steps taken to respond to Auditors requests during the LTP audit (addressing “showstoppers”) and the challenges the team have encountered during this period.

Ms Smith spoke about the hot review process and changes to the schedule made through feedback from Audit. Ms Smith noted an urgent meeting had been held with audit on Monday 24 February on how to move to forward. Ms Smith explained matters of emphasis versus qualification.

Ms Smith noted Simpson Grierson had been approached for advice and did engage with auditors, but were unable to reach a resolution. Their advice was to remove water related costs from year 3 of the LTP onwards. Council officers raised concerns that this action would raise issues around transparency of the supplementary waters information.

Ms Smith noted that the draft Financial Strategy has been further developed to address issues raised by Audit.

Cr Maynard left the meeting at 9:25am

Cr Maynard returned to the meeting at 9:26am.

Members sought clarification on the information relating to Local Water Done Well and discussed the options as presented by council officers.

Mr Robertson queried what is fair and reasonable in light of Audit’s requests and the community’s need for transparent information regarding the capital investments programme.

Members were provided with advice from Simpson Grierson. Members queries included the weight of Audit’s opinion and how might DIA advisors to the minister be affected by an adverse opinion.

Ms Smith presented options as per the presentation provided to members for discussion. Please see attached as Appendix 1.

Ms Edwards arrived at 10:03am.

Mr [REDACTED] joined the meeting to provide an update on meeting with audit and provided advice in relation to the options.

Meeting adjourned at 10:35am.

Meeting resumed at 10:53am.

Ms Smith presented on the key messaging in the revised draft Financial Strategy.

The Acting Mayor acknowledged that the decision that must be made is a difficult one, and emphasised the need to be careful as council proceeds to consult with the community.

Mr Roberston suggested a section up front in the consultation document to explain what the issues are with the adverse opinion.

Members discussed engagement with the media and careful management of perception.

The Acting Mayor took a show of hands, noting the majority were in favour of plan A.

Ms Smith read out the draft press release; members were asked to provide feedback.

Ms Smith noted members absent from the meeting would need to be brought up to speed before the consultation document is submitted for adoption.

Members were asked for their opinion on the inclusion of greenspace and the Wheels Park in the delivery plan.

Members acknowledged and thanked the work of the CE and the wider team whilst navigating these challenges.

Members and the CE thanked the Acting Mayor for her support and work through the period.

Ms Smith thanked Ms Clarke for all her work in relation to the audit process.

COMMITTEE RESOLUTION SWC2025/16

Moved: Acting Mayor M Sadler-Futter

Seconded: Cr A Ellims

The Strategy Working Committee resolved to receive the Review of Audit Outcomes report.

CARRIED

COMMITTEE RESOLUTION SWC2025/17

Moved: Cr A Plimmer

Seconded: Cr K McAulay

The Strategy Working Committee resolved:

1. To advise staff to accept a modified or adverse opinion.
2. That this report and associated minutes stay in public excluded until the final audit opinion has been issued.
3. To note that the withholding of information under the Local Government Official Information and Meetings Act 1987 is necessary to:
 - s7(2)(f)(i) free and frank expression of opinions by or between or to members or officers or employees of any local authority; and
 - s7(2)(f)(ii) to maintain the effective conduct of public affairs through the protection of Council members, officers, employees, and persons from improper pressure or harassment.

[Items 1-3 read together]

.CARRIED

APPENDICES

Appendix 1 Long Term Plan Audit Opinions

5 KARAKIA WHAKAMUTUNGA – CLOSING

All in attendance closed the meeting with a karakia.

The meeting closed at 11:27am.

Confirmed as a true and correct record.

..... (Chair)

..... (Date)

..... (Chief Executive)

..... (Date)

Long-Term Plan Audit opinions



**SOUTH WAIRARAPA
DISTRICT COUNCIL**
Kia Reretahi Tātau

What is our current situation?

We have completed the Hot Review and Opinion Review Committee phase.

