

In the High Court of New Zealand
Masterton Registry

CIV-2022- --

I te Kōti Matua o Aotearoa
Whakaoriori Rohe

Under the Part 3 of the Charitable Trusts Act 1957 and Part 19 of the
High Court Rules 2016

In the matter of a Scheme under Part 3 of the Charitable Trusts Act 1957
in respect of the Estate of **ARTHUR POWYS WHATMAN**
late of Masterton, Retired Sheepfarmer deceased

Between **MASTERTON DISTRICT COUNCIL** a territorial authority
under the Local Government Act 2022

Applicant

**AFFIDAVIT OF KYM ALBERT FELL IN SUPPORT OF AN ORIGINATING APPLICATION
FOR ORDERS APPROVING A SCHEME REPLACING AN EXISTING SCHEME UNDER
PART 3 OF THE CHARITABLE TRUSTS ACT 1957**

AFFIRMED 12 /04/2024

**SIMPSON
GRIERSON**

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I, Kym Albert Fell, of Masterton, Chief Executive, solemnly and sincerely affirm:

1. I am employed by the Applicant (**the Council**) in the capacity of Chief Executive. I have held this position since 25 September 2023. Prior to my appointment as Chief Executive, I was Chief Customer and Community Officer at Wellington City Council.
2. I make this affidavit in support of the Council's originating application for the approval of a scheme under Part 3 of the Charitable Trusts Act 1957 in respect of what is currently known as the Panama Village on Ngaumutawa Road, Masterton. This Scheme is intended to replace an existing scheme approved by the then Supreme Court in 1966.
3. Since my appointment, I have gained knowledge of the matters set out in this affidavit and I am authorised to make this affidavit on behalf of the Council. I confirm that the contents of this affidavit are true to the best of my knowledge and belief.

BACKGROUND

The Will of Arthur Powys Whatman

4. Arthur Powys Whatman (**Mr Whatman**), a sheep-farmer and local benefactor, lived in his retirement on a property in Ngaumutawa Road, Masterton, described as part of Section 32 Masterton Small Farms Settlement, being all the land in former Certificate of Title WN326/125 (Wellington Land Registration District). This former Certificate of Title is attached as **Exhibit A (the Whatman Block)**.
5. Mr Whatman had erected on the Whatman Block a large homestead that was known as "Panama" (**Panama Homestead**) and he thereafter occupied this homestead until his death.

6. Mr Whatman died in 1938. His last will dated 25 January 1938 (**Last Will**) was admitted to probate on 5 August 1938 and appointed the Public Trustee as executor and trustee. A copy of his Last Will is attached as **Exhibit B**. I have not been able to locate the plans that were attached to the Last Will.
7. The Last Will made provision for a number of legacies. It also provided for the division of the Whatman Block, transfers of land as directed by the Last Will, and the establishment of charitable trusts as set out below:
- (a) An area of land that became Lot 1 DP 11565 (former Certificate of Title WN466/293) was devised to the Salvation Army to become part of the land associated with the Cecelia Whatman Home (see clause 8 of the Last Will).
 - (b) The Public Trustee was directed under clause 9 of the Last Will to erect a house on an area not exceeding a quarter acre (1012m²) for Edmund Hearn Buckeridge and his wife Violet May Buckeridge for their occupation during their lifetimes.¹ This land (**the House Site**) became Lot 2 DP 11565, Record of Title WN482/63, and is currently known as 116 Ngaumutawa Road, Masterton. The record of title is attached as **Exhibit C** and it is part of the now Trust Land as described below. It was transferred to the Wairarapa Hospital Board (**the Board**) in 1963.
 - (c) By clause 10 of his Last Will, Mr Whatman left what is described as his "trust realty" to the Board on the charitable trusts set out in that clause. Under the same clause 10, Mr Whatman's household effects were also gifted to the Board.

¹ Subject to some limitations and qualifications as outlined in the Last Will.

- (d) The “trust realty” as described in clause 10 of the Last Will was divided into an area of land (shown bordered in red on a plan forming part of the Last Will) on which the Panama Homestead was located (described as “Panama” in the Last Will) and some balance areas (also shown bordered in blue on the same plan) and described as “my non-residential realty”.
- (e) After the subdivision out of the House Site, the balance of the “trust realty” as described in the Last Will became Lot 3 DP 11565, being the land in Record of Title WN481/145. This Record of Title is attached as **Exhibit D**. The land in this Record of Title was transferred to the Board in 1940 once DP 11565 was deposited. I will refer to the House Site (Lot DP 11565) and Lot 3 DP 11565 now comprising Panama Village collectively as “**the Trust Land**”.
- (f) The charitable trusts under clause 10 of the Last Will firstly involved the use of the Panama Homestead as a convalescent or rest home for the aged or needy and for those who are convalescent or recovering from sickness and secondly, subject to the funds being available, the erection on his non-residential trust realty a further charitable institution or institutions.
- (g) Clause 11 of the Last Will relevantly provided that no part of the trust realty shall at any time be sold, let or leased. The remainder of clause 11 is not of any continuing relevance.
- (h) By clause 12 of the Last Will the residuary estate was devised and bequeathed to the Public Trustee, subject to clause 9, to pay the income to the Board for the upkeep of Panama Homestead and any institution erected on Mr Whatman’s non-residential realty.



8. I understand that the Board ultimately gave effect to the trusts affecting the Trust Land in 1958 by making available the Panama Homestead for occupation by aged or needy persons.²
9. It would appear however, that the Board did not carry out any further development of the Trust Land as permitted by clause 10 of the Last Will, and by 1963 the Board had incurred losses for 5 consecutive years in respect of the accommodation facilities in the Panama Homestead.³
10. This state of affairs led to a Scheme under Part 3 of the Charitable Trusts Act 1957 being promoted by the Board (the **Board's Scheme**). In terms of the Board's Scheme:
- (a) the eight residents of Panama were to have accommodation made available to them on a property for elderly people owned by the Wellington Presbyterian Social Service Association Incorporated (**Association**) and called "Kandahar";
 - (b) the Trust Land was to be transferred to the Association upon trust to then be sold on terms approved by the Minister of Health;
 - (c) the sale proceeds were to be divided with 8/14th of the cost of upgrading the accommodation on the Association's property being paid to the New Zealand Government with the balance being held for the general purposes of "Kandahar".
11. The Board's Scheme attracted opposition including from the Masterton Borough Council (**MBC**)⁴ which put before the Supreme Court an alternative Scheme which is similar to the 1966 Scheme referred to below. The Board's Scheme was ultimately refused by the Supreme Court. A copy of the Supreme Court's judgment is attached as **Exhibit E**.⁵

2 See Page 3 of Exhibit F being the Supreme Court's judgment of 16 July 1965.

3 See pages 3 and 6 of Exhibit F.

4 The Masterton District Council is the successor of the MBC under the Local Government (Wellington Region) Reorganisation Order 1989.

5 The grounds for refusal are summarised at Page 11 of the Judgment.



The 1966 Scheme

12. Subsequently to the Supreme Court judgment a further Scheme under Part 3 of the Charitable Trusts Act 1957 was prepared by the Board. This Scheme is dated 28 October 1965 and a copy is attached as **Exhibit F**. This further Scheme was approved by Order of the Supreme Court on 7th June 1966 (**1966 Scheme**). A copy of the Supreme Court's Order is attached as **Exhibit G**. A copy of Mr Justice Tompkins oral judgment is attached as **Exhibit H**.
13. The 1966 Scheme relevantly provided for:
- (a) the "trust realty" (as described in clause 10 of the Last Will and described above as the Trust Land) and all improvements and things on that land to be transferred to the MBC upon trust for the benefit of the aged and needy, subject to paragraphs 5 to 16 of the Scheme (clauses 1, 3 and 4);
 - (b) the MBC was required within 2 years of the date of transfer to erect on the Trust Land 10 housing or villa units suitable for the accommodation of aged or needy persons and thereafter was to administer the units in accordance with the Government's Pensioner Housing Policy (clause 5);
 - (c) the use of further parts of the Trust Land for additional accommodation for aged or needy persons (clause 6);
 - (d) various transitional arrangements for existing residents (clauses 7-9);
 - (e) the MBC to convert the Panama Homestead into a recreational centre for use of the residents and for the MBC to use other parts of the Trust land for other recreational facilities (clauses 10-11);

- (f) any other portion of the Trust Land as necessary could be used by the MBC for recreational facilities (clause 12);
- (g) the MBC did not have power to sell or exchange the Trust Land without the consent of the then Supreme Court (clause 13);
- (h) the income from the Trust Land was to be used for the maintenance, improvement or development of the Trust Land (clause 14); and
- (i) the income derived from the residuary estate under the Last Will was to be paid to the MBC for the maintenance, improvement or development of the trust property (clause 16).⁶

14. Following the transfer of the Trust Land to the MBC, it erected a total of 44 senior units on part of the Trust Land. The units were built in stages, with the first 10 being built in 1968. The final flats that were built on the Trust Land were finished in 1988. This left the House Site⁷ and a large vacant area of Trust Land. In the past that area has been used for grazing purposes; however the area is vacant at the moment.

The Council's Existing Portfolio of Housing

15. The Council has 74 senior housing units that it rents at below market rate. Apart from the 44 units at Panama Village, the Council has the following units available for housing the elderly:

- (a) 8 units at Bodmin Flats, 182-184 Chapel Street;
- (b) 4 units at Truro Flats, 190 Chapel Street; and

⁶ In October 2018, the Public Trust paid the capital of the residuary estate to the Council.

⁷ The dwelling on the House Site has a fixed term tenancy expiring on 30 May 2023.

- (c) 18 units at Laurent Place.
- 16.** The criteria for obtaining a senior housing unit are:
- (a) aged 60 and over;
 - (b) the applicant must be receiving a permanent benefit;
 - (c) an asset limit of \$25,000 for a single person and \$35,000 for a couple; and
 - (d) the applicant must not have owned a house in the last 5 years.
- 17.** All the units are subject to regular maintenance. A programme of work is underway to upgrade all Council units to meet the healthy homes standards. The Council currently makes a slight loss on the units each year, due to the low level of rent charged for the units.

Current status of community housing and the review of the 1966 scheme

- 18.** There is an urgent need for more housing in the Masterton District. Masterton has an overall shortage of rental accommodation. There are also significant waitlists for housing with community housing providers in Masterton. I understand that there is a wait list of 250 people wanting community or public housing in the Wairarapa as a whole.
- 19.** Until recently there was no Kāinga Ora presence in the Wairarapa region, although Megan Woods, the then Minister of Housing, announced in September 2022 a project involving 18 units to be owned by Kāinga Ora and 22 finished units to be owned by Emerge Aotearoa, a community housing provider. The Minister also mentioned that more units were planned for Greytown and Woodville. So far Kāinga Ora has opened housing on two sites (21 units in total) in Masterton, with another three expected to be



completed in 2024. Again, given the numbers on the waitlists, this will not satisfy current demand.

20. The Council does not have the resources to construct and operate further public housing, within its current budgets, without rate increases or deferring other important projects. These projects include the Civic Facility, the development of Hood Aerodrome, and the Masterton Revamp (Town Centre improvements).
21. The Council has no sources of income in its senior/public housing portfolio beyond the rentals that it receives from the units in that portfolio. These rentals are not sufficient to meet the full operative costs of the portfolio and the Council currently subsidises from rates the operating costs of the portfolio by some 19.3%. This includes some funding for depreciation that is applied to redecoration and renewals but not all depreciation is matched with revenue.⁸
22. Current rentals are about 45% of market rates. While there is some scope to increase rentals across the existing portfolio, this will not in my view make a material difference to the availability of funds for further public housing projects.
23. Turning to the Panama Village itself, the Council again subsidises the operating costs from rates by around 20% with allowance for some depreciation into a reserve fund for redecoration or upgrade costs.
24. Total trust capital currently held by the Council amounts to \$32,245.00 being the amount received from the Public Trust in 2018 as trustee of the Whatman Estate. A portion of the Senior Housing depreciation fund (held as a reserve) is generated from Panama Village as described in 23 above, and is applied to upgrades on the Panama Village buildings.

8 Planned operating costs of the portfolio for the current 2023/2024 year are \$959,900 including an allowance of \$40,500 for redecorating costs. Total rental income for the portfolio is \$464,310 and general rates subsidy is close to \$196,000. Of the \$328,680 depreciation expense, only \$108,680 will be covered by revenue and put into the depreciation reserves for asset renewals."



25. As indicated above, it is clear that the Council is not in a position within current budgets to inject further funding into its senior housing portfolio for construction and operation of further public housing units including the necessary infrastructure work at an estimated cost of over \$1 million as outlined at paragraph 45 below. The only way this could be accomplished would be by Council borrowing for the purpose and the resulting increased costs funded by ratepayers.
26. However at current or even slightly increased rentals, the interest alone on such borrowing for the construction of the new units at Panama Village could not be serviced by the rental income and the Council would not have any ability to pay off the principal under such borrowing.
27. I consider that this position is unlikely to change in the future even if the cost of borrowing materially decreased and construction costs did not keep on increasing. The Council's resources are likely to remain limited and subject to competing demands. The funding issue is further compounded by the Council's inability for tenants to access the Income Related Rent Subsidy that is discussed below.
28. The Community Housing Regulatory Authority is an independent agency within the Ministry of Housing and Urban Development that registers and regulates community housing providers in New Zealand. Registered Community Housing Providers are able to access the Income Related Rent Subsidy.
29. This means that the Government subsidises rent paid by tenants to make the accommodation more affordable while ensuring community housing providers receive a market rent that enables them to maintain, repair and upgrade their portfolios. The Council⁹ is not eligible to become a registered community housing provider under the Public and Community Housing

9 Council controlled organisations are also excluded from eligibility.


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Management Act 1992 and therefore cannot access the Income-Related Rent Subsidy under that legislation.

30. In late 2021, the Council applied to the Kāinga Ora Infrastructure Acceleration Fund for funding to complete infrastructure works to support development on the vacant land at Panama Village. The application for funding was unsuccessful. I understand that there were a high number of applications and the Council's own applications were not considered to be priority projects.
31. As part of the development of its 2021-31 Long-Term Plan, the Council proposed developing more senior housing on the vacant land at Panama Village to help address the need for more housing in the Masterton district. Feedback from the Long-Term Plan consultation process was that while new housing on the vacant land should be a priority, the Council should make the land available for someone else to build housing. The feedback also showed a preference for any new housing not to be solely for seniors, with a desire to support young people and families as well.
32. Through the deliberations process and having considered the feedback received through the consultation process, the Council resolved to make the vacant land at Panama Village available for someone else to develop public housing.

The Council's Long-Term Plan 2021-2031 Amendment to progress more housing on the vacant land at Panama Village.

33. In order to further progress the decision adopted as part of the Long-Term Plan 2021-31, a Long-Term Plan Amendment was required, which had to be consulted on. The options for consultation were agreed at a Council meeting on 16 March 2022, where a Long-Term Amendment Consultation Document was adopted for community consultation. The two options consulted on were:

- (a) Option 1 (Preferred) – Authorise Council to sell the vacant land at Panama Village on the condition that it is used for public housing; or
 - (b) Option 2 (Alternative) – Authorise Council to lease the vacant land at Panama Village on the condition that it is used for public housing.
- 34.** The consultation material recognised that a sale would require the approval of the High Court under the terms of the 1966 Scheme.
- 35.** The Council consulted on the Long-Term Plan Amendment from 21 March 2022 – 26 April 2022. The Council promoted consultation via radio adverts, newspaper adverts, Facebook, email and displays at the Masterton District Library and Customer Service Centre at 161 Queen Street.
- 36.** In addition to the formal consultation process, the Council provided opportunities for people to provide verbal feedback through two drop-in sessions held by the Mayor, Councillors, and staff at the library, and an online workshop with the elected members.
- 37.** The consultation asked for feedback on three key questions regarding the Long-Term Plan Amendment. The questions were:
- (a) Do you agree with the proposal to sell the vacant land at Panama Village for the purpose of building public housing? If not, what is your preference?
 - (b) Do you agree with the Council’s proposed approach that proceeds from the sale of the vacant land will be used to reinvest in Council’s existing housing stock or associated infrastructure? If not, what is your preference?

- (c) Do you agree with the Council applying to the High Court for a board permission to either sell or lease the vacant land at Panama Village, for use as public housing?
- 38.** 61 submissions were received, 58 from individuals and 3 from organisations. Out of the 61 submissions received, nine were received in hardcopy; six via email; and 46 via the online submission portal.
- 39.** On the primary question of what approach should Council take to the vacant land:
- (a) 21 submitters supported Council's preferred option to sell the vacant land for public housing;
- (b) 36 submitters did not support the Council's preferred option;
- (c) 4 submitters did not provide an answer in response to this question.
- 40.** Of those who indicated they did not support the Council's preferred option, 32 people indicated an alternative option that they preferred as follows:
- (a) 11 indicated that the Council should lease the land for public housing;
- (b) 6 indicated that the Council should lease the land for senior housing;
- (c) 7 indicated the Council should retain the land and build housing for the elderly;
- (d) 4 indicated that the Council should do nothing with the land;
- (e) 2 indicated the Council should sell the land to the highest bidder.

41. 53 submitters answered the question of what the Council should do with the proceeds:
- (a) 31 submitters supported the Council's proposal to reinvest the proceeds in the Council's existing housing stock and to offset the costs of infrastructure associated with the construction of public housing on the vacant land at Panama Village which would be sold for public housing and;
 - (b) 22 submitters did not support the Council's proposed approach. Of these, 6 respondents suggested the proceeds should be all invested in the existing housing at Panama Village, with the other 22 providing no clear direction;
 - (c) 4 submitters did not provide an answer in response to this question.
42. 49 submitters answered the question on whether they supported the Council seeking broad permission to either sell or lease the vacant land at Panama Village. Of those:
- (a) 30 submitters supported the Council seeking broad permission;
 - (b) 19 did not support the Council seeking broad permission.
43. Of the 61 submissions received, 35 submitters provided specific feedback on the amendment proposal and options. The key themes of this feedback were:
- (a) general support for public housing development;
 - (b) some reluctance regarding the Council selling the land as opposed to leasing or Council building on the land itself;

(c) potential negative impacts of public housing on nearby residents, including the residents in the existing flats at Panama Village.

44. The Agenda for the Council's meeting on 15 June 2022 (with attached Council report) and the Minutes of that meeting are attached as **Exhibits I and J** respectively.

45. As can be noted from the Minutes of the Extraordinary meeting of the Council on 15 June 2022,¹⁰ the Council adopted the amendments to the Long Term Plan in Attachment 1 to the Minutes. This Attachment included the following provisions at page 127:

More Housing for Seniors

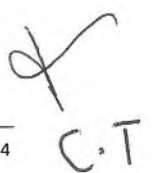
As part of the adoption of the Long-Term Plan 2021-31, we resolved to make the vacant land at Panama Village available for someone else to build public housing on.

We agreed we would work with the Government (via Kāinga Ora)/community housing providers/iwi to ascertain the most appropriate arrangement for a provider, or providers, to fund and build more public housing on the vacant land.

In early 2022, we undertook further consultation with the community on whether the land should be offered for sale (Council's preferred option) or lease (alternative option) to potential providers for the provision of public housing.

In June 2022 we resolved to proceed with the preferred option – Council to sell the vacant land at Panama Village on the condition it is used for public housing (subject to High Court approval). If the High Court does not approve sale of the land but does approve leasing the land, we will consult with the community again on entering a long term lease arrangement for the vacant land at Panama Village.

¹⁰ Exhibit I.



Under the sale option we will ensure the land is used for public housing by registering what it known as an encumbrance or covenant (conditions) on the record of title for the land. This would require that the land be used for public housing and bind all future owners of the land.

The potential purchaser might well be a community housing provider (whether Kāinga Ora, an existing community housing provider, iwi, or any other party eligible and willing to become a community housing provider).

Forecast proceeds from the sale of the land was determined by reference to an external valuation. The forecast proceeds are likely to be impacted by the encumbrance to be registered over the record of title for the land. The impact of the encumbrance is uncertain, and the selling price will be a matter for negotiation between market participants.

We will use any proceeds from the sale to invest in the necessary infrastructure work to support the development, with the balance used for future investment in Council's existing housing stock. It is estimated that the infrastructure work will cost \$1,082,000.

Panama Village and the vacant land are subject to terms and conditions which currently restrict activity and development. Under the conditions of the bequest of the Panama land, and the associated Council Scheme for Panama Village, the land cannot be sold or leased. To progress the preferred option, we will seek High Court approval to sell (or lease) the vacant land, modernise aspects of the Council Scheme, and approve the proposed use of any proceeds from the sale. The High Court application is expected to cost \$30-\$40k.

Using this approach, we get to achieve our goal of increasing the affordable housing stock, while minimising Council's financial contribution on this project.

We will also continue to advocate on behalf of our community to identify broader solutions and improve housing outcomes for our community, and through our Wairarapa Combined District Plan (the District Plan) review we will explore community suggestions such as smaller section sizes and changes that could enable collective ownership and papakāinga.

46. The Council's decision on the Long Term Plan Amendment recognised the level of public support for either a sale or lease of the vacant Panama Village land for public or alternatively senior housing, and for the use of the proceeds to reinvest in the Council's existing housing stock and to offset the cost of infrastructure associated with new housing on the Vacant Land.
47. There was some limited support for the Council to retain the land and build housing for the elderly, but this was not a realistic option for the Council for the reasons described above. A "do-nothing" option suggested by some members of the public would not achieve further public housing in Masterton nor would an open market sale necessarily achieve that outcome, even assuming approval from the High Court could be obtained.

Proposed Scheme

48. The Proposed Scheme which is being placed before the Court seeks to replace the 1966 Scheme to give effect the Council's 2021-2031 Long Term Plan Amendment to progress more housing on vacant land at Panama Village. At present, the Panama Village comprises 44 units as referred to in paragraph 15 above, with the balance of the land remaining vacant apart from the House Site which is currently subject to a fixed term tenancy. I will refer to the balance of land including the House Site as the "Vacant Land".
49. In summary, the Proposed Scheme seeks to:
- (a) provide for the sale or lease of the Vacant Land subject to it being used for public housing purposes on an ongoing basis with an appropriate encumbrance or covenant to that effect being placed on the record of title to the land;¹¹
 - (b) authorise the Council to apply the proceeds of the sale or lease of the Vacant Land to funding the necessary infrastructure works to

¹¹ See clause 8 of the Proposed Scheme.

enable the development of public housing on the Vacant Land with any balance used for future investment in the Council's existing public housing stock (including the existing Panama Village);¹² and

- (c) modernise aspects of the 1966 Scheme and remove those provisions that are no longer relevant.

50. In relation to occupied parts of the land containing the existing Panama Village, the main proposed change is to amend the charitable trust purposes in clause 6 of the 1966 Scheme to refer to "public housing" rather than "accommodation of the aged or needy persons". The definition of "public housing" is described below.

51. The Council's Long-Term Plan Amendment refers to "public housing" as does the Proposed Scheme. The Council considers that the use of expression "public housing" is a more up to date way of describing the "aged or needy" purpose in the 1966 Scheme. It considers that it is appropriate to define "public housing" in the Proposed Scheme as follows:

Public housing means housing for people who by reason of age, infirmity, disability, and/or personal or financial circumstances are unable to meet their own accommodation needs in a safe and healthy manner provided or subsidised by central or local government, a community housing provider, a charitable entity or a Wairarapa iwi entity.

52. The Long-Term Plan Amendment does not expressly define the "Vacant Land" at Panama Village but attached as **Exhibit K** is an indicative aerial plan showing the Vacant Land. It also shows the position of the Panama Homestead and the existing housing units in relation to the proposed common boundary.¹³

¹² See clause 9 of the Proposed Scheme.

¹³ A cadastral survey plan will form the basis of a subdivision consent application, but will not be prepared until the outcome of this originating application is known.

