



South Wairarapa District Council
Annual Report
2015/2016
SUMMARY

S
U
M
M
A
R
Y



South Wairarapa District Council Annual Report Summary

For the year ended 30 June 2016

**Approved for issue by the Mayor and Chief Executive
11 November 2016**

South Wairarapa District Council

P.O. Box 6

MARTINBOROUGH

Telephone: (06) 306 9611, Fax: (06) 306 9373

Internet address: www.swdc.govt.nz

E-mail: enquiries@swdc.govt.nz

DIRECTORY

COUNCIL

HER WORSHIP THE MAYOR

Adrienne Staples

COUNCILLORS

Cr. Margaret Craig

Cr. Dean Davies

Cr. Viv Napier (Deputy Mayor)

Cr. Brian Jephson

Cr. Julie Riddell

Cr. Solitaire Robertson

Cr. Max Stevens

Cr. David Montgomerie

Cr Colin Olds

COMMUNITY BOARDS

FEATHERSTON

Garry Thomas

Lee Carter (Chair)

Katie Beattie

Peter Jackson

Cr. Solitaire Robertson

Cr. Dean Davies

GREYTOWN

Christine Stevenson

Shane Atkinson (Chair)

Leigh Hay

Ian Farley

Cr. Margaret Craig

Cr. Viv Napier

MARTINBOROUGH

Pam Colenso

Adi McMaster (Resigned February 2015)

Fiona Beattie (Appointed June 2015)

Lisa Cornelissen (Chair)

Victoria Read

Cr. Julie Riddell

Cr. Max Stevens

OFFICE LOCATIONS

MARTINBOROUGH

19 Kitchener Street

P O Box 6

Martinborough

Phone 306 9611 Fax 306 9373

e-mail enquiries@swdc.govt.nz

FEATHERSTON SERVICE CENTRE

The Library

Fitzherbert Street

Featherston

Phone 308 9030

e-mail featherston@swdc.govt.nz

GREYTOWN SERVICE CENTRE

Greytown Town Centre

Main Street

Greytown

Phone 304 9061

e-mail greytown@swdc.govt.nz

SENIOR STAFF

Chief Executive Officer

Paul Crimp

Group Manager Infrastructure and Services

Mark Allingham

Group Manager Planning and Environment

Murray Buchanan

AUDITORS

Audit New Zealand

On behalf of the Auditor-General

Mari-Anne Williamson

BANKERS

Bank of New Zealand

Martinborough

Johan Otto

KEY LENDER

Local Government Funding Agency

INSURANCE BROKERS

Jardine Lloyd Thompson Ltd

Wellington

SOLICITORS

Gawith Burridge

Masterton

Jock Kershaw - Partner

MAYOR AND CHIEF EXECUTIVE'S REPORT

Economic development comes in many guises. **\$28,900,000** represents the value of building consents issued during this financial year.

This figure is slightly below the ten year average of \$30,400,000 per annum, or \$304,000,000 over the ten year period, and represents the amount of investment or development - residential, commercial, and rural - individuals and businesses have made in the South Wairarapa. The future looks equally as successful, with the recent sales of residential and commercial land in our three towns and the rural areas.

Local authorities are under continued pressure to support economic development in their areas. We are very aware Local Authorities are one of only two organisations that can take money off people and give it to others, and we need to be very careful how we do this. It is our view that we should not directly invest in economic development initiatives as ultimately these can end up as profit making business.

We have chosen not to prepare reports or strategies, or provide seed funding for initiatives (direct investment), or employ economic / community development staff.

Instead, our approach is targeted investment where this is prudent that not only includes an economic development component, but also amenity benefits. These initiatives include upgrading toilet facilities in the three towns and coastal areas (research indicates toilet facilities are one of the key things our visitors look for). Construction of the Cross Creek to Featherston cycle way is already showing good patronage, the town centre in Featherston also adds to the amenity value of the town and will have assisted in the sale of the commercial land next to his facility. The Waihinga Centre and town hall will also be a destination and this new and enhanced facility, with the excellent acoustics, will continue to attract visitors to the area. The partnership with the Greytown Soaring Centre on Council land at Papawai has already provided significant economic development benefit for the District, and a great opportunity for youth with the Centres aim of becoming the training centre of excellence for gliding in New Zealand. This partnership will require cooperation from both parties; however the efforts will be well worth it. The partnership has also extended to the wider Papawai community and marae, with a number of young marae members already participating in the "youth glide" training program.

One only has to wander around our three towns and the wider district to see this development. Not many small local authorities could say that there had been in excess of one dozen new shops open in their district in the last year, with more to come. Our urban boundaries are also under stress, the urban zones have almost completely been developed and we need to look at new areas that can be freed up for development. This will take some time, however we will commence this work in the next couple of years.

It is important our infrastructure is capable of meeting our future needs. While our "normal resident population" was reported at 9,525 in the last census, slightly under 30% of our rate demands are sent to addresses outside our district. What that means is that while the population is shown as 9,525, our baseline infrastructure has to cater for a "normal" population more like 13,000 if each of those properties had two people living in them. When we add the tens of thousands visitors we have to some of our events our infrastructure certainly is tested.

Our infrastructure continues to meet the needs of the community, and has sufficient capacity to meet growth projections. To ensure we fully understand the nature of our underground infrastructural assets, and to assist in the efficient collection and treatment of our wastewater, we have commissioned a review of our underground assets with a view to ensuring our assets remain serviceable in the very long term, and that we collect the right amount to ensure funds are available to achieve this.

During the reporting period we approved a number of projects that will provide a positive impact on the district for many, many decades to come. These projects have had quite long gestation periods and it is very satisfying to now be able to make real progress.

