

# MASTERTON DISTRICT COUNCIL

## COUNCIL AGENDA

### EXTRAORDINARY MEETING

TUESDAY 9 NOVEMBER 2021

4.00PM

#### MEMBERSHIP

Her Worship (Chairperson)

Cr G Caffell

Cr D Holmes

Cr G McClymont

Cr T Nelson

Cr C Peterson

Cr B Gare

Cr B Johnson

Cr F Mailman

Cr T Nixon

Cr S Ryan

Notice is given that a meeting of the Masterton District Council will be held at 4.00pm on Tuesday 9 November 2021 at Waiata House, 27 Lincoln Rd, Masterton.

**RECOMMENDATIONS IN REPORTS ARE NOT TO BE CONSTRUED AS COUNCIL POLICY UNTIL  
ADOPTED**

5 November 2021



## Values

1. **Public interest:** members will serve the best interests of the people within the Masterton district and discharge their duties conscientiously, to the best of their ability.
2. **Public trust:** members, in order to foster community confidence and trust in their Council, will work together constructively and uphold the values of honesty, integrity, accountability and transparency.
3. **Ethical behaviour:** members will not place themselves in situations where their honesty and integrity may be questioned, will not behave improperly and will avoid the appearance of any such behaviour.
4. **Objectivity:** members will make decisions on merit; including appointments, awarding contracts, and recommending individuals for rewards or benefits.
5. **Respect for others:** will treat people, including other members, with respect and courtesy, regardless of their ethnicity, age, religion, gender, sexual orientation, or disability. Members will respect the impartiality and integrity of Council staff.
6. **Duty to uphold the law:** members will comply with all legislative requirements applying to their role, abide by this Code, and act in accordance with the trust placed in them by the public.
7. **Equitable contribution:** members will take all reasonable steps to ensure they fulfil the duties and responsibilities of office, including attending meetings and workshops, preparing for meetings, attending civic events, and participating in relevant training seminars.
8. **Leadership:** members will actively promote and support these principles and ensure they are reflected in the way in which MDC operates, including a regular review and assessment of MDC's collective performance.

These values complement, and work in conjunction with, the principles of section 14 of the LGA 2002; the governance principles of section 39 of the LGA 2002; and our MDC governance principles:

<b>Whakamana Tangata</b>	Respecting the mandate of each member, and ensuring the integrity of the committee as a whole by acknowledging the principle of collective responsibility and decision-making.
<b>Manaakitanga</b>	Recognising and embracing the mana of others.
<b>Rangatiratanga</b>	Demonstrating effective leadership with integrity, humility, honesty and transparency.
<b>Whanaungatanga</b>	Building and sustaining effective and efficient relationships.
<b>Kotahitanga</b>	Working collectively.

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## **AGENDA**

1. Karakia
2. Conflicts of Interest (Members to declare conflicts, if any)
3. Apologies
4. Late Items
5. Items to be considered under Section 48(1)(a) of the Local Government Official Information and Meetings Act 1987
6. **2021 REPRESENTATION REVIEW – FINAL PROPOSAL** (208/21)      Pages 121-136
7. **2020/2021 ANNUAL REPORT ADOPTION** (197/21)                      Pages 137-139

DAVID HOPMAN – ACTING CHIEF EXECUTIVE

<b>To:</b>	Your Worship and Elected Members
<b>From:</b>	Senior Leadership Team
<b>Endorsed By:</b>	David Hopman, Acting Chief Executive
<b>Date:</b>	9 November 2021
<b>Subject:</b>	<b>2021 Representation Review – Final Proposal</b>

## DECISION

### Recommendation:

That Council:

1. **Determines** the final proposal for Masterton District Council’s 2021 representation arrangements, intended to take effect for the 2022 and 2025 local government elections, will include:
  - a) A total of eight councillors plus the mayor.
  - b) A mixed arrangement with four councillors elected from a General Ward; one from a Māori Ward; and three At Large.
  - c) The General Ward and Māori Ward boundaries align with the Masterton district boundary.
  - d) No community boards are to be established.
  - e) The Wards will be named the Masterton/Whakaoriori General Ward and the Masterton/Whakaoriori Māori Ward as this reflects the geographic area represented by these wards.
2. **Notes** that:
  - a) Points 1a) – 1d) are consistent with the Initial Proposal.
  - b) Ward names (point 1e) were not confirmed in the Initial proposal.
  - c) 57 submissions were formally received, noting some contained comments that were assessed as out of scope.
3. **Notes** that the final proposal will be publicly notified by Monday 15 November 2021 with appeals and objections invited up until Wednesday 15 December 2021. If appeals or objections are received these will be forwarded to the Local Government Commission for a final decision.

