

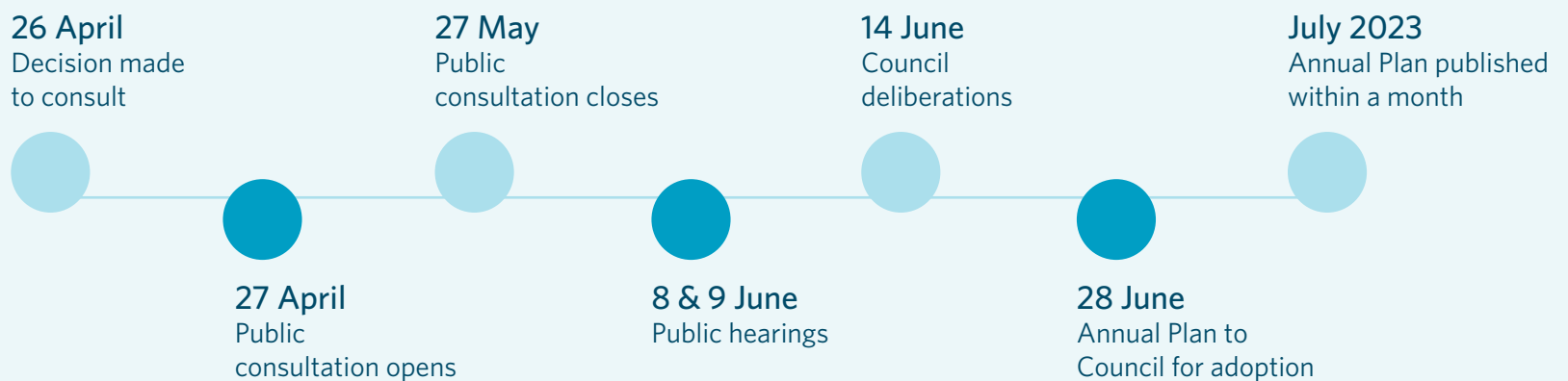


**SOUTH WAIRARAPA
DISTRICT COUNCIL**
Kia Reretahi Tātau

Have your say

2023/24 Annual Plan Consultation Document and Statement of Proposal

April 2023



Consultation is open from 5.00pm Thursday 27 April
and closes at 5.00pm on Saturday 27 May 2023

Whakataukī

Mei te tatū o ngā whakaaro ki ngā āhuetanga o te hinengaro,
Mei te ngāwari ake o te ahunga ki nāianeī,
Kua tū nei te tūranga ki runga i ngā pakahiwi o te nehenehe.

If I am confident with where we'll be in the future,
Composed with how we are at present
It is merely because I am standing on the shoulders of the past.

Purpose and Context

Since the Council's current Long-term Plan (LTP) was written in 2021, the economic environment we operate in has shifted significantly. The increase in rates forecast in the LTP for 2023/24 was 3.19%. However, the costs of services the Council provides to the community (as it has for households and businesses) have increased dramatically since then.

We need your feedback and insights to make some tough financial decisions for our communities.

Interest rates and inflation are climbing. Essential costs for things like insurance, transport, and building materials remain high. Due to the nature of our infrastructure, construction sector inflation is a better measure of the impact on Council's costs.

A series of severe weather events over the past 12 months have added to cost pressures, particularly in roading, where we have sustained many millions of dollars of damage to our network. Repairs after these events have also used up our Rural Road Reserve.

Businesses we work with to deliver water, waste and maintenance services have been forced to pass their increased costs to customers, including the Council. Our aging water infrastructure continues to require ongoing maintenance. This has become even more costly over the past year and is extremely challenging for a small Council to meet. Wellington Water Limited, the Council Controlled Organisation, that delivers water services on our behalf, has recommended a three-option budget. The proposed budget up for consultation is based on the low-cost, high risk option.

The Council has made a concerted effort to review expenses and control costs wherever possible. We have critically reviewed our spending and have only included essential operating costs. We are negotiating the best outcomes possible with external suppliers and contractors. Where we can, we are delaying non-essential spending. In an ideal plan, we would be proposing Wellington Water's recommended high-cost/low-risk budget for water and a significantly greater roading infrastructure budget to maintain and improve the quality and reliability of these services. Unfortunately, this approach would increase rates even further on top of what is proposed, which we believe is unaffordable for most ratepayers.

The Council on your behalf must, however, maintain a level of service that keeps everyone safe and all our core services operating properly. You will see in this consultation document, especially in water services, this tension between keeping costs as low as possible and maintaining adequate service delivery.

We recognise the negative impact that cost-of-living increases are having on households and businesses in our district. We take our role seriously as a territorial authority to maintain a reasonable level of service while keeping costs as affordable as possible for ratepayers.

This is the balance we have tried to maintain when considering the Annual Plan budget.

In the 2023/24 Financial Year, we will continue to focus on improving the resilience of our roading and water networks.

In the water space, there will be progress made on the Memorial Park Water Treatment Plant upgrade, Featherston Donald Street Pump Station upgrade, Featherston Wastewater Treatment Plant consent, and the Martinborough Wastewater Treatment Plant compliance project.

All these major capital projects will contribute to greater water resilience in our Wards.

For the Annual Plan budget, we have included the low-cost/high-risk water budget that was forecast in the 2021-31 Long-term Plan. This is not recommended by either Council Officers or Wellington Water Limited. As explained under *Statement of Proposal* [page 12], the risks are very high with this option and it has only been chosen for ratepayer affordability. There are tough choices to be made about how much we spend on water services, and we welcome your feedback on the risks attached to that decision.

In roading, we will be concentrating on safety and maintaining access to our vulnerable rural communities on the Coast. We will deliver routine work across the network such as repairing footpaths (reducing spending on new footpaths), maintaining rural and urban roads, and resealing roads where our budgets allow.

We are also asking feedback, especially from our rural-based ratepayers, on increasing the money we put aside for the Rural Road Reserve as a way of being better prepared for the impact of natural disasters including severe weather on our rural network.

With these huge increases in costs and the challenges of delivering in the current environment, there is no way that we can affordably deliver the programme of work outlined in the 2021-31 Long-term Plan without making changes to the way we deliver them.

As a result, for the 2023/24 year, **Council is proposing a 15.9% increase, or an additional \$3,376,671 on, the 2022/23 total rates income.**

This increase is further explained in the pages that follow.

This budget is necessary to:

- Keep the lights on in terms of the minimum amount of operating expenses we need to run our major drinking and wastewater treatment plants,
- Foster the wellbeing of our community and the economy,
- Continue to deliver the many essential services for our community,
- Grow sustainably as a district.

Message from the Mayor

We are approaching the time of the year when this Council sets rates for the next year. We do this when we approve a document called the Annual Plan.

At a similar stage in 2021, the Council estimated what the rates would be in 2023/24 and published that estimate in its Long-term Plan. Things have altered a lot since then, so we are now proposing an Annual Plan that is different to that earlier estimate. And because our proposed Annual Plan is different, we are consulting you, our stakeholders, before we make any final decisions.

