



South Wairarapa District Council

Annual Report

2016/2017

SUMMARY

SUMMARY



South Wairarapa District Council Annual Report Summary

For the year ended 30 June 2017

**Approved for issue by the Mayor and Chief Executive
22 November 2017**

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

Vivien Napier

COUNCILLORS

Cr Paora Ammunson

Cr Lee Carter

Cr Pam Colenso

Cr Margaret Craig

Cr Dayle Harwood

Cr Brian Jephson (Deputy Mayor)

Cr Pip Maynard

Cr Colin Olds

Cr Colin Wright

COMMUNITY BOARDS

FEATHERSTON

Brenda West (Chair)

Claire Bleakley

Robyn Ramsden

Mark Shepherd

Cr Dayle Harwood

Cr Colin Olds

GREYTOWN

Leigh Hay (Chair)

Mike Gray

Ann Rainford

Christine Stevenson

Cr Paora Ammunson

Cr. Margaret Craig

MARTINBOROUGH

Lisa Cornelissen (Chair)

Fiona Beattie

Victoria Read

Cr. Pam Colenso

Cr Pip Maynard

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

Group Manager Corporate Support

Jennie Mitchell

AUDITORS

Audit New Zealand

On behalf of the Auditor-General

Mari-Anne Williamson

BANKERS

Bank of New Zealand

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

Outstripping the likes of economic tigers such as Queenstown and Auckland, an unassuming little corner of the North Island is posting economic statistics the envy of the rest of the country." (Quote from Sunday Star Times).

The above article in the Sunday Star Times earlier this year was of course referring to South Wairarapa, and the economic statistics place us at the top.

Small local authorities such as ours continually balance the needs of wider social and economic initiatives with very limited funding.

As we contemplate the upcoming binding referendum on the governance structure for the Wairarapa, it is perhaps fitting that we briefly contemplate how we arrived at the point where we feature in the Sunday Star Times.

They say an overnight success takes 10 years, and if we reflect on the key initiatives undertaken over that period it is insightful. Given the scarcity of resources, we have concentrated on initiatives that have multiple benefits including social, economic, and amenity.

For South Wairarapa, these initiatives include:

- Greytown Town Centre development
- Upgrading the Greytown public toilets
- Upgrading the Martinborough public toilets
- Waihinga Centre and Town Hall strengthening
- Martinborough and Featherston MENZ shed arrangements
- Upgrading the Featherston Public Toilets
- Installing the Featherston Skate Park
- Refurbishment of the ANZAC Hall
- Development of the Featherston Town Centre, including the land swap and sale of land
- Upgrade of the Ngawi Campground
- Coastal works

It is very important to acknowledge that it is not only council investment that has led to this success, prudent private investment is vital in shaping our communities. This private investment comes in two forms, direct investment by private investors, and grants and donations to assist in council led projects. From Council perspective, it is partnerships with council that have the best outcomes.

On reflection, while these projects may seem to have been undertaken in a piecemeal way, they have much in common. Dual purpose, with "placeshaping" in mind.

The trend of economic development seems likely to continue, and has resulted in a massive increase in building consents issued, up from 356 consents issued in the 2016 financial year with a value of \$28 million to 543 consents with a value of \$62 million in the 2017 financial year.

While resource consent numbers have increased slightly, the nature of consents has changed. We received consent applications for close to 150 new sections in Greytown earlier this year, and the Greytown structure plan is advancing, which is capable of releasing a further 400 to 500 sections.

We have commenced a review of the urban boundaries in Martinborough due to the lack of available residential land within the current boundaries.

The economic data also highlights the significant increase in visitor numbers in South Wairarapa.

The above great news does create some pressures. We need to ensure our infrastructural assets are well managed and understand our future maintenance and development requirements. In this regard, we have been working with Wellington Water to provide credible analysis of our underground assets. Pleasingly the analysis out to 2092 did not raise any matters of concern. Above ground asset condition is much easier to manage, and these are in good serviceable condition. Planned maintenance will ensure longevity of these assets.

In terms of our operations over the year, we undertook our triennial National Research Bureau survey which provides a good insight into areas where we can focus. In particular, this information is timed to inform the Long Term Plan deliberations. The results of this survey are included in this Annual Report, and are available on our website.

We scored well in Parks and reserves, libraries, public toilets, playgrounds, refuse collection and disposal provision of water and wastewater services. Areas where there was less satisfaction included roads, footpaths and stormwater.

One anomaly this year in the survey was the number of "don't know" responses, in some cases the increase in these responses have significantly impacted the satisfaction results.

Nearly one third of our activity is the direct implementation of government legislation and policy, and a lot of the rest of our activity is closely controlled or monitored through Government regulation. While this in and of itself is only an observation, often the legislation is poorly worded, and it is this aspect that does cause local authorities difficulty.

The implementation of the new food act requirements, and liquor act requirements have placed addition pressure on us. In particular, the sale and supply of alcohol legislation has created interpretive problems across the country. The purpose if this legislation is to decrease harm, and while some of the rules may seem draconian, the intention is quite clear.

From a financial perspective, we have again met budget. The surplus of \$1,903,000 transfers to the balance sheet, and is held there until the funds are required. The surplus is made up of the capital portion of New Zealand Transport Agency funding, development contributions, and grants and subsidies used for capital purposes. These funds are effectively tied to the purpose for which they were received and must be expended accordingly.