### Purpose

The purpose of this report is to confirm Council’s final proposal for future representation arrangements for Masterton District Council as part of the 2021 Representation Review, noting that appeals and objections on the final proposal will be received up until close of business on Friday 17 December 2021 and forwarded to the Local Government Commission to make a final decision.

### Background

The purpose of the 2021 Representation Review is to:

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- Ensure representation arrangements for Masterton District Council are fair and effective, and
- Provide an opportunity for our community to participate in deciding what is most fair and effective for our District.

While the Local Electoral Act 2001 (the Act) prescribes the statutory requirements to be met, it does not prescribe the decision-making process. The Local Government Commission (the Commission) has produced guidelines for local authorities when undertaking representation reviews. The guidelines can be found at <http://www.lgc.govt.nz/representation-reviews/> along with the population and electoral roll statistics, the current and previous determinations for representation arrangements for all councils in the country and the legislative timeline.

Masterton District Council followed the steps recommended by the Commission when developing the initial proposal:

- Step 1 Identify geographic communities of interest.
- Step 2 Determine effective representation for communities of interest.
- Step 3 Consider the fairness of representation for electors of wards.
- Step 4 Consider communities and Community Boards.

Work on the Representation Review commenced in May 2021 following the Council's decision to establish a Māori Ward for the 2022 local government elections. Analysis of population data was undertaken to inform the legal calculations required to ensure fair representation.

Two community workshops were held on 2 and 3 August 2021 to inform the initial proposal. Stakeholders and Council partners including Iwi, Ratepayer and Resident Associations, Youth Council, disability advocates and local Trusts were invited to attend the community workshops alongside Masterton District Council elected members and iwi representatives. The workshops were also advertised and open to the wider community. Additional workshops were held with elected members to explain the process, share feedback and shape the initial proposal.

Each step in the process, associated considerations and community workshop feedback were discussed in the report to Council regarding Council's initial proposal, adopted on 30 August 2021. That report can be accessed here: <https://mstn.govt.nz/wp-content/uploads/2021/08/AGENDA-Extraordinary-Council-2021-08-30.pdf>

## **Consultation on the Initial Proposal**

Council adopted the initial proposal for consultation by the legal deadline of 31 August 2021. This was publicly notified on Friday 3 September 2021 (before the legal deadline of 8 September 2021).

Public consultation on the initial proposal opened on Friday 3 September 2021 and closed at 4pm on Monday 4 October 2021. Hearings were held on Wednesday 13 October 2021.

In total, 57 submissions were received. Of those, 47 were received via the online portal, and two hard copy forms were received and entered into the online portal. Eight submissions were received as

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written correspondence via email. All submissions were accepted, noting some contained comments that were assessed as out of scope.

Having considered feedback from our community, the Council must decide on their final proposal and notify that decision within six weeks of consultation closing. For Masterton District Council that is by Monday 15 November 2021. The public then have a month-long opportunity to lodge an appeal or an objection to the final proposal:

- Objections can be lodged by anyone if they disagree with a final proposal that is different to the initial proposal.
- Appeals can only be lodged by submitters to the initial proposal.

If no appeals or objections are received, and the final proposal is legally compliant (determined by the Local Government Commission), then the Council's final proposal becomes the representation arrangements for the 2022 and 2025 local government elections.

If appeals and/or objections are received by the Council, these are forwarded to the Commission for a final decision. The Commission has until 10 April 2022 to make the final decision on the representation arrangements.

Feedback received via the consultation process is discussed under the following headings that must be included in the final proposal:

- The number of Councillors
- How the Councillors are to be elected (i.e. by Ward, At Large, or a combination of both)
- Whether community boards will be established, and
- The boundaries and names of Wards.

## **ANALYSIS AND ADVICE**

Quantitative data included in the tables below reflect responses from the 49 submitters that completed the online or hard copy submission form. Qualitative data considers written comments from all 57 submitters.