We received 35 year consents, the maximum available under the Resource Management Act, for both the Martinborough and Greytown treated wastewater discharges. The end result will be a 100% discharge to land in all but exceptional circumstances making us one of the very few local authorities that can claim this aspirational goal. This goal was set in 2008 and is included in our Wastewater Strategy. We have made good progress on our application for Featherston. We have purchased all the land we require for the three sites, accordingly the risk of significant cost overrun is all but eliminated as it is land and the land availability that has proven to be the highest risk factor in other land discharge scenarios. The risk of a change in environmental standards is also mitigated, if environmental standards tighten, we can accelerate the introduction of the irrigation infrastructure,

a smaller component of the overall project. One aspect that was apparent from the consultation process was that submitters liked the overall approach, however the timeframe was too long for the irrigation component. Council accepted this feedback, and approved the acceleration of stage 1A of the projects earlier ahead of that consented, to the 2016/17 and 2017/18 years. This will result in close to 22% of total annual volume being diverted from fresh waterways much earlier.

As a result of finalising these consents, we can take a proactive approach to managing our discharges in an efficient manner. For example, we have a significant inflow and infiltration issue that now needs to be addressed. In the previous system this dilution was in some ways beneficial, now we need to more carefully manage and control the amount we receive, treat, and ultimately discharge to land.

As a Council, we are always striving to provide the best possible outcomes we can, to be "The Best". We use various indicators to help us assess whether we are on the right track. Our conclusion is, discussed below; we perform to a high standard in what we do. We always strive to improve where we are able.

Local Authorities are constantly under scrutiny, we analyse the various audits and reviews carried out by external parties closely to ensure we are on the right track, and in general terms we fare very well. We are only one of the very few local authorities that have not had any "corrective action requests" following a building consenting authority audit, and this has been the case for the last two audit rounds.

The external audit, performed by Audit New Zealand, provides an in depth assessment of our operations. These days the audits cover much more than reviewing internal controls to ensure the financial statement provide a true and fair view of operations throughout the year. The Government's auditors are required to be alert to a wide range of other issues including whether we are operating in an effective and efficient manner, whether we comply with laws, regulations and contractual requirements, whether Council has obtained and applied the resources of the District council in an economical manner and whether any resources are being wasted. The auditors also review to ensure adequate probity is applied to its operations and the appropriate financial prudence is demonstrated. While Audit New Zealand review these aspects, it is our responsibility to ensure we operate in an appropriate manner. Our auditors have not raised any issues in regards to these aspects.

We receive a significant amount of funding from New Zealand Transport Agency, their audits not only cover whether we are accounting for the funds they give us in an appropriate manner, but more importantly whether we are investing sufficiently in our Roding network to ensure the long term sustainability of that network. These audits have not raised any material issues.

We also participate in perception surveys and score reasonably well in these. In particular, it is pleasing to note that when asked to use some words to describe Council, our rating for being "friendly" and "helpful" was almost twice the national average. The satisfaction survey we carry out every three years, with another due later this year, generally has an approval rating of 70 to 90% - always good, but with room for improvement in some areas.

One area that is apparent is the need to better and more regularly communicate with the public so we have set aside funding to increase and improve this aspect.

Finally, from a financial aspect, we are in very good shape. We meet or exceed the benchmarks set by government and have a very good understanding of the pressures we are facing both short and long term. The key risk for all local authorities into the future is as a result of the National Policy Statement on Freshwater and the implications this will have, particularly for inland local authorities, for the treatment and disposition of wastewater. The decisions SWDC has made have almost completely mitigated this potential risk. We have the resource consents, we have already purchased sufficient land, and we have the funding available to meet our obligations.

We have again managed our budgets well while delivering on what we said in the Long Term Plan and Annual Plan. Our Total Surplus stands at \$954,000 against a budget surplus of \$3,044,000. The budget surplus of \$3,044,000 includes an anticipated \$2,000,000 in donations and grants in relation to the Waihinga Centre. The Waihinga Centre was not advanced sufficiently at balance date to call in these loans and grants (and expenditure not incurred), accordingly this needs to be excluded from the operating results. When this extraordinary item is excluded the actual surplus of \$954,000 compares very well against the budget of (\$3,044,000 less \$2,000,000) \$1,044,000. Local Authorities are not profit driven as commercial entities are; these surpluses are used to fund capital projects and reserves transfers. All revenue, whether for operational or capital purposes, is required to be reported in the profit and loss statement in the first instance. The profit for capital and reserve transfers then flows into the balance sheet reserves, and is expended from those reserves as needed.

Our Balance Sheet remains strong, with working capital (current assets less current liabilities) sitting at \$7,130,000, and public debt of \$13,402,000.

Our staff always strives to do their best, and in combination with the close working relationship between staff and elected members we have made significant progress.

Finally, our thanks go to Mayor Adrienne Staples for four terms (12 years) as Mayor, and those Councilors not returning for the next tri-ennium, Max Stevens, Julie Riddell, David Montgomerie, Dean Davies, and Solitaire Robertson.



Viv Napier

Mayor

A handwritten signature in blue ink, appearing to read 'Viv Napier'.



Paul Crimp

Chief Executive Officer

A handwritten signature in blue ink, appearing to read 'Paul Crimp'.

Independent Auditor's Report

To the readers of South Wairarapa District Council's summary annual report for the year ended 30 June 2016

The summary annual report was derived from the annual report of the South Wairarapa District Council (the District Council) for the year ended 30 June 2016. We have considered whether the summary annual report represents, fairly and consistently, the information regarding the major matters dealt with in the annual report.