Our property, plant and equipment portfolio of \$391 million continues to be managed prudently, with all asset classes remaining in good serviceable condition. We have a good understanding our asset condition which helps us prioritise maintenance and development and ensure funds are spent where they are most needed.

Following the local body elections in October 2016, we farewelled Mayor Staples, and councillors Davies, Montgomerie, Riddell, Robertson, and Stevens, and welcomed newly elected councillors

Colenso, Carter, Ammunson, Wright, Maynard, and Harwood. Councillor Napier became Mayor Napier. The first eight months of the new triennium has seen the new Council work well together.

Our Community Boards also had a number of changes, Featherston Community Board farewelled members Carter, Beattie, Thomas, and Jackson, and welcomed Members West, Ramsden, Shepherd, and Bleakley. Greytown Community Board farewelled members Atkinson and Farley, and welcomed members Rainford, and Gray. Martinborough Community Board farewelled member Colenso, and welcomed member Beattie.

We thank all those who have left the elected member ranks for their efforts during their tenure.

Success in a local authority is the result of many parts and inputs. We cannot achieve this alone, so we thank you all for the parts you have played in another very successful year. We will need to continue to work together in a positive manner to achieve the best outcomes we can.

As we enter into the 2018/28 long term plan round, we encourage you all to assist us in continuing our excellent progress. We would love to hear your thoughts as we contemplate the future.



Viv Napier

Mayor

A blue ink signature of Viv Napier, consisting of a stylized 'V' and 'N'.



Paul Crimp

Chief Executive Officer

A blue ink signature of Paul Crimp, written in a cursive style.

Independent Auditor's Report

To the readers of South Wairarapa District Council's summary of the annual report for the year ended 30 June 2017

The summary of the annual report was derived from the annual report of the South Wairarapa District Council (the District Council) for the year ended 30 June 2017.

The summary of the annual report comprises the following summary statements on pages 8 to 9, 11 to 13 and 16:

- the summary statement of financial position as at 30 June 2017;
- the summaries of the statement of financial performance, statement of other comprehensive revenue and expense, statement of changes in equity and statement of cash flows for the year ended 30 June 2017;
- the notes to the summary financial statements that include accounting policies and other explanatory information; and
- the summary statement of service performance.

Opinion

In our opinion:

- the summary of the 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.

Summary of the annual report

The summary of the annual report does not contain all the disclosures required by generally accepted accounting practice in New Zealand. Reading the summary of the annual report and the auditor's report thereon, therefore, is not a substitute for reading the full annual report and the auditor's report thereon.

The summary of the annual report does not reflect the effects of events that occurred subsequent to the date of our auditor's report on the full annual report.

The full annual report and our audit report thereon

We expressed an unmodified audit opinion on the information we audited in the full annual report for the year ended 30 June 2017 in our auditor's report dated 25 October 2017. That report also includes an emphasis of matter paragraph on the proposal for an amalgamated Wairarapa District Council. Note 27 on page 35 of the audited financial statements explains the proposal to amalgamate Carterton, Masterton and South Wairarapa District Councils into a single Wairarapa District Council. As a valid petition was submitted to the Local Government Commission, a poll will be held to determine the outcome. The poll will close on 12 December 2017. As the outcome of the amalgamation proposal will not be determined until poll results

are known, there is uncertainty about the future of the South Wairarapa District Council arising from the amalgamation proposal. Information on the proposal for an amalgamated Wairarapa District Council is also disclosed in the events after balance date disclosure on page 12 of the summary annual report.

Council's responsibility for the summary of the annual report

The Council is responsible for preparing the summary of the annual report which includes preparing summary statements, in accordance with PBE FRS-43: Summary Financial Statements.

Auditor's responsibility

Our responsibility is to express an opinion on whether the summary of the annual report represents, fairly and consistently, the information regarding the major matters dealt with in the full annual report and whether the summary statements comply with PBE FRS 43: Summary Financial Statements.

Our opinion on the summary of the annual report is based on our procedures, which were carried out in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board.

In addition to reporting on the summary annual report, we have reported on the full annual report, and carried out a Limited Independent Assurance Engagement in relation to the District Council's Debenture Trust Deed. Other than this reporting and this engagement, we have no relationship with or interests in, the District Council.



Mari-Anne Williamson
Audit New Zealand
On behalf of the Auditor-General
Wellington, New Zealand
22 November 2017

SUMMARY STATEMENT OF FINANCIAL PERFORMANCE

Table 1 provides a summary of the comparative financial performance for the Council for the 2016/17 and 2015/16 financial years.

TABLE 1	ACTUAL 2017 \$'000	BUDGET 2017 \$'000	ACTUAL 2016 \$'000
Operating revenue	19,868	18,478	18,720
Operating expenditure *	18,027	17,599	17,847
Other gains/(losses)	(24)	38	81
Net surplus/(deficit)	1,817	918	954
*Operating expenditure includes Finance costs of:	736	862	806

SUMMARY STATEMENT OF OTHER COMPREHENSIVE REVENUE AND EXPENSE

Table 2 provides a summary of the other comprehensive revenue and expense for the Council for the 2016/17 and 2015/16 financial years.

TABLE 2	ACTUAL 2017 \$'000	BUDGET 2017 \$'000	ACTUAL 2016 \$'000
Net surplus/(deficit)	1,817	918	954
Increase/(decrease) in revaluation reserves	325	1	3,140
Total other comprehensive revenue and expense	325	1	3,140
Total comprehensive revenue and expense	2,142	919	4,094

SUMMARY STATEMENT OF CHANGES IN EQUITY

Table 3 details public equity, and the components of total equity.