### **1. Number of Councillors**

Council's initial proposal was to have eight councillors. Reasons for reducing the number of councillors from the current number of 10 included increasing remuneration levels which may attract new and more diverse candidates to stand for local government, thereby enhancing representation and diversity.

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## **Quantitative Results:**

The majority of submitters who completed the online or hard copy submission form supported the proposal. Of those who responded to this question, 71% agreed with the initial proposal to reduce the number of councillors to eight.

<b>Do you agree with our proposal to have 8 councillors?</b>			
	<b>% Total</b>	<b>% Answer</b>	<b>Count</b>
<b>Number of Responses</b>	<b>83.67%</b>		<b>41</b>
<b>Yes</b>	<b>59.18%</b>	<b>70.73%</b>	<b>29</b>
<b>No</b>	<b>24.49%</b>	<b>29.27%</b>	<b>12</b>
<b>[No Response]</b>	<b>16.33%</b>		<b>8</b>
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>	<b>49</b>

In addition, of the eight written submissions received:

- One specifically stated support for 8 councillors.
- A further five advocated a different number of councillors (more or less as discussed in the qualitative feedback section below).
- Two submitters did not specifically comment on the number of councillors.

Combined, this equates to:

- 30 submissions in favour of 8 councillors.
- 17 submissions containing objections or alternative views.

## **Qualitative Results:**

Twelve submitters who completed the online or hard copy submission form and indicated that they did not support the proposal to have eight elected members, provided additional comment. Feedback was also received in the general comments section and via written submissions. All written feedback is considered below:

- The quantitative results show 29 submitters specifically indicated support for eight councillors. In addition, one written submission specifically indicated support for eight councillors. Of those who disagreed with that number and specified an alternative, the next most common suggestions were 10 councillors (four submitters) and six councillors (three submitters).
- There was some overlap in arguments for more and for less councillors. Some submitters perceived more than eight councillors could result in enhanced representation and greater diversity as there would be more people around the council table. Others believed fewer

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councillors would achieve enhanced representation and greater diversity as that would enable greater remuneration which could reduce barriers to standing for some people.

- Other arguments for more councillors included concern regarding the workload, and one raised the challenge of managing potential conflicts of interest given some councillors are also elected members of local Trusts and members of other local community organisations.
- Other arguments for fewer councillors included the potential for enhanced governance with a smaller number. Comparisons with company boards were made.
- The majority of submitters identified as individuals. Three identified as organisations – Federated Farmers, Masterton Resident and Ratepayers Association (MRRRA) and NZ CCS. Federated Farmers agreed with Council's proposal of eight councillors. MRRRA stated members provided mixed comments, but a recurring theme was ten councillors. As an organisation they advocated ten councillors based on a survey they undertook. NZ CCS advocated enhanced representation for people with disabilities but did not specify a preference for the number of councillors.

## ***Considerations:***

### **Enhanced Remuneration to Improve Diversity:**

As noted in the previous report to Council, historically the role of councillor has been filled by people who are not reliant on the remuneration received as a councillor as their only or primary source of income. Many councillors around the country are retired/semi-retired, self-employed and/or able to work part-time or flexible hours. Socio-economic pressures and the need to provide for their families can outweigh the choice to stand, especially for those who are in earlier stages of their career, cannot afford to work part-time and/or do not own their own business.

Socio-economic barriers can limit the diversity of candidates. By reducing the number of councillors, the remuneration for each councillor can be increased. This could mitigate barriers for some potential candidates, enabling more people the opportunity to stand for Council. The average salary with the current 10 councillors is \$39,288. With 8 councillors the average salary would be \$49,110 and if it was reduced further, the average salary would increase up to \$78,576 with the minimum number of five councillors.

### **Increased Numbers to Improve Diversity:**

As noted in the previous report to Council, having more councillors increases the chances for individual candidates to be elected (i.e. ten vacancies versus eight) and can increase the chance of those elected as councillors being more diverse.



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## Workload:

The number of councillors can also influence the workload of each councillor. Councillors are appointed to internal and external committees, attend stakeholder meetings, support consultation activity and enquiries/lobbying can be directed at any of the councillors.

As noted in the previous report, nine elected members (eight councillors and the mayor) is considered adequate to manage the workload. Other councils with similar land mass had eight to 15 elected members including the mayor, with most in the eight to 11 range. Those with similar size populations (25,000-35,000) had nine to 13 elected members including the mayor.