The annual report included full audited statements, and the summary annual report includes summary statements. We have audited the following summary statements reported in the summary annual report on pages 6 to 18:

- the summary statement of financial position as at 30 June 2016;
- the summaries of the statement of financial performance, comprehensive revenue and expenses, statement of changes in equity and statement of cash flows for the year ended 30 June 2016;
- the notes to the summary financial statements that include accounting policies and other explanatory information; and
- the summary statement of service provision of the District Council.

We expressed an unmodified audit opinion on the District Council's full audited statements in our report dated 26 October 2016.

Opinion

In our opinion:

- the summary annual report represents, fairly and consistently, the information regarding the major matters dealt with in the annual report; and
- the summary statements comply with PBE FRS-43: Summary Financial Statements.

Basis of opinion

Our audit was carried out in accordance with the Auditor-General's Auditing Standards, which incorporate the International Standards on Auditing (New Zealand), and in particular with the International Standard on Auditing (New Zealand) 810: Engagements to Report on Summary Financial Statements. These standards require us to carry out procedures to confirm whether the summary annual report contains the information necessary, and at an appropriate level of aggregation, so as not to be misleading.

The summary statements and the full audited statements from which they were derived, do not reflect the effects of events that occurred subsequent to our report dated 26 October 2016 on the full audited statements.

The summary statements do not contain all the disclosures required for full audited statements under generally accepted accounting practice in New Zealand. Reading the summary statements, therefore, is not a substitute for reading the full audited statements in the annual report of the District Council.

Responsibilities of the Council and the Auditor

The Council is responsible for preparing the summary annual report so that it represents, fairly and consistently, the information regarding the major matters dealt with in the annual report. This includes preparing summary statements, in accordance with PBE FRS-43: Summary Financial Statements. The Council is also responsible for the publication of the summary annual report, whether in printed or electronic form.

We are responsible for expressing an opinion on whether the summary annual report represents, fairly and consistently, the information regarding the major matters dealt with in the annual report and whether the summary statements comply with PBE FRS 43: Summary Financial Statements.

Other than in our capacity as auditor we have no relationship with, or interest in, the District Council.



Mari-Anne Williamson,
Audit New Zealand
On behalf of the Auditor-General
Wellington, New Zealand
11 November 2016

SUMMARY STATEMENT OF FINANCIAL PERFORMANCE, COMPREHENSIVE REVENUE AND EXPENSES

Table 1 provides a summary of the comparative financial performance for the Council for the 2015/16 and 2014/15 financial years.

TABLE 1	ACTUAL 2016 \$'000	BUDGET 2016 \$'000	ACTUAL 2015 \$'000
Operating revenue	18,720	19,915	18,249
Operating expenditure *	17,847	16,920	17,530
Other gains/(losses)	81	49	353
Net surplus/(deficit)	954	3,044	1,072
Increase/(decrease) in revaluation reserves	3,140	2,014	(15,213)
Financial Assets at Fair Value through other comprehensive income	0	0	4
Total Other Comprehensive revenue and expense	3,140	2,014	(15,209)
Total Comprehensive revenue and expense	4,094	5,058	(14,137)
*Operating expenditure includes Finance costs of:	806	923	767

SUMMARY STATEMENT OF CHANGES IN EQUITY

Table 2 The following table details public equity, and the components of total equity.

TABLE 2	ACTUAL 2016 \$'000	BUDGET 2016 \$'000	ACTUAL 2015 \$'000
Equity at start of year	379,616	395,971	393,753
Total comprehensive revenue and expense	4,094	5,058	(14,137)
Equity at end of year	383,709	407,415	379,616
<i>Represented by:</i>			
Public equity	146,737	142,347	145,392
Restricted reserves and trust funds	17,652	22,852	18,045
Other Reserves	3	4	3
Asset revaluation reserve	219,317	239,168	216,177

SUMMARY STATEMENT OF FINANCIAL POSITION

Table 3 provides a summary for the Council's financial position as at 30 June 2016 compared with the financial position as at 30 June 2015.

TABLE 3	ACTUAL 2016 \$'000	BUDGET 2016 \$'000	ACTUAL 2015 \$'000
Current assets	12,081	9,749	10,054
Non-current assets	389,379	415,554	387,972
Total assets	401,460	424,303	398,027
Current liabilities	4,942	2,984	5,048
Non-current liabilities	12,808	16,948	13,362
Equity	383,709	404,371	379,617
Liabilities and equity	401,460	424,303	398,027