TABLE 3	ACTUAL 2017 \$'000	BUDGET 2017 \$'000	ACTUAL 2016 \$'000
Equity at start of year	383,709	380,276	379,616
Total comprehensive revenue and expense	2,142	919	4,094
Equity at end of year	385,851	381,195	383,709
<i>Represented by:</i>			
Public equity	143,009	143,125	146,737
Restricted reserves and trust funds	23,371	21,889	17,652
Other Reserves	3	4	3
Asset revaluation reserve	219,468	216,177	219,317

SUMMARY STATEMENT OF FINANCIAL POSITION

Table 4 provides a summary for the Council's financial position as at 30 June 2017 compared with the financial position as at 30 June 2016.

TABLE 4	ACTUAL 2017 \$'000	BUDGET 2017 \$'000	ACTUAL 2016 \$'000
Current assets	16,383	11,535	12,081
Non-current assets	390,994	388,762	389,379
Total assets	407,377	400,297	401,460
Current liabilities	7,579	3,003	4,942
Non-current liabilities	13,947	16,098	12,808
Equity	385,851	381,195	383,709
Liabilities and equity	407,377	400,297	401,460

SUMMARY STATEMENT OF CASH FLOWS

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

TABLE 5	ACTUAL 2017 \$'000	BUDGET 2017 \$'000	ACTUAL 2016 \$'000
Net cash flow from operating activities	6,344	4,830	5,558
Net cash flow from investing activities	(9,572)	(7,663)	(6,216)
Net cash flow from financing activities	4,098	1,628	(1,316)
Net cash flow for the year	871	(1,205)	(1,975)

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.

INTERPRETATION OF SUMMARY FINANCIAL STATEMENTS

This Summary Report, which has been extracted from our 2016/17 Annual Report cannot be expected to provide as complete an understanding of the Council as provided by the full Annual Report.

Copies of the 2016/17 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 25 October 2017, Audit New Zealand issued their unmodified audit opinion on that date.

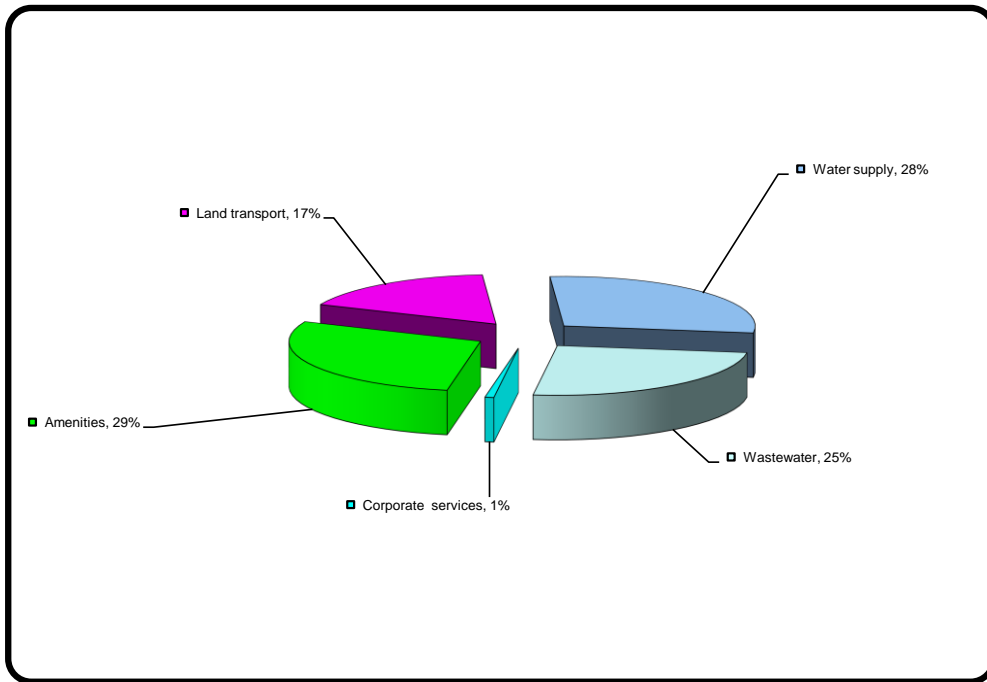
South Wairarapa District Council (SWDC) is a public benefit entity for financial reporting purposes. The full financial statements have been prepared in accordance with New Zealand Generally

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 2016 to 30 June 2017.