Consultation is a formal process which has some rules. Some of the key rules are that we must:

- be very clear what it is that we are proposing and why
- give you, the public, plenty of time to read and respond to our proposals
- provide you with sufficient information so that you understand why we are making our proposed changes to the Long-term Plan
- give you the chance to present your views in person to us, including by Zoom or phone if you so wish, and
- the consultation process must be genuine, and we must consider your responses with an open mind and be willing to change our proposals.

I assure everyone reading this that the consultation will be genuine. We are open to changing our mind after we have listened to what you have to say.



Effective financial management requires us to be upfront about the financial position we are in and the future problems we face. In this case we are consulting you about decisions for 2023/24. From a cost point of view, the biggest choices involve rural roads and urban water systems. We seek your input. If you want more facts and figures on these or any other financial matter, please ask.

In 2023 we have a new Mayor and most of your Councillors are also newly elected. We will involve you, our residents, in decisions about rates. We will listen closely, and with an open mind, to what you tell us. We will also be honest with you about the reasons why we need you to consider seriously the proposal in this document.

Ngā mihi,

Martin Connelly

We need your feedback

We need you to tell us what you think about the proposed changes to the 2021-31 Long-term Plan. The options in each of these proposals are to manage the impact of rates on you.

Public consultation is a legal requirement when this level of change is proposed, and we are keen to understand what you think and welcome your views.

Refer to pages 18 and 19 to respond to these four proposals and to provide feedback on whether to:

- A. Keep the LTP Year-3 water budget of \$3.541 million (including inflation) or increase the budget to reduce legal, health and safety, and plant failure risks.
- B. Keep the current \$300,000 annual Rural Road Reserve contributions or increase it to provide a buffer during times of urgent need.
- C. Include a budget of \$165,000 for a pool of casual Library staff to cover leave or remove the use of a pool of casual staff that will result in libraries being closed more often.
- D. Keep or remove the community and youth grants scheme of \$170,000.



What is an Annual Plan and why do we need one?

Our Annual Plan sets out how we plan to deliver services and infrastructure projects for the coming 2023/2024 financial year and how it will be funded. This amount is used to set rates, charged proportionally to property owners in the South Wairarapa district. The Council's current Long-term Plan is for the 2021-31 period.

The Council develops a Long-term Plan (LTP) every three years. In the interim two years, we create an Annual Plan to make sure we continue to deliver on the initiatives set out in the LTP. Annual Plans identify our activities, the resources to deliver them and where the resources will come from, for example rates or user charges.

The proposed budget for 2023/24 is a change to what has been set out in the 2021-2031 LTP. Because there are changes in the proposed Annual Plan compared to year three of the 2021-31 LTP, it's important everyone in the district has the opportunity to review what's proposed and provide feedback.

We are asking for your feedback to help us with the tough financial choices that need to be made. Your feedback and submissions help ensure the Council is directing projects, services and funding in ways that consider the needs of those who live in our communities now and into the future.



Elected members, from left to right: Front row – Alistair Plimmer, Melissa Sadler-Futter (Deputy Mayor), Martin Connelly (Mayor), Kaye McAulay, Aidan Ellims. Back row – Aaron Woodcock, Rebecca Gray, Martin Bosley, Pip Maynard, Colin Olds

Progress over the last 12 months

As ratepayers, you will want to know that your money is being spent responsibly on things that matter to you. We have achieved some long anticipated goals over the last year and we share some of the highlights here:

- The Papawai Wastewater Pipeline upgrade was brought forward and successfully completed in the 2021/22 year.
- Tauwharenikau (Tauherenikau) pipe repairs were completed as a medium-term solution while a longer-term one is planned and budgeted for.
- An upgraded 8 million litre water storage capacity was added at the Waiohine reservoir to increase the resilience of the water supply to the Featherston and Greytown communities.
- The Featherston Wastewater Treatment Plant consent application has been made to Greater Wellington Regional Council.
- One of the four Martinborough water reservoirs has received much needed maintenance, with work completed on the reservoir's interior linings and exterior walls.
- Significant unplanned roading issues arose due to severe weather events, such as Cyclones Dovi, Hale and Gabrielle, since February 2022. Numerous roads have had to be repaired and resealed, culverts replaced, and drains realigned. Unplanned repairs have created a flow-on effect on planned maintenance, and the work is ongoing.
- The Featherston Masterplan is progressing as planned, with face-to-face and online public engagement. Formal public consultation will come later in 2023.
- The review of the Wairarapa Combined District Plan continues and public consultation is scheduled for later in 2023.
- We continue work to improve our relationship with mana whenua through the appointment of a dedicated role. The Māori Standing Committee now has new voting rights at Committee meetings.
- The Rangatahi Youth Strategy with Masterton and Carterton Councils has reached a milestone, with public submissions assessed and the document adopted by Council.
- The new dog pound facility project made substantial progress and is nearing completion.

Better off funding

The Council was successful in having \$1.88 million of the Better Off Tranche 1 Funding as part of the Three Waters Reform programme, now known as Affordable Water Reform Programme, approved by the Department of Internal Affairs. Recommendations for prudent investment of this will be taken to Council in coming months.