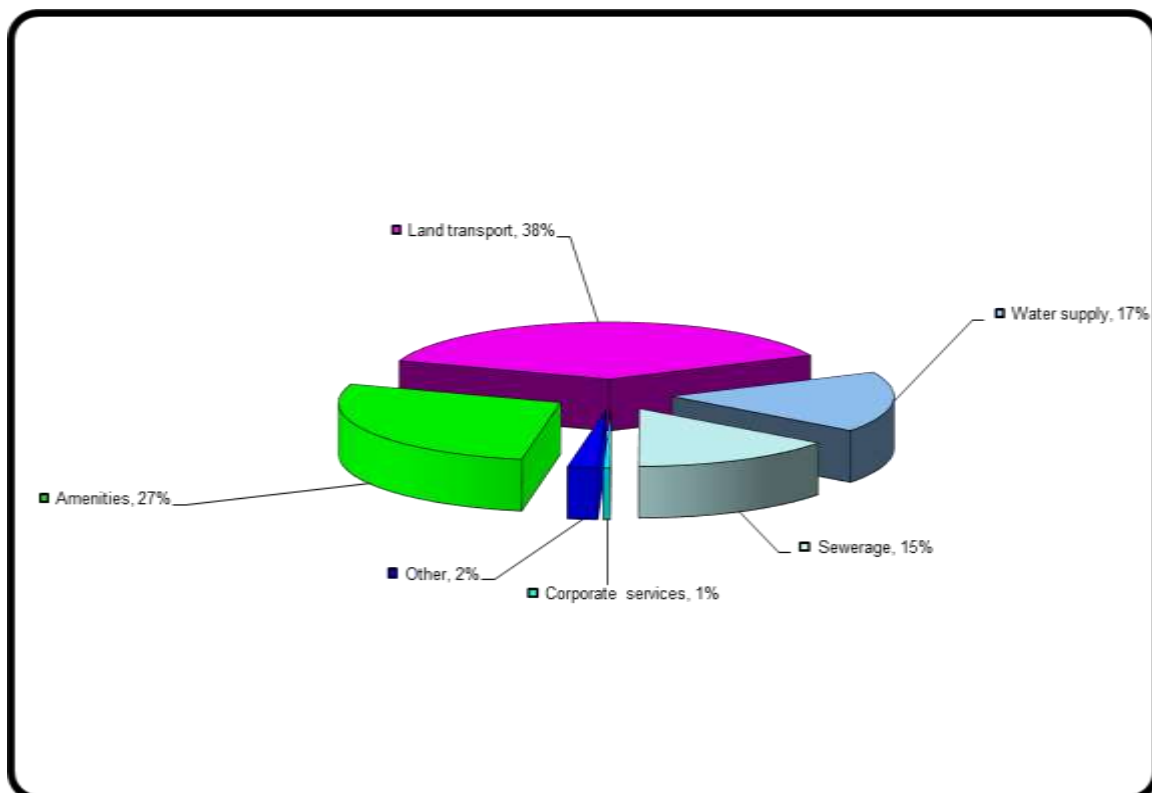
SUMMARY STATEMENT OF CASH FLOWS

The following table summarises how the Council generated and used cash during the respective financial periods.

TABLE 4	ACTUAL 2016 \$'000	BUDGET 2016 \$'000	ACTUAL 2015 \$'000
Net cash flow from operating activities	5,558	6,402	6,319
Net cash flow from investing activities	(6,216)	(7,207)	(9,179)
Net cash flow from financing activities	(1,316)	1,740	2,443
Net cash flow for the year	(1,975)	935	(416)

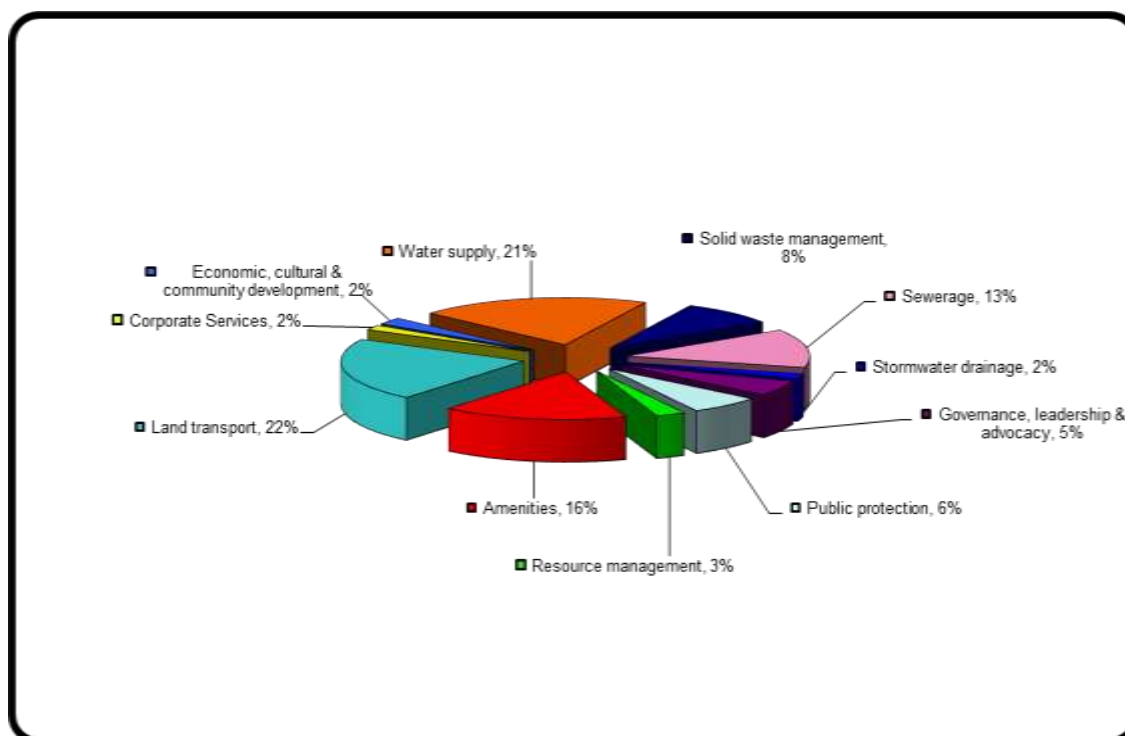
CAPITAL EXPENDITURE

Total capital expenditure for the 2015/16 year was \$4,894,000. Breakdown per activity is as displayed in the following graph:



TOTAL RATES COLLECTED

The total rates collected for the 2015/16 year was \$12,602,000. Breakdown per activity is as displayed in the following graph:



Functional and Presentation Currency

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars (\$000) and this could result in rounding differences. The functional currency of the SWDC is New Zealand dollars.

Statement of Contingencies

Contingent liability for 2016 is \$Nil (2015: \$Nil).