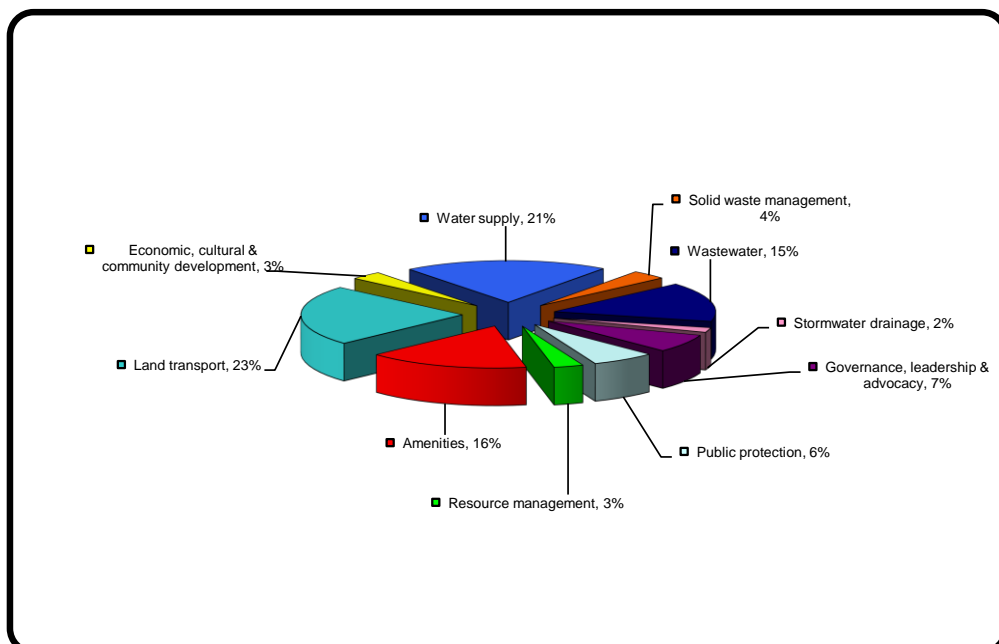
CAPITAL EXPENDITURE

Total capital expenditure for the 2016/17 year was \$8,477,000. Breakdown per activity is as displayed in the following graph:



TOTAL RATES COLLECTED

The total rates collected for the 2016/17 year was \$12,980,000. Breakdown per activity is as displayed in the following graph:



STATEMENT OF CONTINGENCIES

In April 2013, the Ministry of Education (MOE) initiated High Court proceedings against Carter Holt Harvey (CHH) and others alleging inherent defects in the cladding sheets and cladding systems manufactured and prepared by CHH. Subsequently, in December 2016, CHH commenced third party proceedings against 48 Councils, including South Wairarapa District Council alleging a breach of duty in the processing of building consents, undertaking building inspections and issuing Code Compliance Certificates. The Councils have applied for orders setting aside and striking out CHH's claims against them. The MOE's claim against CHH is for 833 school buildings, 4 of which are located within South Wairarapa. At present there is insufficient information to conclude on potential liability and claim quantum, if any.

Contingent liability for 2017 is \$Nil (2016: \$Nil).

There are no contingent assets for 2017 (2016: \$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

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.).

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 2017 (2016: Nil).

No provision has been required, nor any expense recognised for impairment of receivables for any loans or other receivables to related parties (2016: \$Nil).

	30 JUNE 2017 \$	30 JUNE 2016 \$
Councillors		
Remuneration	236,655	224,945
Full-time equivalent members	10	10
Senior Management Team, including Chief Executive		
Remuneration	546,087	487,456
Plus back pay relating to 14-15	-	4,264
Full-time equivalent members	3.4	3
Total key management personnel compensation	782,742	716,665

Due to the difficulty in determining the full-time equivalent for Councillors, the full-time equivalent figure is taken as the number of Councillors.

Key management personnel include the Mayor, Councillors, Chief Executive, a Group Manager Infrastructure and Services, a Group Manager Planning and Environment and a Group Manager Corporate Support (part year).

EVENTS AFTER BALANCE DATE

Assets held for sale

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

Proposed Amalgamation

On 19 July 2017, the Local Government Commission (LGC) released the final proposal on the amalgamation of Carterton District Council (CDC), Masterton District Council (MDC) and South Wairarapa District Council to create the Wairarapa District Council. A valid petition was submitted to the LGC calling for a poll to be held. Postal ballots will be sent out three weeks ahead of the poll which closes at midday on Tuesday 12 December. If 50 percent or more of ballots from across the Wairarapa oppose the proposal, it will not go ahead and there is no further action. If more than 50 percent support the proposal it goes ahead and the process of setting up a new combined Wairarapa District Council will start. The proposed new Wairarapa District Council would come into existence no earlier than 1 November 2018 and until that point in time the existing Councils would continue to be responsible for carrying out the day-to-day operations until their disestablishment. For more information refer to the Local Government Commission website: www.lgc.govt.nz.

The outcome of the amalgamation proposal and the impact on our long term future will only be known once the poll results are known. Therefore, at the time of adopting this annual report, there remains uncertainty about the future of the District Council arising from the amalgamation proposal.

These are non-adjusting events.

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

- Fees and licence revenue ahead of budget as building consent, LIMs, landfill revenue well ahead of forecast.
- Grants and subsidy revenue ahead of budget as pledges and grants were called in for the Waihinga Centre Project that were budgeted in the 2015/16 year.
- Development activity in the district is ahead of forecast, resulting in development and financial contributions revenue being ahead of budget.
- Land transport output was 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 higher than forecast due to grants and pledges for Martinborough town hall budgeted in 2015/16 being received this financial year. Also NZTA funding, development and financial contributions and fees, licences and charges were all ahead of budget.
- A significant portion of the funds received over budget are to cover capital expenditure or for reserves for future use e.g. capital contributions based on subdivision activity.

STATEMENT OF MOVEMENTS IN EQUITY

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

STATEMENT OF FINANCIAL POSITION

- Cash & cash equivalents higher than budget following revenue being higher than forecast plus loans drawn down slightly ahead of expenditure.
- Total public debt is higher than forecast due to loans being taken out to cover capital expenditure such as the Waihinga Centre and Wastewater Disposal to Land Projects.
- Asset revaluation reserve higher than forecast due revaluation in library books being completed earlier than planned and revaluation amounts being higher than expected.