## Equity at the Council Table:

A further consideration with the number of councillors is equity around the Council table. The table below shows the ratio of Māori to other councillors/the mayor with varying numbers of councillors:

6 Councillors + Mayor	8 Councillors + Mayor	10 Councillors + Mayor
1 Māori Ward 6 Other	1 Māori Ward 8 Other	1 Māori Ward 10 Other

Note: Other includes the General Ward Councillors, At Large Councillors and the Mayor.

For the Māori ward, equity around the table improves with a smaller number of councillors. With the initial proposal of eight elected members, the one Māori ward councillor has seven others to influence (and the mayor) versus nine others and the mayor with the status quo of ten councillors.

## Potential Conflicts of Interest:

One submitter raised the challenge of managing potential conflicts of interest. The two key trusts in the Masterton District that have also had councillors as elected trustees are Masterton Community Trust (MCT) and Masterton Trust Lands Trust (MTLT).

Both Trusts represent a similar number of people to Council, and both have fewer elected members. At the time that the 2019 election candidate handbook was published the population for MTLT was 20,200 and 24,500 for MCT, compared to 25,700 for Masterton District. MTLT have eight elected members and MCT have six, compared to Council currently with ten Councillors plus the Mayor.

In the current triennium there are four councillors who are also elected members of MTLT and one who is a member of MCT. In the previous triennium there were three councillors on MTLT and one on MCT.

There are protocols in place to manage conflicts of interest. Candidates could also be informed in the lead up to elections of the potential for conflicts if they stand for and are elected to more than one entity (or are involved in other community boards, organisations etc).

## ***Recommendation:***

Reasons for confirming eight councillors in the final proposal include:

- This reflects the majority view expressed via submissions for those who included their opinion on the number of councillors.
- This is consistent with Council's initial proposal, which was selected as a means of attracting new and different candidates for Council by reducing financial barriers which could improve diversity and representation. It was also considered that the workload would be manageable with eight councillors.
- This is within the range of other councils with similar land mass/populations.
- This option is more equitable than the status quo with regard to the influence of the Māori ward versus other councillors around the Council table.
- Processes are in place to manage conflicts of interest regardless of the number of councillors, and further information could be provided to candidates standing for election regarding potential conflicts of interest.

Reasons for Council maintaining the status quo (ten councillors) include:

- As noted in the initial report, and by some submitters, more councillors could also result in increased diversity by enabling more people the opportunity to sit around the Council table.
- Council has also reflected on workload with fewer councillors, raised as a concern by some submitters.
- The community trusts with elected members does mean there is potential for conflicts of interest that need to be managed. To date these have been manageable with current protocols.

Considering the above, the review recommends that the final proposal maintains a total of eight councillors plus the mayor.

## **2. How Councillors are to be Elected**

Council's initial proposal was to have one councillor elected from the Māori ward; four elected from the General Ward and three elected at large. This option was considered the fairest arrangement possible under current legislation.

### ***Quantitative Results:***

The majority of submitters who completed the online or hard copy submission form supported the proposal. Of those who responded to this question, 61% agreed with the initial proposal of one Māori Ward councillor; four General Ward councillors and three councillors elected at large.

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## Do you agree with the arrangement of one Masterton General ward, one Masterton Māori ward and 'at large'?

	% Total	% Answer	Count
<b>Number of Responses</b>	100.00%		49
<b>Yes</b>	61.22%	61.22%	30
<b>No</b>	38.78%	38.78%	19
<b>[No Response]</b>	0.00%		0
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>	<b>49</b>

In addition, of the eight written submissions received:

- One specifically stated support for the proposed arrangement.
- Others did not comment, or comments were out of scope.

Combined, this equates to:

- 31 submissions in favour of the initial proposal.
- 19 submissions containing objections or alternative views, noting some relating to the Māori Ward are out of scope.

### **Qualitative Results:**

Eighteen submitters who completed the online or hard copy submission form, and indicated that they did not support this aspect of the initial proposal, provided additional comment. Feedback was also received in the general comments section and via written submissions. All written feedback is considered below:

- The strongest theme amongst comments on this topic was a desire for democratic, fair and equitable representation. However, submitters had different views on what that looked like and how that would be achieved.
- Some proposed alternative arrangements for electing councillors. Of those, only one proposal could legally be considered. That was a suggestion to have the Māori and General Wards only with no councillors elected at large.