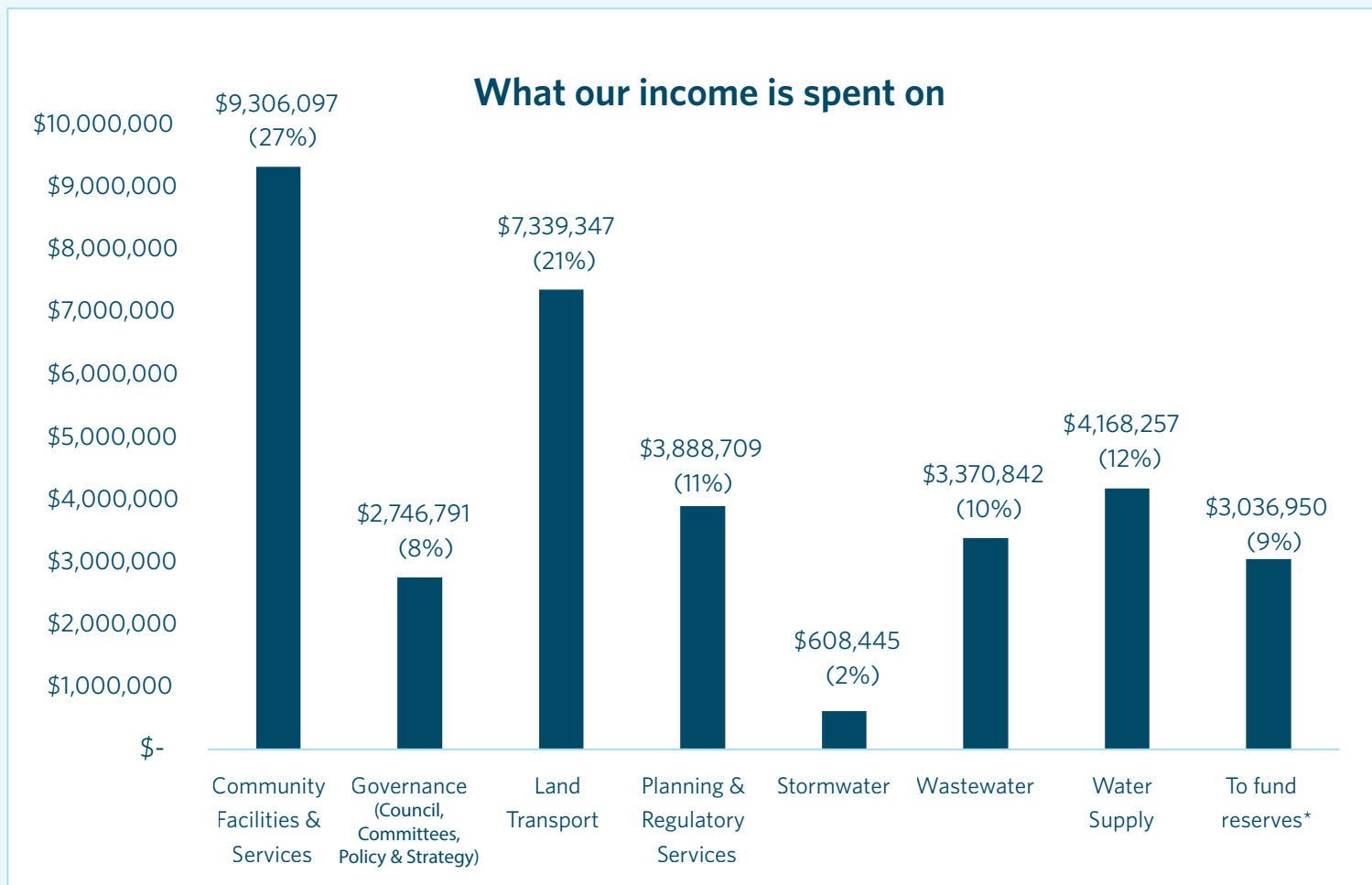
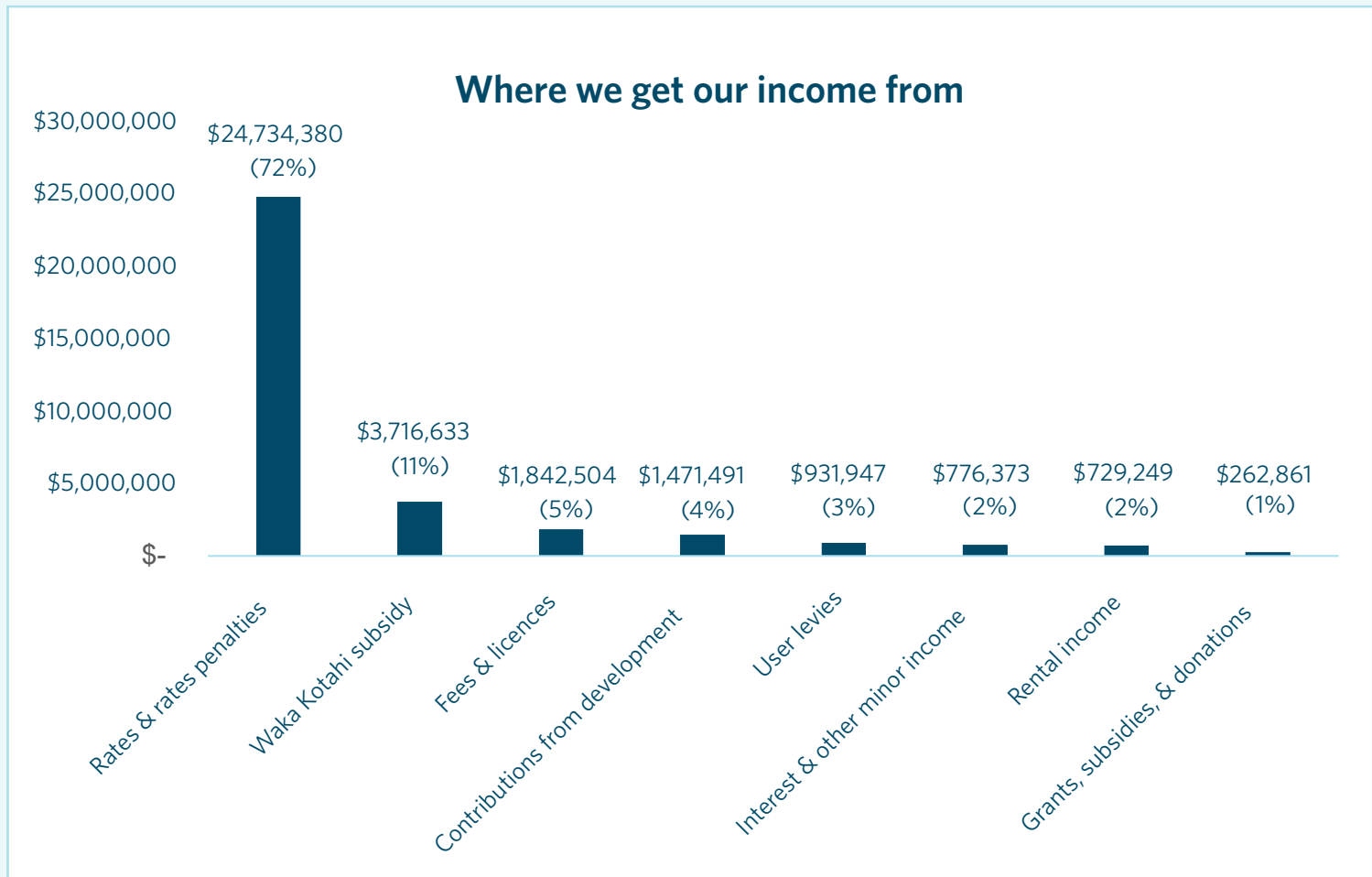
What's causing the increase in the proposed total rates required?

Below are the key changes that have caused the proposed increase in total rates income required.

