

South Wairarapa District Council

2016/17 Annual Plan
Public meetings
April 2016



Agenda

- Purpose and Background of these presentations
- Purpose of Local Government
- Core Services of Local Government
- Current Environment
- What are we consulting on?
- Financials
- Next Steps
- Questions?

Purpose & Background

- The purpose of these workshops is to explain the main points of the Annual Plan, to assist in the preparation of submissions.
- Changes to the Local Government Act no longer require consultation on Annual Plans where there are no changes to that consulted on in the LTP, or changes are only of a minor nature
- There is no “draft annual plan”, information is encompassed in a series of documents called “supporting documentation” (available on the website and in libraries)
- This Annual Plan covers the period 1 July 2016 to 30 June 2017
- The base document remains the 2015/2025 Long Term Plan

Purpose of Local Government

- To enable democratic local decision-making and action by, and on behalf of, communities; and
- To meet the current and future needs of communities for:
 - good-quality local infrastructure
 - local public services,
 - and performance of regulatory functions
- In a way that is most cost-effective for households and businesses.

Good-quality, in relation to local infrastructure, local public services, and performance of regulatory functions, means infrastructure, services, and performance that are—

- efficient; and
- effective; and
- appropriate to present and anticipated future circumstances

Core Services of Local Government

- **Core services to be considered in performing role**

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

- (a) network infrastructure:
- (b) public transport services (Regional Council):
- (c) solid waste collection and disposal:
- (d) the avoidance or mitigation of natural hazards:
- (e) libraries, museums, reserves, and other recreational facilities and community amenities.

Current Environment

- Economic conditions are similar to that existing when the LTP was prepared
- Therefore there are no changes to the financial assumptions
- 2016/17 year will be dominated by the delivery of projects already approved, and delivery against
- No apparent risks on the horizon, either short term or long term

Consultation

- Acceleration of Wastewater irrigation to land
 - Wastewater Consents for Martinborough and Greytown were granted early 2016, with 35 (maximum) year terms
 - We are keen to accelerate the implementation of the consent. The consent applied for spread the main irrigation component across the first 30 years of the term, in order to smooth the impacts on ratepayers
 - Our proposal is to transfer the funds normally collected for cyclical underground pipe replacement for the 2015/16 and 2016/17 years to the commissioning of irrigation infrastructure earlier than anticipated in the consents
 - The plan is to commence irrigation of up to 24% of total annual volume to land in Martinborough, and up to 21% of total annual volume to land in Greytown during the term of this annual plan, i.e. by 30 June 2017
 - We are confident that a transfer of this nature will not impact the long term serviceability of the network
 - We have not received a consent for Featherston, this will be lodged June 2016. Lodgement was delayed following the purchase of land as the initial application utilised a mechanical “scrubbing” device, the land option is a far better solution

Consultation

■ Pensioner Housing

- In 2014 the Government significantly reformed the community housing space, it is clear one of the intended consequences of these reforms is that Local Authorities exit the community housing space
- The legislative changes has meant:
 - Local Authorities are no longer able to access capital grant subsidies to develop and deliver new community housing
 - Local Authorities are prohibited from becoming a community housing provider
 - Therefore tenants of Local Authority housing are not eligible for rent subsidies.
- As a result, our tenants and communities are missing out on up to \$60 per week per unit that would be reinvested into the existing housing stock
- The cost to our tenants would be the same as it is now, any increase in rents should be offset by the rent subsidy available
- The terms and conditions for our tenants would remain the same.
- Community Housing is not core business for a local authority
- Local Authorities will not be in a position to construct new units to meet the increased demand that is unavoidable
- There are some restrictions around the disposal of the land, as some of this carries reserve status.
- We have 32 units across the three towns, and waitlists in each town.

Consultation

■ Pensioner Housing – Community Housing Provider

- A Community Housing Provider is registered with the Government
- A CHP is not for profit, and is required by legislation to reinvest all revenues back into their housing portfolio
- CHP's can access Government funding to upgrade, extend or construct new units
- We can work with the CHP to transfer our tenants existing terms and conditions
- Our units generally are self funding already, however they are quite basic and there is plenty of scope to spend more.