STATEMENT OF CASHFLOWS

The notes below are for the 2016/2017 year.

- Government grants & subsidies are higher than budget as pledges and grants for Waihinga Centre Project received this year but budgeted in 2015/16.
- Other revenue ahead of budget due to building consent, LIMs, user levies, fees revenue being ahead of forecast. In addition, capital contributions based on subdivision activity was ahead of budget.
- Repayment of public debt lower than forecast due to new loans taken out as interest only rather than interest and principal as budgeted. Funds are being set aside for repayment of these loans in the future.

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 ANNUAL PLAN	
KEY ISSUES	PROGRESS
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.	The roading programme was completed as planned. This programme 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.
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.	South Wairarapa has worked with the other Wairarapa Councils on a number of initiatives, including electricity pricing, insurance cover, solid waste, roading contracts, and solid waste where a combined contract was signed resulting in significant savings. During the year the Local Government Commission made a recommendation to amalgamate the three Wairarapa Councils for the Wairarapa. A poll has been requested by ratepayers regarding whether or not this amalgamation will go ahead. This poll will close on 12 December 2017. If the poll endorses the recommendation for one Wairarapa Council, the first election will be held at the earliest in October 2018. If the poll does not endorse the combined Wairarapa Council, the three current Councils will remain.
Alternative effluent disposal systems such as discharge to land for the wastewater 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.	The 2016/17 year has seen excellent progress with developing the new wastewater systems for Greytown and Martinborough after 35 year wastewater consents were obtained for both towns in the 2015/16 year. We are working with Wellington Regional Council responding to queries raised with regard to the resource consent application for Featherston wastewater. A 35-year consent is expected.
Waihinga Centre	The Martinborough Town Hall strengthening and Waihinga Centre upgrade was approved in February 2016. The Building consent was issued in April 2017 and building commenced in May 2017. Construction is expected to be completed in mid-2018.

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	2016/17 BUDGET \$'000	2016/17 ACTUAL \$'000	2015/16 ACTUAL \$'000
Amenities				
Waihinga Centre Development	Work commenced during the year on the earthquake strengthening of the Martinborough Town Hall and the construction of the Waihinga Centre which will incorporate the old town hall. Construction is expected to take approximately one year.	\$3,795	\$835	\$513
Wastewater				
Alternative disposal to land	Local Authorities are required to manage the treatment and disposal of wastewater to ensure the conditions of the resource consents are met. Wastewater disposal options preferred by the regulatory authorities have resulted in the need for a full and comprehensive investigation of the options available. Through a series of consultative working groups in each town, we identified that discharge to land should be investigated. We were delighted to obtain 35 year consents for Martinborough and Greytown. These costs relate to the Featherston consent application, which was lodged during the financial year.	\$677	\$1,172	\$637
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 completed in June 2017.	\$593	\$700	\$1,030

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.

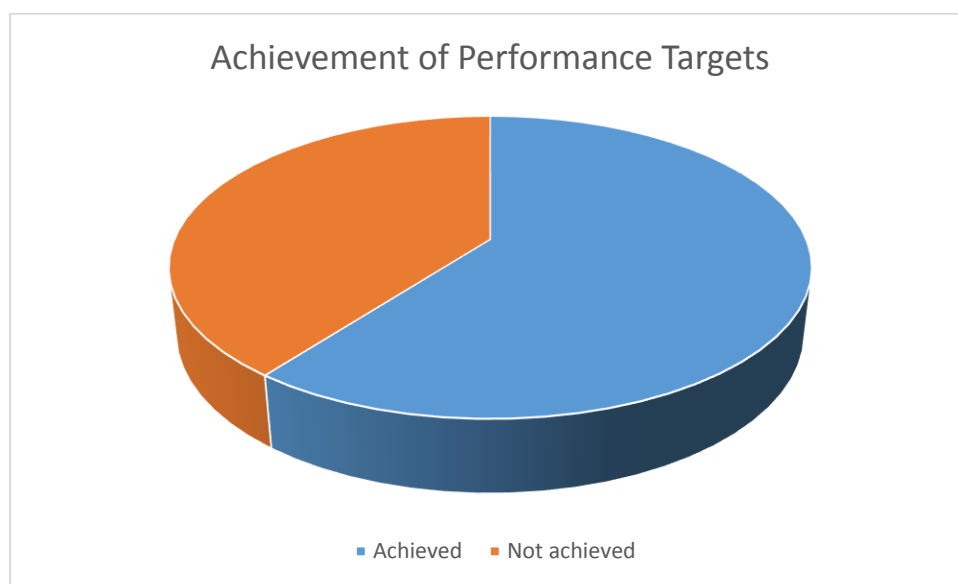
Public participation at Council and community board meetings is another forum whereby Maori can have input into matters Council is considering.

SUMMARY STATEMENT OF SERVICE PERFORMANCE

We measure our non-financial performance each year using a set of indicators that are set out in the Long Term Plan (LTP). The results present a high level view of our non-financial performance.

We have a total of 101 non-financial measures that we report on through the Annual Report. We've achieved or substantially achieved a high proportion of these targets. Full details of all performance indicator targets and actual results can be found in the relevant section of the full Annual Report for the 2017 financial year. The results overall are very similar to the results from the previous year.