Cost increases categories	Revised budget/ proposed increase 2023/24 \$000's	Impact of each item on rates %
Inflation Higher inflation is driving up the cost of delivering services and projects for our community, and has increased across the range of Council activities.	\$1,173	5.5%
Increased asset valuations are driving up our depreciation costs Depreciation is the amount of money that should be put away each year to recognise the decline in value of our assets. It can be used to maintain (renew) and/or replace an asset, like a building or water and wastewater pipes. Depreciation costs are based on the replacement cost of the asset divided by the remaining useful life of that asset. The intention is to make sure we put enough money aside to renew or replace the asset when the time comes. With inflation, the value of our assets and the expected cost to renew or replace them has increased. If we don't increase depreciation now, we will need higher rates or more borrowing to fund renewals and replacements in the future.	\$926	4.4%
Resourcing the needs of Council The increased demands of delivering Council services have grown across the board, including the need to respond to emergency events, maintaining service levels in libraries, managing council projects and ensuring that we keep the skills needed to deliver essential services. Council recovers the cost of some roles through fees and charges for the services delivered by those roles, and Government funded grant schemes. The full cost of these roles have to be shown in the budget, so income from fees, charges, and grants are also included to offset the cost. Ratepayers do not pay for these roles through their rates.	\$916	4.3%
Information Technology costs A lack of any previous investment in our corporate systems, means that the increases in information technology (IT) relate to a very real risk pertaining to our data security and wider technology enhancements. The increase in cost is largely driven by securing customer data, our business continuity systems, digital storage of information and moving technology to the Cloud . These were not previously included in the LTP.	\$491	2.3%
Insurance costs Insurance is expected to increase by at least 15% due to a tougher stance taken by the insurance companies based on the increased risks that they perceive.	\$235	1.1%
Loans repayments and interest rates costs Interest rates on loan borrowing have increased. The LTP forecasted 3.5% interest rate, however, this has since increased, and the Council has budgeted for a 5.5% increase on loans. Loan repayments have also increased in line with the projected capital works programme.	\$229	1.1%
Other costs There are a number of other costs that Council has prudently budgeted for. Increases in legal fees, hearings and compliance costs, project management for the LTP year, new development related fees, valuation fees, audit fees, contractors, and consultants.	\$1,087	5.1%
Cost reductions Council has mitigated these increases by: <ul style="list-style-type: none">Reducing water operating budgets – 2022/23 compared to 2023/24Pausing water loans repayments for one year.	<div>-\$679</div> <div>-\$1,004</div>	<div>-3.2%</div> <div>-4.7%</div>

Where we get income from and what it is spent on

The Council receives its income from several sources, mostly from rates. This income funds the costs required to run Council, with almost half spent on roading and water activities.



* Some income is used to fund reserves, with specific purposes, e.g. financial contributions from developments are ringfenced into a reserve to pay for growth in infrastructure.



For every \$100 of total rates income Council is proposing to spend:

			
Water supply \$14.80	Wastewater \$12.26	Stormwater \$2.52	Water races \$0.64
			
Land transport \$18.23	Economic development & community wellbeing \$3.91	Libraries \$6.27	Housing & rental properties \$1.14
			
Governance Council, Committees, Policy & Strategy \$10.90	Refuse & recycling \$7.47	Planning & regulatory services \$9.30	Public spaces \$12.56

Rates Impact

We are very aware of the tougher economic conditions affecting our budget as well as yours. We have made every effort to minimise our costs to have as low an impact as possible on our communities, while maintaining service levels. To meet the increased costs of running the Council, we propose to increase the total rates income by 15.9% compared to last year's total rates income.

To minimise the increase in total rates required, we have undertaken a line-by-line review across the business costs, particularly to amenities costs and water budgets. Savings in water mostly benefit urban ratepayers so rural ratepayers will have a higher percentage increase than urban ratepayers.

The tables below show the proposed rating change from the 2022/23 year to the 2023/24 year.

If you want to calculate the impact on your rates, please use the rates estimator:
www.swdc.govt.nz/rates-estimator

General rates (including GST)

	Last year 2022/23 \$	Proposed 2023/24 \$	Proposed Change \$	Proposed Change %
To estimate your general rate multiply your land value by:				
Urban Residential properties	\$0.00194601	\$0.00214554	\$0.00019953	10.3%
Urban Commercial properties	\$0.00389202	\$0.00429108	\$0.00039906	10.3%
Rural properties	\$0.00184432	\$0.00237697	\$0.00053265	28.9%

For example, if you have an urban residential property with land value of \$350,000:

$\$350,000 \times \$0.00214554 = \$751$

For example, if you have a rural property with land value of \$2,000,000:

$\$2,000,000 \times \$0.00237697 = \$4,754$

Targeted rates (including GST)

	Last year 2022/23 \$	Proposed 2023/24 \$	Proposed Change \$	Proposed Change %
Targeted urban rates (residential & commercial)				
Uniform Annual General Charge (UAGC)	\$757	\$1,098	\$341	45.0%
Reserves & Civic Amenities - Urban	\$566	\$609	\$43	7.6%
Total urban targeted rates	\$1,323	\$1,707	\$384	29.0%

Targeted rural rates

Uniform Annual General Charge (UAGC)	\$757	\$1,098	\$341	45.0%
Reserves & Civic Amenities - Rural	\$340	\$323	-\$17	-5.0%
Total rural targeted rates	\$1,097	\$1,421	\$324	29.5%

Targeted water & refuse rates (mostly paid by urban ratepayers)

Water Charge	\$917	\$893	-\$24	-2.6%
Wastewater Charge	\$758	\$722	-\$36	-4.7%
Refuse Collection Levy	\$225	\$261	\$36	16.0%
Total targeted water & refuse rates	\$1,900	\$1,876	-\$24	-1.3%

Water race rates (including GST)

	Last year 2022/23 \$	Proposed 2023/24 \$	Proposed Change \$	Proposed Change %
To estimate your general rate multiply your land value by:				
Longwood water race	\$0.00174389	\$0.00152670	-\$0.00021719	-12.5%
Moroa water race	\$0.00039029	\$0.00035432	-\$0.00003597	-9.2%

For example, if your property includes Longwood water race, and has land value of \$500,000:

$\$500,000 \times \$0.00152670 = \$763$

For example, if your property includes Moroa water race, and has a land value of \$1,000,000:

$\$1,000,000 \times \$0.00035432 = \$354$



Rates examples (including GST)

Residential Urban examples

Area	Land Value	2022/23 General Rates	2022/23 Targeted Rates	2022/23 Total Rates	2023/24 Proposed General Rates	2023/24 Proposed Targeted Rates	2023/24 Proposed Total Rates	Weekly Increase	% Increase
Featherston - lower value property	\$170,000	\$331	\$3,223	\$3,554	\$365	\$3,583	\$3,948	\$7.58	11.1%
Featherston - median value property	\$190,000	\$370	\$3,223	\$3,593	\$408	\$3,583	\$3,991	\$7.65	11.1%
Featherston - higher value property	\$235,000	\$457	\$3,223	\$3,680	\$504	\$3,583	\$4,087	\$7.82	11.1%
Greytown - lower value property	\$295,000	\$574	\$3,223	\$3,797	\$633	\$3,583	\$4,216	\$8.06	11.0%
Greytown - median value property	\$330,000	\$642	\$3,223	\$3,865	\$708	\$3,583	\$4,291	\$8.19	11.0%
Greytown - higher value property	\$390,000	\$759	\$3,223	\$3,982	\$837	\$3,583	\$4,420	\$8.42	11.0%
Martinborough - lower value property	\$280,000	\$545	\$3,223	\$3,768	\$601	\$3,583	\$4,184	\$8.00	11.0%
Martinborough - median value property	\$320,000	\$623	\$3,223	\$3,846	\$687	\$3,583	\$4,270	\$8.15	11.0%
Martinborough - higher value property	\$350,000	\$681	\$3,223	\$3,904	\$751	\$3,583	\$4,334	\$8.27	11.0%