Funding example, estimates only	SWDC	CHP
Rent	\$70	\$100
Rent subsidy (estimate, if eligible)*		\$30
Cost to tenant	\$70	\$70
Amount available to cover costs and reinvest back into housing stock per unit per week	\$70	\$100

- * if each unit attracted \$30, the combined extra funding available to be reinvested would be \$50K

Consultation

- Pensioner Housing – what we are asking
 - We would like your feedback on:
 - Status Quo
 - Transfer management of units to management company
 - Gift ownership to CHP
 - Sell to CHP

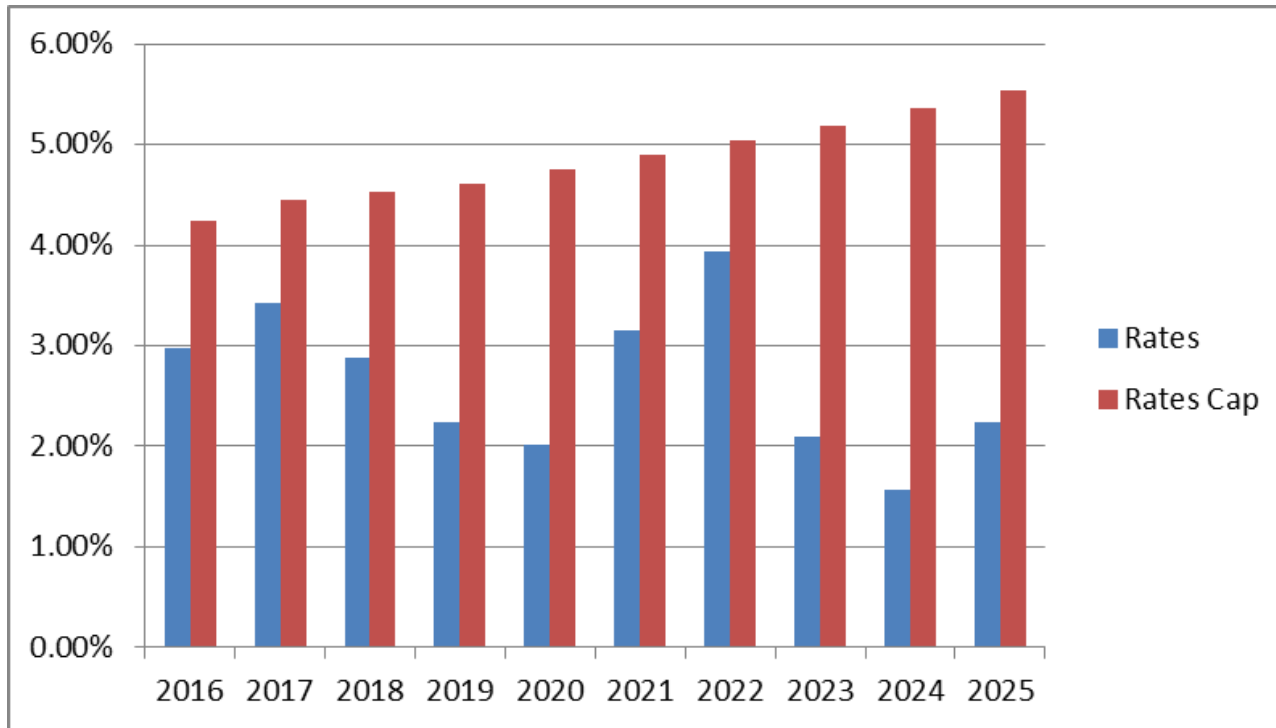
Consultation

- Speed Limits
 - While we cannot set speed limits, we can submit to NZTA for a review of certain areas.
 - Our consultation document has identified a number of areas that are of concern, and we seek your feedback on these, and any other areas you think fit.
- Cycle Strategy
 - We are consulting on our proposed cycle strategy and would welcome your input. The strategy is available on our website and at libraries/service centres.
- Other changes from the LTP
 - Communication
 - Undertaking a number of significant projects has highlighted the need for improved communication, and more regular updates. We have included a modest \$20,000 to ensure appropriate messaging is undertaken
 - Health and Safety
 - We have budgeted \$35,000 this year to ensure our H & S obligations are met. This funding will be used to not only update our systems and procedures, but also make our public areas safer.
 - Water Testing
 - New regulations that require testing for cryptosporidium has resulted in a budgeted increase of \$15,000 to meet these obligations.