The graph below shows the proportion of performance targets achieved. In addition to the 60% of targets achieved, a further 12% were within 5% of achieving the target.



The non-financial measures include a number of ratepayer satisfaction measures for which we contract an external company to complete a survey on our behalf. The types of questions covered in these surveys vary from how satisfied ratepayers are with their local town centre to how satisfied they are with services such as water and wastewater.

Along with these ratepayer responses, we set targets for how quickly we will respond to ratepayer requests for service such as fixing a wastewater blockage or attending to a flooding incident. Some of the measures could be considered to be 'stretch targets' which have intentionally been set at a high level. Others require some assistance from ratepayers to achieve, e.g. a target to reduce the average water consumption per day per resident or a goal to reduce the volume of waste going to landfill.

These performance indicators cover all areas of Council's work. We were particularly pleased to see improvements in ratepayer satisfaction in many areas of our work. Those targets we did not manage to achieve in the 2017 year give us an opportunity for renewed focus and improvement in the coming year.

PROJECTS FOR 2016/17

GOVERNANCE/LEADERSHIP/ ADVOCACY

The following table provides an update on projects undertaken for the 2016/17 year for Governance/Leadership/Advocacy.

GOVERNANCE/LEADERSHIP/ADVOCACY PROJECTS	
PROJECT	COMMENT
Completion of the Annual Report for 2016/17.	This was achieved with Council adopting the Annual Report on 26 October 2016 and the Audit Opinion issued on that date.
Continued involvement in the regional governance review.	Work continued by the Local Government Commission on the options for Wairarapa. We continued to be involved providing input where requested. This process was led by the Commission. In May 2017 the Commission recommended the three current Wairarapa District Councils be amalgamated into one entity. A poll of ratepayers will be held in late 2017 and the outcome will be known on 12 December 2017. The decision of the ratepayer poll will be binding.
Review policies as they fall due.	Policies are now required to be presented to the Audit and Risk working party before being presented to Council. Where relevant, policies are also presented to the community boards for their input. All policies not affected by legislative change are now current.
Advocate for public transport to meet community's need.	SWDC continued to work closely with GWRC to ensure our public's needs were given due consideration and contributed to the Public Transport working group consisting of the 3 Wairarapa councils and GWRC.
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 2017/18 Annual Plan following consultation.	A total of 105 submissions were received, many of these submitting on multiple issues. The Annual Plan was adopted on 29 June 2017.

PUBLIC PROTECTION

The following table provides an update on projects undertaken for the 2016/17 year for Public Protection.

PUBLIC PROTECTION PROJECTS	
PROJECT	COMMENT
Monitor the performance of and if required review, update and consult on the Council's bylaws.	Council reviewed the Coastal Camping Bylaw. This resulted in the notification of a change to allow dogs to accompany campers at the Ngawi and Ngawi Surf Break free camping sites. Hearing of submissions on this change were completed in December 2016. Council resolved not to proceed. A review of the joint Consolidated Bylaws for Council and MDC has been agreed commencing in October 2017. CDC have decided to join this process.
Continue project to scan existing building consent files along with all new building consents.	Resources have been increased by 0.5 to enable a fulltime person to undertake the scanning project and input new building consents at lodgement into the electronic database. To date the scanning of back files has progressed in accord with the timetable for this works (3 years).
Continue development and establishment of electronic Building Consent processing and work with Masterton District Council and Carterton District council where appropriate.	Council has progressed electronic consent processing with all consents now being managed and processed electronically. Applicants are also able to lodge building consents electronically.
Continue to work where practicable, with the other councils in the Wairarapa region to develop procedures and practices to implement the new Food Act.	The new requirements of the Food Act are now fully operational. Await Local Alcohol Policy appeal. Monitor the performance of the DLC and Council processes in implementation of the Act and LAP. The hearing of appeals is still awaiting ARLA to schedule the matters for hearing and determination.
Review regulatory policy documents by due dates.	All policies due for review have been considered and re-adopted by Council.
Consider earthquake strengthening support opportunities.	The Council considered whether to provide support as part of hearing submissions on the Annual Plan. It was decided not to.
Implement health and safety requirements including a review of the entrance security at Council buildings in line with the Health and Safety Act.	The new requirements of the Health and Safety at Work Act are operational. The upgrade of the foyer has been deferred until such time as a decision is made on amalgamation.
Investigate a fee structure to reward good dog owners for consideration in 2017/18 annual plan year.	The basis for Councils fee structure for dog registration was reviewed. Council decided not to proceed with a revised system until such time as amalgamation is decided.

ECONOMIC, CULTURAL AND COMMUNITY DEVELOPMENT

The following table provides an update on projects undertaken for the 2016/17 year for Economic, Cultural and Community Development Projects.

ECONOMIC, CULTURAL AND COMMUNITY DEVELOPMENT PROJECTS	
PROJECT	COMMENT
Continued involvement with economic development both regionally and locally through the Wellington Regional Strategy, Wellington Regional Economic Development Agency, 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 Wairarapa Safer Community Trust (jointly with Carterton District Council).	This was achieved through an annual grant to WSCT.
Supported cultural organisations.	This was achieved through annual grants in line with the SWDC Grants Policy.
Continue to administer the Creative Communities scheme under contract with Creative NZ.	Creative Communities scheme administered, 15 applications were processed, with 13 of those granted.
Continued support for the Wairarapa Water Project.	While no specific work was undertaken this year, Council continues to provide "in principle" support.
Develop an Economic Development Strategy.	Not completed.
Continue support of Greytown Sport and Leisure.	Council funded Greytown Sport and Leisure to investigate and implement if necessary a centralised sports administration hub or similar in Martinborough or Featherston.

