



South Wairarapa District Council
Consultation Document
"Looking to the Future"
2015 - 2025





South Wairarapa is a great place to live and we want to keep it that way. Now is your opportunity to assist with this. We want to hear your views on infrastructure performance and investment, rates affordability, economic development, our towns, the environment and public health. This Consultation Document is a new legislatively driven initiative summarising the significant matters (determined by our Significance and Engagement Policy 2014) the community needs to consider in finalising the district's proposed 2015/25 Long Term Plan (LTP). It replaces the former LTP Summary statement of proposal. A full draft LTP is no longer required to be prepared as part of the process.

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This Consultation Document is a new legislatively driven initiative summarising the significant matters (determined by our Significance and Engagement Policy 2014) the community needs to consider in finalising the district's proposed 2015/25 Long Term Plan (LTP). It replaces the former LTP Summary statement of proposal.

A full draft LTP is no longer required to be prepared as part of the process. So far we have talked with community group representatives and some selected individuals regarding the future of the district.

We would now like to hear your views about what you think is important and want from the district to ensure a strong, united and sustainable future.

Great ideas, legislative requirements and available funding have left us with a few questions before our future plan can be finalised. So we have put together a summary of

- The main issues identified so far including
 - Options available to deal with the issues
 - The impact these options will have on the district
 - The significant change required to current approaches
- Key changes from the last LTP
- Projects of interest
- How to get involved in the decision making process
- Where to get further information to assist with your submissions.

The most important issue is how we balance the need for significant investment in **public networked infrastructure** like roads, water supply, wastewater and storm water with low levels of population growth, rising standards and service level expectations, extreme weather conditions, maintaining **sustainable debt** levels and **affordable rates**.

The proposals in this consultation document are funded in line with the past community expectation of maintaining the current **levels of service**, facilities and regulatory

functions provided by us over the very long term. New regulatory service level measures have been introduced and as with the others will be reported on through the annual report.

Finding the right balance between these competing demands, preferences and needs, are just some of the challenges we must manage together. Legislative change is a major cost driver for all our high cost initiatives and will continue to

be in the years to come. Funding constraints restrict us, requiring expenditure to be prioritised around core activities. For our district \$120,000 expenditure is equal to a 1% rates rise.

If the Community wished for increased service levels, an upgrade or works to be brought forward then this would require either a higher level of income from rates or more loans taken out (increasing debt levels).

Alternatively, we could reprioritise projects so that one is moved forward in time and a corresponding project is moved back. This may affect the service levels for the latter and/or increase the risk of infrastructure failure and therefore may result in increased expense.

Key initiatives during the life of this proposed LTP revolve around **gaining resource consents for the discharges from our three wastewater systems** and implementing the conditions of those consents. Once the consents are received, we can then adjust if necessary how we will go about implementing our draft wastewater treatment strategy, adopted some years ago.

Roading remains our biggest budget area, accounting for approximately 32% of total spend.

We will continue to maintain our roading network at existing service levels, making improvements where funds are available including continuing the seal extension programme. This initiative will result in one kilometre of new seal being constructed annually at the approximate cost of \$120,000 per km.

At a time when **Governance change** is on the table we continue to focus on core services and to be fiscally responsible and continuing to justifiably claim to be a well-managed Council. It is envisaged our services and projects will need to continue regardless of any future governance structure.

While this format is new to us all, the end result is still the same, giving interested individuals and groups the opportunity to be heard. We encourage you to read the material and submit on any matter you feel important whether you agree or disagree.

If you feel a particular area outside the consultation document requires review please note this on the submission form. Simply because we have not mentioned a matter in this document does not mean it cannot be considered as part of the consultation process.



Thank you for contributing to building a strong future for our district.


Adrienne Staples
Mayor



YOUR VIEWS

We value your input and encourage you to take the time to get involved in this one in three year opportunity to comment by reading through the options presented in this document and telling us what you think by

Emailing ltip@swdc.govt.nz
Making an online submission www.swdc.govt.nz
Filling in the form at the end of this document and

- posting to SWDC PO Box 6 Martinborough 5741, or
- dropping to your local library, or
- SWDC Office 19 Kitchener St, Martinborough

Posting comments on our **facebook page**

You are invited to attend and discuss the background and content of this Consultation Document with Her Worship the Mayor, councillors and community board members at informal public workshops throughout the district:

LOCATION	VENUE	TIME/DATE
Martinborough	Council Chambers	7PM, 18 May 2015
Featherston	Kiwi Hall	7PM, 19 May 2015
Greytown	Greytown Town Centre	7PM, 20 May 2015
Rural	Tuturumuri School	7PM, 25 May 2015

Written submissions close at 4pm Tuesday 2nd June 2015. If you wish to comment you can remove the form at the end of this document or log on to www.swdc.govt.nz and complete on line. The submission can be completed on behalf of yourself or an organisation, group or business.