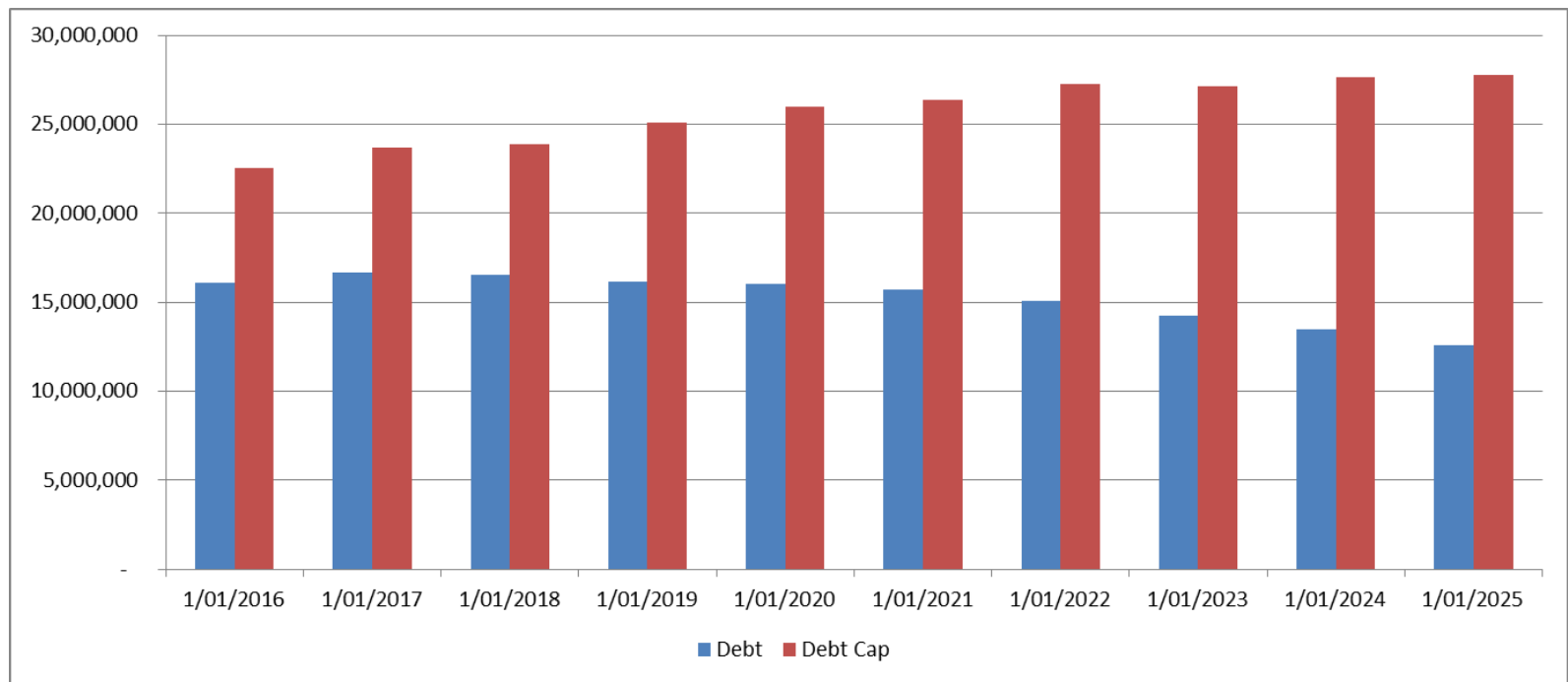
Rates

- Rates are projected to increase by 3.08%, against the Long Term Plan forecast of 3.11%
- In general terms this increase, as flagged in the LTP, is driven by the increases required for the wastewater initiative
- By and large the initiatives we are consulting on do not impact rates.
- We are maintaining service levels and deliverables as described in the Long Term Plan

Rates and Rates Cap



Debt and Debt Cap



Key Projects

- Health and Safety
- Continue to participate in the governance review led by the Local Government Commission
- New legislation, food, health, liquor
- New legislation, RMA
- Cemetery database upgrades
- Seal extensions
- Water Race reviews (continued)
- Maintenance & upgrades of reserves
- New maintenance requirements of reserves
- Continued refurbishment of footpaths (no new)
- Cycle Strategy Works Plan
- Greytown youth facility (wheels park)
- GIS mapping work
- Water testing
- Implementing wastewater consent terms, Buildings. UV plants

Capital Programmes

Key Capital Projects Include:

[In general capital is allocated to ensure the existing asset stock is maintained in the very long term]

- Roothing, approximately \$2.0M per year to maintain asset
- Amenities
 - Playground and skate park refurbishments
 - Greytown Town Centre side entry
 - Coastal Toilets Ngawi and east coast
 - Martinborough Town Hall strengthening and refurbishment / Waihinga Centre
- Water Supply
 - Main pipeline Woodside to Greytown replacement (2 year project)
 - Cyclical replacement approx \$330K per year
- Wastewater
 - Cyclical replacement maintained at \$250K per year
 - Implement strategy following receipt of consents
- Footpaths
 - LTP resolution to apply all funds to refurbishment of existing stock, not build new
 - This resolution was not fully reflected in the text of the LTP

Next Steps

- Submissions Close 4pm Monday 9 May 2016
- Hearings Wednesday 25 May 2016
- Annual Plan adopted Wednesday 29 June 2016

Any Questions?