Audit has indicated that they will issue an adverse opinion.

To avoid this Audit is asking us to –

Increase rates in the outer years when we breach the debt ceiling or

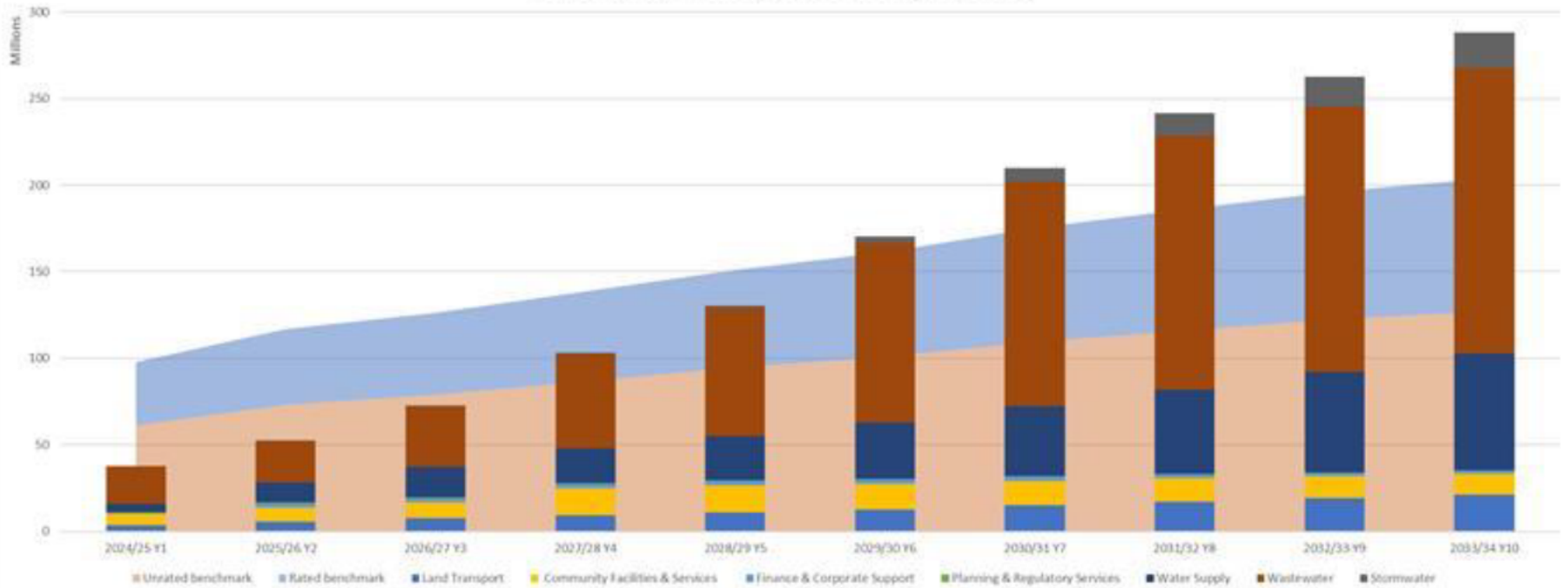
Decrease capex programme to avoid the breach in the debt ceiling or

Remove water from plan from 2027/28 completely.