We urge you to consider

- Keeping responses simple
- Using bullet points
- Your need to speak to the submission

Hearings and deliberations open to the public will be held in the Council Chambers, **19 Kitchener Street, Martinborough, commencing at 9.30am on the 10th & 11th June 2015.**

CONSIDERING YOUR COMMENTS

The councillors receive a summary of all points raised by submitters and carefully consider them. Long Term Plans are often altered following consideration of submissions. However, we are not able to meet all requests for reasons of affordability, relevance or practicality. We ask you frame your submission in line with the district wide priorities particularly in terms of “must haves” and “nice to haves” and within the scope of the long term plan.

As you review the options presented we ask you to take into account relevant background information used in developing this plan:

South Wairarapa’s Vision

“A community with Heart. Diverse yet united. Prosperous yet sustainable”

South Wairarapa’s Community Outcomes

*Healthy and Economically Secure People
Educated and Knowledgeable People
Vibrant and Strong Communities
Sustainable.
A place that is accessible and easy to get around*

Our approach to ensuring that we manage our existing assets efficiently

and effectively, and invest in new infrastructure assets where demand is certain and long-term is based on the concept of **Kaitiakitanga (Guardianship and conservation)** given the **intergenerational** lifecycle of our assets such as land, three waters, amenities and roads.

This approach favours long-term stability and sustainability over short-term gain and leads to assets being grown carefully.

The management of existing infrastructure assets is therefore one of regular, programmed and prudential maintenance based on quality information and integrated planning for perpetuity.

Our current infrastructure has sufficient capacity to meet immediately foreseeable demand, except during major events like the Martinborough Fair.

We use demand management, workarounds and innovation to manage peak demand, rather than investing in new or additional infrastructure.

Our resident population is expected to remain relatively static and our median age is predicted to rise to 50.1 years in 2043.

Over time we expect to have more residents with fixed incomes who may not be able to absorb cost increases.

WHAT’S DIFFERENT?

Our purpose was significantly changed by the Government in 2012. The new Local Government Act narrowed our focus to:

“play a broad role in meeting the current and future needs of their communities for good-quality local infrastructure, local public services, and performance of regulatory functions”

When we compare this proposed LTP to the previous 2012/22 LTP the following areas have consequently changed:

Wastewater

Our wastewater programme has been advanced following the purchase of two

blocks of land which became available adjacent to our Greytown and Featherston Wastewater treatment plants.

These purchases, while in line with our original wastewater strategy, occurred many years earlier than had been anticipated. We decided to take the opportunity to purchase these blocks when they became available.

The implications of this are that loan funding costs are now significantly higher than anticipated in the 2012/22 LTP. The purchase of land represents the largest cost component to implement the wastewater strategy and has a number of immediate benefits.

The risk of cost overrun is significantly reduced, as the irrigation infrastructure is subject to a reasonably competitive market and this should ensure costs will not be subject to significant increases. Depending on what we can afford, we will may be able to commence our irrigation plans earlier than anticipated in the consent being sought.

Seal Extensions

Councillors have decided to re start the seal extension programme, whereby one kilometre of new seal would be laid each year. This work is unsubsidised, and the cost to the ratepayer is \$120,000 for each kilometre.

ASSUMPTIONS AND SUPPORTING INFORMATION

This Consultation Document has been prepared using the best information available including strategies, policies and future forecasts.

As with any future planning, there are assumptions made about how it will unfold. Supporting documents to help you understand this plan

including assumptions, financials and submission forms may be viewed at or obtained from the following locations:

- South Wairarapa District Council website www.swdc.govt.nz
- South Wairarapa District Council 19 Kitchener Street, Martinborough

- Featherston Library, 70 Fitzherbert Street, Featherston
- Greytown Library, 89 Main Street, Greytown

THE FINAL PLAN

The 2015/25 Long Term Plan will be adopted Wednesday 24th June 2015.
Now let’s take a look at the projects we must do, makes sense to do or provide a long term benefit to the community.