### **Considerations:**

#### **Voter Equity:**

The arrangement that was proposed through submissions has no at large councillors. This would reduce voter equity for those on the Māori electoral roll.

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The table below summarises the number of councillors for each ward and at large (for the first option) based on current legislation relating to electoral population numbers and ratios; and the number of votes that would equate to for those on the Māori electoral roll compared to the General electoral roll:

Election Arrangement:	8 Councillors (Initial Proposal)	10 Councillors (Status Quo) Most Equitable Option
Māori Ward, General Ward and At Large (Initial Proposal)	<p><b>Number of Councillors:</b> 1 Māori Ward 4 General Ward 3 At Large</p> <p><b>Number of Votes</b> Māori Roll = 4 General Roll = 7</p>	<p><b>Number of Councillors:</b> 1 Māori Ward 4 General Ward 5 At Large</p> <p><b>Number of Votes</b> Māori Roll = 6 General Roll = 9</p>
Māori Ward and General Ward Only (Suggested via Submissions Process)	<p><b>Number of Councillors:</b> 1 Māori Ward Councillor 7 General Ward Councillors</p> <p><b>Number of Votes:</b> Māori Roll = 1 General Roll = 7</p>	<p><b>Number of Councillors:</b> 1 Māori Ward 9 General Ward</p> <p><b>Number of Votes:</b> Māori Roll = 1 General Roll = 9</p>

In summary, a mixed arrangement with some councillors elected at large increases voter equity. With no at large option for either eight or ten councillors, those on the Māori roll would only have the opportunity to vote for one councillor.

### **Recommendation:**

Reasons for confirming a mixed arrangement with a Māori Ward; General Ward and at large in the final proposal include:

- This is the fairest arrangement that is possible under current legislation.
- The alternative arrangement proposed that is legally able to be considered would reduce voting equity for those on the Māori Ward.
- This reflects the majority view as expressed via submissions.

The status quo (all councillors elected at large) is not possible - at least one other ward is required alongside the Māori ward - and the arrangement with no at large councillors that was proposed via the submission process reduces voter equity for those on the Māori electoral roll.

Considering the above, the review recommends that the final proposal maintains a mixed arrangement with a Māori Ward, a General Ward and at large.

### 3. Community Boards

Council’s initial proposal was not to establish any Community Boards. Reasons for this included that the Masterton district is best represented as one district given the overlapping interests of the various geographic communities of interest.

**Quantitative Results:**

The majority of submitters who completed the online or hard copy submission form supported the proposal. Of those who responded to this question, 82% agreed with the initial proposal of no community boards.

Do you agree with our proposal not to establish community boards?			
	% Total	% Answer	Count
<b>Number of Responses</b>	89.80%		44
<b>Yes</b>	73.47%	81.82%	36
<b>No</b>	16.33%	18.18%	8
<b>[No Response]</b>	10.20%		5
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>	<b>49</b>

In addition, of the eight written submissions received, two commented on community boards:

- One specifically stated support for Council's proposal not to establish community boards.
- One advocated in favour of community boards.

Combined, this equates to:

- 37 submissions in favour of the initial proposal.
- 9 submissions containing objections or alternative views.

**Qualitative Results:**

Seven submitters who completed the online or hard copy submission form and indicated that they did not support the initial proposal to not establish community boards, provided additional comment. Feedback was also received in the general comments section. All written feedback is considered below:

- Reasons given by those in favour of establishing community boards were that Community Boards could provide: an entry point to Council; a way for people to voice concerns and could be an inclusive approach.
- One submitter provided a reason for not establishing community boards, being that we already have many purpose-specific community alliances doing an excellent job.

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- A small number of submitters referred to different geographic communities of interest, with the most commonly referenced being rural and urban.

## ***Recommendation:***

Reasons for confirming no community boards in the final proposal include:

- This is consistent with the status quo.
- No new information has arisen through the submission process that indicates a need to introduce community boards.
- This reflects the majority view as expressed via submissions.
- Council has established a Rural Advisory Group to enhance two way communication between the rural sector and Council on rural matters and issues.
- There are Ratepayer & Resident Associations at Riversdale, Castlepoint and more recently in Masterton, as well as neighbourhood community groups, that represent the views of their members.