53. In order to obtain a separate record of title for the Vacant Land, a subdivision consent under the Resource Management Act 1991 will need to be obtained by the Council. The Council will progress this if the Proposed Scheme is approved by the High Court.
54. As already mentioned, the Council does not have the resources to provide more public housing within its current budgets, without rate increases, or deferring other projects.
55. However, as seen in the public response as part of the Long-Term Plan 2021-31, and the subsequent Long-Term Plan Amendment, there is a significant support on the part of both the Council and public to enable the land to be utilised by another party to provide public housing. This is particularly driven by the current lack of public housing in Masterton, alongside the low availability of rental accommodation. The initiatives announced last year by the then Minister of Housing will not fully meet these unmet needs.
56. As indicated in paragraph 49(a) above, clause 8(1) of the Proposed Scheme provides for the sale *or* lease of the Vacant Land, and clause 8.2 requires the Council to publicly notify its intention to sell or lease the land and call for both sale and leasing proposals.
57. The Council has given some detailed consideration to the disposal process for the Vacant Land. Whilst as indicated above, there was some public support for the Council to lease the Vacant Land for public housing, the Council's preliminary view is that a sale rather than a lease of the Vacant Land is more likely to yield upfront sufficient funding to be applied in the upgrading of local infrastructure necessary for the development of the Vacant Land,¹⁴ as well as being a more attractive development proposition for a public housing provider.

¹⁴ See clause 9(a) of the Proposed Scheme, and paragraphs 59-60 below.

58. However, the Council would still be willing to consider a lease proposal that made provision for the completion of the necessary upgrading of infrastructure on an appropriate basis including adequate accountability for the completion of that infrastructure.
59. As foreshadowed by clause 9 of the Proposed Scheme, infrastructure work at or near to the Vacant Land will be necessary for the development of the Vacant Land. The scoping of this work is at a very preliminary stage, but at present it appears likely that the work will involve vehicle and pedestrian upgrades, stormwater improvements, and a wastewater upgrade.
60. Some of this work (particularly pedestrian upgrades) may incidentally provide benefit to the occupants of the existing housing units at Panama Village but the prime purpose of these works is to enable necessary infrastructure for the development of the Vacant Land.
61. There was considerable public support for the Council's decision on the Long-Term Plan Amendment to apply any proceeds of sale to invest in the necessary infrastructure work (as detailed above) for new public housing development on the Vacant Land with the balance used for future investment in the Council's existing housing stock (including in the existing Panama Village).
62. As noted from the wording of the Long-Term Plan Amendment, the intention is to ensure that the Vacant Land is used for public housing by registering an encumbrance or covenant against the record of title to the vacant land to be sold.

63. The term “public housing” has been used in the Proposed Scheme at clause 10 as it is expected that any new housing on the Vacant Land will be available to a wide range of people to best suit the needs of the community, and not just senior housing such as the existing housing provided elsewhere by the Council. As explained earlier, the Proposed Scheme also refers to the existing accommodation at Panama Village as *public housing* (as defined). This is regarded by the Council as modernising the language used in the 1966 Scheme (e.g. aged or needy).
64. Paragraph 10 of the 1966 Scheme required the MBC to convert the dwellinghouse in the Panama Village (the **Panama Homestead**) into a recreation centre for the use and enjoyment of the occupants of the houses or villas erected on the trust realty. The Panama Homestead is still used for these purposes. However, given the age and condition of the Panama Homestead, the Proposed Scheme provides for a suitable replacement facility that can be constructed if appropriate.

Sections 140 and 141 of the Local Government Act 2002

65. A sale of the Vacant Land would also need to comply with the requirements of sections 140 and 141 of the Local Government Act 2002 (**LGA 02**).
66. In accordance with the terms of the 1966 Scheme, the Vacant Land is held by the Council “*upon trust for the benefit of the aged or needy, subject however to the restrictions and provisions appearing in paragraphs 5 to 16 (inclusive) [of the Scheme].*”¹⁵
67. Land administered by the Council as endowment or trust land cannot be disposed of unless sections 140 and 141 of the LGA 02 are complied with.

¹⁵ 1966 Scheme, at paragraph 4.

68. Sections 140 and 141 impose restrictions on the disposal of “property” vested in a local authority. “Property” is defined to mean real property of every type (generally both fee simple and leasehold estates), and includes every type of interest and estate in property. The Vacant Land is “property” for the purposes of sections 140 and 141.
69. Section 140(4)(b) allows the Council to sell or exchange endowment property and use the proceeds of the sale or exchange for a purpose identified under section 141, unless the instrument that vested the property in the Council expressly prohibits sale or exchange.
70. As discussed above, in the present circumstances, the 1966 Scheme expressly prohibits the sale or exchange of the Trust Land, without the approval of the High Court (formerly the Supreme Court). Sections 140 and 141 import a further layer of compliance with respect to any proposal to sell or exchange the vacant land.
71. The Council will take steps to comply with sections 140 and 141 if approval of the High Court to the Proposed Scheme is obtained and that the use of the proceeds as proposed in the Proposed Scheme will be in accordance with sections 140(4)(b) and 140(1)(a).

Advice to Te Whatu Ora and the existing residents of Panama Village.

72. The Council will advise Te Whatu Ora-Health New Zealand as the successor organisation to the District Health Board (which has been dis-established under Pae Ora (Healthy Futures) Act 2022) of the Council’s intention to apply to the High Court to approve the Proposed Scheme.
73. The Council has kept the existing residents of Panama Village informed of the steps that it has been taking towards seeking High Court approval for the Proposed Scheme and will continue to do so. Once an application for the approval of the Proposed Scheme is lodged with the High Court, the

Council will separately advise the residents as to where the application and supporting documents can be inspected.

Signature of deponent:



KYM ALBERT FELL

K A Fell

Affirmed at ^{Wellington} ~~Masterton~~ on 12 April 2024
Before me:

C.T
KF



Signature

Caleb Turnbull

Name

A Solicitor of the High Court of New Zealand

**Caleb Ta'ase Turnbull
Solicitor
Wellington**

"A"

EXHIBIT NOTE

This is the exhibit marked "A" referred to in the annexed affidavit of Kym Albert Fell affirmed at Masterton on 12 April 2024 before me.

Wellington

Signature: 

A Solicitor of the High Court of New Zealand
(Solicitor to sign in part on exhibit)

Caleb Ta'asa Turnbull
Solicitor
Wellington


C.T

"A" REGISTER

NEW ZEALAND.

[Land and Deeds—A.
[Form—B.

Reference: Vol. 299, Folio 211
Transfer No.
Application No.
Order for N/C No. 5763

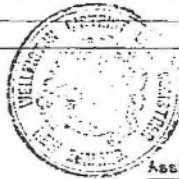


Register-book,
Vol. 326, folio 125

CERTIFICATE OF TITLE UNDER LAND TRANSFER ACT.

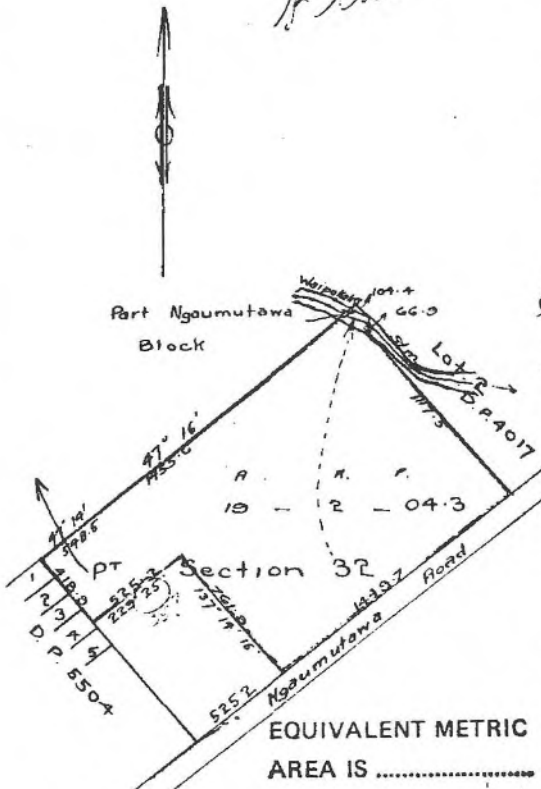
This Certificate, dated the ninth day of September one thousand nine hundred and twenty five under the hand and seal of the District Land Registrar of the Land Registration District of WELLINGTON. Witnesseth that ARTHUR FOWYS WHATMAN of Masterton Sheepfarmer.

is seized of an estate in fee-simple (subject to such reservations, restrictions, encumbrances, liens, and interests as are notified by memorial under written or endorsed hereon, subject also to any existing right of the Crown to take and lay off roads under the provisions of any Act of the General Assembly of New Zealand) in the land hereinafter described, as the same is delineated by the plan hereon bordered GREEN, be the several admeasurements a little more or less, that is to say: All that parcel of land containing NINETEEN ACRES TWO ROODS FOUR AID THREE TENTHS PERCHES MORE OR LESS situate in BLOCK IV of the Tiffin Survey District and being part of Section 32 Masterton... Small Farms Settlement.



W. G. Harrit
Assistant District Land Registrar.

Plan 11565.



Transmitted 30.3.1935 to the Public Trustee.
Entered 29th August 1935 at 5.10 pm.
H. G. Harrit
Transfer 24396 of Lot 1 Plan 11565 to
Public Trustee to the Salvation Army
Property (N.Z.) Trust Board produced
9th November 1935 at 2.45 pm.
Vol 466 Folio 293. Signed D.L.R.
Transfer 25468 of Lot 3 Plan 11565
to the Public Trustee to the Wellington
Hospital Board produced 17
September 1940 at 2.45 pm.
Vol 481 Folio 145.

Vol. 12883 cancelled as to balance
23.10.40 See Vol. 482 folio 63
Harrit D.L.R.

THIS REPRODUCTION (ON A REDUCED SCALE)
CERTIFIED TO BE A TRUE COPY OF THE
ORIGINAL REGISTER FOR THE PURPOSES OF
SECTION 13A LAND TRANSFER ACT 1952
Harrit D.L.R.

Scale: 5 Chains to an Inch

"B"

EXHIBIT NOTE

This is the exhibit marked "B" referred to in the annexed affidavit of Kym Albert Fell affirmed at ~~Masterton~~ *Wellington* on *12 April 2024* before me.

Signature: *[Handwritten Signature]*

A Solicitor of the High Court of New Zealand
(Solicitor to sign in part on exhibit)

Caleb Ta'ase Turnbull
Solicitor
Wellington

[Handwritten mark]

C.T

"B"

THIS IS THE LAST WILL AND TESTAMENT of me ARTHUR POWYS PHATEMAN of "Panama," Masterton in the Provincial District of Wellington in the Dominion of New Zealand, Retired Sheepfarmer.

1. I REVOKE all wills and testamentary dispositions at any time heretofore executed by me AND I APPOINT THE PUBLIC TRUSTEE of the said Dominion (hereinafter referred to as "my trustee") to be the executor and trustee of this my will AND I APPOINT HERBERT BANNISTER of Masterton Apiarist and GEORGE WILLIAM SELLAR of Masterton Accountant to be advisory trustees of this my will subject in each case to his accepting the office of advisory trustee without further remuneration than the legacy hereinafter bequeathed to him PROVIDED HOWEVER that notwithstanding anything hereinbefore contained and that he has been appointed an advisory trustee the said GEORGE WILLIAM SELLAR may be employed to sell or dispose of any shares, bonds, inscribed stock or other securities belonging to my estate and he shall be paid the usual brokerage or commission in respect of any such sale or other disposal.

2. I DIRECT that my body be cremated and the ashes be collected in a suitable receptacle and taken to my home at Masterton known as "Panama" and there after being reduced to dust placed round the red stone on the front lawn AND I FURTHER DIRECT that the cost of conveying such remains to the nearest crematorium and of the disposal of my remains in accordance with the foregoing direction shall be paid out of my residuary estate AND I DECLARE it is my wish and desire that there shall be no funeral procession or ceremony in connection with the disposal of my remains and that no person other than those whose presence is absolutely necessary shall attend at any stage of the arrangements for the disposal thereof.

3. I GIVE AND BEQUEATH the following legacies and bequests in each case free of all estate and succession duty -

sum of Four thousand pounds (£4,000) to my nephew

L.T.W. D.A.H.

JOHN OLIVER HIVES should he survive me but should he predecease me then to such of them his children as survive me and if more than one in equal shares.

- (b) The sum of FOUR THOUSAND POUNDS (£4,000) in New Zealand currency or English currency whichever is the greater at the time the said legacy is actually paid to my sister-in-law MYRTLE WHATMAN but should she predecease me then to her son "BROWNIE" WHATMAN and should they both predecease me then to such of them the children of the said "Brownie" Whatman as survive me and if more than one in equal shares.
- (c) The sum of FOUR THOUSAND POUNDS (£4,000) in New Zealand currency or English currency whichever is the greater, at the time the said legacy is actually paid to my niece ROSE AUSTIN WORSLEY (daughter of my late sister Cecilia) should she survive me but should she predecease me then to such of them her children as survive me and if more than one in equal shares.
- (d) The sum of FIVE THOUSAND POUNDS (£5,000) in New Zealand currency or English currency whichever is the greater at the time the said legacy is actually paid to my nephew the said "BROWNIE" WHATMAN but should he predecease me then to such of them his children as survive me and if more than one in equal shares.
- (e) The sum of TWO HUNDRED AND FIFTY POUNDS (£250) to WILLIAMINA LONGSTAFF of Masterton, Widow.
- (f) The sum of ONE THOUSAND POUNDS (£1000) to EDWARD WILSON of Matahiwi Farmer but should he predecease me then to his wife at the date of this my will and if they both predecease me then to such of them their children as survive me and if more than one in equal shares.

- (g) The sum of TWO HUNDRED AND FIFTY POUNDS (£250) to MISS FORSYTH formerly Matron of the "Cecelia Whatman Home" for her own separate use and to be payable only should there be no regulation of the Salvation Army providing that such sum must be paid over to the said Army.
- (h) The sum of TWO HUNDRED AND FIFTY POUNDS (£250) to MISS LEGG formerly an officer of the "Cecelia Whatman Home" for her own separate use and to be payable only should there be no regulation of the Salvation Army providing that such sum must be paid to the said Army.
- (i) to EDMUND HEARN BUCKERIDGE and his wife VIOLET MAY BUCKERIDGE in equal shares should they both be in my employ at the date of my death and not under notice to quit my employ but should only one of them be in my employ at the date of my death and not under notice to quit my employ then to that one absolutely the sum of FIVE HUNDRED POUNDS (£500) AND ALSO such of the plate linen china glass pictures furniture and other articles of household use or ornamentation owned by me at the date of my death and not in the entrance hall and two front rooms of my dwellinghouse referred to in paragraph 11 of this my will as may be necessary to furnish or equip the dwellinghouse referred to in paragraph 9 of this my will.
- (j) Such motor car and accessories thereto as I may own at the date of my death to the said Edmund Hearn Buckeridge should he be in my employ at the date of my death and not under notice to quit my employ.
- (k) The sum of FIVE HUNDRED POUNDS (£500) to the said

Witnessed by
J. P. Williams

Edmund Hearn Buckeridge

L.T.W.

DA.H.

GEORGE WILLIAM SELLAR but should he predecease me then to his wife GERALDINE MAUD SELLAR and should they both predecease me then to his son WILLIAM MICHAEL SELLAR.

(1) The sum of ONE THOUSAND POUNDS (£1000) to the said HERBERT BANNISTER.

4. I GIVE AND BEQUEATH the sum of FIVE HUNDRED POUNDS (£500) free of estate and succession duty unto my trustee UPON TRUST to invest the same in the Common Fund of the Public Trust Office AND UPON FURTHER TRUST to apply the income arising therefrom for all time for and towards the maintenance and upkeep of the old Russell Churchyard and grounds AND I DIRECT that my trustee may pay such income to the Churchwardens Trustees or other persons appearing to my trustee to have the control of the said Churchyard AND the receipt of such Churchwardens Trustees or other persons shall be a sufficient discharge to my trustees for the income so paid and my trustee shall no longer be bound to see to the application thereof AND I DECLARE that it is my wish and desire that the said Churchwardens Trustees or other persons to whom the income is paid as aforesaid shall maintain and keep in a good and proper state of repair the graves in such Churchyard of my late brother E.M.D. Whatman and my late sister Cecelia Hives.

5. I GIVE AND BEQUEATH the sum of EIGHT THOUSAND POUNDS (£8000) free of estate and succession duty unto my trustee UPON TRUST to invest the same in the Common Fund of the Public Trust Office and to stand possessed thereof UPON FURTHER TRUST as follows -

(a) UPON TRUST to pay the income arising therefrom as from the date of my death to the trustees for the time being of THE MASTERTON RETURNED SOLDIERS' CLUB for the general purposes of the said Club until the

Certified true copy of Probate
Court will issue

expiration of a period of twenty-one (21) years from my death or until the said Club shall sooner cease to exist.

(b) UPON TRUST from and after the expiration of the said period of twenty-one (21) years from my death to pay the said sum of Eight thousand pounds (£8000) to the trustees for the time being of the said Club should such Club then be in existence for the general purposes thereof.

(c) UPON TRUST should the said Club cease to exist prior to the expiration of the said period of twenty-one (21) years from my death the said sum of Eight thousand pounds (£8000) and any income thereon which may not have been distributed by my trustee shall fall into and form part of my residuary estate and shall follow the destination thereof.

6. I GIVE AND BEQUEATH the sum of FIVE THOUSAND POUNDS (£5000) free of estate and succession duty unto my trustee UPON TRUST to invest the same in the Common Fund of the Public Trust Office and to pay the income arising therefrom as from the date of my death for all time to THE NEW ZEALAND INSTITUTE FOR THE BLIND AUCKLAND for the general purposes thereof.

7. I GIVE AND BEQUEATH an annuity of ONE HUNDRED AND FIFTY POUNDS (£150) per annum to be paid by equal monthly instalments as from the date of my death to the said EDMUND HEARN BUCKERIDGE and his wife the said VIOLET MAY BUCKERIDGE ^{died 1.6.53 date of death 18.11.53} in equal shares during their joint lives should they both be in my employ at the date of my death and not under notice to quit my employ and from and after the death of one of them to the survivor during his or her lifetime or should only one of them be in my employ at the date of my death and not under notice to quit my employ then to that one solely during his or her lifetime PROVIDED HOWEVER that if the said Edmund Hearn

A.P.W. B.T.W.
Certified true copy of Probate
of will as per Part 1
of the will

D.A.H.

Buckeridge shall predecease the said Violet May Buckeridge the said annuity shall be paid to the said Violet May Buckeridge only so long as she remains the widow of the said Edmund Hearn Buckeridge AND I EMPOWER my trustee if he thinks proper so to do to set apart and appropriate out of my estate a sum or investments (hereinafter referred to as "the said annuity fund") sufficient in the opinion of my trustee at the time of such appropriation to provide the said annuity out of the income arising therefrom AND I DIRECT that after the said annuity fund has been so set apart and appropriated as aforesaid the income arising therefrom shall form the primary fund for answering the said annuity and the capital thereof shall form the secondary fund for answering the said annuity in the event of the said income proving insufficient AND I DIRECT that after the said annuity fund has been set apart and appropriated as aforesaid the said annuity shall be payable exclusively out of such fund and no other portion of my estate shall any longer be liable for the payment thereof AND I FURTHER DIRECT that after the said annuity fund has been set apart and appropriated as aforesaid any surplus income arising therefrom shall until the death of the survivor of the said annuitants or the expiration of a period of twenty-one (21) years from my death whichever first happens be accumulated by my trustee and added to the capital of the said annuity fund of which thereafter it shall form part and be subject to all the trusts thereof AND I FURTHER DIRECT that after the expiration of the said period of twenty-one (21) years from my death should there after the full payment of the said annuity in manner aforesaid remain in any year prior to the death of the survivor of the said annuitants any surplus income arising from the said annuity fund and from the accumulations of income as aforesaid then and in

Certified true copy of original

and will as above

of the original

every such year such surplus income shall forthwith be distributed by my trustee as if it were income which had arisen from my residuary estate during such year AND I FURTHER DIRECT that from and after the death of the survivor of the said annuitants or if the said Violet May Buckeridge shall survive the said Edmund Hearn Buckeridge her earlier remarriage the said annuity fund including the accumulations of income if any which have under the foregoing provisions been added thereto or so much of such fund and accumulations as then remains shall fall into and form part of the capital of my residuary estate.

8. WHEREAS on the 15th day of July 1925 I executed in favour of the late William Bramwell Booth late General of the Salvation Army and he accepted a Memorandum of Transfer of an area of three (3) acres three (3) roods thirty-nine decimal seven (39.7) perches (upon which I had previously erected an orphanage or home which I desire shall hereafter be known and which is hereinafter referred to as "the Cecelia Whatman Home" and in respect of which a Certificate of Title dated the 8th day of September 1925 Volume 326 Folio 124 in the name of the said William Bramwell Booth has since been issued, to be held upon and subject to the trusts powers and provisions declared in the Deed of Trust executed contemporaneously with the said Memorandum of Transfer and made between myself of the one part and the said William Bramwell Booth of the other part AND WHEREAS I DESIRE to make further provision and to declare charitable trusts of a similar nature to those set out in the said Deed of Trust NOW I GIVE AND DEVISE unto the person who shall at my death be the General of the Salvation Army to be held by such General and the successors in office of such General upon the same trusts as the said land hereinbefore mentioned being the land in Certificate

A. P. W.

L. T. W.

D. A. H.

Certified true copy of separate copy of will and Deed of Trust for building of the Cecelia Whatman Home.

of Title Volume 326 Folio 124 and as are set forth in the hereinbefore mentioned Deed of Trust ALL THAT piece of land being part of Section 32 Masterton Small Farm Settlement and part of the land comprised and described in Certificate of Title Volume 326 Folio 125 Wellington Registry as the same is shown bordered in green on the plan drawn hereon to the intent that the land hereinbefore devised shall form part of the trust property comprised in and subject to the provisions of the said Deed of Trust.

I DIRECT my trustee should the said EDMUND HEARN BUCKERIDGE and his wife the said VIOLET MAY BUCKERIDGE or either of them be in my employ at the date of my death and not under notice to quit my employ to erect upon that part of the said Section 32 Masterton Small Farm Settlement shown on the said plan drawn hereon and thereon bordered yellow the boundaries thereof being approximate only a dwellinghouse and appurtenant outbuildings to be constructed of brick and rough cast in keeping with "Panama" hereinafter mentioned at a cost of not more than One thousand five hundred pounds (£1500) and to allow the said Edmund Hearn Buckeridge and his wife the said Violet May Buckeridge during their joint lives should they both be in my employ at the date of my death and not under notice to quit my employ and from and after the death of one of them the survivor during his or her lifetime or should only one of them be in my employ at the date of my death and not under notice to quit my employ then that one during his or her lifetime personally to reside in the said dwellinghouse and use the said outbuildings and to use such part of the land adjacent thereto as my trustee and my advisory trustees may consider necessary the area including the area occupied by the said dwellinghouse not to exceed one quarter of an acre free of all rent and other outgoings PROVIDED HOWEVER that if the said Edmund Hearn Buckeridge shall predecease

Certified true copy of the original
of the will of the testator
the said [unclear]

the said Violet May Buckeridge the right for the said Violet May Buckeridge to reside in the said dwellinghouse and use the said land shall continue only so long as she remains the widow of the said Edmund Hearn Buckeridge AND I DIRECT that all rates taxes insurance premiums cost of repairs and other outgoings payable in respect thereof shall be paid out of the income arising from my residuary estate and in so far as the income is insufficient out of the capital thereof and from and after the death of the survivor of the said Edmund Hearn Buckeridge and Violet May Buckeridge or if the said Violet May Buckeridge shall survive the said Edmund Hearn Buckeridge her earlier remarriage the said dwellinghouse outbuildings and land shall fall into and form part of my trust realty and shall follow the destination thereof.

10. WHEREAS I am the owner of all that piece or parcel of land hereinafter referred to as "my trust realty") adjoining the last-mentioned areas and being the balance of the land in the said Certificate of Title Volume 326 Folio 125 Wellington Registry AND WHEREAS my trust realty comprises firstly two (2) acres three (3) rods more or less (hereinafter referred to as "Panama") upon which is situated the dwellinghouse wherein I reside at the date hereof and which is shown bordered in red on the plan drawn hereon and secondly those pieces of land shown bordered in blue on the said plan (hereinafter referred to as "my non-residential trust realty") AND WHEREAS I am desirous of making provision for charitable purposes as hereinafter declared NOW I GIVE DEVISE AND BEQUEATH my trust realty and also all plate linen china glass books pictures prints furniture and other household effects in or about my said dwellinghouse at my death and not hereinbefore otherwise disposed of (such chattels and household effects being hereinafter referred to as "my household effects") unto the WAIRARA A HOSPITAL BOARD (hereinafter referred to as "the said

A.P.W. ----- Dr T.W.
Certificate of Probate (copy of
for record.