KEY INITIATIVES WITH OPTIONS

Meeting community demands for new infrastructure and amenities is challenging.

Our water networks (waste/storm and supply) provide vital services and due to the fact they are largely hidden require a bit more effort to

ascertain condition and maintenance requirements.

By contrast community facilities such as swimming pools and town halls are visible and therefore attract attention.

This year our focus is on ensuring must haves are implemented and a

balanced approach is taken with nice to haves.

We have three main projects for consideration.

- Waste Water treatment upgrades consents and cost effective implementation.

- Roading: Expenditure on seal and foot path extensions (rural and urban)
- Setting affordable rates

WASTE WATER TO MEET CURRENT SERVICE AND EXPECTED ENVIRONMENTAL STANDARDS



WHAT IS WASTE WATER?

Waste water includes effluent from toilets and water from hand basins, washing machines, sinks, the shower and bath and trade wastes. Dealing with wastewater accounts for a major part of our expenditure.

DRIVERS FOR THIS PROJECT

Government recently released its National Policy Statement on freshwater.

This policy statement clearly signalled that discharging to freshwater was no longer an acceptable solution, and Wellington Regional Council has revised their resource management environmental standards accordingly.

These changes have reflected the feeling of key stakeholders including the community, Department of Conservation and iwi.

We have responded to these implementing a plan to discharge to land rather than water where able.

TIMING AND COSTS

We need to do this project once and do it right. To get something this big to run smoothly requires a lot of planning, consultation and negotiation. At present it is expected that the proposed waste water upgrade will take more than 30 years to complete. The total cost of this project will be in the order of \$29 million of which \$7.4M has already been spent (down from the previous \$32M quoted following the recent purchase of land adjacent to the Featherston wastewater treatment plant for disposal onto land rather than through a high rate treatment plant). This cost will be funded through loans in order to spread the cost to those who will benefit.

OUR AIM

"To collect, treat and discharge wastewater from the urban areas of Featherston, Greytown and Martinborough and the coastal settlement of Lake Ferry so as to provide public health protection with minor effects on the environment."

We propose to do this by progressively reducing discharges to water in a sustainable and affordable way.

In effect we will use irrigation systems to help discharge treated waste water onto land, particularly over the drier summer months. This has the additional benefit of using the waste water as a valuable resource to boost productivity of land.



WHAT'S HAPPENED SO FAR?

From 2008, we have been consulting about future waste water management with representatives of Ngati Kahungunu ki Wairarapa, Rangitane o Wairarapa, Wairarapa Public Health, Department of Conservation, Fish and Game, Wellington Regional Council, community boards and community members.

A combined committee with representatives from Featherston, Martinborough and Greytown has met several times to discuss and progress scheme upgrades, consider options for the future, and recommend the preferred solution and timeframes for action.

A draft strategy has been developed with short, medium and long-term components which build on each other towards our long-term aim. This strategy has been consulted on with the community and Councillors have requested that additional work and consultation be undertaken before the strategy is finally adopted.