There are no contingent assets for 2016 (2015: \$Nil).

No contingent rents have been recognised during the period.

There are no unfulfilled conditions and other contingencies attached to New Zealand Transport Agency subsidies recognised.

Related Party Transactions

KEY MANAGEMENT PERSONNEL

During the year councillors and key management, as part of a normal customer relationship, were involved in minor transactions with Council (such as payment of rates and purchase of rubbish bags etc.).

Dean Davies (a councillor) has a directorship in Guten Appetit Catering Limited. Payments made by the Council in the normal course of business on normal commercial terms for the year amounted to \$Nil (2015: \$2,845). Payments received by council in the normal course of business on normal commercial terms for the year amounted to \$Nil (2015: \$Nil)

Colin Olds (a councillor) Payments received by council in the normal course of business on normal commercial terms for the year amounted to \$150 (2015: \$150)

Adrienne Staples (The Mayor) has a directorship in Sanctuary Hill Ltd. Payments received by council in the normal course of business on normal commercial terms for the year amounted to \$Nil (2015: \$ Nil)

All payments were made on a cash basis and no payments were delayed. No interest was charged and there are no outstanding balances as at 30 June 2016.

No provision has been required, nor any expense recognised for impairment of receivables for any loans or other receivables to related parties (2015: \$Nil).

All payments were made on a cash basis and no payments were delayed. No interest was charged and there are no outstanding balances as at 30 June 2015.

No provision has been required, nor any expense recognised for impairment of receivables for any loans or other receivables to related parties (2014: \$Nil).

	30 JUNE 2016 \$	30 JUNE 2015 \$
Councillors		
Remuneration	224,945	210,760
Full-time equivalent members	10	10
Senior Management Team, including Chief Executive		
Remuneration	487,456	452,398
Plus back pay relating to 14-15 year	4,264	
Full-time equivalent members	3	3
Total key management personnel compensation	716,665	663,158

Key management personnel include the Mayor, Councillors, Chief Executive, a Group Manager Infrastructure and Services, a Group Manager Planning and Environment.

Explanations of Major Variances Against Budget

Explanations for major variations from South Wairarapa District Council's estimated figures in the 2015/25 Long Term Plan are as follows.

STATEMENT OF FINANCIAL PERFORMANCE

- Rates revenue ahead of budget due to the reclassification of targeted rates for water by meter, from fees and licence revenue. The budget is required to remove in fees as disclosed in the LTP.
- Fees and licence revenue ahead of budget as building consent, LIMs, landfill revenue well ahead of forecast. The budget includes targeted rates for water by meter this has been reclassified into the rates actual income for this Annual report.
- NZTA revenue ahead of budget due to, Revetment work being done on the special purpose road that was not budgeted for, this work was 100% claimable from NZTA leading to more income than budgeted.
- Grants and subsidy revenue behind budget as pledges and grants not called in for the Waihinga centre project due to the delay in receiving Lotteries funding confirmation (project commencement moved to 2016/17 year)
- Development activity in the district ahead of forecast, resulting in revenue ahead of forecast.
- Land transport output higher than forecast due to emergency works following storm events on the Palliser special purpose road.

STATEMENT OF COMPREHENSIVE REVENUE AND EXPENDITURE

- The total surplus after tax is lower than forecast due to grants and pledges for Martinborough town hall not received as work had not yet started.

STATEMENT OF MOVEMENTS IN EQUITY

- The comprehensive revenue and expense for the year is significantly lower than forecast due to the variances described above.

STATEMENT OF FINANCIAL POSITION

- Cash & cash equivalents lower than budget following the early repayment of loans, and the grants and pledges not called in for the Waihinga centre project due to the delay in receiving Lotteries funding confirmation.
- Total public debt, current and non-current is lower than forecast due to the repayment of loan earlier than anticipated.
- Asset revaluation reserve lower than forecast due to a prior year devaluation in Roothing assets following receipt of a significantly lower maintenance and upgrade contract.

STATEMENT OF CASHFLOWS

The notes below are for the 2015/2016 year.

- Government grants & subsidies are lower than budget as pledges and grants for Waihinga Centre project not yet received.
- Other revenue ahead of budget due to building consent, LIMs, user levies, fees revenue being ahead of forecast. In addition, capital contributions based on sub divisional activity was ahead of budget.
- Repayment of public debt higher than forecast due to repayment of cash flow loan.

Interpretation of Summary Financial Statements

This Summary Report, which has been extracted from our 2015/16 Annual Report cannot be expected to provide as complete an understanding of the Council as provided by the full Annual Report.

Copies of the 2015/16 Annual Report are available at the Council Offices, 19 Kitchener St, Martinborough, or at Council libraries in Featherston, Greytown and Martinborough, or at www.swdc.govt.nz.

The full Annual Report was authorised for issue on 26th October 2016, Audit New Zealand issued their unmodified audit opinion on that date.

South Wairarapa District Council is a public benefit entity for financial reporting purposes. The full financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice (GAAP) and comply with Tier 2 PBE accounting standards, as appropriate for public benefit entities.

This summary report has been prepared in accordance with PBE FRS – 43.

This summary report covers the period 1 July 2015 to 30 June 2016.

Events After Balance Date

Assets held for sale have been sold subsequent to balance date but prior to adopting the Annual Report.

16-18 Kitchener Street, and 20 Broadway Street Martinborough was sold for \$625,000. This was the valuation we received for these properties. These properties had a carrying value of \$651,000.

The majority of land at the south end of Greytown known as Old Stella Bull Park was sold for slightly more than the valuation received. The sale price was \$1,500,000. We are unable to ascertain accurately the carrying value as the sale did not include the entire property and the subdivision remains uncompleted.