D.A.H.

Board") SUBJECT HOWEVER to the provisions of paragraph 11 hereof upon the following trusts namely -

(a) UPON TRUST to use "Panama" and my household effects as a convalescent or rest home and for such purpose to allow persons who are selected nominated or approved by the said Board and

(i) who are sick aged or needy or

(ii) who are convalescent or recovering from sickness or ill-health

personally to reside in "Panama" and to have the use of my household effects SUBJECT HOWEVER to the restrictions and provisions hereinafter appearing in paragraph 11 hereof but otherwise the said Board shall decide the conditions upon which the said convalescent or rest home is to be carried on.

(b) UPON TRUST at any time or times if there shall at any time be funds available from any source (including the income arising from my residuary estate) then to erect upon my non-residential trust realty a further charitable institution or institutions under the control of the said Board and to use such institution or institutions or any building erection or institution previously erected thereon for the like charitable purposes hereinbefore declared.

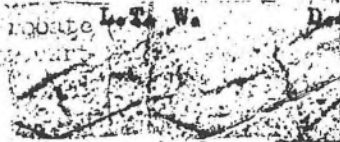
11. I DIRECT that no part of my trust realty shall at any time be sold let or leased and that as regards "Panama" the entrance hall and the two front rooms of the dwellinghouse (which are at the date hereof being personally used by me as a dining room and smoking room) shall not be altered in any way and that the arrangement thereof shall remain as far as possible with all furniture ornaments and fittings the same as they were at the date of my death it being my desire that such rooms shall be used as a dining room or reading or rest rooms for the inmates and no other pictures or inscriptions

certified to be a copy of the original
copy of the original
for seal.

shall be hung from the walls or otherwise be displayed in the said hall or rooms PROVIDED FURTHER AND I DECLARE that it is my wish and desire that no dogs or other animals shall at any time be allowed in or upon "Panama" that the arrangement of the grounds and gardens thereof shall be kept as nearly as possible the same as at the date of my death the lawns shall not be extended to provide more flower beds and that no creepers or growing plants that cling to buildings shall be planted alongside the said dwellinghouse upon "Panama" and that the said dwellinghouse or outbuildings used therewith shall not be extended and the interior and exterior of the said dwellinghouse and outbuildings shall be kept in repair AND THAT the said EDMUND HEARN BUCKERIDGE so long as he is capable and able shall be allowed to act as gardener and caretaker of the grounds subject to his receiving from the said Board reasonable wages or remuneration for his services as such and that should the said Edmund Hearn Buckeridge and his said wife VIOLET MAY BUCKERIDGE or either of them be in my employ at the date of my death and not under notice to quit my employ until the completion of the dwellinghouse hereinbefore referred to in paragraph 9 the said EDMUND HEARN BUCKERIDGE and his wife the said VIOLET MAY BUCKERIDGE shall be allowed personally to reside in the dwellinghouse erected on "Panama" and at the date of this my will occupied by me AND I FURTHER DIRECT that none of my household effects shall be sold but any not required by the said Board for the purposes of the said convalescent or rest home shall be given away to such persons as may be selected by the said Board and that if the said Edmund Hearn Buckeridge or Violet May Buckeridge shall desire any of such effects not required by the said Board they shall be allowed to have same.

12. I GIVE DEVISE AND BEQUEATH the whole of my estate both real and personal of whatsoever nature and kind and where-soever situate not hereinbefore otherwise disposed of unto my .

A.P. Copy of Probate L. T. W. D.A.H.



trustee UPON TRUST to pay thereout my just debts funeral and testamentary expenses and all estate and succession duty payable in respect of my dutiable estate and all survey and legal charges necessary to give effect to the devises of land hereinbefore mentioned and to stand possessed of the residue (referred to in this my will as "my residuary estate UPON TRUST subject to the provisions of paragraph 9 hereof' to pay the income arising from my residuary estate from time to time to the said Board to be applied by the said Board for payment of all proper costs charges salaries wages expenses and other outgoings of whatsoever kind of and incidental to the upkeep administration and management of "Panama" and of any institution erected upon my non-residential trust realty and of keeping "Panama" and any such institution erected as aforesaid in good order repair and condition.

13. I DIRECT that the receipt of the secretary treasurer or other person appearing to my trustee to be entitled to receive moneys on behalf of the said Board the said Soldiers' Club Blind Institute or of any other institution or Body benefitting under the provisions of this my will shall be a sufficient discharge to my trustee for any moneys paid to the said Board Club Institute Institution or Body and my trustee shall not be bound or concerned to enquire as to the destination or expenditure of the same.

14. I DECLARE that in the execution of the trusts of this my will my trustee may at his discretion exercise the following powers and authorities or any of the same namely

- (a) TO SELL all or any part of my real and personal property forming part of my residuary estate either by public auction or private contract or in such manner and subject to such terms and conditions as my trustee shall in his absolute discretion think fit with power to allow the whole or any part of the purchase money to remain on mortgage of the property sold.

Certified true copy of Probate
copy of will as submitted to court

- (b) TO POSTPONE the sale calling in and conversion of my real and personal estate or any part thereof for so long as he thinks fit notwithstanding that it may be of a wasting speculative or reversionary nature AND I DIRECT that pending such sale calling in and conversion the whole of the net income of property actually producing income shall be applied as from my death as income and on the other hand on such sale calling in and conversion or on the falling in of any reversionary property no part of the proceeds of such sale calling in conversion or falling in shall be paid or applied as past income.
- (c) TO LET any hereditaments for the time being remaining unsold either from year to year or for any term of years or otherwise at such rent and subject to such covenants and conditions as he thinks fit also to accept surrenders of leases and tenancies and generally to manage the same as he thinks fit.
- (d) TO APPROPRIATE AND PARTITION any real and personal property forming part of my estate in and towards the share of any person or persons in the trusts hereinbefore contained and to charge any share with such sums by way of equality of partition as my trustee may think fit and for such purpose to fix the value of any real or personal estate so appropriated as he thinks fit AND every such valuation appropriation and partition shall be final and binding on all persons beneficially interested under this my will.
- (e) TO EXERCISE the same powers of managing improving and developing all or any part of my property as if he were the absolute owner thereof.
- (f) TO DETERMINE whether any moneys for the purposes of this my will are to be considered as income or capital and what expenses ought to be paid out of income and capital respectively and also to apportion blended funds

Certified true copy of the
copy of will as read in court

AND every such determination or apportionment shall be final and binding on all persons beneficially interested under this my will.

AS WITNESS my hand this 25th day of January One thousand nine hundred and thirty-eight (1938).

A.P. Whatman.

SIGNED by the said ARTHUR POWYS WHATMAN as and for his last will and testament in the presence of us both present at the same time who in his presence at his request and in the presence of each other have hereunto subscribed our names as witnesses:

L.T. Wylie, Solicitor, Masterton.

D.A. Hunn, Civil Servant, Masterton.

THIS IS A TRUE COPY OF THE WILL OF
a. p. Whatman AS ADMITTED TO
PROBATE.

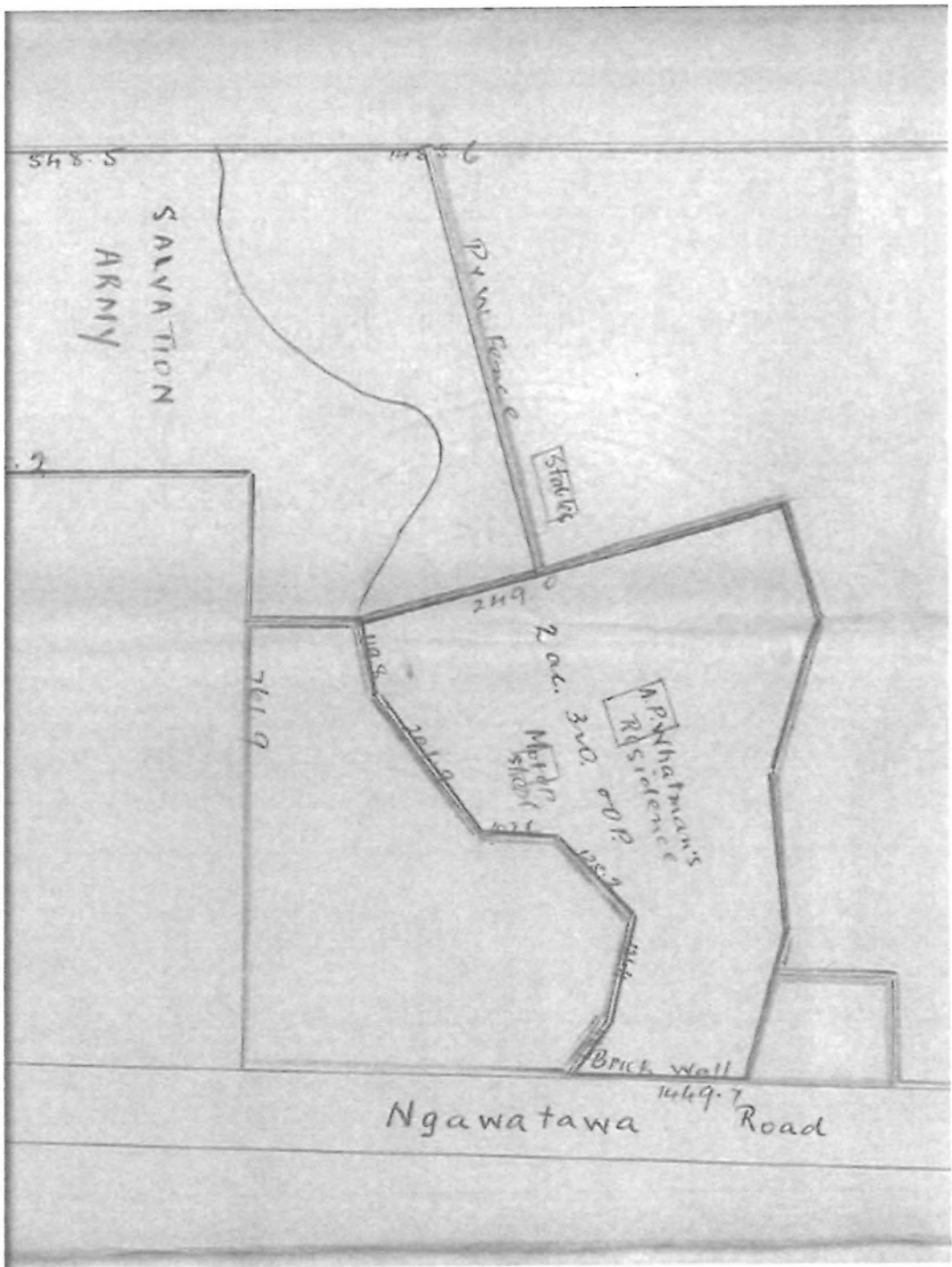
DATED THIS 5th DAY OF Aug 1938

Edwards
SOLICITOR

Certified true copy of Probate
copy of will as accepted by court
for seal.

C. Hanson

KK



"C"

EXHIBIT NOTE

This is the exhibit marked "C" referred to in the annexed affidavit of Kym Albert Fell affirmed at ~~Masterton~~ Wellington on 12 April 2024 before me.

Signature: 

A Solicitor of the High Court of New Zealand
(Solicitor to sign in part on exhibit)

Caleb Ta'ase Turnbull
Solicitor
Wellington


C.T

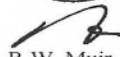
"C"



**COMPUTER FREEHOLD REGISTER
UNDER LAND TRANSFER ACT 1952**



Historical Search Copy


R. W. Muir
Registrar-General
of Land

Identifier WN482/63
Land Registration District Wellington
Date Issued 23 October 1940

Prior References
WN326/125

Estate Fee Simple
Area 1012 square metres more or less
Legal Description Lot 2 Deposited Plan 11565

Original Proprietors
The Masterton Borough Council

Interests

482/63

(Land and Deeds - 1)

NEW ZEALAND.

Form B.

Reference: Vol. 326, Folio 125.
Transfer No.
Application No.
Order for N/C No. 12833.



REGISTER

Register-book
Vol. 482, folio 63.

CERTIFICATE OF TITLE UNDER LAND TRANSFER ACT.

This Certificate, dated the twenty-third day of October, one thousand nine hundred and forty
under the hand and seal of the District Land Registrar of the Land Registration District of Wellington Witnesseth that
THE PUBLIC TRUSTEE

in and of an estate in fee-simple (subject to such reservations, restrictions, encumbrances, liens, and interests as are notified by memorial under written or endorsed hereon; subject also to any existing right of the Crown to take and lay off roads under the provisions of any Act of the General Assembly of New Zealand) in the land hereinafter described, as the same is delineated by the plan hereon bordered green, be the several measurements a little more or less, that is to say: All that parcel of land containing ONE ROAD more or less situate in Block IV of the Wiffin Survey District being part of Section 32 of the Masterton Small Farm Settlement and being also lot 2 on Deponated Plan No. 11565.

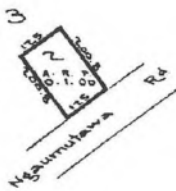
Kearney
District Land Registrar

Transfer 556528 to The Waikanae Hospital Board at Masterton - 30/4/1963 at 11.16 am.

Transfer 695275 to the Mayor, Councilors and Citizens of the Borough of Masterton - 20/12/1966 at 8.45 am.

THIS REPRODUCTION (ON A REDUCED SCALE) CERTIFIED TO BE A TRUE COPY OF THE ORIGINAL REGISTER FOR THE PURPOSES OF SECTION 215A LAND TRANSFER ACT 1952.

J. Shields A.S.R.



Scale: 2 Chains to an inch.

M.L. EQUIVALENT METRIC AREA IS 10.12 m²



"D"


EXHIBIT NOTE

This is the exhibit marked "D" referred to in the annexed affidavit of Kym Albert Fell affirmed at ~~Masterton~~ on 12 April 2024 before me. Wellington

Signature: 

A Solicitor of the High Court of New Zealand
(Solicitor to sign in part on exhibit)

Caleb Ta'ase Turnbull
Solicitor
Wellington


C.T

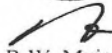
"D"



**COMPUTER FREEHOLD REGISTER
UNDER LAND TRANSFER ACT 1952**



Historical Search Copy


R. W. Muir
Registrar-General
of Land

Identifier **WN481/145**
Land Registration District **Wellington**
Date Issued 11 September 1940

Prior References
WN326/125

Estate Fee Simple
Area 6.2033 hectares more or less
Legal Description Lot 3 Deposited Plan 11565

Original Proprietors
The Masterton Borough Council

Interests

REGISTER

Form B.

NEW ZEALAND.



Reference: Vol. 226, Folio 125. Transfer No. 254680 Application No. Order for N/C No.

Register-book Vol. 481, Folio 145

CERTIFICATE OF TITLE UNDER LAND TRANSFER ACT.

This Certificate, dated the eleventh day of September one thousand nine hundred and forty under the hand and seal of the District Land Registrar of the Land Registration District of Wellington Witnesseth that THE WAIRARAPA HOSPITAL BOARD

is seized of an estate in fee-simple (subject to such reservations, restrictions, encumbrances, liens, and interests as are notified by memorial under written or endorsed hereon; subject also to any existing right of the Crown to take and lay off roads under the provisions of any Act of the General Assembly of New Zealand) in the land hereinafter described, as the same is delineated by the plan hereon bordered green to the several admeasurements a little more or less, that is to say: All that parcel of land containing FIFTY-SEVEN ACRES ONE ROOD TWELVE AND SIX TENTHS PERCHES more or less situated in Block IV of the Tiffin Survey District being part of Section 12 of the HASTINGS and part of the Reserve Small Farm 2112 and 2113 and being also let & deposited plan No. 11505.



Laurie Assistant District Land Registrar

Transfer 695273 to the Mayor, Councillors and Citizens of the Borough of Masterton 20/12/1966 at 11.45 am

THIS REPRODUCTION (ON A REDUCED SCALE) CERTIFICATE IS A TRUE COPY OF THE ORIGINAL REGISTER FOR THE PURPOSES OF SECTION 218B LAND TRANSFER ACT 1952. G.S. Schreder A.L.R.



Scale: 3 Chains to an inch. M.L.



"E"

EXHIBIT NOTE

This is the exhibit marked "E" referred to in the annexed affidavit of Kym Albert Fell affirmed at ~~Masterton~~ on 12 April 2024 before me. Wellington

Signature: [Handwritten Signature]

A Solicitor of the High Court of New Zealand
(Solicitor to sign in part on exhibit)

Calvin Te'ase Tumbull
Solicitor
Wellington

[Handwritten Mark]
C.T

"E"

IN THE SUPREME COURT OF NEW ZEALAND

WELLINGTON DISTRICT
WELLINGTON REGISTRY

IN THE MATTER of the Charitable Trusts Act, 1957

AND

IN THE MATTER of the Estate of Arthur Powys Whatman
late of Masterton, Retired Sheepfarmer,
deceased.

Hearing - 25th June, 1965

Counsel - Cooke Q.C., and Watson in support for Wairarapa Hospital Board;
Edgley for Presbyterian Social Services Association;
Blackwood for Masterton Borough Council;
Hardie-Boys for Friends of the Senior Citizens;
Rockel for Attorney-General; and
Beatson for Public Trustee

Judgment - 16th July, 1965

JUDGMENT OF THE HON MR JUSTICE TOMPKINS

This is a motion under s.53 of the Charitable Trusts Act, 1957, (hereinafter called "the Act") by the Wairarapa Hospital Board (hereinafter called "the Board") asking for an order approving of a scheme filed under part III of the Act. The motion is opposed by the Masterton Borough Council (hereinafter called "the Council") and by a society called The Friends of Senior Citizens Incorporated (hereinafter called "the Society").

The above-named Arthur Powys Whatman (hereinafter called "the deceased") died on 29th June, 1938, leaving a will dated 25th January, 1938, in which he bequeathed the major part of his substantial estate to various charities, including £8,000 to the Masterton Returned Soldiers' Club, £5,000 to the Blind Institute, certain lands to the Salvation Army as a further provision for a children's home which had already been established as a result of a gift of adjoining land made during his lifetime. Finally he made the bequest to the Wairarapa Hospital Board which is the subject of this application.

In this bequest, the deceased provided in paragraphs 10, 11 and 12 of his will as follow -

"10 WHEREAS I am the owner of all that piece or parcel of land hereinafter referred to as 'my trust realty' adjoining th last-mentioned areas and being the balance of the land in the said Certificate of Title Volume 326 Folio 125 Wellington Registry AND WHEREAS my trust realty comprises firstly two (2) acres three (3) roods more or less (hereinafter referred to as "Panama") upon which is situated the dwellinghouse wherein I reside at the date thereof and which is shown bordered in red on the plan drawn hereon and secondly these pieces of land shown bordered in blue on the said plan (hereinafter referred to as (my non-residential trust realty') AND WHEREAS I am desirous of making provision for charitable purposes as hereinafter declared NOW I GIVE DEVISE AND BEQUEATH my trust realty and also all plate linen china glass books pictures prints furniture and other household effects in or about my said dwellinghouse at my death and not hereinbefore otherwise disposed of (such chattels and household effects being hereinafter referred to as 'My household effects') unto the WAIRARAPA HOSPITAL BOARD (hereinafter referred to as 'the said Board') SUBJECT HOWEVER to the provisions of paragraph 11 hereof upon the following trusts, namely:-

- (a) UPON TRUST to use 'Panama' and my household effects as a convalescent or rest home and for such purpose to allow persons who are selected nominated or approved by the said Board and (i) who are sick aged or needy or (ii) who are convalescent or recovering from sickness or ill-health personally to reside in 'Panama' and to have the use of my household effects SUBJECT HOWEVER to the restrictions and provisions hereinafter appearing in paragraph 11 hereof but otherwise the said Board shall decide the conditions upon which the said convalescent or rest home is to be carried on.
- (b) UPON TRUST at any time or times if there shall at any time be funds available from any source (including the income arising from my residuary estate) then to erect upon my non-residential trust realty a further charitable institution or institutions under the control of the said Board and to use such institution or institutions or any building erection or institution previously erected thereon for the like charitable purposes hereinbefore declared.

11. I DIRECT that no part of my trust realty shall at any time be sold let or leased and that as regards 'Panama' the entrance hall and the two front rooms of the dwellinghouse (which are at the date hereof being personally used by me as a dining room and smoking room) shall not be altered in any way and that the arrangement thereof shall remain as far as possible with all furniture ornaments and fittings the same as they were at the date of my death it being my desire that such rooms shall be used as a dining room or reading or rest rooms for the inmates and no other pictures or inscriptions shall be hung from the walls or otherwise be displayed in the said hall or rooms PROVIDED FURTHER AND I DECLARE that it is my wish and desire that no dogs or other animals shall at any time be allowed in or upon 'Panama' that the arrangement of the grounds and gardens thereof shall be kept as nearly as possible the same as at the date of my death the lawns shall not be extended to provide more flower beds and that no creepers or growing plants that cling to buildings shall be planted alongside the said dwellinghouse upon 'Panama' and that the said dwellinghouse or outbuildings used therewith shall not be extended and the interior and exterior of the said dwellinghouse and outbuildings thereon shall be kept in repair AND THAT the said EDMUND HEARN BUCKERIDGE so long as he is capable and able shall be allowed to act as gardener and caretaker of the grounds subject to his receiving from the said Board reasonable wages or remuneration for his services as such and that should the said Edmund Hearn Buckeridge and his said wife VIOLET MAY BUCKERIDGE or either of them be in my employ at the date of my death and not under notice to quit my employ until the completion of the dwellinghouse hereinafter referred to in paragraph 9 the said EDMUND HEARN BUCKERIDGE and his wife the said VIOLET MAY BUCKERIDGE shall be allowed personally to reside in the dwellinghouse erected on 'Panama' and at the date of this my will occupied by me AND I FURTHER DIRECT that none of my household effects shall be sold but any not required by the said Board for the purposes of the said convalescent or rest home shall be given away to such persons as may be selected by the said Board and that if the said Edmund Hearn Buckeridge or Violet May Buckeridge shall desire any of such effects not required by the said Board they shall be allowed to have same.

12. I GIVE DEVISE AND BEQUEATH the whole of my estate both real and personal of whatsoever nature and kind and wheresoever situate not hereinbefore otherwise disposed of unto my trustee UPON TRUST to pay thereout my just debts funeral and testamentary expenses and all estate and succession duty payable in respect of my dutiable estate and all survey and legal charges necessary to give effect to the devises of land hereinbefore mentioned and to stand possessed of the residue (referred to in this my will as 'my residuary estate') UPON TRUST subject to the provisions of paragraph 9 hereof to pay the income arising from my residuary estate from time to time to the said Board to be applied by the said Board for payment of all proper costs charges salaries wages expenses and other outgoings of whatsoever kind or and incidental to the upkeep administration and management of 'Panama' and of any institution erected upon my non-residential trust realty and of keeping 'Panama' and any such institution erected as aforesaid in good order repair and condition."

The Board accepted the bequest but because of difficulty in carrying out the exact directions of the testator in regard to the use of the trust property known as "Panama" and because later on the buildings were damaged by an earthquake, a home for old people was not established on the property until May, 1958. Up to that time, the Board used Panama as a residence for its secretary. However, in 1957 the Board had called for applications from religious or welfare organisations to take over Panama and use it in accordance with the wishes of the deceased. Finally, however, the Board decided itself to carry out the testator's directions and established Panama as an old people's home on 5th May, 1958. It has been run by the Board as such since that time and there are at present eight elderly women accommodated in the home. But the home has been run at a substantial loss, as follows -

1958/59	loss	£2,397
1959/60	"	2,881
1960/61	"	3,095
1961/62	"	1,788
1962/63	"	1,293

In February, 1962, the Board decided again to invite applications from religious, welfare, and other organisations to take over Panama and received three applications, one of which was from the Wellington Presbyterian Social Services Association Incorporated (hereinafter called "the Association"). This Society is incorporated under the Charitable Trusts Act, 1957, and maintains a home for elderly people at Masterton known as Kandahar. The Association's proposal was ultimately approved by the Board and resulted in the present application. The scheme (which I shall hereinafter call "the Board's scheme") may be summarised as follows -

- (i) the land bequeathed to the Board under para 10 of the will of the deceased totalling 15 acres, 2 roods, 12.6 perches shall be transferred to the Association upon trust to sell same on terms approved by the Minister of Health;
- (ii) the transfer is not to be effected until the Board is satisfied -
 - (a) that Kandahar has been extended by the addition of a new wing or new buildings containing not less than 14 beds (8 or which are in replacement of the accommodation at Panama) and an appropriate part of the new wing or new building is called Panama or Whatman; and
 - (b) that such of the 8 persons at present resident at Panama as wish to reside at Kandahar have been provided with suitable accommodation in that home; and
 - (c) that the said new wing or new buildings are held upon trust for the purpose of providing a convalescent or rest home or permanent home for aged and needy people, irrespective of race, colour or creed, residents being free to attend services at any church or other religious service, or to decline to attend such services.