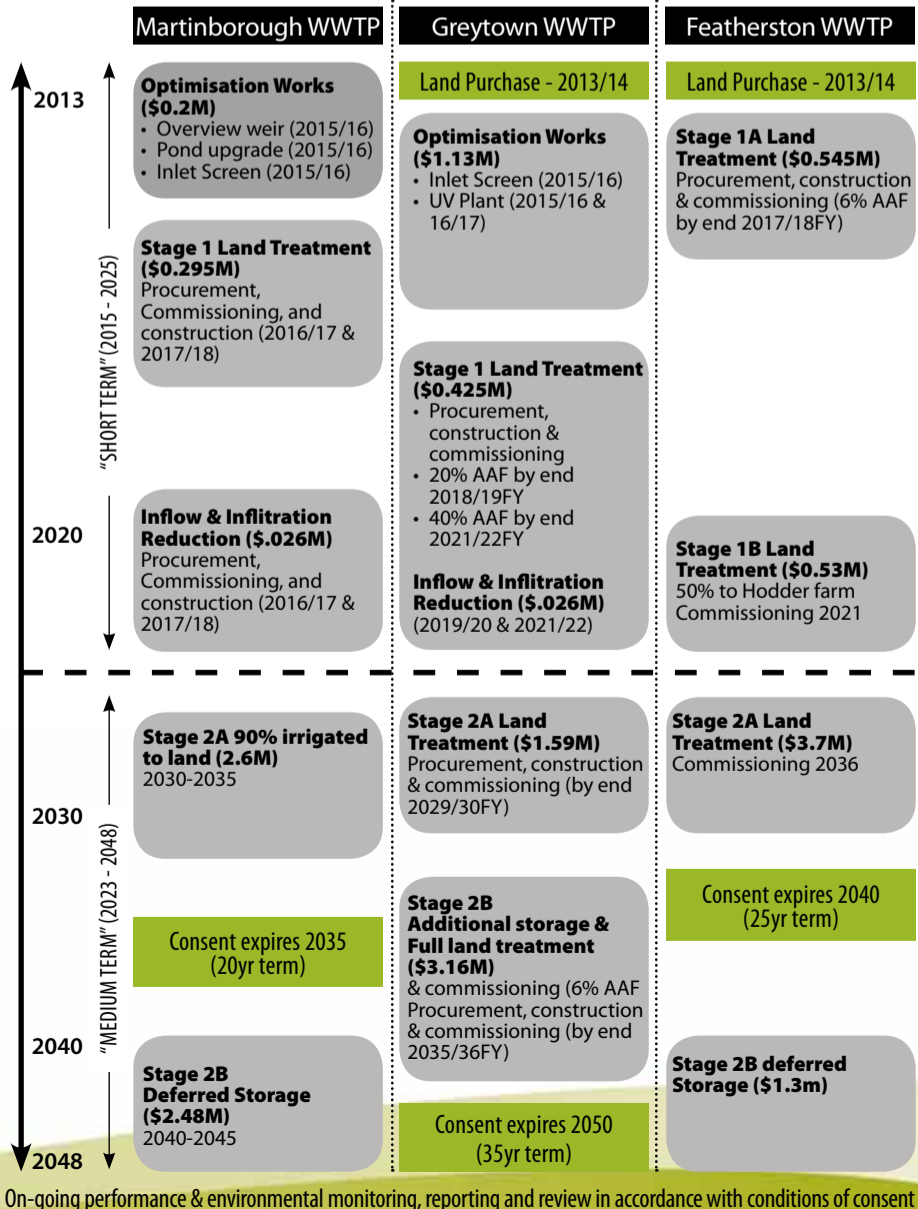
Further land has been purchased; 170ha Hodder Farm adjacent to current Featherston oxidation pond and the 116ha Bicknell farm adjacent to the

Papawai site. Planning for installation of irrigation infrastructure in each town is now underway.

We have trialled, and/or considered a number of options including PETRO, floating wetlands, trickling filters, and High Rate Treatment plants. We have sought advice on all the current technologies globally. It is apparent that currently discharge to land is by far the best option. The benefit of this approach is that if technology emerges in the future that provides a better result the land can be sold.

UV treatment systems in the Featherston and Martinborough oxidation ponds have been installed, and UV treatment in Greytown is planned within this LTP period to sterilise the liquid. The result of this is only nitrates and phosphates enter freshwater. This has virtually eliminated the risk to public health from pathogens.

We already have success in installing and running a 100% discharge to land system at Lake Ferry. This system replaced the old septic tank systems that were causing problems and affecting Lake Onoke. The Lake Ferry Scheme has been operating for many years without issue.



PROJECTS UNDERWAY THIS LTP

Resource consents to irrigate to land have been prepared and phased to reflect the time needed to achieve appropriate resourcing.

The resource consent hearings for the Waste Water Plant hearings are scheduled for:

Martinborough	May 2015
Greytown	September 2015
Featherston	April 2016

These consents propose irrigating treated wastewater to land during low flow periods by 2019, assuming consents are received during 2015 and early 2016:

Greytown 48% of total annual volume, but 100% during times of low flow

Featherston 43% of total annual volume, but 100% during times of low flow

Martinborough 20% of total annual volume, but 100% during times of low flow

The discharge to land will be on a **"deficit"** basis, whereby wastewater will be applied at a rate that the land can use and so no nutrients will enter ground water.

Irrigation will cease when the volume of the discharge exceeds the land's ability to absorb it. This will occur during winter months when rainfall levels result in saturation.

The above discharge targets are option 2 discussed below.

Work to reduce the excess inflow and infiltration into the system is underway and will include a policy review and customer education. Closed circuit television technology will be utilised primarily to identify areas where there is excess water inflow, but also to provide information on the systems' condition

Planning for this work is underway in anticipation of receiving the resource consents including irrigation plans, as is the purchase of ultra violet disinfection plant for Greytown.