This is a non-adjusting event.

UPDATE ON KEY ISSUES FROM THE LTP

The following comments report back on progress during the past year with the key issues that were identified in the Council's Long Term Plan (LTP) which was adopted in June 2015.

UPDATE ON KEY ISSUES FROM THE LTP	
KEY ISSUES	PROGRESS
<p>Roading in the district is vital, not only for car traffic which is the predominant means of transport for most residents and visitors, but also commercial traffic which is essential to service major industrial enterprises, particularly farming, horticulture and the wine industry.</p>	<p>The roading programme was completed as planned. This program is agreed with NZTA and is subject to significant oversight, NZTA need to be assured that their contribution is being well spent. The reseals programme is managed to ensure that only those sections of road that require sealing are sealed. This targeted approach is the most efficient method of ensuring the network is maintained to the highest standard affordable. A significant amount of work was carried out on the Cape Palliser "special purpose road". As this section of our network abuts the sea, it is important to carry out as much preventative maintenance as possible as we head towards the one network road scheme.</p>
<p>Council will continue to work with other Councils in developing shared services in a number of areas. Due consideration will also be given to the possibility of amalgamation with the neighbouring local authorities.</p>	<p>South Wairarapa has worked with the other Wairarapa Councils on a number of initiatives, including electricity pricing, insurance cover, solid waste, and roading contracts, where a combined maintenance contract was signed resulting in significant savings. One key output during the year was the application to the Local Government Commission by the Wairarapa Governance Review Working Party. This working party was delegated by the three Wairarapa Councils to investigate governance options for the Wairarapa and concluded that a Unitary Authority would best meet the financial and governance needs of the Wairarapa.</p>
<p>Alternative effluent disposal systems such as discharge to land for the waste water systems in the three towns will be investigated to meet GWRC's discharge standards. This will be the most significant capital expenditure item in the next three years.</p>	<p>The 2015/16 year has seen excellent progress with the acquisition of 35 year wastewater consents for Greytown, and Martinborough. An application for Featherston is due to be lodged in September 2016 with a 35 year consent expected.</p>
<p>Waihinga Centre</p>	<p>The Martinborough Town Hall strengthening and Waihinga Centre upgrade was approved in February 2016. The tender process has been completed and work is due to start in December.</p>

SIGNIFICANT ACQUISITIONS OR REPLACEMENTS OF ASSETS

The following comments report back on significant acquisitions or replacements of assets.

SIGNIFICANT ACQUISITIONS OR REPLACEMENT OF ASSETS				
PROJECT	COMMENT	2015/16 BUDGET \$'000	2015/16 ACTUAL \$'000	2014/15 ACTUAL \$'000
Amenities Featherston Town Centre Development	Local Authorities are responsible for providing the public with serviceable amenities. Up to date and functional amenities encourage visitors and provide a positive image for the towns. The town centre development opportunity arose some years ago with the acquisition of the land, and following feedback from the community the facility developed. This was not quite completed at balance date.	625	513	-
Wastewater Resource Consent Applications	Local Authorities are required to manage the treatment and disposal of sewerage to ensure the conditions of the resource consents are met. Sewerage disposal options preferred by the regulatory authorities have resulted in the need for a full and comprehensive investigation of the options available. While discharge to water is still a viable option, the community, through a series of consultative working groups in each town, has identified that discharge to land should be investigated. Expenditure includes a significant amount of data collection and analysis to enable options to be ascertained and recommendations made. Expenditure is ahead of budget due to the workload required to finalise the consent applications, and hold the hearings. We were delighted to obtain 35 year consents for Martinborough and Featherston. Part of these costs relate to the Featherston application, which is due to be lodged in the next financial year.	489	637	597
Water Alternative supply for Featherston	To provide a more secure water source for the towns of Featherston and Greytown, three bores were developed and connected to the existing water treatment plant. This was not completed at balance date	734	1,030	113

OPPORTUNITIES FOR MAORI TO CONTRIBUTE

South Wairarapa District Council's main Maori consultative group is the Maori Standing Committee. The role of this Council funded committee is to:

- Advise on tangata whenua and Maori interests in the Council's major areas of activity.
- Establish a method of consultation, which involves tangata whenua, on all matters relating to the district's resources, and involving the district's planning processes.
- Advise on consultation processes with Maori in the district and assist in the development of consultation networks throughout the district.
- Promote the development of processes within Council, which develop policy, processes and guidelines, based on the Treaty of Waitangi principles of participation, partnership and active protection.

Maori input has been sought on the current wastewater project, particularly on the impact of discharges to the Papawai stream.

Public participation at Council and community board meetings is another forum whereby Maori can have input into matters Council is considering.

PROJECTS FOR 2015/16

GOVERNANCE/LEADERSHIP/ ADVOCACY

- Completion of the Annual Report for 2014/15.
This was achieved with Council adopting the Annual Report on 29 October 2015 and the Audit Opinion issued on that date.
- Continued involvement in the regional governance review.
Work continues by the Local Government Commission on the options for Wairarapa. We continue to be involved providing input where requested. This process is being led by the Commission.
- Review Policies as they fall due.
Policies are now required to be presented to Community Boards before the Policy and Finance Committee. All policies not affected by legislative change are now current. A hold will be placed on policies due for review until the new Council takes office.
- Advocate for Public Transport to meet community's need.
SWDC agreed to work closely with GWRC to ensure our public's needs were given due consideration and lobbied to form a Public Transport working group consisting of the 3 Wairarapa councils and GWRC. This was formed late in the financial year and has met once.
- Review Combined Wairarapa District Plan.
Discussions have commenced in regard to the required data collection that is needed to assess plan effectiveness.
- Council adopted the 2016/17 Annual Plan following consultation.
A total of 108 submissions were received, many of these submitting on multiple issues. The Annual Plan was adopted on 29 June 2016