Commercial Urban examples

Area	Land Value	2022/23 General Rates	2022/23 Targeted Rates	2022/23 Total Rates	2023/24 Proposed General Rates	2023/24 Proposed Targeted Rates	2023/24 Proposed Total Rates	Weekly Increase	% Increase
Featherston - lower value property	\$150,000	\$584	\$3,223	\$3,807	\$644	\$3,583	\$4,227	\$8.07	11.0%
Featherston - median value property	\$210,000	\$817	\$3,223	\$4,040	\$901	\$3,583	\$4,484	\$8.53	11.0%
Featherston - higher value property	\$248,000	\$965	\$3,223	\$4,188	\$1,064	\$3,583	\$4,647	\$8.83	11.0%
Greytown - lower value property	\$255,000	\$992	\$3,223	\$4,215	\$1,094	\$3,583	\$4,677	\$8.88	11.0%
Greytown - median value property	\$350,000	\$1,362	\$3,223	\$4,585	\$1,502	\$3,583	\$5,085	\$9.61	10.9%
Greytown - higher value property	\$430,000	\$1,674	\$3,223	\$4,897	\$1,845	\$3,583	\$5,428	\$10.22	10.9%
Martinborough - lower value property	\$205,000	\$798	\$3,223	\$4,021	\$880	\$3,583	\$4,463	\$8.50	11.0%
Martinborough - median value property	\$310,000	\$1,207	\$3,223	\$4,430	\$1,330	\$3,583	\$4,913	\$9.30	10.9%
Martinborough - higher value property	\$390,000	\$1,518	\$3,223	\$4,741	\$1,674	\$3,583	\$5,257	\$9.92	10.9%

Rural examples

Type of property (use based on data from QV)	2022/23		2022/23	2022/23		2023/24 Proposed General Rates	2023/24 Proposed Targeted Rates	2023/24 Proposed Total Rates	Weekly Increase	% Increase
	Land Value	General Rates	Targeted Rates	Total Rates						
Residential - dwelling - lower value property	\$ 190,000	\$ 350	\$ 1,097	\$ 1,447	\$ 452	\$ 1,421	\$ 1,873	\$ 8.18	29.4%	
Residential - dwelling - median value property	\$ 290,000	\$ 535	\$ 1,097	\$ 1,632	\$ 689	\$ 1,421	\$ 2,110	\$ 9.20	29.3%	
Residential - dwelling - higher value property	\$ 345,000	\$ 636	\$ 1,097	\$ 1,733	\$ 820	\$ 1,421	\$ 2,241	\$ 9.76	29.3%	
Lifestyle - Improved - lower value property	\$ 350,000	\$ 646	\$ 1,097	\$ 1,743	\$ 832	\$ 1,421	\$ 2,253	\$ 9.82	29.3%	
Lifestyle - Improved - median value property	\$ 440,000	\$ 812	\$ 1,097	\$ 1,909	\$ 1,046	\$ 1,421	\$ 2,467	\$ 10.74	29.3%	
Lifestyle - Improved - higher value property	\$ 530,000	\$ 977	\$ 1,097	\$ 2,074	\$ 1,260	\$ 1,421	\$ 2,681	\$ 11.66	29.2%	
Pastoral - Grazing - lower value property	\$ 416,000	\$ 767	\$ 1,097	\$ 1,864	\$ 989	\$ 1,421	\$ 2,410	\$ 10.49	29.3%	
Pastoral - Grazing - median value property	\$ 1,540,000	\$ 2,840	\$ 1,097	\$ 3,937	\$ 3,661	\$ 1,421	\$ 5,082	\$ 22.01	29.1%	
Pastoral - Grazing - higher value property	\$ 3,023,000	\$ 5,575	\$ 1,097	\$ 6,672	\$ 7,186	\$ 1,421	\$ 8,607	\$ 37.20	29.0%	
Pastoral - Finishing - lower value property	\$ 765,000	\$ 1,411	\$ 1,097	\$ 2,508	\$ 1,818	\$ 1,421	\$ 3,239	\$ 14.07	29.2%	
Pastoral - Finishing - median value property	\$ 1,415,000	\$ 2,610	\$ 1,097	\$ 3,707	\$ 3,363	\$ 1,421	\$ 4,784	\$ 20.73	29.1%	
Pastoral - Finishing - higher value property	\$ 3,000,000	\$ 5,533	\$ 1,097	\$ 6,630	\$ 7,131	\$ 1,421	\$ 8,552	\$ 36.96	29.0%	
Horticultural - Vineyard - lower value property	\$ 590,000	\$ 1,088	\$ 1,097	\$ 2,185	\$ 1,402	\$ 1,421	\$ 2,823	\$ 12.27	29.2%	
Horticultural - Vineyard - median value property	\$ 700,000	\$ 1,291	\$ 1,097	\$ 2,388	\$ 1,664	\$ 1,421	\$ 3,085	\$ 13.40	29.2%	
Horticultural - Vineyard - higher value property	\$ 980,000	\$ 1,807	\$ 1,097	\$ 2,904	\$ 2,329	\$ 1,421	\$ 3,750	\$ 16.27	29.1%	
Dairying - milk - lower value property	\$ 1,110,000	\$ 2,047	\$ 1,097	\$ 3,144	\$ 2,638	\$ 1,421	\$ 4,059	\$ 17.60	29.1%	
Dairying - milk - median value property	\$ 2,200,000	\$ 4,058	\$ 1,097	\$ 5,155	\$ 5,229	\$ 1,421	\$ 6,650	\$ 28.77	29.0%	
Dairying - milk - higher value property	\$ 4,100,000	\$ 7,562	\$ 1,097	\$ 8,659	\$ 9,746	\$ 1,421	\$ 11,167	\$ 48.23	29.0%	

Statement of Proposal

The Council is consulting on proposed changes to services for 2023/24 Annual Plan compared to year 3 of the Long-term Plan.

Proposed changes are set to commence on 1 July 2023.

1. Introduction

As we enter into our annual plan consultation, we again acknowledge the increased cost of living pressures and associated challenges that have affected our communities.

In light of the increased cost pressures, your Councillors and Council staff have been working hard to identify areas where we can limit increases while maintaining our services at an acceptable level. However, we recognise that it is necessary to increase rates to maintain the levels of services that our communities expect and deserve. We are committed to striking a balance between our responsibilities to our communities, the financial realities we face, and accepting that we might not be able to get the things done that need to be done if we cannot afford it.

There are some tough choices to be made, and we are seeking your feedback to assist Councillors to make decisions on how much we spend on water, libraries, The Rural Road Reserve, and community and youth grants. We welcome your feedback and input as we work with, and for, you to create a sustainable plan that meets the needs of our communities.