- (iii) The Association shall hold the proceeds of the sale of Panama upon trust to pay to the Government of New Zealand as much thereof as is equal to eight fourteenths of the cost of so extending Kandahar and shall hold the balance of such proceeds of sale (if any) upon trust to apply the same for the general purposes of Kandahar as the Association shall think fit;
- (iv) all income to be derived from the residuary estate of the deceased from and after such transfer shall be paid by the Public Trustee to the Association and shall be applied by the Association for the general purposes of Kandahar.

The Government capital valuation of Panama as at 1st April, 1962, is £12,625. The residuary estate of the settler now amounts to approximately £16,600 and the annual income payable to the trust from such residue is approximately £770. The reason for the provision in the scheme that eight fourteenths of the cost of extending Kandahar shall be paid to the Government out of the proceeds of sale of Panama is that the Government has approved of the granting of a subsidy to the Association to enable it to provide extensions sufficient to provide 14 beds for elderly people. The proceeds of sale of Panama are to be used to repay this subsidy to the Government to the extent of eight fourteenths of the cost. This is because eight of the new beds will replace the accommodation for 8 now provided at Panama.

The above scheme was laid before the Attorney-General who has filed a report pursuant to s.35 of the Act. His report states little more than that the scheme complies with the restrictions set out in s.56 of the Act. The scheme was advertised pursuant to s.36 of the Act and as a result, notices of opposition were filed by the Council and by the Society. The application originally came before the Court on 12th February last when I adjourned it so that the objectors' alternative proposals for the disposition of this trust should be put into proper form as a scheme. The Council then prepared a scheme intended to be put forward by the Board (which scheme I shall hereafter call "the Council scheme") and which may be summarised as follows -

- (i) the Board shall transfer the trust property to the Council;
- (ii) The Council shall, from the date of transfer, hold the trust property upon trust for the benefit of the aged or needy subject to the restrictions and provisions set out in the scheme;
- (iii) the Council shall, within a period of two years after the date of transfer, complete the erection upon a suitable portion of the trust property of ten housing or villa units suitable for the accommodation of aged or needy persons and shall thereafter administer such units in accordance with the Government's Pensioner Housing Policy;
- (iv) thereafter the Council shall use such further portions of the trust realty as shall from time to time prove necessary for the erection thereon of further houses or villas suitable for the accommodation of aged or needy persons;
- (v) the Board shall maintain and care for the present inmates of Panama until the ten units referred to above are ready for occupation;
- (vi) the Council shall then offer to each of the inmates of Panama the right to occupy one of the abovementioned ten units;

- (vii) If any of the inmates of Panama have not then been suitably accommodated elsewhere, the Society shall lease the Panama buildings at a nominal rental and provide such staff and other services as is necessary to maintain and care for the persons then resident in Panama, such lease to continue until the Society is able to give vacant possession of the Panama buildings to the Council;
- (viii) upon obtaining vacant possession of the Panama buildings, the Council shall convert the dwellinghouse at Panama into a recreational centre for the use and enjoyment of the occupants of houses or villas erected upon the trust property, and may use portion of the trust property for provision of recreational amenities for the occupants of such houses or villas and may use the balance of the trust land for recreational amenities for the Borough of Masterton until such land is required for the purposes of the trust;
- (ix) the Council shall have no power to sell or exchange the trust property without the prior consent of the Court; and
- (x) the income derived from the residuary estate of the deceased shall be paid to the Council and applied by it for the purposes of the trust.

A sub-committee of the Council placed this scheme before a sub-committee of the Board which latter sub-committee recommended it for approval by the Board. The Board, however, refused to approve it and passed the following resolution -

"That the Board reaffirm its support of the application of the Presbyterian Social Social Services Association for taking over the Whatman Panama Trust as it considers that the real purpose of the trust of providing accommodation for the sick, aged, and needy would be best preserved by the scheme submitted by the Association."

Accordingly, at the adjourned hearing of the motion, on 25th June, 1965, the Board and the Association renewed the application for approval of the Board's scheme.

Mr Cooke, for the Board, contended that s.34 of the Act refers to one scheme only and that the Board as trustees had properly carried out their duty under that section in applying for Court consent to the scheme, which it considered the best scheme. He submitted that the Board had no power to submit alternative schemes and ask for the Court's approval of one of them. Consequently, he submitted that the Court under s.53 of the Act, might only approve or reject the Board's scheme and had no power to approve any scheme not put forward by the Board as trustee. I would think, however, but without deciding the point, that if a trustee felt that there was reasonable doubt as to which of two or more schemes was preferable for the disposition of the trust property, he would not be exceeding his powers under s.38 by preparing alternative schemes, asking the Attorney-General to report upon each and applying to the Court for approval of one of them. Indeed, a trustee might well think it was his duty in the best interests of the trust to do so. However, this was not done in this case, and I agree that the power of the Court on this application is limited to approval, amendment, or rejection of the Board's scheme. But in deciding this, the Court must necessarily consider the alternative scheme put forward by the Council and the Society pursuant to their notices of opposition.

Ss.36 and 37 provide for advertisement of the scheme and for notices of opposition to be filed. The act is silent as to the grounds upon which a scheme may be opposed. No doubt it could be opposed upon the basis that the grounds set out in s.32 have not been established or that the restrictions on approval of schemes set out in s.56 preclude its approval. But the cases show that the usual ground of opposition is that the funds or property of the charitable trust should be disposed of in some other way. It seems to me that the Act might well be amended, so as to authorise those opposing approval to apply for approval of an alternative scheme, so that the Court could consider both schemes at the same time and avoid the possibility of the expense and delay of successive applications. However, the Act clearly contemplates that successive applications may be necessary because s.54 provides inter alia that notice of the refusal of the Court to approve any scheme shall be published in the Gazette with a statement of the reason for the refusal, while s.56 (2) provides that any refusal of the Court to approve any scheme shall not prevent fresh steps being taken to obtain the approval to any other scheme in respect of the same property, income, or money.

The first requisite to consideration of a scheme is to find whether any of the grounds set out in s.32 of the Act are established. The deceased bequeathed Panama to the Board upon trust to use it as a convalescent or rest home for the "sick, aged, or needy", or for persons "convalescent or recovering from sickness or ill-health", personally to reside in. He directed further that if there be funds available from any source that the lands should be used for erecting thereon further charitable institutions to be used for the like purposes. He directed that the Panama land should not be sold or leased. He directed, further, that the dwellinghouse be not extended.

I think the affidavits show that it is both impracticable and inexpedient to carry out the trusts in the manner set out in the will of the deceased. The experience of the Board has also shown that the amount of income available is inadequate to carry out those trusts in that way. This is so because the annual losses incurred in doing so have ranged during the six years for which accounts are available from £3,095 to £1,293. The dwellinghouse without extension will house only 8 inmates which is not a sufficient number to make it possible, even with the income from the residue, to meet expenses.

I think, therefore, that the grounds enabling the Court to consider a scheme have been established and, indeed, this was not questioned by any of the parties represented. But the evidence, in my opinion, goes no further than to show that it is impracticable or inexpedient to use the Panama dwellinghouse for the "sick, aged or needy" personally to reside in. It does not show that it is impracticable or inexpedient to use the Panama property for some of the charitable purposes set out in the will. The Council scheme, in my view, shows that it can be so used. The terms of the will are that the whole of the land is to be available for the purposes set out. These purposes are alternative. The will says "sick, aged, or needy, or who are convalescent or recovering from sickness or ill-health". Accordingly, the use of the land to allow persons, who fall within any of those classes, to reside there, though not in the Panama dwellinghouse, complies partly with the terms of the trust. The land can be used for the personal residence of aged or needy persons in pensioners flats or villas with the dwellinghouse set apart for their recreation. Thus, although it is impracticable or inexpedient to carry out the whole of the directions as to the charitable use of

/impracticable nor inexpedient to use it to carry out the charitable intention of the deceased to benefit the aged, and needy, though in a different way from that directed by him.

The next question is to consider the principles upon which the Court should act in approving or rejecting a scheme under Part III of the Act in respect of a charitable trust such as this. In re the Door of Hope 26 N.Z.L.R. 96 Edwards, J., was considering an application for approval of a scheme to give the funds of an unincorporated association called "The Auckland Women's Home", which had been closed, to an incorporated society called "The Door of Hope". The application was opposed by the St Mary's Women's Home and by the Salvation Army, both of whom were claimants to the fund.

After considering the claims of the two bodies opposing the scheme, he rejected them and approved the scheme mainly on the ground that The Door of Hope was undenominational. At page 100 he said -

"The sole matter which I have to consider is the application of the fund in such manner as will most nearly approximate to the objects of the defunct Auckland Women's Home."

In Public Trustee v Attorney-General and ors, 1923, N.Z.L.R. 433, the Court was considering a scheme to deal with the funds of the defunct "Wellington Christian Society's Home for Fallen Women". The scheme proposed that half of the fund should go to the Wellington Ladies' Christian Association for its Alexandra Home for Women and that the other half should go to the Salvation Army for its Paulina Rescue Home. The scheme was under s.15 of the Religious Charitable and Educational Trusts Act, 1908, which, so far as any matters relevant to the present application is concerned is in substantially similar terms to those of s.32 of the Charitable Trusts Act, 1957 Hosking, J., said at 442 -

"Having regard to the terms of s.15, I do not think the approval of the scheme is hampered by any such limitation as is involved in the doctrine of cy-près which the Court in the exercise of its general jurisdiction applies when turning the property over to a new charitable purpose. I find no such limitation expressed in the Act. All that appears to me to be required under s.15 is that the new purpose to which the property is applied is a charitable purpose within the meaning of Part III of the Act, without regard to its resemblance to the old purpose. No doubt the approximation of the new purpose to the old would not go unconsidered as an element in the matter of deciding upon the new purpose, but the Act does not appear to me to compel such an approximation as the guiding principle."

He considered the rival claims of the two bodies concerned and concluded that preference should be given to the Alexandra Home, one of the grounds for his preference being that the social work and purposes of the Alexandra Home were more analogous to those of the defunct home.

The passage of Hosking, J., quoted above was approved by Reed J. in In re Palmer, 1939 N.Z.L.R. 189 at 193.

It seems to me that in deciding whether to approve a scheme under s.32 the Court, having found that it is impossible or impracticable or inexpedient to carry out the terms of the trust as directed by the settlor or that one of the grounds set out in s.32 are established, owes a duty to the settlor of the trust property to dispose of it as nearly as possible in accordance with the intentions of the settlor in establishing the trust. It owes a duty also to those proposed to be benefited by the trust and to the public generally to dispose of the fund or property as nearly as possible in accordance with the charitable purposes of the trust and in such a way as will best serve the interests of those intended to be

benefited. It is not, however, bound by the cy-pres doctrine as a guiding principle and may, if the original charitable purpose cannot be carried out, approve a scheme without regard to its resemblance to the old purpose.

It must, of course, see that the scheme complies with s.56, i.e., that it is a proper one, and should carry out the desired purpose or proposal, and is not contrary to law or public policy or good morals; that it can be approved under Part III; that its purpose is charitable and can be carried out, and that the requirements of the Act have been carried out. It is not suggested here that any of the restrictions in s.56 prevent approval in this case.

I now proceed to consider the Board's scheme. This involves the sale of the whole of the trust land and the transfer of the proceeds of sale and of the perpetual annual income from the residue of the Whatman estate to the Association for the enlargement and maintenance of its Kandahar home at Masterton. It provides for the use of the proceeds of the sale of Panama to repay a part of a Government subsidy granted to enable extension of the Kandahar buildings. The Kandahar home for aged people provides at present accommodation for 30 residents in the old people's home and flats for a further 5 old people. I may say that all parties pay tribute to the excellent work done by the Presbyterian Social Services Association at the Kandahar home.

The director of that Association says that aged people requiring accommodation are grouped into three classes -

- (a) those capable of looking after themselves in all respects who merely need suitable housing and whose housing needs are met by the provision of pensioner flats;
- (b) those who need a measure of care and attention but who are ambulant and are usually in full possession of their mental faculties and whose needs are met by the provision of a residential home for old people in which each old person has a separate bedroom but the dining-room, lounge, and other facilities are shared in common; and
- (c) those who need considerable care and attention involving nursing care. People in this group are frequently bedridden and old people's hospitals are necessary to meet their needs.

Kandahar caters mainly for those in group (b). The adoption of the scheme would enable the Association, with the help of a Government subsidy, to increase the accommodation in Kandahar by 14 beds. The Board submits that as the deceased directed that Panama be used inter alia to provide a home for the aged, the purpose of the trust would be best carried out by realising the trust property and giving the proceeds to an institution which provides that type of residential accommodation for them. But the scheme involves the virtual winding up of the Whatman trust. It is true that the residue of the estate will not be directly affected, but the annual income from it would no longer be applied to the Whatman trust and would be applied to the general purposes of Kandahar. It means selling Panama, contrary to the express direction of the deceased; a sale which may well have been thought necessary when the Board's scheme was the only available scheme, but is not necessary now it has been shown that Panama can be used for one of the charitable purposes set out in the will.

The Council scheme, on the other hand, preserves the property given by the deceased for charitable purposes and does not involve the virtual liquidation of the trust as does the Board's scheme. It uses the land for the provision of houses or villas for old people and accordingly carries out part of the wishes of the deceased in using the Panama land as a place of residence for the aged and needy, though not for the sick or convalescent or in the exact way directed by the deceased in his will.

The terms of the proposed trust under which the Council would hold the land ensure that it would always be used as a place of residence for old people except that land not required for those old people or their community purposes and recreation could be used for general recreational purposes.

It would use the dwelling house of the deceased at Panama as a community centre for the old people housed on the Panama land. While any of the present inmates are resident therein, the Council or the Society would provide staff to look after them. It provides reasonable transitional provisions for dealing with the eight residents in Panama at present. It would provide help in the future for a far greater number of aged and needy persons than the proceeds of Panama will provide if applied purely to extend the Kandahar home by eight beds. The Government subsidy for the first ten pensioners' villas has been promised to the Council. The Council is prepared to administer the trust and proposes to establish on it an old people's village and from time to time to build more flats for old people. It is to be noted that the deceased specially provided in his will for the erection of further charitable institutions on the balance of the land.

I have to decide, therefore, whether the Board scheme disposes of the trust property as nearly as possible in accordance with the intentions of the deceased in establishing the trust; and also whether the scheme disposes of that property as nearly as possible in accordance with the charitable purposes of the trust and in such a way as will best serve the interests of those intended to be benefited. The affidavits disclose, and the Chairman of the Board in his evidence confirmed, that there was considerable public concern in Masterton at the proposal to sell the land in the Whatman charitable bequest. The Society considered the matter of sufficient importance to engage Counsel to oppose the Board's scheme. The Council considered the matter of sufficient importance itself to prepare an alternative scheme whereby it would administer the land for the benefit of the aged and needy. The deceased gave Panama expressly as a place of residence or home for the sick, aged, needy, or convalescent and specially directed that it should not be sold. I think the submission of the Council and the Society that the use of Panama for the charitable purposes he indicated was the basis and foundation of his charitable bequest has much to commend it. He had already donated adjoining land to the Salvation Army for a children's home. He desired the 14 acres on which his home was situated to be used permanently for the purposes of helping the sick, aged, needy, or convalescent. I cannot help but think that the permanent use of the Panama property for the charitable purposes he indicated was the main purpose of the bequest of that land and of the gift of the income on the whole of the residue of his estate to further its use for those purposes.

There was some evidence on behalf of the Board that Panama was unsuitable for an old people's home because it was some $1\frac{1}{2}$ miles from the centre of Masterton, about $\frac{1}{4}$ mile from the nearest bus service, and in a block adjoining a block zoned for industrial purposes. However, other evidence showed that Panama is situated in an area of land recently brought into the Borough and rapidly becoming thickly populated as a residential suburb of Masterton; that a segregation strip is planned between the industrial area and the residential block; that full suburban amenities such as shopping centre, extension of bus service, etc. are planned. I do not think it has been shown that the Panama property is unsuitable for housing aged people.

It was further objected that the Council scheme necessitated the Society taking responsibility for looking after any of the present eight inmates of Panama who were unable or unwilling to accept a tenancy of one of the ten pensioners' flat to be built there. But the affidavits filed by the President of the Society showed that it commands wide public support, has an enthusiastic and energetic membership and is able to undertake this duty and to employ the necessary matron and caretaker to enable it to do so. I have no doubt there would be difficulties to be overcome in the transition stage but I do not see that these would be insuperable.

It was further objected that the Council scheme was purely a housing scheme and that the Council was "land-grabbing" in order to assist it to carry out its duty to provide pensioners' flats. I do not think this objection^{ion} is well founded. The housing of aged people has been held to be a charitable object, whether those housed are needy or not, see Glynns Trusts 1950 2 A.E.R. 1150. In recent years it has been recognised increasingly that the longer old people can be kept independent in their own homes the better for them, and with this in view, special services such as visiting district nurses, meals on wheels, and pensioners' flats for those not able to provide their own housing, have been provided. The result is that more old people are able to live independently in pensioners' flats and the like and the latter are, in general, in short supply. Here, the scheme is to use the land for the erection of villas or flats for pensioners. I think it is a fair inference that the villas would be used mostly by old people who are in need of housing which they have not the means to supply for themselves. Furthermore, this scheme is more than a mere housing scheme because the Panama buildings will be used as a community and recreation centre in addition to providing two sick rooms for use when necessary by the occupants of villas. As to the objection that the Council would be obtaining free land for pensioners' flat which it would otherwise have to buy, such an objection might be raised to nearly every bequest or gift for charitable objects to a local body. The acquisition of the land as a gift by the Council means that the council is thereby enabled to carry out its duty to house the aged sooner and on a larger scale than might be possible if the Council had to rely entirely on rates. I do not think this objection is a valid objection to the use of Panama as suggested.

Taking the whole of the evidence put before me in the very full affidavit, I have come to the conclusion that a scheme which involves the retention of the Panama property in accordance with the wishes of the settlor and the implementation on it of one of the charitable purposes of the deceased is preferable to a scheme which involves a realisation of the trust property and the virtual winding up of the trust. I think those opposing the scheme have shown that such a scheme is practicable and expedient and that the land can be used for pensioners' villas and thereby for the benefit of the aged and needy of the Masterton district. Such a scheme is closely analogous to the charitable purposes of the trusts for which the property and income were given by the deceased.

This is not a case of disposing of the funds of a defunct charity to some other similar organisation. It is rather a case of deciding whether land given specially to be used for the benefit inter alia, of the aged and needy should be so used though not in the exact way envisaged by the deceased, or whether the Whatman trust should sink its identity in one of the many homes established by the Association.

I think that the retention of Panama and its use for the benefit of the aged and needy as suggested in the Council scheme more closely approximates the trusts set up by the settlor than the scheme propounded by the Board involving the sale of Panama and the transfer of all the trust assets to the Presbyterian Social Services Association. I think it is the duty of the Court to preserve as far as possible the trust set up by the deceased. I think that retaining Panama is to the greater ultimate benefit of the persons the deceased intended to benefit. While I have no doubt whatever that the Presbyterian Social Services Association would make excellent use of the trust fund at Kandahar, I think it is my duty to refuse approval to the scheme and it is refused accordingly.

The reasons for my refusal may be summarised as follows -

- (a) the proposed scheme involves the selling of the Panama property contrary to the wishes of the deceased;
- (b) I am satisfied that it is reasonably practicable to retain Panama and to use it for the benefit of the aged and needy; and
- (c) the retention of Panama and its use for the abovementioned charitable purposes is more in accord with the intention of the deceased than the proposed scheme.

I am aware, of course, that the question of the disposition of the trust is still a matter for the Board and I do not wish to fetter the Board in any way in dealing with the trust as it thinks best. It may, of course, take fresh steps to obtain approval under s.56(2) of any other scheme.

It is unfortunate, however, that the Act does not give me power to approve of any other scheme than that put forward by the Board and that it may be necessary to make a further application to the Court.

I think it is proper that in this case the costs of all parties should be paid out of the residuary trust fund held by the Public Trustee. I fix the costs as follows -

Wairarapa Hospital Board	£84. 0. 0	and disbursements
Wellington Presbyterian Social Services Assn.	52.10. 0	" "
Masterton Borough Council	52.10. 0	" "
Friends of Senior Citizens Incorporated	31.10. 0	" "
Attorney-General	31.10. 0	" "


I certify that the disbursements may include reasonable agency charges.

- Solicitors for Wairarapa Hospital Board: - Major, Gooding and Watson,
Box 114
Masterton.
- Solicitors for Presbyterian Social
Services Association - Young, Bennett, Virtue and
White,
Box 499
Wellington
- Solicitors for the Masterton Borough
Council - Burridge, Blackwood and Jaine
Box 38
Masterton
- . . .
- Solicitors for The Friends of the
Senior Citizens - Scott, Hardie Boys and Morrison,
Box 514
Wellington.
- Solicitor for the Attorney-General - E. Rockel, Esq.
C/- Crown Law Office,
Wellington.
- Solicitor for the Public Trustee - R.E.C. Beatson, Esq.
C/- Public Trust Office
Wellington.

"F"

EXHIBIT NOTE

This is the exhibit marked "F" referred to in the annexed affidavit of Kym Albert Fell affirmed at ~~Masterton~~ Wellington on 12 April 2024 before me.

Signature: 

A Solicitor of the High Court of New Zealand
(Solicitor to sign in part on exhibit)

Caleb Ta'ase Tumbui
Solicitor
Wellington



CT

"F"

IN THE SUPREME COURT OF NEW ZEALAND
WELLINGTON DISTRICT
MASTERTON REGISTRY.

IN THE MATTER of the Charitable
Trusts Act 1957

IN THE MATTER of the Estate of
ARTHUR POWYS WHAT-
MAN late of Master-
ton, Retired Sheep-
farmer, Deceased.

SCHEME UNDER PART III OF THE CHARITABLE
TRUSTS ACT, 1957.

WHEREAS the Wairarapa Hospital Board (hereinafter called "the Board") holds the property referred to in Clause 1 of this Scheme and hereinafter called "the trust property" upon trusts set out in paragraphs 10 and 11 of the Will of the abovenamed Arthur Powys Whatman deceased (hereinafter called "the testator"):

AND WHEREAS the Board also receives from time to time the income from the residuary estate of the testator to be applied by it pursuant to the provisions of paragraph 12 of the said Will:

AND WHEREAS the Board being satisfied that it is impossible or impracticable or inexpedient to continue to carry out the trusts upon which it is directed by the said Will to hold the trust property and to apply the said income and that the amount available from the testator's estate is inadequate for that purpose is desirous that the trust property and the said income shall be dealt with pursuant to Part III of the abovementioned Act in the manner hereinafter provided:

AND WHEREAS the Mayor Councillors and Citizens of the Borough of Masterton a body corporate under the Municipal Corporations Act 1954 (hereinafter called "the Council") has a duty to provide housing for elderly people in the Borough of Masterton and is desirous of using the trust property to assist the Council in fulfilling that duty:

AND WHEREAS the Council has applied to the Board to have the Trust property vested in the Council for the benefit of the aged or needy:

AND WHEREAS the Friends of Senior Citizens Incorporated (hereinafter called "the Society") a Society duly incorporated under the Incorporated Societies Act 1908 having its registered office in Masterton and having as one of its objects the care of the aged and needy has offered to assist the Council in carrying out the objects of this Scheme:

AND WHEREAS the Board having considered the Council's application has prepared this Scheme for the disposition of the trust property pursuant to Part III of the said Act:

NOW THEREFORE the said Scheme shall be as follows:-

1. THE Scheme is for the disposition of the trust property which property is now the trust realty as defined in clause 10 of the said Will and being more particularly described in the Schedule hereto (which realty includes "Panama" as defined in the said clause 10) and all buildings erections chattels household effects and things thereon now held in trust by the Board under clauses 10 and 11 of the said Will:
2. THE Scheme is also for the disposition of the income to be derived in the future from the residuary estate of the testator referred to in clause 12 of the said Will.
3. THE Board shall transfer the trust property, subject to any lease or tenancy, to the Council, and from and after such transfer the provisions of paragraphs 4 to 16 (inclusive) hereof shall take effect (the date of such transfer being hereinafter referred to as "the date of transfer").
4. THE Council shall from the date of transfer hold the trust property upon trust for the benefit of the aged or needy subject however to the restrictions and provisions appearing in paragraphs 5 to 16 (inclusive) hereof.
5. THE Council shall within a period of two years after the date of transfer complete the erection upon a suitable portion

of the trust realty of ten housing or villa units suitable for the accommodation of aged or needy persons and shall thereafter administer such units in accordance with the Government's Pensioner Housing Policy.