PUBLIC PROTECTION

- Monitor the performance of and if required review, update and consult on the Council's bylaws.
Council reviewed the Coastal Camping Bylaw. This has resulted in the notification of a change to this bylaw to allow dogs to accompany campers at the Ngawi and Ngawi Surf Break free camping sites. This change will be completed in the second half of 2016.
- Setup and commence project to scan existing building consent files along with all new building consents.
The project has commenced with a half time position created and scanning equipment and software purchased. The project is anticipated to take three years to complete.
- Commence development and establishment of electronic Building Consent processing and work with Masterton District Council and Carterton District council where appropriate.
Software has been purchased to enable electronic lodgement and processing. Systems and specifications are under consideration.
- Review the Gambling Policy
This Policy has been reviewed in conjunction with Masterton and Carterton district councils, and is due for adoption on 10th August 2016.
- Review adequacy of current pound facility and determine necessary improvements.
Review completed no funding assigned.
- Work where practicable, with the other councils in the Wairarapa region to develop procedures and practices to implement the new Food Act.
All 3 Wairarapa Councils have been grappling with the complexities of implementing the new Food Act. Common forms and processes have been developed to deal with template Food Control Plans (FCP).

CDC and Council have decided to focus on template FCP's only (statutory requirement) while MDC have initially decided to undertake verifications for custom FCP's.

- Complete the development of a Local Alcohol Policy with MDC and CDC and monitor the performance of DLC and Council processes in implementation of the Act and LAP.

Policy appealed hearing before ARLA scheduled for March 2017. In the interim discussions with the 3 appellants has led to the withdrawal of one appeal and the likely settlement of another.

- Maintain accreditation as a Building Control Authority. Next bi-annual review is due in 2018.

Accreditation maintained. No corrective actions were issued by IANZ

- Review regulatory Policy documents by due dates.

The Earthquake prone buildings policy will need to be amended in line with legislative changes in 2017, no action is required before then. The Dangerous and Insanitary buildings policy is planned for review. All other policies are current.

- Consider earthquake strengthening support opportunities.

To be considered in line with new legislation in 2016/17.

ECONOMIC, CULTURAL AND COMMUNITY DEVELOPMENT

- Continued involvement with economic development both regionally and locally through the Wellington Regional Strategy, Grow Wellington, Destination Wairarapa and other agencies and local business groups.

This was achieved through the Destination Wairarapa grant supporting Tourism marketing for South Wairarapa and positions held on joint Economic Development Committee

- Continued support for South Wairarapa Safer Community Council (jointly with Carterton District Council).

This was achieved through an annual grant to SWSCC.

- Supported cultural organisations

This was achieved through annual grants in line with the WSWDC Grants Policy.

- Continue to administer the Creative Communities scheme under contract with Creative NZ

Creative Communities scheme administered, 13 applications were processed, with 9 of those granted

- Continued support for the Wairarapa water project.

This was achieved through an annual grant towards the project for a feasibility study.

- Implement a Grants Policy

Completed

- Develop an Economic Development Strategy

Not completed

- Assist Wellington Gliding Club establishing their new home at the Papawai airstrip.

Assistance was by way of granting a lease over Council owned land at Papawai, and allowing capital works to be undertaken. Both parties recognise that distribution of treated wastewater is the predominant use for the site, and that cooperation will be needed by both parties to successfully cohabit the site.

- Promote cycle tourism

The Cross Creek to Featherston cycle way was completed December 2015. The draft cycle strategy has been completed and public consultation held. Feedback from this consultation will be incorporated.

Funded cycle tour

- Research viability of application to Ministry of Business Innovation & Employment to register interest in funding for Ultra-Fast Broadband 2, Rural Broadband Initiative 2 & Mobile black Spot Fund. Submit application if viable.

Submission made in conjunction with CDC and MDC outcome unknown at this time.

RESOURCE MANAGEMENT

- Monitor the implementation of the Coastal Reserves Management Plan.
The Infrastructure and Services Group is undertaking the implementation of this plan and has developed a works programme for Council to consider and fund as appropriate.
- Continue to improve the functionality of the District Plan and undertake Council initiated plan changes where necessary.
Council has commenced work on the Greytown Future Development Area. Consultants have been engaged to develop a structure plan. This will be available to Council in the 2016/17 year for consideration.
- Respond to changes to the Resource Management Act 1991 by Government to ensure compliance with statutory requirements.
Council has updated its reporting systems to reflect new legislative provisions particularly in response to the new National Monitoring Requirements (NMR).
- Continue to provide an approach that meets the Council's legislative requirements while facilitating investment in buildings and businesses the district.
The development of the One Stop Shop process has enabled some "non-qualifying" developments to be handled using a more integrated approach. This enabled issues to be identified earlier in the process. Staff across Council teams were then able to focus on finding solutions that worked for everyone e.g met heritage and building requirements.
- Review Combined Wairarapa District plan in particular notable trees, historic buildings, signage, residential standards, flood management.
Council continues to work with the Wellington Regional Council (along with MDC and CDC) on updating the provisions of the WCDP for flood hazard management.
Work has also begun on developing a Plan Change to update the protected trees schedule of the WCDP.
- Review residential water race maintenance.
This project has been deferred, for review in the new financial year