RESOURCE MANAGEMENT

The following table provides an update on projects undertaken for the 2016/17 year for Resource Management Projects.

RESOURCE MANAGEMENT PROJECTS	
PROJECT	COMMENT
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 further progressed work on the Greytown Future Development Area structure plan. A report to the October 2017 Council meeting will initiate legal processes to introduce the structure plan and altered district plan provisions.
Respond to changes to the Resource Management Act 1991 by Government to ensure compliance with statutory requirements.	Government has passed the Resource Law Amendment Act 2017 to amend the principle Act, the Resource Management Act 1991. Council is now required to review its fees and charges system to ensure compliance with the new regulations once they are promulgated. Other changes come into effect in October 2017 such as the fast track consents, deemed permitted activities and boundary activities which will require additional adjustment in how Council processes such matters (forms/reporting/timelines).
Continue to provide an approach that meets the Council's legislative requirements while facilitating investment in buildings and businesses the district.	We continue to take a helpful and outcome based approach to users of Councils services.
Review Combined Wairarapa District plan in particular notable trees.	Work on a plan change was significantly advanced. A plan change is therefore expected to be promulgated by December 2017. Council continues to work with the Wellington Regional Council on updating the provisions of the WCDP for flood hazard management at Greytown.
Establish a system to monitor and report on the performance against outcomes for the Combined Plan.	Council has commissioned Boffa Miskell to prepare a plan performance monitoring and plan effectiveness reporting strategy in partnership with MDC and CDC. Work has progressed to the development of a draft.

AMENITIES

The following table provides an update on projects undertaken for the 2016/17 year for Amenities Projects.

AMENITIES PROJECTS	
PROJECT	COMMENT
Continued the new cemetery development at Featherston.	On-going – initial shelter belt trees planted on western boundary; location of future driveway established and arcade trees planted.
Carry out the strengthening Martinborough Town Hall.	Work has commenced on the strengthening of the Martinborough Town Hall and construction of the Waiunga Centre. This project was approved by Council in January 2017, with construction expected to be completed during the 2018 financial year.
Programme works from the coastal reserves development plans.	The upgrade of the toilets at Ngawi has been delayed by location changes, but consents are now in process. A new toilet was installed at North Tora which will be completed in 2016/17.
Establish Soldiers Memorial Park Development Plan.	Further user meetings to be held to progress this in 2017/18.
Featherston Town Square.	The Town Square has been completed.
Complete the ANZAC Hall Upgrade.	All works now completed.
Complete Pool Upgrades.	<p>Work completed:</p> <ul style="list-style-type: none"> Featherston Pool - Repaired to pool tiles, repainted divider in main pool and lane lines, repaired toddler pool to stop leaks Greytown Pool – Washed building exterior, minor repair works Martinborough Pool – Repainted changing rooms inside and out, minor repairs <p>The last of the big external recommendations will be completed in 2017/18 and 2018/19:</p> <ul style="list-style-type: none"> 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 programme.
Development Plan for Youth focused facility in Greytown.	A final location has been selected (Pierce St), amenities for park scoped and indicative pricing sought. Design work will be done in 2017/18 along with public consultation and a start of fund-raising.
Development Plan for Card reserve.	A User group has been established and will consider development issues in conjunction with the proposed Featherston Sport and Leisure Society.
Connect Libraries to Ultra-Fast Broadband (UFB).	MBIE announced additional rollouts of UFB to rural areas during the year. All three South Wairarapa towns are to have fibre installed for UFB with the Greytown installation scheduled for completion in the second half of 2020, Featherston in the second half of 2021, and Martinborough in the second half of 2022.
Cemetery database.	Data still needs checking and cleaning before it can be made available online.
Replace Ngawi Fire Station septic tank.	Review incorporated with planning for replacement Ngawi toilets.

AMENITIES PROJECTS	
Fence two sides of the Featherston Playground.	To be completed in 2017/18.
Greytown Town Centre alterations and maintenance plan review.	Review is almost complete. Alterations are being scoped to be done in 2017/18.
Otauirā Reserve driveway	Completed.
Greytown Cemetery driveway.	Stage 1 completed.
Complete Boer War Memorial – Plinth, Steps and lighting.	To be completed by ANZAC day 2018.
Install toilet at Sandy Bay.	Toilet was installed at North Tora instead; Sandy bay toilet to be considered to 2017/18.
Reseal Card Reserve stadium car park and new carpark at north end.	<i>Existing carpark was upgraded as there was insufficient room for the proposed new carpark.</i>
External access to card Reserve Stadium Toilet.	To be completed in 2017/18.
Refurbish Featherston train mosaic.	Awaiting response from original mosaic artist before proceeding.
Carpark at Whatarangi.	Completed.
Review use of Glyphosphate.	Completed, but monitoring of alternatives and the status of glyphosate continues.
Investigate new tourism infrastructure fund and apply if appropriate.	Application completed by deadline early in 2017/18 financial year.

LAND TRANSPORT (ROADING AND FOOTPATHS)

The following table provides an update on projects undertaken for the 2016/17 year for Land Transport Projects.