6. THEREAFTER the Council shall use such further portions of the trust realty as shall from time to time prove necessary for the erection thereon of further houses or villas suitable for the accommodation of aged or needy persons and shall allow such houses or villas to be occupied by the aged or needy at such rentals and upon and subject to such terms and conditions as the Council shall from time to time determine.

7. THE Board shall maintain and care for the present residents of Panama (and any further persons it admits to Panama in the meantime) from the date of transfer until the 10 units referred to in paragraph 5 hereof are completed and ready for occupation (which point of time is hereinafter referred to as "the date of settlement") and shall if it so desires be entitled to call for a lease from the Council at a rental of one shilling per annum for the period from the date of transfer to the date of settlement of the Panama buildings and such portions of the grounds and access as shall be necessary for the purposes of this paragraph.

8. ON the date of settlement the Council shall offer to each of the persons then resident in Panama the right to occupy one of the units referred to in paragraph 5 hereof at the rental fixed therefor in accordance with the Government's Pensioner Housing Policy.

9. ON the date of settlement if any of the persons then resident at Panama have not been suitably accommodated elsewhere the Council shall lease the Panama buildings to the Society upon the following terms and conditions:-

- (a) The lease shall commence on the date of settlement and shall continue until the Society is able to give vacant possession of the Panama buildings to the Council.

- (b) The rental shall be one shilling per annum.
- (c) The Council shall be responsible for the repair and maintenance of the buildings and for insuring the buildings to their full insurable value.
- (d) The Society shall maintain and care for the persons resident in Panama on the date of settlement until such persons are suitably accommodated elsewhere and shall provide such staff and other services as shall be necessary from time to time to accomplish that purpose.
- (e) After the date of settlement no further persons shall be admitted as residents of Panama.
- (f) The Society may charge the residents of Panama such weekly sum for their accommodation as the Council shall from time to time determine.

10. AS soon as is practicable after the expiry of the lease referred to in paragraph 9 hereof the Council shall convert the dwellinghouse of Panama into a recreational centre for the use and enjoyment of the occupants of the houses or villas erected upon the trust realty.

11. THE Council shall also use such further portion or portions of the trust property as shall from time to time prove necessary for the provision of such other recreational amenities as the Council shall from time to time consider to be desirable for the better enjoyment of the trust property by the occupants of the houses or villas erected upon the trust realty.

12. ANY portion or portions of the trust realty not for the time being required for the purposes of the trusts specified in paragraphs 5, 6, 10 and 11 hereof may be used by the Council as it thinks fit for the provision of recreational amenities for the Borough of Masterton until such portion or portions are required for the purposes of such trusts.

13. THE Council shall have in respect of the trust property all the powers conferred upon a trustee by the provisions of the

Trustee Act, 1956 with the exception that the Council shall have no power to sell or exchange the trust realty or any part thereof without the prior consent of this Honourable Court.

14. THE income to be derived from the trust property after the date of settlement and the proceeds of the sale of any part of the trust property shall be applied by the Council in or towards the maintenance upkeep repair improvement or development of the trust property or the repayment of any liabilities in respect of the trust property or any part thereof as the Council shall think fit.

15. THE settlement developed upon the trust realty in accordance with the provisions of paragraphs 5, 6, 10 and 11 hereof shall bear a suitable name incorporating the word "Whatman" or "Panama" as the Council shall determine.

16. ALL income to be derived from the residuary estate of the testator shall:-

(a) Until the date of settlement be paid by the Public Trustee to the Board.

(b) As from the date of settlement be paid by the Public Trustee to the Council and shall be applied by the Council in or towards the maintenance upkeep repair improvement or development of the trust property or the repayment of any liabilities in respect of the trust property or any part thereof as the Council shall think fit.

During the continuance of the lease referred to in paragraph 9 hereof the Council may pay such part or parts of such income as it shall from time to time think fit to the Society to be applied in or towards meeting the costs incurred by the Society in carrying out its obligations under the said lease.

17. ALL income to be derived from the trust property between the date of transfer and the date of settlement shall be paid to the Board.

18. THIS Scheme is in substitution for the trusts imposed by clauses 10, 11 and 12 of the said Will of the testator.

19. THE costs of the Attorney-General, the Board, the Council and the Society of and incidental to this Scheme shall be paid out of the said residuary estate.

SCHEDULE.

ALL THOSE pieces of land situate in Block IV of the Tiffin Survey District containing Fifteen acres two roods twelve perches and six tenths of a perch (15ac. 2r. 12.6p.) more or less being parts of Section 32 of the Masterton Small Farm Settlement being also Lots 2 and 3 on Deposited Plan No. 11565 and being all the land comprised and described in Certificate of Title Volume 482 Folio 63 and Volume 481 Folio 145 SUBJECT as to part of Lot 3 to an unregistered Memorandum of Lease dated the 11th May, 1959 from the Wairarapa Hospital Board to Jeremiah Bernard Savage of Masterton Farmer over approximately 12 acres 2 roods 15 perches thereof for a period of ten years from the first day of April, 1959.

DATED this 28th day of October 1965.

THE COMMON SEAL of THE WAIRARAPA HOSPITAL BOARD was hereto affixed pursuant to a resolution of the Board in the presence of:-



..... *John Hamilton* Chairman.
..... *J. Jameson* Member.

"G"

EXHIBIT NOTE

This is the exhibit marked "G" referred to in the annexed affidavit of Kym Albert Fell affirmed at Masterton on 12 April 2024 before me.

Signature: 

A Solicitor of the High Court of New Zealand
(Solicitor to sign in part on exhibit)
Caleb Ta'ase Turnbull
Solicitor
Wellington


C.T

"G"

IN THE SUPREME COURT OF NEW ZEALAND
WELLINGTON DISTRICT
MASTERTON REGISTRY

IN THE MATTER of the Charitable Trusts
Act, 1957

- AND -

IN THE MATTER of the Estate of ARTHUR
POWYS WHATMAN late of
Masterton, Retired Sheep-
farmer, Deceased

TUESDAY, THE 7th DAY OF JUNE, 1966.

BEFORE THE HONOURABLE MR. JUSTICE TOLPKINS

UPON READING the Notice of Motion of the Applicant the Wairarapa Hospital Board, dated the 7th day of April, 1966, the Scheme, the Affidavits of John Francis Pointon, William Van Praagh and Hyacinth Jordan Jenkins and the report of the Attorney-General filed herein AND UPON HEARING Mr. Watson of Counsel on behalf of the Applicant Mr. Leitch of Counsel for the Masterton Borough Council Mr. Hardie Boys of Counsel for The Friends of Senior Citizens Incorporated Mr. Rockel of Counsel for the Attorney-General and Mr. Beaton of Counsel for the Public Trustee THIS COURT HEREBY ORDERS that pursuant to Section 53 of the Charitable Trusts Act 1957 the said Scheme be and the same is hereby approved AND HEREBY FURTHER ORDERS that the costs of and incidental to this Application be paid out of the residuary estate of the abovenamed Arthur Powys Whatman, and that the costs of Counsel for the Applicant be fixed at 50 guineas, plus disbursements, that the costs of Counsel for the Masterton Borough Council be fixed at 30 guineas, plus disbursements, that the costs of Counsel for The Friends of Senior Citizens Incorporated be fixed at 30 guineas, plus disbursements, that the costs of Counsel for the Attorney-General be fixed at 30 guineas, plus disbursements, and that the costs of Counsel for the Public Trustee be fixed at 30 guineas, plus disbursements.

By the Court,



Elizabeth Zaid
REGISTRAR.

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m 5/66

IN THE SUPREME COURT OF NEW ZEALAND
WELLINGTON DISTRICT.
MASTERTON REGISTRY.

IN THE MATTER of the Charitable
Trusts Act, 1957

IN THE MATTER of the Estate of
ARTHUR POWYS
WHATMAN late of
Masterton, Re-
tired Sheepfarmer
Deceased.

S C H E M E

MAJOR, GOODING & WATSON,
Solicitors,
MASTERTON.

7. APR 1966

MASTERTON

"H"

EXHIBIT NOTE
This is the exhibit marked "H" referred to in the annexed affidavit of Kym Albert Fell affirmed at ~~Masterton~~ *Wellington* on *12 April 2024* before me.
Signature: *[Handwritten Signature]*
A Solicitor of the High Court of New Zealand
(Solicitor to sign in part on exhibit)

[Handwritten mark]
C-T

Caleb Ta'asa Tumbull
Solicitor
Wellington

IN THE SUPREME COURT OF NEW ZEALAND
WELLINGTON DISTRICT
WELLINGTON REGISTRY

"H"

IN THE MATTER of the Charitable Trusts
Act 1957

AND

IN THE MATTER of the Estate of ARTHUR
POWYS WHATHAN

Hearing - June 7, 1968
Judgment

Counsel - Rockel for Attorney-General
Watson for Wairarapa Hospital Board
Beatson for Public Trustee
Hardie Boys for Friends of Senior Citizens Inc.
Leitch for Masterton Borough Council


ORAL JUDGMENT OF TOMPKINS J.

I granted permission in this matter for counsel to refer to the affidavits in the previous application as well as to the affidavits filed in this. It is clear from a perusal of those affidavits that it is impracticable and inexpedient for the trusts of the will to be carried out as directed by the will. The Hospital Board has now propounded a fresh scheme based on the scheme put forward by the objectors in the last application and identical with that scheme. The scheme is one which will preserve the Panama property, in accordance with the wishes of the testator, to be used for the benefit of the aged and needy of the Masterton district. It will, in my opinion, be of lasting benefit to those aged and needy who need help of the kind given under the scheme. I think the Council and the Friends of Senior Citizens Inc. are to be commended for having put forward the scheme and for overcoming the difficulties of dealing with the present occupants of Panama and generally making the scheme practicable. The scheme is accordingly approved. I allow the Wairarapa Hospital Board 50 guineas costs and disbursements and each of the other parties to this application 31 guineas costs and disbursements to be paid in accordance with the last paragraph of the scheme.

"1"

EXHIBIT NOTE

This is the exhibit marked "1" referred to in the annexed affidavit of Kym Albert Fell affirmed at ~~Masterton~~ Wellington on 12 April 2024 before me.

Signature: 

A Solicitor of the High Court of New Zealand
(Solicitor to sign in part on exhibit)

Caleb Ta'ase Turnbull
Solicitor
Wellington


C-T

"I"

MASTERTON DISTRICT COUNCIL

EXTRAORDINARY COUNCIL MEETING AGENDA

WEDNESDAY 15 JUNE 2022

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 an extraordinary meeting of the Masterton District Council will be held at 1.30pm on Wednesday 15 June 2022 at Waiata House, 27 Lincoln Road, Masterton.

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

10 June 2022



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:

Whakamana Tangata	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.
Manaakitanga	Recognising and embracing the mana of others.
Rangatiratanga	Demonstrating effective leadership with integrity, humility, honesty and transparency.
Whanaungatanga	Building and sustaining effective and efficient relationships.
Kotahitanga	Working collectively.

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AGENDA

1. Karakia
2. Conflicts of Interest (Members to declare conflicts, if any)
3. Apologies
4. **Confirmation of Minutes of the Extraordinary Council Meeting held on 25 May 2022**
(068/22) Pages 101-102

FOR DECISION

5. **ADOPTION OF THE LONG-TERM PLAN 2021-31 AMENDMENT TO PROGRESS MORE HOUSING ON THE VACANT LAND AT AT PANAMA VILLAGE** (074/22) Pages 121-147

**MINUTES OF THE EXTRAORDINARY MEETING OF THE MASTERTON DISTRICT
COUNCIL HELD AT WAIATA HOUSE, 27 LINCOLN ROAD, MASTERTON ON WEDNESDAY
25 MAY 2022 AT 2.00PM**

PRESENT

Mayor Lyn Patterson (Chair), Councillors G Caffell, B Gare, D Holmes, B Johnson, G McClymont (by zoom), F Mailman, Nixon (by zoom from 2.32pm), C Peterson and S Ryan.

IN ATTENDANCE

Chief Executive, Manager Finance, Manager Community Facilities and Activities, Manager Strategy and Governance, Manager Communications and Engagement, Policy Manager, Senior Policy Advisor and Governance Advisor.

KARAKIA

Her Worship led the karakia.

CONFLICTS OF INTEREST

Councillor B Johnson declared a conflict of interest as a Director of the Trust House Board and left the table and did not take part in any discussion or voting on the Long Term Plan Amendment 2021-2031 Deliberations – Progressing More Housing at Panama Village agenda item.

APOLOGIES

Moved Councillor S Ryan

That the apologies received from Councillor Nelson and iwi representatives Ra Smith and Tiraumaera Te Tau for non-attendance, and from Councillor Nixon for lateness, be received.

Seconded Councillor F Mailman and CARRIED

LONG-TERM PLAN AMENDMENT 2021-31 DELIBERATIONS – PROGRESSING MORE HOUSING AT PANAMA VILLAGE (065/22)

The report providing a summary of submitter feedback on the LTP Amendment consultation, providing additional supporting information and seeking Council agreement to progress the preferred option to authorise Council to sell the vacant land at Panama Village on the condition it is used for public housing was presented by the Policy Manager and the Senior Policy Advisor.

(Councillor Nixon joined the meeting by zoom at 2.32pm)

Members discussed the motion and made the following points: the potential for current Panama residents to be concerned by the possibility of mixing with people who lived different lifestyles was acknowledged and Council would need to look at how that would work; that there was a huge need for more housing and community housing providers may have less enthusiasm to develop leased land; the preferred option gave Council a chance to put

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conditions on the future use to protect neighbouring house values and social wellbeing; and, any development needed to reflect the wider community with a mix of ages and incomes to allow people to benefit from living in a community that was diverse; and that Council having a say in the development could ensure any development was done in a way that avoided issues other developments might have faced in the past.

Moved by Councillor Ryan

That Council:

- i. **Receives the submissions on the *Progressing more housing at Panama Village* consultation document (see Attachment 1 to Report 065/22);**
- ii. **Agrees to progress the preferred option set out in the consultation document, to authorise the Council to sell the vacant land at Panama Village on the condition that it is used for public housing; and**
- iii. **Notes that Council will consider the formal adoption of the Long-Term Plan 2021-31 amendment on 8 June 2022.**

Seconded by Councillor F Mailman and CARRIED

The Mayor acknowledged the amount of work staff had done on what had been a long but necessary process.

The meeting closed at 2.42 pm

Confirmed at the Extraordinary
Meeting of the Council held 15 June
2022

.....

To:	Your Worship and Elected Members
From:	Matt Steele, Senior Policy Advisor Nerissa Aramakutu, Policy Manager
Endorsed By:	David Hopman, Chief Executive
Date:	15 June 2022
Subject:	Adoption of the Long-Term Plan 2021-31 amendment to progress more housing on the vacant land at Panama Village
DECISION	
Recommendation:	
That Council:	
<ul style="list-style-type: none"> a) notes that the Long-Term Plan 2021-31 amendment reflects the decisions made by Council at the deliberations meeting held on 25 May 2022; b) adopts the amendments to the Long-Term Plan 2021-31 included as Attachment 1 to Report 074/22, including the updated financial information; c) delegates authority to the Chief Executive to approve minor proofing corrections prior to publication of the amended Long-Term Plan 2021-31; and d) notes that the final amended Long-Term Plan 2021-31 will be published within one month of its adoption. 	

PURPOSE

The purpose of this report is to seek Council adoption of the amendments to the Long-Term Plan (LTP) 2021-31 as included as Attachment 1. The final amendment once adopted, updates and replaces the relevant pages in the LTP to reflect the Council's decisions in relation to utilising the currently vacant land at Panama Village for the provision of public housing.

CONTEXT

As part of the adoption of the LTP 2021-31, Council resolved to (refer Report 100/21):

- make the vacant land at Panama Village available for someone else to build more public housing; and
- work with the government (via Kāinga Ora)/community housing providers/iwi to ascertain the most appropriate arrangement for a provider/s to fund and build more public housing on the vacant land.

To progress the decision adopted as part of the LTP 2021-31, under section 97 of the Local Government Act 2002 (LGA) an amendment to the LTP was required.

Consultation on the proposed amendment was undertaken in accordance with the LGA, providing the community an opportunity to comment on the proposed changes.

Council considered feedback from the community and analysis undertaken by staff at the deliberations meeting held on 25 May 2022 and resolved to progress the preferred option set out in the consultation document, to authorise Council to sell the vacant land at Panama Village on the condition it is used for public housing (refer Report 065/22).

The 2021-31 LTP document has subsequently been amended to reflect the decision made by Council at the Deliberations meeting on 25 May 2022. The amended pages of the LTP (see Attachment 1) are now being presented to Council for adoption. The amended LTP 2021-31 has been reviewed by Audit New Zealand ahead of Council's adoption.

High Court approval process

Panama Village and the vacant land are subject to terms and conditions which currently restrict activity and development. Under the conditions of the bequest of the Panama land, and the associated Council Scheme for Panama Village, the land cannot be sold or leased. There are also restrictions on the usage of the property, down to the detail of where furniture can be placed in the Homestead. High Court approval is required to:

- enable either sale or lease of the vacant land;
- modernise restrictive aspects of the Council Scheme; and
- approve proposed use of any proceeds resulting from the sale or lease of the vacant land.

The amended LTP will be published within one month of adoption, and work will commence on the High Court application. It is expected that the High Court application will take approximately six months, so we will likely have a decision in the first quarter of 2023.

ANALYSIS AND ADVICE

Work on the amendment to the LTP commenced in September last year. A series of Council workshops were held to inform the development of the amendment, with discussions focused on agreeing the options for consultation, and outlining the High Court approval process.

LTP Amendment Consultation Process

Council adopted the LTP Amendment 2021-31 Consultation Document on 16 March 2022.

The formal consultation period launched on 21 March 2022 and closed on Monday 3 May 2022.

The Consultation Document was posted on our website with hard copies available via our Queen Street Customer Service Centre, the Library and provided directly to residents at the Council's senior housing complexes. Letters were also dropped to properties nearby to Panama Village, outlining the consultation and asking residents to submit in response.

During the consultation period two face to face events were held at the Library with the Mayor, Councillors, and staff in attendance. Council promoted consultation on progressing more housing at Panama Village via radio ads, newspaper ads, Facebook, email, and displays at the Masterton District Library and the Queen Street Customer Service Centre.

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In total 61 submissions were received. Four submitters also attended an online workshop with Council on 27 April 2022. The workshop was an opportunity to speak to submissions and ask questions of Council and staff.

Council considered the views and feedback of submitters and those who provided feedback at the face-to-face sessions, as well as staff advice when making their decisions at the Deliberations meeting held on 25 May 2022.

Preferred Option

Through the deliberations, Council agreed to the Long-Term Plan being amended to authorise the Council to sell the vacant land at Panama Village on the condition it is used for public housing.

Council will ensure the land is used for public housing by registering an encumbrance or covenant (conditions) on the record of title for the land, which would require that the land be used for public housing. This would bind all future owners of the land.

Proceeds from the sale, assumed to be close to market value, will be invested in the necessary infrastructure work needed to support (but outside) the development and the balance held for future investment in Council's existing housing stock.

Approach to the High Court application

Consistent with consultation feedback, and in line with previous Council decisions, offices will apply to the High Court for a broad permission to either sell or lease the vacant land at Panama Village, for use as public housing. This will enable Council to investigate leasing the land if no suitable sale arrangement can be struck.

2021-31 LTP Financial Considerations

The impact of the amendment on the Council's finances are detailed in Attachment 1.

Options Considered

The table below outlines the advantages and disadvantages of the options:

Option	Advantages	Disadvantages	
1	<p>Adopts the amendments to the Long-Term Plan 2021-31 included as Attachment 1, including the updated financial information.</p>	<ul style="list-style-type: none">Decision is consistent with resolution made at Deliberations meeting on 25 May 2022.Council adopts the LTP amendments that have been reviewed and signed off by Audit NZ.	<p>No disadvantages have been identified.</p>

Option	Advantages	Disadvantages
	<ul style="list-style-type: none"> Officers can begin to work with external legal support to progress the High Court application. 	
2	<p>Delays adoption or does not adopt the amendments to the Long-Term Plan 2021-31</p>	<p>No advantages have been identified.</p> <ul style="list-style-type: none"> Will halt work on progressing the decision taken by Council at the deliberations meeting on 25 May 2022. Will result in additional audit costs. If the amendments are not adopted, it is likely that further consultation (following the Special Consultative Procedure) will be required to progress more housing on the vacant land at Panama Village to give effect to the LTP.

CONCLUSION

The amended LTP 2021-31 reflects the decisions made by Council at the Deliberations meeting. Following adoption of the amendment, work will begin on the High Court application to allow for the sale or lease of the vacant land at Panama Village.

It is therefore recommended that Council adopt the amended LTP 2021-31. It is also recommended that the Chief Executive be delegated authority to make any minor amendments or corrections (that do not change the intent of the amendment) to the amended LTP document prior to publication.

SUPPORTING INFORMATION

Strategic, Policy and Legislative Implications

The Local Government Act 2002 (LGA) is the primary legislation governing the requirements for the Long-Term Plan amendment, the Consultation Document, and all the related Long-Term Plan supporting information. The LGA stipulates the process for undertaking a Long-Term Plan amendment and the details that must be included in the amendment and the Consultation Document.

Undertaking a Long-Term Plan amendment to progress more housing on the vacant land at Panama Village aligns with the key priorities adopted by Council as part of the Long-Term Plan 2021-31.

Under Section 53 of the Charitable Trusts Act 1957, Masterton District Council must apply to the High Court to make any amendments to the existing Council Scheme in place for both Panama Village and the vacant land.

Significance, Engagement and Consultation

The LGA requires Councils to consult using the Special Consultative Procedure (SCP). Consultation followed the Special Consultative Procedure, in line with Council's Significance and Engagement Policy.

Financial Considerations

The impact of the amendment on the Council's finances is detailed in Attachment 1.

Treaty Considerations/Implications for Māori

Council communicated with the four iwi entities inviting them to submit and meet with Council to discuss the Long-Term Plan amendment proposals.

Progressing more housing on the vacant land at Panama Village presents opportunities for who Council chooses to sell or lease the land to, including iwi.

Communications/Engagement Plan

A communications/engagement plan was developed to support consultation undertaken with the community. Final decisions on the amendment will be communicated to our community via the media and online.

Environmental/Climate Change Impact and Considerations

Any housing development can have both environmental and climate change impacts. Those involved in housing developments can reduce carbon emissions by choosing low carbon building materials, higher building standards and making more energy efficient choices. If a housing development proceeds on the vacant land at Panama Village, there will be opportunities to negotiate with a funder/s and builder/s to mitigate impacts by nature-based infrastructure and sustainable planning.

"J"

EXHIBIT NOTE

This is the exhibit marked "J" referred to in the annexed affidavit of Kym Albert Fell affirmed at ~~Masterton~~ *Wellington* on *12 April 2024* before me.

Signature: *[Handwritten Signature]*

A Solicitor of the High Court of New Zealand *Caleb Tase Turnbull*
(Solicitor to sign in part on exhibit) *Solicitor*
Wellington

[Handwritten mark]

C-T

"J"

DISCLAIMER

On 8 June 2022 Council adopted amendments to the 2021-31 Long-Term Plan that have been incorporated in this document.