Considering the above, the review recommends that the final proposal maintains no community boards.

## **4. Boundaries and Names of Wards**

Council's initial proposal was for the Ward boundaries to align with the boundary of Masterton District. Council asked the community to propose appropriate names for the Wards.

Nineteen submitters provided feedback/comment on what the Māori and/or General Wards should be called. Names suggested generally reflected the district. One submitter advocated keeping "Masterton" in the name as its place specific.

Names suggested by more than one submitter that legally comply included:

- Masterton General Ward
- Masterton Māori Ward
- Whakaoriori Māori Ward

## ***Recommendation:***

The review recommends the ward boundary in the final proposal be confirmed as aligning with the Masterton district boundary. Reasons for this include:

- The district boundary aligns with one geographic community of interest.
- Masterton has been represented at a district level since the 2018 representation review.
- No new information has arisen through the submission process that indicates a need to change the proposed boundaries.

The review recommends the names of wards in the final proposal be confirmed as Masterton/Whakaoriori General Ward and Masterton/Whakaoriori Māori Ward. Reasons for this include:

- Masterton and Whakaoriori are the English and te reo Māori names for this district.

## 5. Out of Scope

A number of comments made by submitters were out of scope. These comments either related to matters that Council cannot change due to current legislative requirements or fall outside of the decisions required as part of the representation review.

Legislated matters Council cannot change included:

- Increasing remuneration beyond what is legislatively allowed
- The proportion of Councillors for each Ward and At Large
- Including Wards and/or community boards for non-geographic Communities of Interest
- Reducing the cost to stand

These matters would require legislative change.

Matters outside of representation review decisions included:

- The decision to establish a Māori Ward – this decision was made in May 2021 and cannot be revisited until after the 2025 local elections
- Appointments to Committees
- Establishing other advisory boards – e.g. a Māori advisory board
- Growing, supporting and encouraging candidates
- Effective and inclusive consultation, engagement and participation

These matters can be considered by Council outside of the representation review process and/or in the future.

## Representation Review Consultation Process

Key dates for the Final Proposal include:

- Public notice on Saturday 13 November 2021 (legally required by Monday 15 November).
- Appeals/objections close Wednesday 15 December 2021.
- If received, appeals and objections must be forwarded to the Local Government Commission no later than 15 January 2022 and a decision will be made by the Commission by 11 April 2022.
- If no appeals or objections are received, the final proposal will stand.

The final proposal, and the opportunity to appeal or reject, will be promoted to the community.

## CONCLUSION

Having considered all the matters raised in this report, it is recommended that Council's final proposal for the Council's representation arrangements for the 2022 local government elections be:

- Eight councillors plus the mayor.
- Councillors would be elected from a General Ward, a Māori Ward and At Large to achieve effective representation, and that:
  - The Wards be named Masterton/Whakaoriori General Ward and Masterton/Whakaoriori Māori Ward.
  - The ward boundaries align with the Masterton District boundary.
- Four members be elected from the Masterton/Whakaoriori General Ward, one from the Masterton/Whakaoriori Māori ward and three elected At Large. This would be the fairest arrangement that complies with the Act's requirements.
- No Community Boards have been deemed necessary to achieve effective and fair representation.

The recommended 2021 Representation Review Final Proposal incorporates the decision made by Council in May 2021 to establish a Māori Ward. It also reflects early feedback from our community, as shared at community workshops held on 2 and 3 August 2021, and via submissions received on the initial proposal. The final proposal is considered to achieve fair and effective representation for our community within the framework allowed by the Act.

If adopted, the final proposal would be consistent with the initial proposal Council consulted on over September/October 2021. It would include the following key changes compared to the current representation arrangements which were adopted in 2018:

1. The number of councillors would reduce from ten to eight. In addition to the councillors there would still be a Mayor.
2. A General and a Māori Ward would be introduced, both with boundaries that align with the Masterton district boundary.
3. The number of councillors elected At Large would reduce from all ten to three, with the balance elected from the two Wards – four from the General Ward and one from the Māori Ward.

Adopting the proposal on 9 November 2021 will enable public notification by the legal deadline of 15 November 2021.