2. Proposals

South Wairarapa District Council is seeking your views on the following proposals:

A Water Budgets

Whether to keep the LTP Year-3 water budget of \$3.541 million (including inflation) or increase the budget to reduce legal, health and safety, and plant failure risks.

B Rural Road Reserve

Whether to keep the current amount we put aside, \$300,000 per year, into the Rural Road Reserve or increase it to provide a buffer during times of urgent need.

C Pool of Casual Library Staff

Whether to include a budget of \$165,000 for a pool of casual Library staff to cover leave, or remove the use of a pool of casual staff that will result in libraries being closed more often.

D Community & Youth Grants

Whether to keep or remove the community and youth grants scheme budget of \$170,000.



A - Water Budgets

Proposal A: Whether to keep the LTP Year-3 water budget of \$3.541 million (including inflation) or increase the budget to reduce legal, health and safety, and plant failure risks.

(Urban and water connected ratepayers only)

We seek your feedback on three different water related budget options as part of setting this year's rates:

OPTION 1

(included in the proposed budget)

Keep the total operating budget managed by Wellington Water Limited of \$3.541m (including inflation) from the Long-term Plan Year Three budget. This would keep costs low but also means delivering minimal levels of service. The Long-term Plan budget was set in a different time and is no longer considered adequate for current service levels. This is considered a low-cost/high-risk option.

OPTION 2

Sets the total operating budget managed by Wellington Water Limited at a higher amount of \$4.871m (including inflation). At this funding level there are still significant risks. We would remain vulnerable to consent breaches, loss of supply incidents, and safe drinking water breaches.

Wellington Water Limited considers this the 'High-risk Owner' budget.

However, the minimum funding requirements to operate our plants are met. Basic planned and routine maintenance levels are maintained. The Wellington Water Limited depot in the Wairarapa could continue to operate. High priority investigations could progress.

The weekly impact of Option 2 would be:

- Additional \$3.82 for each water connection to the current proposed 2023/24 rate
- Additional \$2.00 for each sewer connection to the current proposed 2023/24 rate
- Additional \$0.60, on average, for each urban ratepayer, to the current proposed 2023/24 general rate

Note: Neither option 1 nor 2 include the cost of responding to emergency events.

OPTION 3

Wellington Water Limited's recommended budget level of \$7.496 million (including inflation) to fund existing projects and unplanned work, such as the Martinborough abatement notice, and to maintain good levels of service.

The weekly impact of Option 3 would be:

- Additional \$11.62 for each water connection to the current proposed 2023/24 rate
- Additional \$6.38 for each sewer connection to the current proposed 2023/24 rate
- Additional \$0.70, on average, for each urban ratepayer, to the current proposed 2023/24 general rate

A Water Budgets - continued

Risks: Water Budget Options

Option 1 – Annual Plan Budget as per the LTP				Option 2 – WWL High Risk owner budget	Option 3 – WWL recommended budget
Investigation	Minimal and underinvestment in investigations may lead to challenges in compliance, safety, and regulatory risk management. With inadequate information to inform the capital works program or risk mitigation strategies we will encounter pressures on the reactive maintenance budget, capacity constraints on growth opportunities and delay in improvements to issues such as flooding.	High priority investigations will progress but only core services will be addressed increasing the risks identified in Option 1.			\$1.4m recommended to cover a full suite of investigations.
Monitoring	Lack of funding for critical, compliance monitoring and water sampling testing at this level.	Drinking water and stormwater monitoring included in this option which are a compliance requirement. This includes SWDC's share of software as a service, previously unbudgeted for.			Same as Option 2
Operations	Regulatory compliance activities are unavoidable requiring \$411k of funding. The balance, \$53k would be insufficient to operate the control systems that are critical to the treatment plants, pump stations, flow meters and valve assets. This would lead to operational failures, health and safety issues, increased reactive maintenance costs and potential prosecution.	Funding the full \$247k for control systems are critical to the operation of Councils water networks for controlling and monitoring Council's treatment plants, pump stations, flow meters and valve assets. This funding level does not include any active leak detection and control.			Active leak control efforts included.
Planned maintenance	At this funding level, only the minimum running costs of the planned maintenance team are covered meaning the risk of overflows and network failures would increase, and faults would go undetected for longer, impacting levels of service and resulting in more expensive repairs.	Same as Option 1			An additional \$170k to increase planned maintenance activities which will reduce risk of failures and faults that would be addressed by reactive maintenance activities.

Option 1 – Annual Plan Budget as per the LTP		Option 2 – WWL High Risk owner budget	Option 3 – WWL recommended budget
Reactive maintenance	<p>Funding at this low level will result in the disestablishment of the operating model in South Wairarapa, and the operating model would have to rely solely on subcontractors, which would further compromise ability to deliver on levels of service, due to increased cost and restricted resource availability.</p> <p>Cutting funding to this level will result in minimal levels of service being achieved, with no room for overtime, night or weekend work. Events occurring during these periods of time will not be able to be dealt with by WWL at this funding level.</p>	<p>A core budget of \$1.416m only covers the minimum running costs for the operation in South Wairarapa. It would cover labour, vehicles, plant, depot costs and accounts for inflation. It includes the day to day activities to respond to unplanned maintenance of the network. It excludes responding to any unexpected incidents and events such as Fitzherbert St flooding in period of high rainfall.</p>	<p>Includes a budget for emergency events.</p>
Treatment plant	<p>This budget does not take account of increases of costs, including chemicals. Result is the risk of potential non-compliance with regulations and reduced water supply reliability.</p> <p>Existing non-compliance issues will continue to worsen under this funding level, as there is no allowance to investigate & implement solutions for non-compliance issues.</p>	<p>Increased treatment plant chemicals costs of 21% are accommodated, Martinborough Treatment Plant cost uplift of \$143k included to cater for investigation of improvements and increased volumes.</p> <p>This option still excludes costs for sludge removal activity across the three wastewater plants.</p>	<p>Some sludge removal included.</p>
Management & advisory services	<p>We are a council-controlled organisation jointly owned by six client councils; the management charge is agreed on an annual basis and proportionately allocated to each of these councils.</p>	<p>N/A - no change in funding.</p>	<p>N/A - no change in funding.</p>
Emergency event fund/ reserve	<p>No budget for emergency event funding included.</p> <p>In the previous two years an average of \$372k has been required for out-of-budget expenditure.</p>	<p>No budget for emergency event funding included.</p> <p>In the previous two years an average of \$372k has been required for out-of-budget expenditure.</p>	<p>Included in the Reactive Maintenance budget (above)</p>

Reducing the expenditure below the recommended figure will mean accepting a continued/increased risk of regulatory non-compliance, and a reduction in operational activity and will compromise our ability to deliver core services and increases the risk of operational failures.

B - Rural Roding Reserve

Proposal B: Whether to keep the current \$300,000 annual Rural Road Reserve contributions or increase it to provide a buffer during times of urgent need (Rural ratepayers only)

The Council currently puts \$300,000 into the Rural Road Reserve every year from rates collected from our rural rate payers.