The pages that were amended are: P12, P27, P69, P73, P112, P118, P131, P132, P133, P134, P135, P136, P139, P140, P142, P148, P152, P166, P173, P245 and P246.

More Housing for Seniors

As part of the adoption of the Long-Term Plan 2021-31, we resolved to make the vacant land at Panama Village available for someone else to build public housing on.

We agreed we would work with the Government (via Kāinga Ora)/community housing providers/iwi to ascertain the most appropriate arrangement for a provider, or providers, to fund and build more public housing on the vacant land.

In early 2022, we undertook further consultation with the community on whether the land should be offered for sale (Council's preferred option) or lease (alternative option) to potential providers for the provision of public housing.

In June 2022 we resolved to proceed with the preferred option - Council to sell the vacant land at Panama Village on the condition it is used for public housing (subject to High Court approval). If the High Court does not approve sale of the land but does approve leasing the land, we will consult with the community again on entering a long term lease arrangement for the vacant land at Panama Village.

Under the sale option we will ensure the land is used for public housing by registering what is known as an encumbrance or covenant (conditions) on the record of title for the land. This would require that the land be used for public housing and bind all future owners of the land.

The potential purchaser might well be a community housing provider (whether Kāinga Ora, an existing community housing provider, iwi, or any other party eligible and willing to become a community housing provider).

Forecast proceeds from the sale of the land was determined by reference to an external valuation. The forecast proceeds are likely to be impacted by the encumbrance to be registered over the record of title for the land. The impact of the encumbrance is uncertain, and the selling price will be a matter for negotiation between market participants.

We will use any proceeds from the sale to invest in the necessary infrastructure work to support the development, with the balance used for future investment in Council's existing housing stock. It is estimated that the infrastructure work will cost \$1,082,000.

Panama Village and the vacant land are subject to terms and conditions which currently restrict activity and development. Under the conditions of the bequest of the Panama land, and the associated Council Scheme for Panama Village, the land cannot be sold or leased. To progress the preferred option, we will seek High Court approval to sell (or lease) the vacant land, modernise aspects of the Council Scheme, and approve the proposed use of any proceeds from the sale. The High Court application is expected to cost \$30-\$40k.

Using this approach, we get to achieve our goal of increasing the affordable housing stock, while minimising Council's financial contribution on this project.

We will also continue to advocate on behalf of our community to identify broader solutions and improve housing outcomes for our community, and through our Wairarapa Combined District Plan (the District Plan) review we will explore community suggestions such as smaller section sizes and changes that could enable collective ownership and papakāinga.

FINANCIAL POSITION

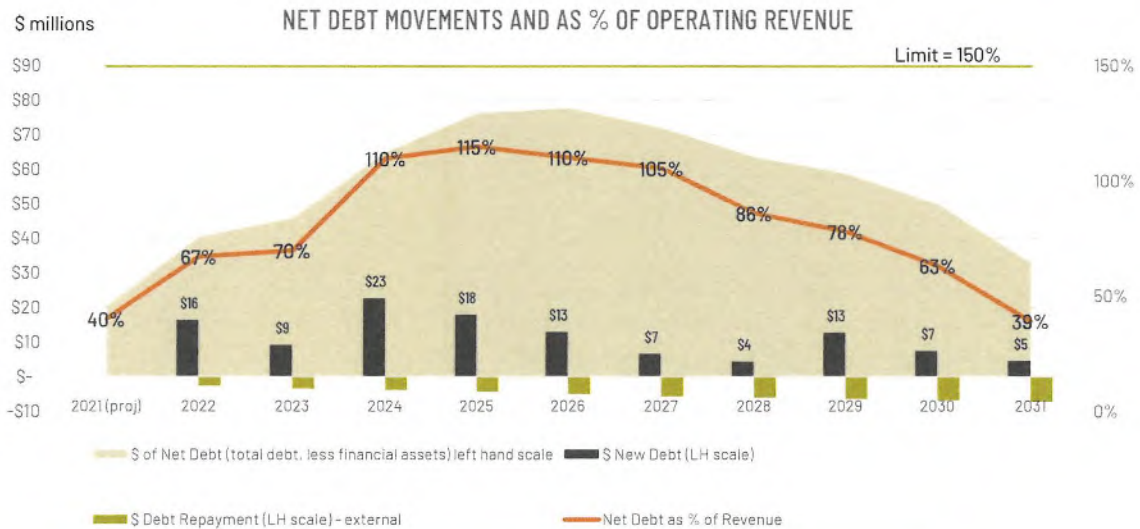
Council's debt

The level of external debt at 30 June 2021 is expected to be \$48.5 million. Net Debt (external debt offset by cash and financial assets) is expected to be \$20.4 million and will increase to \$83.1 million by 2025 before reducing to \$38.9 million by 2031 (see graph under 'Debt Limits' section that follows).

We are spreading the loan repayments on the Homebush debt over 25 years (the term of the consent). As described earlier, this will allow for further borrowing when additional investment is expected to be required in the early 2030s. Funding asset upgrades with debt allows the cost of to be borne by current and future ratepayers. We have set prudent policy limits on our borrowing to ensure our community is not over-indebted (see graph below under 'Debt Limits' section). We use interest rate risk management policies to protect against interest rate movements and provide a predictable cost of debt. We are assuming an average interest rate of 2.8% per annum across the 10 years of the plan.

Our ability to borrow is based on our ability, via a Debenture Trust Deed, to offer rates revenue as security. We have invested in the NZ Local Government Funding Agency (LGFA) as a shareholding council and this enables us to borrow from them and take advantage of their access to favourable debt funding costs.

We are expecting little need for new infrastructure driven by growth in the district, however, where growth is expected to drive a need for investment, financial contributions are taken from developers. These are both general and specific to areas where the growth is driving the need for a specific piece of infrastructure. Our Financial Contributions Policy is based on charging under the provisions of the Resource Management Act 1991 (RMA) and the District Plan. The principle that 'growth funds growth' is one that up-coming revisions to the District Plan (and the financial contributions set under it) will embed. We have assumed the level of contributions will remain constant under a new financial contributions scheme under a revised District Plan.



This chart reflects changes made as a result of the LTP Amendment for Panama land.

The charts in the Financial Position section show the net external debt increasing through to 2025, then reducing as loan repayments and financial assets increase. New debt and repayment of debt are separately budgeted and shown on the chart above.

The limit of net debt being below 150% of Operating Revenue is considered prudent. There is room to borrow more and stay below the debt servicing limit.

Significant Projects				
Skate park	2020 - 2022	\$1.3, plus \$300k	LOS/Growth and Risk	This option includes a complete redevelopment of the skatepark complex to bring it up to a modern, national competition level standard. The extensive rejuvenation includes a remodel of the majority of the park, resurfacing of the concrete, and the addition of new skate features. \$1.3m from Central Government funding and \$300k from reserve funds.
Hood Aerodrome	2021- 2025	\$14,900,000	LOS/Growth * Risk	The signed contact with the Provincial Development Unit outlines Council and Central Governments obligations to the project and funding sources, based on the application we put forward in 2020.
Senior Housing	2022 - 2023	\$1,082,000	LOS	We will progress a High Court application to enable the sale of vacant Panama land for the provision of public housing. The Council's investment will be in the surrounding infrastructure upgrades to support and enable the development by a community housing provider.

More information on each of these projects including most likely scenarios, timings and options is provided below.

Senior housing

Council will proceed with alternative option of making the vacant land at Panama Village available for someone else to build public housing on. Council will sell the vacant land at Panama Village on the condition that it is used for public housing.

As the vacant land is subject to specific conditions, Council will need to seek High Court approval to sell the land. At the same time, Council will also seek approval to lease the land. This will allow Council to explore leasing opportunities if no suitable sale arrangement can be made, or the High Court does not approve selling of the vacant land.

To achieve our goal of increasing affordable housing stock while minimising Council's financial contribution to this project. It will also enable consideration of housing for younger people and families too.

Council will work with the Government (via Kāinga Ora), community housing providers, and iwi to ascertain the most appropriate arrangement for a provider, or providers, to fund and build the public housing.

Council will use any proceeds from the sale (or lease) to invest in the necessary infrastructure work to support the development, with the balance used for future investment in Council's existing housing stock. It is estimated that the infrastructure work will cost \$1,082,000. Council will also need to undertake a High Court application process for approval to sell (or lease) the land. The application is expected to cost \$30,000 - \$40,000.

As always council will also continue to advocate on behalf of our community to identify broader solutions and improve housing outcomes for our community; and through our District Plan review we will explore community suggestions such as smaller section sizes and changes that could enable collective ownership and papakāinga.

This group of activities contributes to the following community outcomes:

- An Engaged and Empowered Community
- Pride in our Identity and Heritage
- A Sustainable and Healthy Environment
- A Thriving and Resilient Economy
- Efficient, Safe and Effective Infrastructure

Our 10-year priorities

Key priorities for community facilities and activities over the next 10 years include:

- Developing a new Civic Facility that will include our Library, Archive, a performing arts space, meeting rooms and some front-counter customer service functions in a location that aligns with our Town Centre Strategy. This new facility will enable us to provide library spaces that inspire and support learning, expand library programmes and activities, protect the history that is stored in our archive and provide spaces for performances, community events, meetings and functions. The estimated cost to build a new fit for purpose and future proofed facility is \$30.8 million, allowed for across Years 1 to 5 of this Long-Term Plan.
- Increasing affordable housing stock for our community by making vacant land at Council's Panama Village site available for public housing development subject to High Court approval. Our preference is to sell the land. If sale is not approved, we would look to lease the land long-term. We will work with the Government (via Kāinga Ora), community housing providers, and iwi to ascertain the most appropriate arrangement for a provider, or providers, to fund and build the public housing. Council will use any proceeds from the sale (or lease) to invest in the necessary infrastructure work to support the development, with the balance used for future investment in Council's existing housing stock. It is estimated that the infrastructure work will cost \$1,082,000. Council will also need to undertake a High Court application process for approval to sell the land. The application is expected to cost \$30,000 - \$40,000.
- Supporting resilient air transport infrastructure for the Wairarapa. We will be working through a five-year programme to improve the facility and to future-proof its role in our community's resilience. Work includes improvements to the runways and infrastructure on the airfield. We were successful in our application for central government funding to progress that work, receiving \$10 million. Council has allowed \$15.9 million over Years 1 to 5 of this plan, with over one third of that in Year1, as our contribution to development at Hood Aerodrome. A key component of the development is upgrading and widening the runway.
- Undertaking renewal work at the Recreation Centre. Some of the machinery and equipment that runs the pools needs to be renewed. We are also looking to make improvements to the building, such as improving energy efficiency to meet carbon emission targets and improving accessibility for all facility users. We will also investigate and develop options for the refurbishment or replacement of some of the older parts of the complex to meet evolving community need, and to keep the asset in good condition for the future. \$3.3 million has been allowed over Years 1 to 7 for this work.
- Continuing work to improve our parks and open spaces, including developing a Reserve Management Plan for Queen Elizabeth II Park in Year 1 that will assist us with planning and prioritising work in the park. We are also completing the revamp of our Skate Park (\$1.6 million in total), expanding our recreation trail networks (\$549,322 over Years 1 to 7), and building a new cycle and pedestrian bridge over the Waipoua River in Year 1 (at a cost of \$312,000), which will enable users to complete a 'river loop'.

PROPERTY											
Annual Plan 2020/21	Cost of Service Statement	LTP Year 1 2021/22	LTP Year 2 2022/23	LTP Year 3 2023/24	LTP Year 4 2024/25	LTP Year 5 2025/26	LTP Year 6 2026/27	LTP Year 7 2027/28	LTP Year 8 2028/29	LTP Year 9 2029/30	LTP Year 10 2030/31
\$	Operating Costs	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
825,347	District Building	833,268	971,637	1,254,079	1,574,206	1,791,908	1,884,348	2,160,873	2,188,073	2,375,059	2,446,135
536,513	Housing for the Elderly	548,578	525,332	526,257	538,865	551,624	586,260	625,391	645,709	663,521	677,073
497,470	Mawley Holiday Park	504,687	505,513	521,566	531,965	541,990	561,398	582,108	595,579	608,188	619,623
1,016,456	Other Property	1,009,826	967,161	962,397	986,129	1,004,633	1,056,230	1,114,728	1,261,015	1,170,704	1,189,188
703,916	Depreciation	867,639	1,051,486	1,196,179	1,328,588	1,419,550	1,372,992	1,262,803	1,279,716	1,168,337	1,179,789
3,579,703		3,763,997	4,021,129	4,460,478	4,959,752	5,309,705	5,461,229	5,745,904	5,970,091	5,985,809	6,111,807
	Operating Income										
3,420	Rental income - Halls & Dist. Bldg	764	775	797	2,422	55,688	85,158	93,040	101,373	104,117	125,652
430,404	Rental income - Housing for Elderly	434,200	475,377	521,916	530,682	584,677	594,410	606,437	618,734	632,683	650,872
267,226	Rental income - Other Property	262,398	266,334	273,944	280,766	287,851	294,936	302,283	310,155	318,552	327,211
444,084	Mawley Holiday Park	475,000	487,200	506,340	518,950	532,045	545,140	558,720	573,270	588,790	604,795
0	Forestry harvest proceeds	-	-	-	-	-	-	-	-	-	-
45,000	Internal recoveries - forestry	30,000	30,450	31,320	32,100	32,910	33,720	34,560	35,460	36,420	37,410
529,251	Internal recoveries - offices rental	626,783	636,195	654,372	670,669	687,592	704,515	722,066	740,869	760,927	781,611
1,719,385		1,829,155	1,896,332	1,988,690	2,035,589	2,180,763	2,257,880	2,317,106	2,379,861	2,441,488	2,527,551
	Appropriations										
(160,000)	Transfers from reserves	(60,000)	(45,000)	(40,000)	(40,000)	(40,000)	(35,000)	(5,000)	-	-	-
282,084	Provision for loan repayments	303,342	356,737	419,136	456,030	495,005	526,305	553,657	586,835	618,672	651,574
(352,000)	Reverse depreciation	(337,000)	(367,802)	(323,135)	(334,636)	(232,537)	(233,990)	(233,845)	(246,669)	(136,601)	(99,211)
\$1,630,402	Rates Requirement	\$1,841,184	\$2,068,733	\$2,527,789	\$3,005,557	\$3,351,410	\$3,460,664	\$3,743,611	\$3,930,396	\$4,026,391	\$4,136,619

Highlighted information above has changed as a result of the 2022 LTP Amendment.

MASTERTON AIRPORT (HOOD AERODROME)											
Annual Plan 2020/21	Cost of Service Statement	LTP Year 1 2021/22	LTP Year 2 2022/23	LTP Year 3 2023/24	LTP Year 4 2024/25	LTP Year 5 2025/26	LTP Year 6 2026/27	LTP Year 7 2027/28	LTP Year 8 2028/29	LTP Year 9 2029/30	LTP Year 10 2030/31
\$	Operating Costs	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
434,073	Airport operation & maintenance	444,251	554,165	536,743	589,619	634,785	697,613	667,858	680,105	701,125	722,325
84,079	Depreciation	119,940	182,913	214,576	297,402	434,188	479,195	478,695	487,407	487,119	487,119
518,152		564,191	737,078	751,319	887,021	1,068,973	1,176,808	1,146,553	1,167,512	1,188,244	1,209,444
	Operating Income										
244,101	Leases and other income	272,321	286,563	293,233	303,690	306,375	316,978	318,210	324,302	325,915	332,510
	Appropriations										
(20,000)	Transfers from reserves	(20,000)	(20,000)	(20,000)	(20,000)	(20,000)	(20,000)	(20,000)	(20,000)	(20,000)	(20,000)
122,358	Provision for loan repayments	87,374	159,615	200,169	230,915	312,055	326,010	342,871	351,150	315,892	329,605
(50,000)	Reverse depreciation	(45,000)	(90,800)	(76,000)	(51,300)	(96,600)	(81,800)	(77,100)	(84,400)	(89,600)	(94,900)
\$ 326,409	Rates Requirement	314,244	499,329	562,255	742,945	958,053	1,084,040	1,074,114	1,089,960	1,068,621	1,091,640

PROSPECTIVE FINANCIAL STATEMENTS

Through all financial statements, yellow highlights indicate changes as a result of the LTP Amendment for Panama land.

MASTERTON DISTRICT COUNCIL												LONG TERM PLAN 2021-31 (after Panama Amendment)										
PROSPECTIVE STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE																						
OPERATING REVENUE		2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31										
NZ \$	Notes	Annual Plan	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10										
Rates revenue		32,306,638	34,692,272	37,063,366	39,505,265	41,800,006	44,570,193	47,332,595	50,275,287	53,290,109	56,387,018	59,651,618										
Rural sewerage schemes capital contrib.		60,307	49,017	43,301	40,443	37,585	30,010	30,010	30,010	30,010	-	-										
Financial contributions		1,258,000	1,481,000	1,493,498	1,505,997	1,528,496	1,541,195	1,553,793	1,576,592	1,589,291	1,602,089	1,615,888										
Roading subsidies - Waka Kotahi		7,165,235	5,818,281	7,859,613	5,801,875	10,651,181	11,728,041	7,823,793	9,392,848	8,420,237	8,550,098	10,190,572										
Fees and charges		7,362,419	8,347,711	8,774,562	9,244,810	9,484,763	9,771,544	10,042,474	10,308,502	10,589,036	10,871,567	11,194,975										
Interest and dividends		577,838	431,000	403,071	468,745	489,248	554,558	575,627	598,547	620,924	644,129	671,145										
Other revenue		2,098,194	9,523,479	5,864,740	2,642,314	2,430,283	2,435,891	977,780	1,822,302	1,030,574	1,059,303	1,080,360										
Gain on sale of assets		-	-	4,333,300																		
Total Operating Revenue	2	50,828,630	60,342,760	65,835,451	59,209,449	66,421,562	70,631,432	68,336,073	74,004,087	75,570,180	79,114,203	84,404,559										
OPERATING EXPENDITURE																						
Personnel costs		10,972,239	13,078,498	12,916,903	13,160,082	13,297,679	13,526,511	13,793,481	13,982,146	14,309,951	14,650,364	15,028,600										
Finance costs		2,148,779	1,799,808	1,870,170	1,845,111	2,428,657	2,809,300	3,017,499	3,037,893	2,974,029	3,148,829	3,163,972										
Depreciation & amortisation		12,901,945	14,938,115	16,632,853	17,462,219	18,064,358	20,091,509	20,772,101	21,157,657	22,921,819	23,058,549	23,808,403										
Other Operating costs		23,989,164	24,500,162	23,758,289	24,477,601	24,742,680	25,067,341	25,721,750	26,466,434	27,356,109	28,164,449	29,005,059										
Total Operating Expenditure		50,012,127	54,316,583	55,178,214	56,945,012	58,533,374	61,494,661	63,304,832	64,644,129	67,561,907	69,022,190	71,006,035										
Net Surplus / (Deficit)*		\$ 816,503	\$ 6,026,177	\$ 10,657,236	\$ 2,264,437	\$ 7,888,188	\$ 9,136,772	\$ 5,031,241	\$ 9,359,958	\$ 8,008,273	\$ 10,092,013	\$ 13,398,524										
Revaluations		6,982,246		50,667,480	7,708,139	-	64,661,728	10,065,174	-	62,409,359	10,447,396	-										
Total Comprehensive Revenue & Expenses		\$ 7,798,749	\$ 6,026,177	\$ 61,324,717	\$ 9,972,576	\$ 7,888,188	\$ 73,798,500	\$ 15,096,415	\$ 9,359,958	\$ 70,417,631	\$ 20,539,409	\$ 13,398,524										
*Note: Income Tax is nil																						
Note: rates on Council Properties assumed												670,900	656,100	678,442	697,553	717,236	737,514	758,412	779,953	802,156	825,041	848,632

MASTERTON DISTRICT COUNCIL												
LONG TERM PLAN 2021-31 (after Panama Amendment)												
PROSPECTIVE STATEMENT OF FINANCIAL POSITION												
NZ \$	Notes	Forecast to 30 June 2021	2021/22 Year 1	2022/23 Year 2	2023/24 Year 3	2024/25 Year 4	2025/26 Year 5	2026/27 Year 6	2027/28 Year 7	2028/29 Year 8	2029/30 Year 9	2030/31 Year 10
CURRENT ASSETS												
Cash & Bank Accounts		6,700,008	4,356,507	4,443,636	4,532,506	4,623,158	4,715,524	4,809,935	4,906,132	5,004,255	5,104,340	5,206,428
Financial Assets - Current		11,173,400	8,482,070	8,124,533	8,802,897	8,800,778	7,004,801	7,214,945	7,937,845	8,151,319	8,395,858	8,647,734
Inventories		246,064	250,564	253,064	255,564	258,064	260,564	263,064	265,564	268,064	270,564	273,064
Debtors & Other Receivables		3,272,425	4,272,875	4,315,603	4,358,759	4,402,347	4,446,371	4,490,834	4,535,743	4,581,100	4,626,911	4,673,180
Total Current Assets		21,393,897	15,362,016	15,136,836	15,749,526	16,084,347	16,427,259	16,778,778	17,645,363	18,004,738	18,397,674	18,800,406
NON-CURRENT ASSETS												
Property, Plant & Equipment		126,093,536	138,313,727	150,158,356	165,411,826	169,520,060	168,611,905	175,867,762	174,653,240	171,699,366	181,523,854	178,073,440
Infrastructural Assets		744,375,236	755,921,822	811,408,740	823,940,832	839,987,369	917,316,145	919,770,311	922,326,134	991,195,874	993,522,538	994,103,416
Intangible Assets		3,519,233	3,376,714	3,460,333	3,086,195	2,875,162	2,802,776	2,413,451	1,979,707	1,818,010	1,293,699	781,998
Forestry assets		505,246	530,408	357,142	374,899	393,544	341,264	358,227	376,038	394,740	414,377	255,035
Investment Property Assets		-	-	-	-	-	-	-	-	-	-	-
Derivative financial instruments		-	-	-	-	-	-	-	-	-	-	-
Investments in CCO's & other similar entities		220,868	240,962	232,190	234,865	236,445	236,445	229,580	230,179	231,217	232,049	226,082
Other Non-current financial assets		10,054,460	10,681,748	11,333,558	10,490,576	12,328,311	18,417,399	24,771,276	30,732,205	41,401,931	50,592,782	64,550,972
Total Non-Current Assets		884,768,579	909,065,381	976,950,319	1,003,539,193	1,025,340,891	1,107,725,934	1,123,410,607	1,130,297,503	1,206,741,238	1,227,579,299	1,237,990,943
TOTAL ASSETS		906,162,476	924,427,397	992,087,155	1,019,288,719	1,041,425,238	1,124,153,193	1,140,189,385	1,147,942,866	1,224,745,976	1,245,976,973	1,256,791,349
CURRENT LIABILITIES												
Creditors & Other Payables		9,566,209	8,068,974	8,566,214	7,000,693	7,733,697	8,754,551	8,766,434	8,778,437	8,790,559	8,802,802	8,815,168
Employee Benefits - Current Portion		959,336	1,004,336	1,059,336	1,109,336	1,159,336	1,209,336	1,259,336	1,309,336	1,359,336	1,409,336	1,459,336
Provisions - Current Portion		30,000	20,000	20,000	10,000	-	-	-	-	-	-	-
Financial liabilities - current portion	3	8,000,000	8,000,000	5,100,000	11,200,000	7,800,000	5,688,539	6,037,025	6,409,461	6,823,422	7,270,662	7,479,232
Total Current Liabilities		18,555,545	17,093,310	14,745,550	19,320,029	16,693,033	15,652,426	16,062,795	16,497,234	16,973,317	17,482,800	17,753,737
NON-CURRENT LIABILITIES												
Financial liabilities	3	40,500,000	54,210,979	62,933,807	75,588,316	92,463,643	102,433,706	102,963,113	100,922,218	106,831,595	107,013,699	104,158,614
Derivative financial instruments		7,002,121	7,002,121	7,002,121	7,002,121	7,002,121	7,002,121	7,002,121	7,002,121	7,002,121	7,002,121	7,002,121
Employee benefits		9,378	9,378	-	-	-	-	-	-	-	-	-
Provisions & other liabilities		40,649	30,649	-	-	-	-	-	-	-	-	-
Total Non-Current Liabilities		47,552,148	61,253,127	69,935,928	82,590,437	99,465,764	109,435,827	109,965,234	107,924,339	113,833,716	114,015,820	111,160,735
NET ASSETS		\$ 840,054,783	\$ 846,080,960	\$ 907,405,677	\$ 917,378,253	\$ 925,266,441	\$ 999,064,941	\$ 1,014,161,356	\$ 1,023,521,313	\$ 1,093,938,944	\$ 1,114,478,353	\$ 1,127,876,877
EQUITY												
Ratepayers' Equity		438,551,144	449,168,939	461,396,532	463,124,780	470,309,868	474,783,573	473,803,361	476,981,160	474,587,278	475,737,104	475,444,898
Asset Revaluation Reserves		371,285,396	371,285,396	421,952,876	429,661,015	429,661,015	494,322,744	504,387,917	504,387,917	568,797,276	577,244,672	577,244,672
Special funds & restricted reserves	4	30,218,243	25,626,626	24,056,268	24,592,458	25,295,557	29,958,624	35,970,077	42,152,236	52,554,390	61,496,578	75,187,308
TOTAL EQUITY		\$ 840,054,783	\$ 846,080,960	\$ 907,405,677	\$ 917,378,253	\$ 925,266,441	\$ 999,064,941	\$ 1,014,161,355	\$ 1,023,521,313	\$ 1,093,938,944	\$ 1,114,478,353	\$ 1,127,876,877

TREASURY POLICY CHECK											
Net External Debt	20,351,264	40,449,691	45,899,891	64,927,671	76,274,951	77,748,076	71,974,402	63,525,219	58,866,294	49,959,331	33,006,629
Operating Revenue	50,828,630	60,342,760	65,835,451	59,209,449	66,421,562	70,631,432	68,336,073	74,004,087	75,570,180	79,114,203	84,404,559
Rates Revenue	32,306,638	34,692,272	37,063,366	39,505,265	41,800,006	44,570,193	47,332,595	50,275,287	53,290,109	56,387,018	59,651,618
Net Interest on Net Debt	1,570,941	1,368,808	1,467,099	1,376,366	1,939,409	2,254,741	2,441,872	2,439,346	2,353,105	2,504,700	2,492,827
Net Debt as a % of Operating Revenue (limit = 150%)	40.0%	67.0%	69.7%	109.7%	114.8%	110.1%	105.3%	85.8%	77.9%	63.1%	39.1%
Net Interest expense as a % of Operating Revenue (limit = 10%)	3.1%	2.3%	2.2%	2.3%	2.9%	3.2%	3.6%	3.3%	3.1%	3.2%	3.0%
Net Interest expense as a % of Rates Revenue (limit = 15%)	4.9%	3.9%	4.0%	3.5%	4.6%	5.1%	5.2%	4.9%	4.4%	4.4%	4.2%
Number of rateable properties (estimated)	12,650	12,699	12,794	12,858	12,923	12,987	13,052	13,117	13,183	13,249	13,315
Average rates per property (excl GST)	\$ 2,807	\$ 2,784	\$ 2,950	\$ 3,127	\$ 3,235	\$ 3,489	\$ 3,685	\$ 3,892	\$ 4,103	\$ 4,318	\$ 4,544
Operating Revenue = revenue/earnings from rates, government grants and subsidies, user charges, interest, recoveries, financial contributions and all other revenue.											
Net External Debt = Gross External debt (aggregate borrowings of the Council, including any capitalised finance leases) less any financial assets including cash and both current and term treasury investments held.											
Net Interest Expense = interest paid on any type of debt, including margins, line fees and interest on finance leases less interest earned on financial assets.											