## SUPPORTING INFORMATION

### **Strategic, Policy and Legislative Implications**

The Local Electoral Act 2001 is the primary legislation driving the requirements for the Representation Review.



Both the Local Electoral Act 2001 and the Local Government Act 2002 outline key principles that should inform a Representation Review. These include:

- The Local Government Act 2002 states that a purpose of local government is “to enable democratic local decision making and action by, and on behalf of, communities”.
- A key principle of the Local Electoral Act 2001 is to implement ‘fair and effective representation for individuals and communities”.

These principles also align with our Wellbeing Strategy objectives and the community outcomes Council has adopted and aspires to for our community.

While the Act prescribes the statutory requirements to be met, it does not prescribe the decision-making process. The Commission has produced guidelines for local authorities undertaking representation reviews. Masterton District Council has aligned its process with these guidelines.

### **Significance, Engagement and Consultation**

The Representation Review is considered significant as it will influence how our Council is shaped, how our community are represented and how individuals will be able to vote for at least the next two elections, 2022 and 2025.

Community consultation followed the process prescribed in the Act which aligns with the Special Consultation Procedure prescribed in Section 83 of the Local Government Act. The prescribed process includes legislative timeframes and some dates for public notifications, as outlined in this report.

### **Financial Considerations**

The final proposal recommends a reduction in the number of councillors. This has no financial impact for Council. As noted in the report, the provision for councillors’ remuneration is prescribed by the Remuneration Authority as a total pool for councillors. The total remuneration pool does not change if the number of elected members changes.

If the councillor remuneration pool was split equally, with fewer councillors each councillor would get paid more than they would if there were more councillors. The actual amount to be paid will depend on decisions made by the Council following the election on how the pool is divided.

The cost of Community Boards remuneration would be in addition to the current remuneration costs for councillors and would require staff support which could not be absorbed with current resources.

### **Treaty Considerations/Implications for Māori**

An outcome of the Representation Review process will be the implementation of the Māori Ward decision that Council made in May 2021. This decision was made to enhance representation for Māori in the Masterton district.

Currently only Māori who are already registered on the Māori electoral roll will be eligible to vote for the Māori Ward. The next opportunity to change from the General electoral roll to the Māori electoral

roll will be in 2024 unless legislative change occurs. Masterton District Council recently submitted in favour of allowing Māori to choose more frequently between the Māori and General electoral roll and at least before each local government and central government election.

### **Communications/Engagement Plan**

Details of the final proposal and the opportunity to appeal or object will be promoted to our community.

### **Environmental/Climate Change Impact and Considerations**

No specific environmental/climate change considerations/impacts have been identified in relation to adopting the final proposal.

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## Timeline for 2021 Representation Review

Date	Action	Commentary
<b>9 November 2021</b>	Council meeting for final proposal	
<b>13 November 2021</b>	Public notice of final proposal	
<b>15 November 2021</b>	Deadline to publicly release final proposal	This date must be within 6 weeks of the close of submissions
<b>15 December 2021</b>	Close of appeals and objections on final proposal	Appeals/objection period must be at least one month in duration
<b>10 April 2022</b>	Deadline for decision by the Local Government Commission	

<b>To:</b>	Mayor and Elected Members
<b>From:</b>	David Paris, Manager Finance
<b>Endorsed by:</b>	David Hopman, Acting Chief Executive
<b>Date:</b>	9 November 2021
<b>Subject:</b>	<b>2020/21 Annual Report Adoption</b>
<b>FOR DECISION</b>	
<b>Recommendation:</b>	
That Council	
<ul style="list-style-type: none"> <li>(i) Receives the independent auditor's report on the Council's Annual Report for 2020/21.</li> <li>(ii) Adopts the Annual Report for 2020/21.</li> <li>(iii) Notes that the Annual Report and a summary of that document must be published within one month of adoption.</li> </ul>	

### **Purpose**

The purpose of this report is to present Council's 2020/21 Annual Report for adoption, following Audit New Zealand's audit and receipt of their independent auditor's report (their opinion).

### **Background**

The Local Government Act 2002 (LGA) requires all Council's to prepare an Annual Report at the end of each financial year. Council's financial year end was 30 June 2021.

Under legislation Council is required to adopt the Annual Report by 31 October, noting this date has been extended to 31 December 2021 for the 2020/21 reports due to the impacts of the COVID-19 pandemic.