This reserve is used for unexpected and urgent repairs to the rural road network, often damaged by severe weather events. We have experienced seven major weather events in the previous 12 months that have caused \$7 million of damage to our roading network. The Rural Road Reserve is now used up

Options	Service Impact	Rates Impact
Option 1 (included in the proposed budget) Maintain the current annual rural roading reserve contribution level of \$300,000.	At this level, it may take a few years to build up the reserve and would not meet any urgent costs that exceed this amount. The more money we can set aside, the more prepared we will be to respond to emergency events, particularly on our vulnerable coastal roads.	No further impact
Option 2 Increase the annual rural roading reserve contribution to \$500,000.	This would result in a greater level of response to address unexpected and urgent repairs to our rural roads.	The weekly impact would be an additional \$1.33 per week on average, for rural rate payers.
Option 3 Increase the annual contribution to the Rural Road Reserve to \$1,000,000.	This would result in the rural roading reserve being replenished and give greater ability to service the roading needs of our rural communities, allowing more work to be completed.	The weekly impact would be an additional \$4.66 per week on average, for rural rate payers.

C - Pool of Casual Library Staff

Proposal C: Whether to include a budget of \$165,000 for a pool of casual Library staff to cover leave, or remove the use of a pool of casual staff that will result in libraries being closed more often.

We currently have 10 full-time staff working across the four libraries in South Wairarapa and Carterton districts for which we pay a share. Each library requires at least two librarians to remain open.

In 2022/23, there were many days when staff were on leave (due to illness, for training, or time off) so in order to keep our libraries open we used a casual pool of staff. The cost of using casual staff came to \$165,000, which was unbudgeted. This year we are proposing that we put that \$165,000 into the 2023/24 budget in order to keep our libraries going in the same way we did this year.

The alternative is that we do not add \$165,000 to the budget, and we do not fund a pool of casual staff when we have permanent staff on leave. This will result in more days when our libraries are closed due to insufficient staffing.

Options	Service Impact	Rates Impact
Option 1 (included in the proposed budget) Include \$165,000 for a Library staffing level that allows a pool of casual staff to cover leave.	Include \$165,000 for a Library staffing level that allows a pool of 3 casual staff to cover leave.	No further impact
Option 2 Remove the \$165,000 funding that is currently allocated to the pool of casual staff costs.	This will mean that libraries will be closed on some days most weeks where a minimum of two staff are not available.	The weekly impact would be a reduction of \$0.55 for each rating unit to the current proposed 2023/24 Uniform Annual General Charge.

D - Community & Youth Grants

Proposal D: Whether to maintain or remove the community and youth grants scheme.

This Annual Plan budget currently includes \$170,000 for community and youth grants which is at the same level as last year.

The Council has, for many years, allocated funding to community groups to deliver projects, events, and services that benefit the people of the South Wairarapa. By providing community groups and organisations with direct financial assistance, the Council can support shared objectives, be a catalyst for positive change, deliver value for money to ratepayers, and help to sustain a thriving and independent community sector.

This year (2022/23) 55 community groups and activities were funded by grants, including multi-year funding agreements that help organisations to provide services in our communities. Organisations like the Wellington Free Ambulance, the Wairarapa Whānau Trust, Cobblestones, and Arotai Regional Trust, received significant funding. Many other community groups have also benefited from these grants including Digital Seniors, our foodbanks, Featherston Booktown young readers programme, sports and recreation activities, our schools and early childhood education programmes, and great events like the Wairarapa Balloon Festival.

Options	Service Impact	Rates Impact
Option 1 (included in the proposed budget) Keep the current level of community and youth grant funding.	This means that valued, local community groups can continue to deliver the well- respected activities over the next 12 months.	No further impact
Option 2 Stop providing community and youth grants this year.	The three community boards and the Māori Standing Committee would maintain their small grants programme and additional pressure would be put on this funding.	The weekly impact would be a reduction of \$0.57 for each rating unit to the current proposed 2023/24 Uniform Annual General Charge.

Submissions

Submissions can be made in a variety of different ways

- Online at www.swdc.govt.nz
- By email, either by responding to the questions within the body of the email or by scanning your responses and sending to submissions@swdc.govt.nz
- By posting your responses to Council offices, PO Box 6, Martinborough 5741
- If Council venues are open, drop this completed submission form to your local library or the Council Offices at 19 Kitchener Street, Martinborough

You can also:

- Contact an elected member to have a conversation
- Attend the planned Zoom meeting and in-person drop-in sessions to find out more and give us your feedback.
- You also have the option to speak to your written submission at the Council meetings especially set aside for this purpose on 8 and 9 June 2023 at the Supper Room in the Waihinga Centre, Martinborough.

See our website for all these details www.swdc.govt.nz

Consultation Questions

The next two pages contain the four questions Council wishes to hear from our community on.

You can complete this in hard copy form and drop it at the Council's office or local libraries, or make your submission on our website www.swdc.govt.nz

It is a requirement that all submissions are made available to the public. As a result your name and feedback will be available to the public on the Council's website following consultation. However, contact details will remain private.

First and last names

Residential address

Postal address

Landline (if any)

Mobile phone number

Email address

Preferred method for contact (tick as applicable):

- | | |
|---|---|
| <input type="checkbox"/> Mail | <input type="checkbox"/> Call my mobile phone |
| <input type="checkbox"/> Email me | <input type="checkbox"/> Send me a text message |
| <input type="checkbox"/> Call my landline | |

Do you wish to speak to your submission at the public hearings scheduled for 8 & 9 June?

- ☐ Yes ☐ No

The Council is keen to work more collaboratively with our community to ensure what we are doing remains fit-for-purpose. If you'd like to be considered for future workshops and consultations, then please indicate below:

- ☐ Yes ☐ No

A. Water Budget	Please tick one option	Feedback
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1. Keep Long-term Plan budget of \$3.5 million, not maintaining current levels of service. Included in the proposed budget.

☐
2. Increase budget to \$4.9 million, improving the ability to meet current levels of service, with some gaps.

☐
3. Increase budget to Wellington Water Limited’s recommended level of \$7.496 million (including inflation).

☐

B. Rural Road Reserve	Please tick one option	Feedback
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1. Keep current budget of \$300,000 p.a. which will likely not meet the Council’s foreseeable requirements to fund emergency works.

☐
2. Increase budget to \$500,000 p.a. which will provide a greater level of reserves for Council to draw on to fund emergency works.

☐
3. Increase budget to \$1 million p.a. which will enable more essential work to be completed and a reserve built up for future use.

☐

C. Pool of Casual Library Staff	Please tick one option	Feedback
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1.

Keep a budget of \$165,000 for the cost of casual staff to keep libraries open when permanent staff are on leave.

☐
2.

Remove the budget for the cost of casual library staff and risk continued library closures on some days of the week.

☐

D. Community & Youth Grants	Please tick one option	Feedback
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1.

Keep current level of grants of \$170,000 included in the budget.

☐
2.

Do not provide any grants in 2023/2024

☐

What else is important to you? Is there anything else you'd like to say?