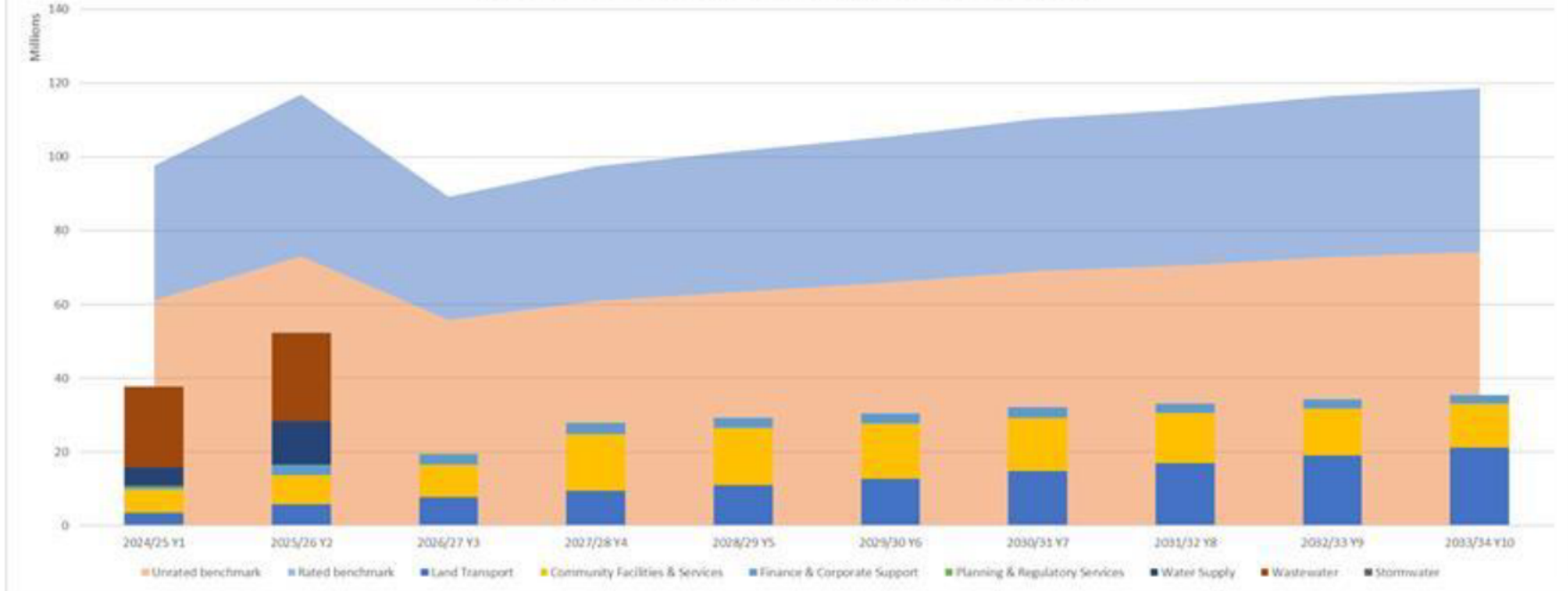
There are two plans – Plan A or Plan B



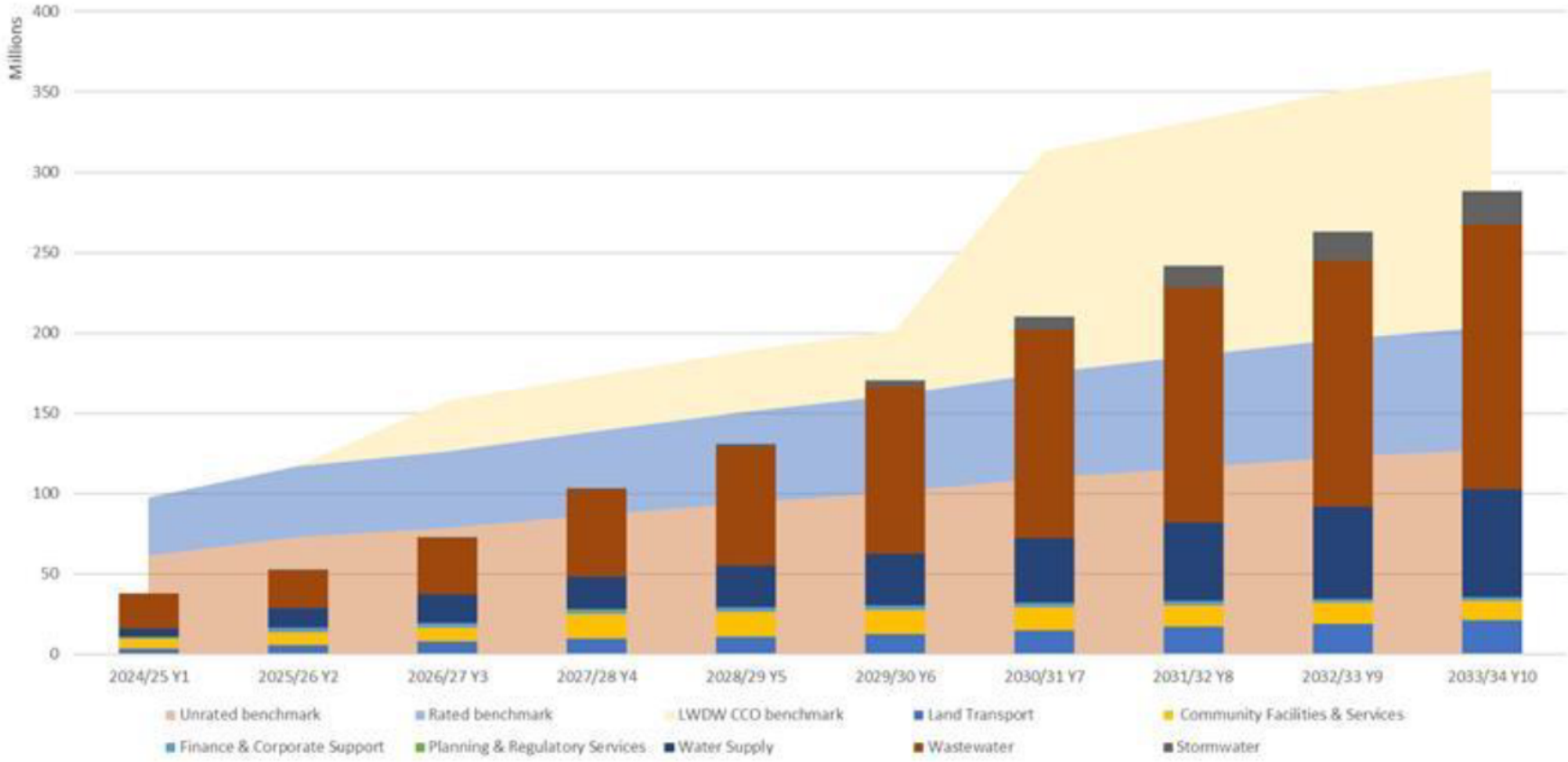
Net Debt to Total Revenue (\$) aka Debt Ceiling (inc Waters)



Net Debt to Total Revenue (\$) aka Debt Ceiling (Waters into CCO July 2026)



Net Debt to Total Revenue (\$) aka Debt Ceiling (inc Waters)



Timeline

	Plan A (Qualification of CD)	Plan B – 1 (Current adjusted)	Plan B - 2 (Resource Risk)
Reaudit and Hot review	Not required	3 - 24 March (allowing 3 weeks)	10 March – 4 April (allowing 3 weeks)
CD adoption	5 March	26 March	9 April
Consultation period	7 March – 6 April	28 March – 27 April (EM/Staff availability issues)	11 April – 11 May
<i>Holidays</i>	<i>Easter 18/21 April, Anzac 25 April, School holidays 11 – 28 April</i>		
Hearings	16/17 April	7/8 May	21/22 May
Deliberations	14 May	14 May	28 May
Audit	26 May (3 weeks)	26 May (3 weeks)	9 June (3 weeks)
LTP Adoption	25 June (on time)	25 June (on time)	9 July (late adoption)

Note: Plan B/1 and B/2 have no slippage built in



LWDW timeline

Action	Timeframe
CD adoption	5 March
Consultation period	7 March – 6 April
Hearings	23 April
<i>Holidays</i>	<i>Easter 18/21 April, Anzac 25 April School holidays 11 – 28 April</i>
Deliberations	7 May