A final draft copy of the Annual Report 2020/21 is provided under separate cover (Attachment 1 to Report 197/21). The report remains a final draft as late changes (such as additional disclosures) may still be requested/agreed as a result of the audit process. It is expected that Council's auditors (Audit New Zealand) will have issued an unqualified opinion on the report by the meeting date. This means that in the opinion of the auditors, the financial statements fairly reflect the financial performance and position of the Council for the year ended 30 June 2021.

### **Discussion**

The purpose of an annual report is:

- to compare the actual activities and performance of the Council against what was planned for that year in the Long-Term Plan and the annual plan; and
- to promote accountability to the community for the decisions made throughout the year.

The 2020/21 Annual Report is reporting against Year 3 of the 2018-28 Long-Term Plan and the Annual Plan that was adopted for 2020/21. The Annual Report document includes an introductory section with highlights of the year's achievements and also detailed commentary at the activity level, of the achievements of the organisation as well as full financial reporting.

The Annual Report includes detailed commentary of the performance and achievements of the organisation during the year. Specific reference is made to the impacts and responses to the COVID-19 pandemic.

### *Financial Summary*

- Council has recorded a surplus of \$8.26 million which includes \$3.66 million of vested assets from subdivision developments
- Operating expenditure of \$51.9 million is 3.9% more than planned
- Operating revenue (excluding vested assets) of \$56.5 million is 11.2% more than planned

There are valuation gains and losses incorporated in the above accounting result. After eliminating those Other Gains and Losses the net surplus is \$3.3 million and has been generated by more revenue than planned. Much of that extra revenue is restricted or tied to specific uses. For example, Financial Contributions from subdivision development (\$1.2m more than planned) can only be applied to specific development purposes. Subsidies for 3 waters, the skatepark and airport have all contributed to the additional revenue and have been applied to the projects to which they relate.

The 2021/22 Long Term Plan (year 1) anticipated some \$700k surplus funding from 2020/21 being carried forward from 2020/21 and used to offset the rates increase required in 2021/22. This surplus did eventuate and has been carry forward in the Special Funds & Reserves at 30 June 2021. The Rates Requirement Statement (Note 1) reflects a very small surplus after allowing for the transfer of those funds to carried forward reserves.

### **Publishing the Annual Report**

Once adopted it is a legal requirement for Council to publish the document, and a summary of this, within one month. The final published version will include images/icons and formatting to enhance the aesthetic look and readability of the document.

A copy of the Summary document content (pre-design) will be circulated to elected members prior to publication. Audit also review the summary document to ensure consistency with the Annual Report.

### **Options**

This report recommends Council adopt the Annual Report for 2020/21.

This is the only option considered because adoption of the Annual Report is a statutory requirement.

## **Strategic, Policy and Legislative Implications**

Sections 98 and 99 of the Local Government Act 2002 require councils to prepare an Annual Report for the financial year just ended and in accordance with the information required by Part 3 of Schedule 10 of the same Act. The report has been prepared in accordance with the legislation.

For 2020/21 Council is required by the Local Government Act 2002 to adopt its audited Annual Report by 31 December 2021. Adoption at this meeting will comply with legislative requirements for the 2020/21 financial year.

## **Significance, Engagement and Consultation**

The decision to adopt the Annual Report is a statutory requirement. Given that it is not a significant decision, no consultation is considered necessary as the intent of the Annual Report is to inform the community. It is noted that the Annual Report is an important element of Council's accountability to the community. The Annual Report and a Summary of this will be published and made available to the community within one month of adoption.

## **Financial Considerations**

The Annual Report includes extensive financial information on the Council's performance in the 2020/21 year. There are no financial considerations beyond the report itself.

## **Treaty Considerations/Implications for Māori**

The adoption of the Annual Report does not trigger any treaty considerations or implications specific to Māori.

## **Communications/Engagement Plan**

No communication or engagement plan is required. Council is required to publish the Annual Report and Summary document and make these available to the public within one month of adoption, or for the 2020/21 Annual Report adopted 9 November, by 9 December 2021.

## **Environmental/Climate Change Impact and Considerations**

There are no environmental/climate change impacts or considerations arising from the adoption of the Annual Report. The publication of the Annual Report and Summary documents will be done principally via the Council's website. Minimal hard copies will be printed.