Tell us more – looking ahead to our next Long-term Plan

We would love to hear more from you so we can begin planning for our next Long-term Plan (2024-2034).

While the formal consultation process for the 2024-2034 Long-term Plan won't begin until next year (so you will have more chances to input and make a formal submission), the earlier we can begin understanding what matters to you for the district and what the Council should be focused on to achieve this, the better.

We have a number of outcomes and strategic drivers in the current Long-term Plan, we'd like to understand which ones are most important to you and if there are others that are missing.

Please choose your top ten priorities by ticking those ten points that are most important for you.

- ☐ Residents are active, healthy, safe, resilient, optimistic and connected
- ☐ A place of destination, new business and diverse employment that gives people independence and opportunity
- ☐ Sustainable living, safe and secure water and soils, waste minimised, biodiversity enhanced
- ☐ Strong relationships with whānau, hapū and marae, celebrating diverse cultural identity, arts and heritage
- ☐ Enhancing three waters delivery and environmental quality
- ☐ Nurturing and creating the district's special character, qualities and culture
- ☐ Creating better connections and social wellbeing
- ☐ Supporting sustainable growth, employment, economic wellbeing and development
- ☐ Strengthen social connections within the community
- ☐ Encourage civic pride and participation
- ☐ Provide universally accessible, safe and diverse spaces to strengthen connection between people and place
- ☐ Advocate for better transport and technology to improve social and business opportunities
- ☐ Plan for growth that protects rural land and character
- ☐ Contain rural residential expansion
- ☐ Support quality urban development
- ☐ Limit growth in coastal and other areas subject to climate change impacts
- ☐ Support the transition to a low carbon economy
- ☐ Encourage economic diversity and local vibrancy
- ☐ Leverage partnerships with central and regional agencies to enable economic development and employment opportunities
- ☐ Deliver sustainable, clean, clear, safe and secure drinking water
- ☐ Design and implement innovative, sustainable, efficient and affordable wastewater and stormwater systems
- ☐ Protect and replenish our natural environment and biodiversity
- ☐ Minimise waste and provide environmentally sustainable services
- ☐ Take active measures to adapt and mitigate the impacts of climate change
- ☐ Empower and enable our community to drive behavioural change for the benefit of the environment
- ☐ Work in partnership with mana whenua and iwi, respecting tikanga, kaitiakitanga, and taha Māori
- ☐ Take opportunities to embrace and celebrate diversity
- ☐ Take opportunities to advance and showcase arts, culture and heritage
- ☐ Protect town and rural community character, retaining our unique look and feel
- ☐ Improve urban design and integrate what we build with natural features
- ☐ Other - please specify:

Assistance with rates

We know that the welfare of your families is very important. We are here to help should you need assistance paying your rates. Please contact us as soon as possible so we can work with you on a payment plan.

Are you struggling to pay your rates? We have a number of ways that might help.

The first step is to contact the Council as soon as possible so we can work with you. We do have several “tools” we can use to assist you. By contacting us before it’s too late, it can avoid a situation where the Council is forced to recover arrears at the end of the rating year.

Ring and ask for the rating officer at 06 306 9611 or contact our rates team at rates@swdc.govt.nz

What are the options?

Direct debit

Council encourages the payment of rates via direct debit. This ensures the correct amount is paid, it spreads the load and avoids penalties for late payment.

We offer weekly, fortnightly, monthly, or quarterly direct debit payment options. By withdrawing funds directly from your bank account, you can avoid a large bill and keep the funds in your account until the last minute.

Forms are available from the Featherston and Greytown libraries, as well as the Council office and on our website www.swdc.govt.nz/forms. Complete the form and drop it off at the library, at our offices, post it to SWDC, PO Box 6, Martinborough 5741, or scan and email it to rates@swdc.govt.nz.

Rates Rebate Scheme

You may qualify for a rates rebate from the Department of Internal Affairs during the rating year (July to June). The maximum rebate for 2022/23 rating year is \$700.00 (This will be revised by DIA effective 1 July 2023)

Eligibility Criteria includes:

- Are you listed on the Rating Information Database (RID) as the ratepayer of the property;
- Were you living at the property on 1 July - the start of the rating year;
- Do you meet the income threshold based on the previous tax year?

If this is you, you may qualify for a rates rebate.

To check your eligibility, please contact our rates team or check out the DIA Rates Rebate Calculator online www.govt.nz/ratesrebate-calculator

Received a rates rebate last year?

If you received a rates rebate last year, we will send you an application for the new rating year. You need to apply each year as applications do not roll over from one year to the next.

If you did not receive a rebate last year and think you are eligible this year, applications close on 30 June 2023. Please go to our website www.swdc.govt.nz/rates for an application form. These are also available from the Council office in Martinborough; or at the Featherston or Greytown libraries.

If you have any questions regarding the rates rebate scheme or your eligibility, please email the rates team at rates@swdc.govt.nz or call 06 306 9611 extension 858, and we will be happy to help.

Rates due date extension and penalty remission

If you need an extension to the payment due date, these will be assessed on a case-by-case basis. Please contact the rates team at rates@swdc.govt.nz or call 06 306 9611 extension 858 as soon as possible. You can request a remission of late payment penalties in special circumstances. Further details on Councils penalty remission policy can be found online - www.swdc.govt.nz/policies

Rates payment plans

We do offer payment plans for overdue rates. Payments can be made at a level you are able to afford without incurring penalties or extra fees. If you need assistance, please give our rates officer a call to discuss these options.

Rates postponement

As a last resort, it is possible to get partial and temporary rates relief through postponement. Further details on the Postponement policy can be found online - www.swdc.govt.nz/policies

We also encourage you to get your rates invoice by email, which saves the district on postage costs. To set this up please contact rates@swdc.govt.nz

For more information on any of these options, please call us on 06 306 9611 or see our website www.swdc.govt.nz

Contact your Elected Members

Mayor Martin Connelly	South Wairarapa	themayor@swdc.govt.nz
Deputy Mayor Melissa Sadler-Futter	Featherston	melissa.sadlerfutter@swdc.govt.nz
Councillor Rebecca Gray	Featherston	rebecca.gray@swdc.govt.nz
Councillor Colin Olds	Featherston	colin.olds@swdc.govt.nz
Councillor Aaron Woodcock	Greytown	aaron.woodcock@swdc.govt.nz
Councillor Martin Bosley	Greytown	martin.bosley@swdc.govt.nz
Councillor Alistair Plimmer	Greytown	alistair.plimmer@swdc.govt.nz
Councillor Pip Maynard	Martinborough	pip.maynard@swdc.govt.nz
Councillor Kaye McAulay	Martinborough	kaye.mcaulay@swdc.govt.nz
Councillor Aidan Ellims	Martinborough	aidan.ellims@swdc.govt.nz

Phone: 06 306 9611

Email: enquiries@swdc.govt.nz

www.swdc.govt.nz



**SOUTH WAIRARAPA
DISTRICT COUNCIL**
Kia Reretahi Tātau