LAND TRANSPORT PROJECTS	
PROJECT	COMMENT
Implement Cycle Strategy and develop work plan.	Cycle Strategy completed in draft.
Complete an annual reseals programme and re-metaling programme.	Reseals completed under contract C1218 Reseal and Roadmarking. Remetalling completed under Contract C1209 Road maintenance 2014-2017.
Complete the bridge inspection programme and develop works programme for 2016/17 from the results.	Calibre Consultants completed Engineers Bridge inspection, routine inspections completed under Contract C 209 Road maintenance 2014-2017. Ci229 Bridge maintenance was let and works completed.
Renew footpaths as per community board programme.	Year 2 of a 3 year programme completed under joint SWDC and CDC footpath contract.
Complete 1km seal extensions.	Not completed due to quoted costs being prohibitive as a result of high demand for other work by roading contractors in the District throughout the year.
Investigate options for rural residential footpaths.	Continued to focus on higher use urban footpaths, and work on Cycle Strategy which is due for completion 2017/18.
Stabilise Ushers Hill, White Rock Road.	The option of land purchase was shelved and stabilisation is continuing under the Awhea Catchment Scheme in conjunction with GWRC.
Lime path on North Road, Greytown.	Following analysis of the options, a final configuration has been agreed. Work has commenced on acquiring land to implement this. Completion due in the 2017/18 year.
Review parking.	Commenced discussions with the other Wairarapa District Councils regarding review of district bylaws incorporating parking. Increased road marking for parking in Featherston.
Complete speed limit review submission to NZTA.	OPUS completed review of speed limits in all three towns.
Review speed bumps.	Reviewing of speed bumps is ongoing due to conflicting responses to installation in several locations. Consideration of road user and vehicular safety are key factors.
Review provision of bike racks.	Work has commenced involving community boards to establish appropriate locations and quantity of bike racks required in each town.
Review footpath, seal extension and resealing strategy for consideration in the 2017/18 annual plan and adoption in next LTP.	Updated in Asset Management Plan (AMP) which will be tabled for next LTP.

WATER SUPPLY

The following table provides an update on projects undertaken for the 2016/17 year for Water Supply Projects.

WATER SUPPLY PROJECTS	
PROJECT	COMMENT
Renewal of valves, pumps and fittings including telemetry equipment as required.	On-going on an as needed basis, two valves and four hydrants were replaced due to failure and two turbidity monitors at different plants due to asset age.
Construction and commissioning of alternative Featherston supply project.	Stage 1 is complete and three new bore pumps are now feeding the water to the UF plant. Stage 2 was completed in May 2017, with 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.	The rates resolution was amended to allow for penalties to be added to overdue water rates and this will be implemented this financial year.
Continued asset condition assessment of water pipelines.	The condition of existing assets was progressed this year with a review of existing contractor observations and connection.
Cryptosporidium testing completed for bore sources, with no spores detected.	This testing was implemented during the year.
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 20 years).	Work was not completed due to the upgrade of the WTP to UV disinfection. This equipment is now mothballed, and evaluated for an alternative use or resale.

SOLID WASTE MANAGEMENT

The following table provides an update on projects undertaken for the 2016/17 year for Solid Waste Management Projects.

SOLID WASTE MANAGEMENT PROJECTS	
PROJECT	COMMENT
Continue to work with Carterton and Masterton District Councils on solid waste management issues and solutions.	New joint contract agreed in July 2017 with incumbent contractor covering all three councils.
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 the year: <ul style="list-style-type: none"> • 1-5 August 2016 • 2-5 May 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.
Improve/Renew Martinborough Transfer Station fencing.	Work has been planned and will commence during 2017/18.

WASTEWATER (SEWERAGE)

The following table provides an update on projects undertaken for the 2016/17 year for Wastewater Projects.

WASTE WATER PROJECTS	
PROJECT	COMMENT
Continued programme of wastewater reticulation repairs and renewals.	Other work deferred to allow the implementation of the accelerated discharge to land programme, unless identified as critical.
Lodge Featherston wastewater consent application in August 2016.	Martinborough and Greytown have received 35-year consents. Featherston consent was lodged in February 2017 and the Council is having ongoing discussions with the Regional Council prior to notification.
Divert flow from Papawai Stream (Greytown).	Consent commenced, design of land discharge started with construction due to commence in 2017-2018.
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 October 2017 at Martinborough, with the UV installation and discharge to land planned for Greytown in May 2018.
Carry out asset condition review.	The review of existing assets was progressed this year with a review of existing contractor observations and connections. Work this year will be targeted investigations of the assets identified by age, or frequency of faults.
Implement stage 1 wastewater plan, approximately 24% to land at Martinborough and Greytown sites.	Stage 1 of the wastewater plan was completed with minor works such as a new inlet flowmeter at Martinborough and a new inlet flowmeter and aerators for Greytown. Work to discharge approximately 24% of the annual flow to land at Martinborough and Greytown sites will be completed in 2017-2018.

STORMWATER DRAINAGE

The following table provides an update on projects undertaken for the 2016/17 year for Stormwater Drainage Projects.

WASTE WATER PROJECTS	
PROJECT	COMMENT
Continued renewal and upgrading of stormwater drains	A planned stormwater drain was due to be upgraded in May in conjunction with a building extension. Delays for this building have meant this work is now planned for 2017/18.