MASTERTON DISTRICT COUNCIL												
LONG TERM PLAN 2021-31 (after Panama Amendment)												
PROSPECTIVE STATEMENT OF CHANGES IN EQUITY												
NZ \$	Notes	2020/21 Forecast	2021/22 Year 1	2022/23 Year 2	2023/24 Year 3	2024/25 Year 4	2025/26 Year 5	2026/27 Year 6	2027/28 Year 7	2028/29 Year 8	2029/30 Year 9	2030/31 Year 10
Ratepayer's Equity		436,438,680	438,551,144	449,168,939	461,396,532	463,124,780	470,309,868	474,783,573	473,803,361	476,981,160	474,587,278	475,737,104
Special Funds & Reserves		28,620,419	30,218,243	25,626,626	24,056,268	24,592,458	25,295,557	29,958,624	35,970,077	42,152,236	52,554,390	61,496,578
Revaluation Reserves		350,499,700	371,285,396	371,285,396	421,952,876	429,661,015	429,661,015	494,322,744	504,387,917	504,387,917	566,797,276	577,244,672
EQUITY AT START OF YEAR		815,558,798	840,054,783	846,080,960	907,405,677	917,378,253	925,266,441	999,064,941	1,014,161,355	1,023,521,313	1,093,938,944	1,114,478,353
Comprehensive Revenue & Expenses for the year		24,495,985	6,026,177	61,324,717	9,972,576	7,888,188	73,798,500	15,096,415	9,359,958	70,417,631	20,539,409	13,398,524
Total recognised revenues & expenses for the period		\$ 24,495,985	\$ 6,026,177	\$ 61,324,717	\$ 9,972,576	\$ 7,888,188	\$ 73,798,500	\$ 15,096,415	\$ 9,359,958	\$ 70,417,631	\$ 20,539,409	\$ 13,398,524
Ratepayer's Equity		438,551,144	449,168,939	461,396,532	463,124,780	470,309,868	474,783,573	473,803,361	476,981,160	474,587,278	475,737,104	475,444,898
Special Funds & Reserves		30,218,243	25,626,626	24,056,268	24,592,458	25,295,557	29,958,624	35,970,077	42,152,236	52,554,390	61,496,578	75,187,308
Revaluation Reserves		371,285,396	371,285,396	421,952,876	429,661,015	429,661,015	494,322,744	504,387,917	504,387,917	566,797,276	577,244,672	577,244,672
EQUITY AT END OF YEAR		840,054,783	846,080,960	907,405,677	917,378,253	925,266,441	999,064,941	1,014,161,355	1,023,521,313	1,093,938,944	1,114,478,353	1,127,876,877

MASTERTON DISTRICT COUNCIL												
LONG TERM PLAN 2021-31 (after Panama Amendment)												
PROSPECTIVE STATEMENT OF CASHFLOWS												
NZ \$	Notes	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
		Annual Plan	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
CASH FLOWS FROM OPERATING ACTIVITIES												
Cash was received from:												
Rates		32,366,945	34,672,702	37,038,498	39,475,507	41,771,617	44,520,559	47,283,186	50,220,894	53,233,442	56,297,983	59,557,763
Grants, subsidies & donations		8,945,765	15,000,600	13,388,767	8,098,473	12,725,594	13,801,354	8,428,801	10,831,829	9,056,464	9,203,549	10,861,786
Petrol tax		180,000	190,000	193,990	200,070	206,150	212,040	218,120	224,390	230,850	237,500	244,340
Other revenue		8,806,467	9,009,848	10,215,010	10,883,245	11,144,220	11,391,805	11,746,412	12,043,408	12,341,940	12,643,096	12,817,317
Interest on investments		577,838	431,000	403,071	468,745	489,248	554,559	575,627	598,547	620,924	644,129	671,145
		50,877,016	59,304,150	61,239,336	59,126,039	66,336,829	70,480,318	68,252,146	73,918,867	75,483,620	79,026,256	84,152,352
Cash was applied to:												
Payments to suppliers and employees		34,184,602	39,050,895	35,992,802	39,161,103	37,265,225	37,452,365	39,451,207	40,384,387	41,601,702	42,750,787	43,798,086
Interest paid		2,148,779	1,799,808	1,870,170	1,845,111	2,428,657	2,809,300	3,017,499	3,037,893	2,974,029	3,148,829	3,163,972
		36,333,381	40,850,703	37,862,972	41,006,214	39,693,882	40,261,665	42,468,706	43,422,280	44,575,731	45,899,616	46,962,058
Net cash flow from operating activities		14,543,635	18,453,447	23,376,364	18,119,825	26,642,947	30,218,653	25,783,440	30,496,587	30,907,889	33,126,640	37,190,295
CASH FLOWS FROM INVESTING ACTIVITIES												
Cash was received from:												
Sale of fixed assets		20,000	20,000	5,365,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000
Term investments, shares & advances		1,837,809	-	8,772	842,982	-	-	6,865	-	-	-	5,967
Forestry/investment property proceeds		2,165,805	-	180,177	-	-	66,435	-	-	-	-	171,391
		4,023,614	20,000	5,563,949	862,982	20,000	88,435	26,865	20,000	20,000	20,000	197,358
Cash was applied to:												
Purchase of fixed assets		24,416,524	38,551,875	34,381,739	37,167,605	38,010,226	31,780,213	20,029,767	22,067,404	26,268,965	24,239,676	20,428,984
Term investments, shares & advances		20,000	667,382	651,810	2,676	1,839,314	6,089,088	6,353,877	5,961,528	10,670,764	9,191,683	13,958,190
		24,436,524	39,219,257	35,033,549	37,170,281	39,849,541	37,869,301	26,383,644	28,028,932	36,939,729	33,431,359	34,387,174
Net cash flow from investing activities		(20,412,910)	(39,199,257)	(29,469,600)	(36,307,299)	(39,829,541)	(37,780,866)	(26,356,779)	(28,008,932)	(36,919,729)	(33,411,359)	(34,189,816)
CASH FLOWS FROM FINANCING ACTIVITIES												
Cash was received from:												
Drawdown of public debt		5,824,200	16,340,767	9,256,374	22,640,926	17,921,640	12,927,983	6,566,433	4,368,566	12,732,799	7,452,766	4,624,147
		5,824,200	16,340,767	9,256,374	22,640,926	17,921,640	12,927,983	6,566,433	4,368,566	12,732,799	7,452,766	4,624,147
Cash was applied to:												
Repayment of public debt (incl Finance Leases)		2,590,412	2,629,788	3,433,545	3,886,418	4,446,313	5,069,381	5,688,539	6,037,025	6,409,461	6,823,422	7,270,662
		2,590,412	2,629,788	3,433,545	3,886,418	4,446,313	5,069,381	5,688,539	6,037,025	6,409,461	6,823,422	7,270,662
Net cash flow from financing activities		3,233,788	13,710,979	5,822,829	18,754,508	13,475,327	7,858,602	877,894	(1,668,459)	6,323,338	629,344	(2,646,515)
NET INCREASE/(DECREASE) IN CASH HELD		(2,635,487)	(7,034,831)	(270,408)	567,034	288,733	296,389	304,555	818,196	311,498	344,625	353,964
Add cash at start of year (1 July)		8,890,265	17,873,408	10,838,577	10,568,169	11,135,203	11,423,936	11,720,325	12,024,880	12,844,076	13,155,574	13,500,199
BALANCE AT END OF YEAR (30 JUNE)		6,254,778	10,838,577	10,568,169	11,135,203	11,423,936	11,720,325	12,024,880	12,844,076	13,155,574	13,500,199	13,854,163
REPRESENTED BY:												
Cash & bank		3,033,130	4,356,507	4,443,636	4,532,508	4,823,158	4,715,524	4,809,935	4,906,132	5,004,255	5,104,340	5,206,428
Short term deposits		3,221,648	6,482,070	6,124,533	6,602,697	6,800,778	7,004,801	7,214,945	7,937,945	8,151,319	8,395,859	8,647,734
BALANCE AT END OF YEAR (30 JUNE)		6,254,778	10,838,577	10,568,169	11,135,203	11,423,936	11,720,325	12,024,880	12,844,076	13,155,574	13,500,199	13,854,163
The closing balance of 2020/21 is the Plan position. An updated forecast position has been used as the opening balance for 2021/22												

NOTE 1 RATES REQUIREMENT STATEMENT (after Panama Amendment)											
Prior Year Plan 2020/21		LTP Year 1 2021/22	LTP Year 2 2022/23	LTP Year 3 2023/24	LTP Year 4 2024/25	LTP Year 5 2025/26	LTP Year 6 2026/27	LTP Year 7 2027/28	LTP Year 8 2028/29	LTP Year 9 2029/30	LTP Year 10 2030/31
\$		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
4,875,610	Roading	5,985,730	6,302,595	6,772,220	6,873,423	7,258,384	7,599,680	8,322,052	9,107,614	10,412,492	11,920,727
1,607,642	Subsidised Rooding	1,349,208	1,380,102	1,570,150	1,650,235	1,935,604	2,399,656	2,857,150	3,146,807	3,631,148	4,245,350
	Non-subsidised Rooding										
3,387,678	Water Services	3,592,193	4,228,723	4,340,858	5,134,961	5,471,314	5,925,182	6,161,712	6,485,174	6,678,149	6,876,694
103,545	Urban Water supply	124,033	138,874	141,680	140,813	149,989	114,270	116,421	121,976	124,024	126,505
	Rural Water supplies & races										
6,533,166	Wastewater Services	6,542,116	6,804,218	6,992,461	7,048,493	7,645,591	7,844,242	8,095,011	8,716,714	9,555,701	9,821,683
335,295	Urban Sewerage system	361,901	424,531	450,974	464,756	493,510	503,069	509,194	554,978	580,929	589,715
	Rural Sewerage systems										
561,016	Stormwater Services	664,267	791,585	855,868	898,516	946,624	958,882	1,054,552	1,174,805	1,259,678	1,317,213
	Urban Stormwater System										
926,555	Solid Waste Services	722,235	840,608	868,598	887,480	836,143	874,146	917,232	933,265	919,518	854,479
245,422	Solid Waste Management	299,233	264,035	196,416	198,293	200,318	218,545	233,406	237,214	241,410	241,601
	Waste Minimisation Services										
3,075,430	Community Facilities/Activities	3,325,011	3,359,691	3,690,295	3,955,957	4,210,476	4,478,121	4,619,889	4,712,970	4,533,346	4,753,494
1,168,128	Parks, Reserves & Sportsfields	1,444,592	1,465,426	1,634,674	1,671,238	1,772,482	1,855,777	1,960,427	2,075,483	2,126,596	2,140,791
138,961	Trust House Recreation Centre	156,901	179,844	217,932	228,614	238,264	252,802	267,799	280,385	292,691	304,003
2,251,287	Cemeteries	2,375,524	2,555,391	2,645,044	2,584,274	2,668,765	2,782,955	2,913,211	2,996,614	3,077,210	3,139,085
1,462,692	Library & Archive	1,673,672	1,899,642	2,337,099	2,813,462	3,155,981	3,258,275	3,530,700	3,715,444	3,811,151	3,917,460
326,409	Property	314,244	499,329	562,255	742,945	958,053	1,084,040	1,074,114	1,089,960	1,068,621	1,091,640
167,710	Airport	167,512	169,091	190,690	192,095	195,429	202,389	212,911	214,952	215,240	219,160
	Mawley Park										
885,274	Regulatory Services	991,705	1,018,161	1,031,781	1,051,568	1,065,316	1,127,754	1,217,299	1,247,730	1,279,287	1,302,405
516,493	Resource Management & Planning	590,273	573,950	606,755	628,415	636,357	692,033	768,401	789,820	817,648	826,804
641,044	Environmental Services	657,845	700,951	673,253	730,219	664,498	801,465	814,190	911,354	856,113	949,760
5,771	Building Development	(24,509)	(34,936)	(38,584)	(45,373)	(47,442)	(41,203)	(33,286)	(35,330)	(36,873)	(40,068)
86,864	Parking Control	117,795	144,469	145,280	145,541	145,177	166,583	191,822	192,588	205,627	202,344
246,931	Animal Services	255,502	255,684	266,908	271,513	278,035	293,282	310,607	319,649	328,336	335,556
	Emergency Management										
793,599	Leadership, Strategy & Corporate Services	725,607	740,960	749,519	768,130	803,259	838,904	887,401	930,595	932,218	954,734
0	Representation	0	(0)	0	(0)	0	(0)	0	(0)	0	0
907,723	Internal Functions (net)	1,137,126	1,159,601	1,288,819	1,376,728	1,457,319	1,584,743	1,664,888	1,711,035	1,754,099	1,793,095
523,398	Community Development	582,283	596,244	619,031	634,575	650,348	679,618	709,808	730,517	750,385	768,391
1,016,481	Arts and Culture	945,297	995,840	1,090,174	1,172,202	1,203,814	1,266,744	1,334,107	1,374,624	1,407,604	1,448,539
247,723	Economic Development	320,095	330,901	343,112	335,754	344,108	359,062	374,233	385,338	389,708	399,091
	Environmental Initiatives										
\$ 33,037,845	Total Rates Requirement	\$ 35,397,389	\$ 37,785,109	\$ 40,243,261	\$ 42,554,827	\$ 45,337,717	\$ 48,121,016	\$ 51,085,250	\$ 54,122,275	\$ 57,212,058	\$ 60,500,251
33,072,845	MDC Rates Revenue*	35,357,389	37,753,590	40,210,954	42,521,712	45,303,775	48,086,225	51,049,589	54,085,723	57,174,592	60,461,848
(60,307)	less rural sewerage capital contributions	(49,017)	(46,159)	(43,301)	(40,443)	(37,585)	(30,010)	(30,010)	(30,010)	(30,010)	-
33,012,538		35,308,372	37,707,431	40,167,653	42,481,269	45,266,190	48,056,215	51,019,579	54,055,713	57,144,582	60,461,848
3.5%	% Change (pre growth) from prior year	7.0%	6.8%	6.5%	5.8%	6.6%	6.2%	6.2%	6.0%	5.7%	5.8%
2.0%	% Change (after growth) from prior year**	5.5%	5.6%	5.5%	4.8%	5.6%	5.2%	5.2%	5.0%	4.7%	4.8%
145,000	Penalty Revenue	210,000	210,125	215,378	220,763	226,282	231,939	237,737	243,681	249,773	256,017
(180,000)	Rates Remissions	(170,000)	(178,606)	(183,071)	(187,648)	(192,339)	(197,148)	(202,076)	(207,128)	(212,306)	(217,614)
\$ 32,977,538	Net Rates Revenue	\$ 35,348,372	\$ 37,738,950	\$ 40,199,960	\$ 42,514,384	\$ 45,300,132	\$ 48,091,006	\$ 51,055,240	\$ 54,092,265	\$ 57,182,048	\$ 60,500,251

* Rates Revenue includes the rates charged on Council properties.

** Growth in the rating base allows rates to be spread across the larger pool, benefiting all ratepayers.

NOTE 2

PROSPECTIVE SUMMARY OF REVENUE (with Panama Amendment)

OPERATING INCOME	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
	Annual Plan	Year 1 LTP	Year 2 LTP	Year 3 LTP	Year 4 LTP	Year 5 LTP	Year 6 LTP	Year 7 LTP	Year 8 LTP	Year 9 LTP	Year 10 LTP
	\$ 000's	\$ 000's	\$ 000's	\$ 000's	\$ 000's	\$ 000's	\$ 000's	\$ 000's	\$ 000's	\$ 000's	\$ 000's
REVENUE FROM NON-EXCHANGE TRANSACTIONS											
Targeted Rates (including penalties)	32,307	34,692	37,063	39,505	41,800	44,570	47,333	50,275	53,290	56,387	59,652
Rural sewerage schemes capital contrib.	60	49	43	40	38	30	30	30	30	-	-
Financial Contributions	1,258	1,481	1,493	1,506	1,528	1,541	1,554	1,577	1,589	1,602	1,616
Waka Kotahi Subsidy	7,165	5,818	7,860	5,802	10,651	11,728	7,824	9,393	8,420	8,550	10,191
Other Government Grants	938	8,978	1,304	2,131	1,905	1,899	427	437	449	461	474
Other Grants	842	205	4,225	165	170	174	178	1,002	187	192	198
Other Non Exchange Revenue	649	722	794	830	855	876	899	921	948	977	1,008
Revaluation Gains	30	36	27	18	19	16	17	18	19	20	12
REVENUE FROM EXCHANGE TRANSACTIONS											
Interest	572	421	393	459	479	545	566	589	611	634	661
Dividends	6	10	10	10	10	10	10	10	10	10	10
Fees & User charges	7,001	7,932	8,289	8,743	8,967	9,242	9,500	9,753	10,017	10,281	10,585
TOTAL OPERATING REVENUE	50,829	60,343	61,502	59,209	66,422	70,631	68,336	74,004	75,570	79,114	84,405
RATES REMISSIONS											
Rates revenue is shown net of rates remissions.											
Rates remissions estimated per year:	(180)	(170)	(179)	(183)	(188)	(192)	(197)	(202)	(207)	(212)	(218)

NOTE 4 PROSPECTIVE STATEMENT OF SPECIAL FUNDS & RESERVES

The Council maintains special funds and reserves as a sub-part of its equity. Schedule 10, Part 2 (21) of the LG Act requires certain information to be included in the Annual Plan relating to these reserves. The following presents a summary of reserve funds movements as projected over the term of the LTP. The management of financial reserves forms an integral part of meeting the obligations of prudent financial management. The Council tracks some 30 separate reserve accounts, but many have similar purposes and have been grouped together for the purposes of this Annual Plan.