AMENITIES

- Continued the new cemetery development at Featherston.
On-going
- Carry out the strengthening Martinborough Town Hall.
The strengthening work on the Martinborough Town Hall was delayed pending the Waihinga Centre development project. This project was approved by Council in February 2016, the project and design work is continuing with construction due to start in December 2016.
- Program works from the coastal reserves development plans.
Design and building consent has started for the upgrade of the toilets at Ngawi and a new toilet on the east coast which will be completed in 2016/17.
- Establish Soldiers Memorial Park Development Plan.
User meetings were held and the development plan will be progressed in 2016/17 initially with a review of the current management plan
- Featherston Town Square.
Work is underway with completion of stage one scheduled for October 2016 following weather delays.
- Complete the ANZAC Hall Upgrade.
All building works completed. Remaining stage one work is stormwater drainage, sub-floor ventilation and paths and kerbs - to be completed by end of September 2016
- Complete Pool Upgrades.
Work completed:

Featherston – wash down grandstand and gazebo roof, repainting of changing rooms and offices

Greytown – main pool re-fibre glassing and repair to circulation system, repaint grandstand, waterblast concrete, replace floodlighting, repaint front office and entrance, clear spouting and wash down exterior, replace entrance gates

Martinborough – cleaned down grandstand roof, upgraded pump room ventilation, maintenance works to buildings and fences

The last of the big external recommendations will be completed in 2016/17:

- *Sealing of the header and overflow tanks at all 3 pools*
- *Featherston pool covers to main pool*
- *Martinborough main pool fibreglass*

We also intend to repair the Featherston toddler pool, and CCTV all of the pool pipework at all 3 pools to establish a future focused maintenance program.

- Development Plan for Youth focused facility in Greytown.

A Working Party has been established and meets monthly. Locations have been considered and final location selected (Pierce St), amenities for park scoped and indicative pricing sought. Design work will be done in 2016/17 along with public consultation and a start of fund-raising.

- Development Plan for Card reserve.

A User group is being established to review the development and management plans.

- Connect Libraries to Ultra-Fast Broadband.

On hold subject to submission to MBIE.

LAND TRANSPORT (ROADING AND FOOTPATHS)

- Complete an annual reseals programme and re-metaling programme.

Completed

- Complete the bridge inspection programme and develop works program for 2016/17 from the results.

Inspection completed works program development commenced

- Renew and extend footpaths as per community Board programme.

All suggestions have been considered. It was agreed by Councillors that no new footpaths were to be constructed and only maintenance was to be undertaken.

A rural lime path was constructed in Oxford St, Martinborough to join to the existing concrete footpath into the town centre.

- Construct a cycle trail from Cross Creek to Featherston.

Complete

- Complete 1km seal extensions.

Seal extensions were completed on Tora Road and George's Road.

- Develop a cycle strategy.

Completed awaiting sign off

- Investigate options for rural residential footpaths.

Investigations are continuing. Lime cycle path option completed in Oxford St, results to be monitored.

WATER SUPPLY

- Renewal of ultra-filtration units at Greytown/Featherston water treatment plant at the rate of approximately 5 per year (average duration of renewals cycle is 20years).

We replace 2 of the 100 filters, which is a change from the previous 20 renewal with the change of water source and new UV disinfection plant. With the upgrade of the water plant away from ultra-filtration to UV disinfection the filter train will be used less frequently and operated mainly for maintenance as a back-up. As confidence in the bore supply improves, one of the filter trains will be mothballed.

- Renewal of valves, pumps and fittings including telemetry equipment as required.

On-going on an as needed basis, 2 valves were replaced due to failure and two turbidity monitors at different plants due to asset age.

- Continue the alternative Featherston supply project.

Stage 1 is complete and three new bore pumps are now feeding the water to the UF plant. Stage 2 is in tender phase for completion in 2016, which will see the installation of the UV disinfection installed in an extended building adjacent to the UF plant. A new control system will be installed as well to replace the 20 year old computer at the UF plant.

- Implement outstanding water rates penalty

This project was not implemented and is anticipated to be completed during the next financial year.

SOLID WASTE MANAGEMENT

- Continue to work with Carterton and Masterton District Councils on solid waste management issues and solutions.

On-going with section 17a review done in draft

- Work at a regional and sub-regional level towards the outcome of the waste management and minimisation plan as required under the Waste Minimisation Act 2008.

On-going work with Wairarapa Councils with the Environment and Sustainability Advisor and Regional waste planning.

- Provide at least 2 hard waste (inorganic non-recyclable items weighing less than 15kg and able to be lifted by one person) collections per year.

Completed, hard waste collections carried out during

2-6 May 2016

1-5 August 2016

- Trial Wheelie bins for Featherston recycling.

To be considered as part of new Solid waste contract for implementation in 2017.

- Carry out all actions listed for SWDC under the Regional Waste Management Plan.

The Wairarapa councils have continued to work together, including collaboration through a shared Environment and Sustainability Advisor. The kerb side collection has continued and is incorporated in the review of the single current contract to assess the benefits of this combined approach.

WASTE WATER (SEWERAGE)

- Continued programme of sewerage reticulation repairs and renewals.
Completed Hardie Grove, Featherston. Other work deferred to allow the implementation of the accelerated discharge to land programme.
- Consent applications
Martinborough and Greytown have received 35 year consents. Featherston consent lodgement will be 4th quarter 2016 to allow sufficient analysis of options.
- Divert flow from Papawai Stream (Greytown).
Consent commenced, design of land discharge started.
- Install ultra-violet disinfection for the Greytown effluent discharge and apply for land irrigation consents.
Design of land discharge started and planned to be installed for January 2017 at Martinborough, with the UV installation and discharge to land planned to Greytown in April 2017

STORMWATER DRAINAGE

- Continued renewal and upgrading of stormwater drains
No progress achieved this year.