Council Created Reserves Purpose and application	Projected Opening Balance 2021 \$ 000's	Transfers In 2021/31 \$ 000's	Transfers Out 2021/31 \$ 000's	Projected Closing Balance 2031 \$ 000's
General Capital Reserves These funds have been set aside from the sale of assets. They can be utilised for new asset purchases and to fund one-off Council projects and grants.	5,132	430	33	5,529
Investment Interest Fund These funds are generated by receiving the proceeds of interest earnings on investments. The LTP financial model allocates to this fund, all interest income from operating activities. The funds have been applied to offset debt servicing costs on specific projects including the CBD upgrading, Chapel St stormwater line, Castlepoint seawall and rural transfer stations.	497	2,705	2,100	1,102
Reserves & Development Funds These funds represent reserves and development contributions that are generated from the District Plan provisions for financial contributions on development and subdivision. The funds can only be applied to the purpose for which they were taken i.e. development of assets on reserves and general district development.	2,269	4,737	942	6,063
Plant & Equipment Depreciation Funds These funds are built up from depreciation on plant and equipment and are used to fund replacements	1,516	5,796	6,545	767
Buildings Depreciation Funds The Council has a series of specific depreciation reserve accounts for assets such as senior housing, Trust House Recreation Centre, Waita House, the Library and parks & reserves buildings. Depreciation funds on these assets are accumulated in these funds and used for renewal expenditure as required.	5,426	36,339	16,237	25,528

PROSPECTIVE STATEMENT OF SPECIAL FUNDS & RESERVES (CONTINUED)

Council Created Reserves Purpose and application	Forecast Opening Balance 2021	Transfers In 2021/31	Transfers Out 2021/31	Forecast Closing Balance 2031
	\$ 000's	\$ 000's	\$ 000's	\$ 000's
Roading, Bridges & Flood Damage Funds Most roading renewal expenditure is funded from rates and NZTA subsidies, but some funding for Council's share of bridge renewals and street furniture is being built up in this fund. Roothing contributions taken as per the District Plan financial contributions are accumulated in this fund and a separate fund for responding to road flood damage is also part of this group. Use of these funds can be for roading and bridge renewals, upgrades and flood damage repairs.	6,135	17,818	9,662	14,291
Urban Infrastructure Depreciation Funds Depreciation on urban infrastructural assets is accumulated in this fund and applied to renewal of those assets. Infrastructure contributions taken as per the District Plan financial contributions are accumulated in this fund and utilised on renewing and upgrading the network assets.	6,741	47,889	37,612	17,018
Miscellaneous Funds These funds are made up of surpluses and deficits of various distinct entities under Council's control. Separate balances are maintained for a number of rural water and sewerage supplies and the Animal Services carry forward surpluses. A separate Special Funds account represents a balance of funds carried forward. They are generally rated for specific items, but not spent. The sums are identified at year end and carried forward so they can be applied to the expenditure for which they were raised. The Council has also utilised, or borrowed from these funds to advance projects and repay back to the fund, e.g. Wairarapa Combined District Plan project.	2,389	13,425	11,039	4,775
Crematorium Fund - ex Mrs Smart bequest To manage a bequest made to establish a crematorium.	115	-	-	115
	\$ 30,218	\$ 129,139	\$ 84,170	\$ 75,187

CAPITAL PROJECTS

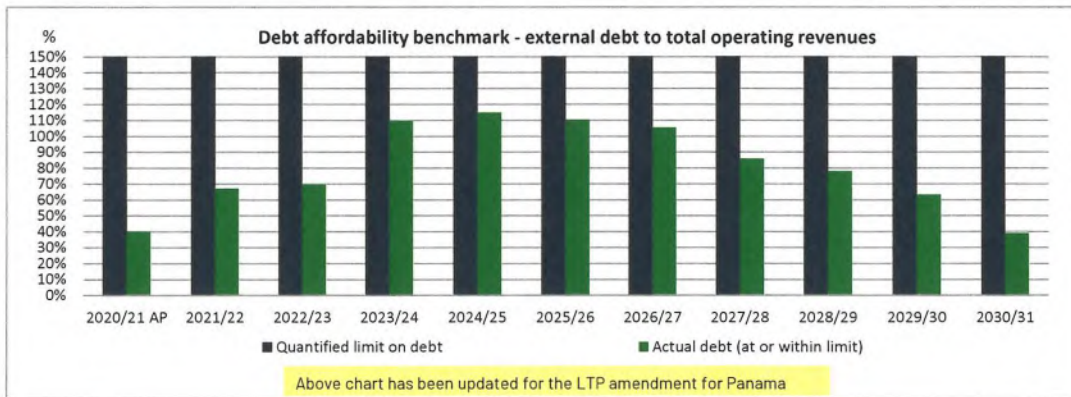
PROSPECTIVE CAPITAL SUMMARY STATEMENT (after Panama Amendment)												
Prior Year Plan 2020/21		LTP Year 1 2021/22	LTP Year 2 2022/23	LTP Year 3 2023/24	LTP Year 4 2024/25	LTP Year 5 2025/26	LTP Year 6 2026/27	LTP Year 7 2027/28	LTP Year 8 2028/29	LTP Year 9 2029/30	LTP Year 10 2030/31	
\$		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
	Roading											
6,732,989	Subsidised Roothing	7,406,340	10,642,657	6,990,189	13,453,031	15,225,859	8,081,807	10,701,388	8,791,873	8,845,648	11,594,132	
2,627,206	Non-subsidised Roothing	1,474,792	1,735,700	1,343,944	2,783,097	3,200,003	5,198,857	2,434,117	3,422,865	5,039,466	2,531,151	
	Water Services											
3,950,480	Urban Water supply	6,043,500	2,549,890	11,336,925	4,053,525	4,179,951	2,245,575	2,515,240	3,010,530	2,465,411	1,639,540	
200,000	Rural Water supplies & races	745,000	30,660	37,275	33,090	40,005	35,550	42,945	38,190	46,270	41,160	
	Sewerage Services											
1,980,000	Urban Sewerage system	2,002,000	1,992,900	1,863,750	4,809,080	3,749,040	1,362,750	2,147,250	7,710,637	3,433,313	3,430,000	
75,000	Rural Sewerage systems	40,000	347,480	42,600	44,120	45,720	47,400	49,080	50,920	132,200	54,880	
	Stormwater Services											
402,000	Urban Stormwater System	660,000	459,900	1,118,250	576,869	342,900	1,372,728	966,876	1,208,433	925,400	498,036	
	Solid Waste Services											
90,420	Solid Waste	260,420	20,320	41,840	21,460	44,040	22,620	46,400	560,240	49,000	25,220	
	Community Facilities/Activities											
964,704	Parks & Reserves	933,150	846,074	448,996	1,015,826	870,616	260,865	663,961	603,152	1,298,500	-	
2,210,000	Sportsfields	1,837,500	582,859	596,220	398,620	238,367	123,279	1,338,292	72,712	1,106,788	-	
280,000	Trust House Recreation Centre	255,000	605,394	457,102	905,644	456,365	415,043	246,848	-	-	-	
268,900	Cemeteries	94,000	387,909	52,650	21,460	-	-	23,200	-	-	-	
566,250	Library & Archive	1,366,750	219,456	231,166	231,768	243,321	244,296	256,360	263,432	270,725	278,681	
1,413,050	Property	6,380,300	11,664,859	9,814,827	5,702,780	1,365,460	269,970	354,032	211,818	322,420	36,569	
1,810,000	Airport	6,873,553	1,601,143	2,484,766	3,704,913	1,482,839	-	-	21,870	-	-	
	Regulatory Services											
8,000	Environmental Services	8,000	8,128	8,368	8,584	8,808	31,668	9,280	9,536	9,800	10,088	
14,000	Building Development	4,000	24,384	14,644	4,292	4,404	4,524	4,640	4,768	4,900	5,044	
-	Parking Control	-	406,400	-	-	-	-	-	-	-	-	
430,000	Animal Services	1,324,000	1,626	1,674	6,009	1,762	1,810	6,496	1,907	1,960	7,062	
58,000	Emergency Management	-	-	-	-	-	-	-	-	-	-	
	Leadership, Strategy & Corporate Services											
215,525	Corporate Services	280,000	233,680	235,350	214,600	253,230	265,785	232,000	262,240	232,750	252,200	
120,000	Development	563,570	20,320	47,070	21,460	27,525	45,240	29,000	23,840	55,125	25,220	
\$ 24,416,524	Total Capital expenditure	\$ 38,551,875	\$ 34,381,739	\$ 37,167,605	\$ 38,010,226	\$ 31,780,213	\$ 20,029,767	\$ 22,067,404	\$ 26,268,965	\$ 24,239,676	\$ 20,428,984	
	Funded by											
(3,837,804)	NZ Transport Agency subsidy (roading)	(2,933,257)	(4,938,864)	(2,772,119)	(7,533,697)	(8,526,481)	(4,525,812)	(5,992,777)	(4,923,449)	(4,953,563)	(6,492,714)	
(11,992,275)	Transfers from reserves	(8,898,832)	(11,957,885)	(6,996,426)	(7,768,990)	(5,335,293)	(5,381,527)	(7,224,584)	(4,744,293)	(7,941,262)	(5,349,174)	
(5,824,200)	Loan funds	(16,340,767)	(9,256,374)	(22,640,926)	(17,921,640)	(12,927,983)	(6,566,433)	(4,368,566)	(12,732,799)	(7,452,766)	(4,624,147)	
(2,017,246)	Rates	(2,990,963)	(3,215,350)	(3,075,683)	(3,287,427)	(3,507,618)	(3,555,995)	(3,662,575)	(3,868,424)	(3,892,085)	(3,962,948)	
(745,000)	Other (External funding)	(7,388,056)	(5,013,267)	(1,682,451)	(1,498,472)	(1,482,839)	-	(818,902)	-	-	-	
\$ (24,416,524)		\$ (38,551,875)	\$ (34,381,739)	\$ (37,167,605)	\$ (38,010,226)	\$ (31,780,213)	\$ (20,029,767)	\$ (22,067,404)	\$ (26,268,965)	\$ (24,239,676)	\$ (20,428,984)	

COMMUNITY FACILITIES / ACTIVITIES continued												
Annual Plan 2020/21	Capital Expenditure Summary	Source of Funds	LTP Year 1 2021/22	LTP Year 2 2022/23	LTP Year 3 2023/24	LTP Year 4 2024/25	LTP Year 5 2025/26	LTP Year 6 2026/27	LTP Year 7 2027/28	LTP Year 8 2028/29	LTP Year 9 2029/30	LTP Year 10 2030/31
			\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Housing for the Elderly												
266,050	Pensioner housing upgrades & renewals	Depn Reserve	341,000	251,968	97,278	223,828	124,413	167,388	143,840	158,536	116,375	-
-	Panama land development	Reserve Funds	-	1,082,000	-	-	-	-	-	-	-	-
288,050	Total Pensioner Housing		341,000	1,333,968	97,278	223,828	124,413	167,388	143,840	158,536	116,375	-
Other Property												
20,000	Public conveniences	Depn Reserve	19,000	12,192	13,598	273,615	-	-	-	-	-	-
250,000	Castlepoint Toilets upgrade	Depn Reserve /External funds	-	10,160	-	-	11,010	-	-	-	-	-
60,000	Rural halls & Fire Station upgrades	Depn Reserve	85,000	-	15,690	-	-	8,483	-	-	9,188	-
-	Riversdale Beach toilets upgrade	Reserves /Depn Reserve	-	10,160	11,506	21,460	5,505	-	5,800	-	-	-
355,000	Rental Property upgrades	/Loan	762,000	47,752	120,290	28,971	56,151	67,860	58,000	29,800	66,150	23,959
50,000	Upgrade other Council buildings	Depn Reserve	-	-	-	-	-	-	-	-	-	-
-	Mawley Park - Playground	Depn Reserve	-	5,080	-	-	-	-	5,800	-	-	-
65,000	Mawley Park facility upgrades	Depn Reserve	74,000	68,072	26,150	26,825	55,050	11,310	11,600	-	98,613	12,610
800,000	Total Other Property		940,000	153,416	187,234	350,871	127,716	87,653	81,200	29,800	173,950	36,569
Airport												
160,000	Runway reseal & remarking	Depn Reserve	10,000	-	-	-	-	-	-	-	-	-
80,000	Airport fencing & roading upgrades	Depn Reserve	-	-	-	-	-	-	-	-	-	-
420,000	Hanger area expansion	Loan /External Funds/Depn Reserve	260,000	-	-	-	-	-	-	-	-	-
	Airport runway and precinct upgrades - taxiway and apron - stage 1	Depn Reserve	3,348,750	-	-	298,510	807,326	-	-	21,870	-	-
	Equipment Upgrades	Depn Reserve /Loan/External Funds	5,000	-	-	-	-	-	-	-	-	-
1,000,000	Runway widening & development	Funds	2,962,623	1,015,385	-	-	-	-	-	-	-	-
	Runway construction & road realignment - stage 2	Loan/External Funds	287,180	585,759	2,484,766	3,406,403	-	-	-	-	-	-
	Certification & safety management system	External Funds	-	-	-	-	675,513	-	-	-	-	-
150,000	Runway lights replacement	Depn Reserve	-	-	-	-	-	-	-	-	-	-
1,810,000	Total Airport		6,873,553	1,601,143	2,484,766	3,704,913	1,482,839	-	-	21,870	-	-
Library & Archive												
180,000	Book stock renewals	Depn Reserve	180,000	182,880	188,280	193,140	198,180	203,580	208,800	214,560	220,500	226,980
45,750	Computer & equipment replacements	Depn Reserve	45,750	25,400	31,380	26,825	33,030	28,275	34,800	35,760	36,750	37,830
15,500	Renew furniture/fittings	Depn Reserve	11,000	11,176	11,506	11,803	12,111	12,441	12,760	13,112	13,475	13,871
125,000	Archive extension (incl. shelving)	Reserves/Loan	1,130,000	-	-	-	-	-	-	-	-	-
566,250	Total Library & Archive		1,366,750	219,456	231,166	231,768	243,321	244,296	256,360	263,432	270,725	278,681
7,512,904	Total		17,740,253	15,907,694	14,085,727	11,981,010	4,656,967	1,313,453	2,882,693	1,172,984	2,998,433	315,250
Funding												
(5,253,704)	Transfers from reserves		(2,973,500)	(3,423,362)	(1,768,561)	(2,118,174)	(1,302,428)	(811,741)	(1,410,943)	(755,784)	(2,385,933)	(315,250)
(1,514,200)	Loan funds		(10,282,190)	(7,471,066)	(10,634,715)	(8,364,365)	(1,871,700)	(501,712)	(652,848)	(417,200)	(612,500)	-
(745,000)	External funding		(4,484,563)	(5,013,267)	(1,682,451)	(1,498,472)	(1,482,839)	-	(818,902)	-	-	-
(\$7,512,904)	Total capital funding		(\$17,740,253)	(\$15,907,694)	(\$14,085,727)	(\$11,981,010)	(\$4,656,967)	(\$1,313,453)	(\$2,882,693)	(\$1,172,984)	(\$2,998,433)	(\$315,250)
\$0	Rates requirement		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Debt affordability benchmark

The Council meets the debt affordability benchmark if its planned borrowing is within the Council's quantified limits for borrowing, as set in the Long-Term Plan.

The quantified limit is: Net External Debt (1) not to exceed 150% of Total Operating Revenue (2).



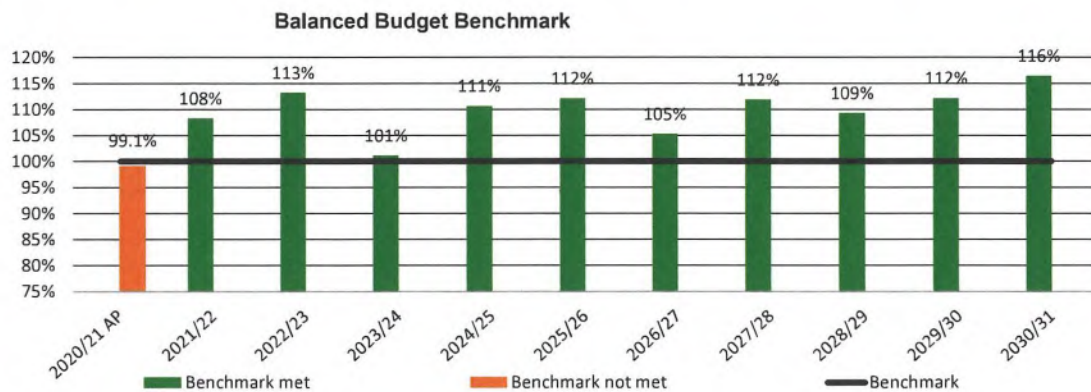
(1) Net External Debt is defined as gross external debt less all financial assets, including cash in bank.

(2) Operating Revenue is defined as all operating revenue as reported in the Prospective Statement of Comprehensive Income.

Balanced budget benchmark

The graph below shows the Council's forecast operating revenue as a proportion of operating expenses. The Council meets this benchmark if its operating revenue equals or is greater than its operating expenses.

As per the regulations, Operating Revenue definition excludes financial contributions and revaluations of assets.



Note: across all years of this Long-Term Plan the Council will achieve a balanced budget. Reflected in this result is the reduction of the roading programme which Waka Kotahi is prepared to fund (resulting in reduced revenue than was included in the Draft Long-Term Plan) and Council's decision to smooth rates increases by using internal borrowing in the first five years of the Long-Term Plan and repaying those funds in the second five years. Council have assumed the Waka Kotahi approved roading programme and subsidy returns to the full level from Year 4 of the Long-Term Plan. A number of one-off items of revenue which fund capital expenditure are budgeted in the first five years of the Long-Term Plan. This revenue off-sets the two items above and has resulted in the graph above showing surpluses in a number of those years.

FUNDING IMPACT STATEMENTS

FUNDING IMPACT STATEMENT (after Panama Amendment)											
As required by the Local Government (Financial Reporting) Regulations 2014											
	Annual Plan	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
COUNCIL	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)
Sources of Operating Funding											
General rates, uniform charges, rates penalties	145	210	210	215	221	226	232	238	244	250	256
Targeted rates	32,222	34,531	36,897	39,330	41,617	44,374	47,131	50,068	53,076	56,137	59,396
Subsidies and grants (for operating)	4,363	4,679	3,437	3,644	3,693	3,792	3,903	4,020	4,133	4,250	4,369
Fees & charges	7,362	8,348	8,775	9,245	9,485	9,772	10,042	10,309	10,589	10,872	11,195
Interest & dividends	578	431	403	469	489	555	576	599	621	644	671
Other receipts (incl petrol tax & fines)	288	306	308	328	337	346	356	366	376	386	397
Total operating funding (A)	44,958	48,505	50,029	53,231	55,842	59,065	62,240	65,598	69,039	72,539	76,284
Applications of Operating Funding											
Payments to staff and suppliers	34,961	37,579	36,675	37,638	38,040	38,594	39,515	40,449	41,666	42,815	44,034
Finance costs	2,149	1,800	1,870	1,845	2,429	2,809	3,017	3,038	2,974	3,149	3,164
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total applications of operating funding (B)	37,110	39,378	38,545	39,483	40,469	41,403	42,533	43,486	44,640	45,964	47,198
Surplus/(Deficit) of operating funding (A-B)	7,847	9,126	11,484	13,748	15,373	17,662	19,707	22,112	24,399	26,575	29,086
Sources of Capital Funding											
Subsidies & grants for capital expenditure	3,838	10,321	9,952	4,455	9,032	10,009	4,526	6,812	4,923	4,954	6,493
Development & financial contributions	1,258	1,481	1,493	1,506	1,528	1,541	1,554	1,577	1,589	1,602	1,616
Increase/(decrease) in debt	3,234	13,711	5,823	18,755	13,475	7,859	878	(1,668)	6,323	629	(2,647)
Gross proceeds from sale of assets	2,420	20	4,543	20	20	88	20	20	20	20	191
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	745	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding (C)	11,495	25,533	21,812	24,735	24,056	19,498	6,977	6,740	12,856	7,205	5,653
Application of Capital Funding											
Capital expenditure:											
- to meet additional demand	470	840	3,789	1,623	783	-	-	25	-	-	-
- to improve level of service	10,605	23,996	14,997	22,133	20,347	17,909	7,970	5,656	13,560	9,576	6,375
- to replace existing assets	13,341	13,715	15,596	13,412	16,881	13,871	12,060	16,387	12,709	14,664	14,054
Increase/(decrease) in reserves	(5,769)	(4,592)	(1,570)	536	703	4,663	6,011	6,182	10,402	8,942	13,691
Increase/(decrease) in investments	694	699	484	780	716	716	643	602	583	598	620
Total application of capital funding (D)	19,342	34,660	33,296	38,484	39,429	37,159	26,684	28,851	37,254	33,780	34,740
Surplus / (deficit) of capital funding (C-D)	(7,847)	(9,126)	(11,484)	(13,749)	(15,373)	(17,661)	(19,706)	(22,111)	(24,398)	(26,575)	(29,086)
Funding balance (A-B)-(C-D)	0	0	0	0	0	0	0	0	0	0	0

FUNDING IMPACT STATEMENT (after Panama Amendment)											
As required by the Local Government (Financial Reporting) Regulations 2014											
	Annual Plan	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)
COMMUNITY FACILITIES / ACTIVITIES											
Sources of Operating Funding											
General rates, uniform charges, rates penalties	-	-	-	-	-	-	-	-	-	-	-
Targeted rates	8,591	9,457	10,128	11,278	12,189	13,199	13,914	14,579	15,086	15,125	15,566
Subsidies and grants (for operating)	51	189	50	51	53	54	55	57	58	60	61
Fees & charges	1,565	1,628	1,660	1,703	1,747	1,840	1,916	1,963	2,018	2,065	2,138
Internal charges & overheads recovered	593	675	685	705	723	741	759	778	798	820	842
Interest & dividends	-	-	42	85	83	126	124	124	124	124	129
Other receipts (incl petrol tax & fines)	-	-	-	-	-	-	-	-	-	-	-
Total operating funding (A)	10,799	11,950	12,566	13,822	14,794	15,959	16,769	17,501	18,084	18,194	18,736
Applications of Operating Funding											
Payments to staff and suppliers	6,512	7,173	7,086	7,273	7,477	7,698	7,901	8,334	8,585	8,880	9,212
Finance costs	207	173	439	584	884	1,105	1,126	1,107	1,091	1,077	1,068
Internal charges and overheads applied	2,609	2,448	2,383	2,575	2,637	2,690	3,034	3,405	3,536	3,626	3,660
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total applications of operating funding (B)	9,328	9,794	9,908	10,433	10,998	11,493	12,060	12,846	13,212	13,583	13,940
Surplus/(Deficit) of operating funding (A-B)	1,471	2,156	2,658	3,390	3,796	4,467	4,708	4,655	4,872	4,611	4,796
Sources of Capital Funding											
Subsidies & grants for capital expenditure	-	4,485	5,013	1,682	1,498	1,483	-	819	-	-	-
Development & financial contributions	-	-	0	0	0	0	0	0	0	0	0
Increase/(decrease) in debt	967	9,741	6,746	9,767	7,430	797	(663)	(478)	(769)	(595)	(1,286)
Gross proceeds from sale of assets	2,420	-	190	-	-	68	-	-	-	-	171
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	745	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding (C)	4,132	14,226	11,950	11,449	8,929	2,348	(663)	341	(769)	(595)	(1,114)
Application of Capital Funding											
Capital expenditure:											
- to meet additional demand	-	-	1,082	-	-	-	-	-	-	-	-
- to improve level of service	4,126	14,967	12,754	12,436	9,552	3,415	206	586	441	1,257	-
- to replace existing assets	3,387	2,774	2,072	1,649	2,429	1,242	1,108	2,297	732	1,741	315
Increase/(decrease) in reserves	(1,910)	(1,358)	(1,300)	753	744	2,157	2,732	2,113	2,930	1,018	3,366
Increase/(decrease) in investments	-	-	-	-	-	-	-	-	-	-	-
Total application of capital funding (D)	5,603	16,382	14,608	14,839	12,725	6,814	4,045	4,995	4,103	4,016	3,682
Surplus / (deficit) of capital funding (C-D)	(1,471)	(2,156)	(2,658)	(3,390)	(3,796)	(4,467)	(4,708)	(4,655)	(4,872)	(4,611)	(4,796)
Funding balance (A-B)-(C-D)	0	0	0	0	0	0	0	0	0	0	0

Item	Assumption	Level of Uncertainty	Risk	Implications of Risk	Considerations/Commentary
	3. All business cases for work from Year 4 that are put forward to Waka Kotahi will be accepted for funding subsidy, and we will receive Waka Kotahi funding at the level we have assumed for those projects.		projects. Should the economy be further impacted or our recovery slower, Waka Kotahi may review its funding criteria and/or level of funding commitment.	That we will not be able to complete the full work programme (e.g. if there was another lock down period), which would reduce the level of funding we receive from Waka Kotahi.	
Sources of Funding for Future Replacement of Significant Assets	Sources of funding for the replacement of assets can be found in the council's Revenue and Finance Policy found on page 159.	Medium	Sources of funds are inadequate to fund the replacement of significant assets.	If funds are inadequate for the replacement of significant assets, work may not be progressed as per timing in the plan. Operational expenditure may rise as a result in an attempt to extend the life of the assets, which would potentially cost the ratepayer more as we would still need to build reserves to pay for the eventual replacement.	Please refer to Revenue and Finance Policy found on page 154.
Sources of External Funding for New Projects	Council has assumed it will receive certain levels of grants and external funding in addition to loan	High	External funding is not secured within the expected timeframes for projects such as infrastructure to	If external revenue for some large capital projects is not achieved, this could result in delays to start dates and progress for those projects.	The investment in infrastructure for the housing project on Panama land relies on sale of the land with a restriction on use for public housing. The Government has

Item	Assumption	Level of Uncertainty	Risk	Implications of Risk	Considerations/Commentary
	funding as sources of funds for significant assets.		support housing on Panama Village, or the Civic Facility.		<p>funding for such infrastructure but the Council has not been successful in securing any of that funding.</p> <p>The project also relies on sale of the land to a public housing provider at market price. Delays are possible in this process. The original LTP budgeted to contribute land and infrastructure to the Panama housing project using external grant funding. The grant funding has not been secured by Council, so a different approach has been required (ie sale of the land for a CHP to build community housing).</p>
BORROWING					
Interest Paid on Borrowing	Interest paid on existing and new debt will average 3.7% in 2021-22, 3.0% in 2022-23 2.7% in 2023-24 2.8% from 2024-25	Medium COVID-19 increases uncertainty related to interest rates given adjustments in interest rates in response to the	That interest rates will be higher than we have assumed.	<p>Higher interest rates: Higher rates would result in increased borrowing costs for Council. In Year 1 of this Plan, an interest rate that is 1% more than we have assumed for borrowing would equate to increased cost of \$530k.</p> <p>Lower Interest Rates:</p>	Interest rate hedging is used to fix interest rates for varying terms to reduce the impact of interest rate movements on Council borrowing. Economic conditions have seen interest rates on borrowing decline. As at September 2020 Infometrics projection is that the economy will start to recover from 2023.

"K"

EXHIBIT NOTE

This is the exhibit marked "K" referred to in the annexed affidavit of Kym Albert Fell affirmed at ~~Masterton~~ *Wellington* on *12 April 2024* before me.

Signature: *[Handwritten Signature]*

A Solicitor of the High Court of New Zealand
(Solicitor to sign in part on exhibit) **Caleb Ta'ase Tumbull**
Solicitor
Wellington

[Handwritten Signature]
CT

"K"



Panama Village & Vacant Land

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Scale = 1:1,250
Date: 20/10/2022