Capital expenditure for the additional infrastructure (excluding normal cyclical pipework replacement) required to meet the land discharge requirements forecast for the period of this LTP is as follows:

Proposed Programme for LTP	
YEAR	\$000
2016	489
2017	872
2018	575
2019	279
2020	344
2021	437
2022	191
2023	27
2024	-
2025	19



PROJECTS 10 YEARS AND BEYOND

While we are only consulting on this 2015/25 LTP, it is useful to discuss the entire project.

In proportionate terms, the most significant capital expenditure has been made, that is the purchase of land. The remaining cost is around the irrigation infrastructure, and the on-going inflow and infiltration issues and maintenance. The rest of the project includes:

- Complete the irrigation aspect to get as close to 100% discharge to land as possible
- Complete remaining high priority/high-benefit reticulation inflow & infiltration works
- Investigate storage

The following tables outline the current capital expenditure

programme for the additional infrastructure required to meet the land discharge requirements for the years 2026 to 2035 and 2036 to 2046 (being the end of the current programme, no further works for irrigation to land are planned past this date).

Additional Infrastructure Requirements (excl. normal cyclical renewals)										
All Sites	2026 \$000	2027 \$000	2028 \$000	2029 \$000	2030 \$000	2031 \$000	2032 \$000	2033 \$000	2034 \$000	2035 \$000
	796	796	-	-	870	870	870	-	1,233	1,233
All Sites	2036 \$000	2037 \$000	2038 \$000	2039 \$000	2040 \$000	2041 \$000	2042 \$000	2043 \$000	2044 \$000	2045 \$000
	1,233	-	1,053	1,053	1,053	-	829	829	829	-
All Sites	2046 \$000	2047 \$000	2048 \$000	2049 \$000	2050 \$000	2051 \$000	2052 \$000	2053 \$000	2054 \$000	2055 \$000
	653	653	-	-	-	-	-	-	-	-

The proposed programme has been designed to smooth the impact on rates, however we have received some feedback indicating the 35 year timeline is too long.

SHARE YOUR VIEW

OPTION 1

This option involves borrowing sufficient funds to complete the entire programme over five years. The programme could not be delivered in less than five years as there is a lot of work required to design and install the irrigation infrastructure.

The capital programme would be compressed from that outlined above to:

Programme reduced to 5 years					
YEAR	2016	2017	2018	2019	2020
\$000	3,617	3,617	3,617	3,617	3,617
YEAR	2021	2022	2023	2024	2025
\$000	-	-	-	-	-

This option would result in rates increases to the targeted wastewater rate of:

Wastewater Rates Increases Accelerated										
YEAR	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025
\$	65	65	65	65	65	-	-	-	-	-

OPTION 2

This option is that outlined in the Long Term Plan, and requires capital flows of:

Proposed Programme for LTP					
YEAR	2016	2017	2018	2019	2020
\$000	489	872	575	279	344
YEAR	2021	2022	2023	2024	2025
\$000	437	191	27	-	19

This option would result in rates increases to the targeted wastewater rate of:

Wastewater Rates Increases Current LTP										
YEAR	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025
\$	9	16	10	5	6	8	3	-	-	-

OPTION 3

This option smoothes the rates increases (opex and capex) over the first four years of the project (i.e. covering the initial costs to get to the 48%; 43%, and 20% threshold's) by 2019, and then smoothes the rest of the capital requirements over the life of the project. This option would result in rates increases to the targeted wastewater rate of:

Wastewater Rates Increases Current LTP										
YEAR	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025
\$	47	47	47	47	21	21	21	21	21	21



Roading is our biggest expense category currently at \$7 million per year rising to \$8.7m in 2025 to maintain current levels of service.

The focus is on ensuring the safety of all users on our 381.9km of sealed (excluding SH2 and 53 which are managed by NZTA) and 271km of unsealed roads, 134 bridges, 49.2km of footpaths and 762 street lights.

We will continue to focus on applications attracting maximum subsidies.

Changes due to the One Network Road classification system will occur within this plan and be considered in 2018 when more information is available.

SEAL EXTENSIONS

The New Zealand Land Transport Agency (NZTA) has raised the threshold seal extension subsidy indefinitely on all road classes.

We propose continuing seal extensions of 1 km per annum at a cost of \$120,000 per km. To be funded out of rural rates, this equates to 4% of the "general rural" rate.

OPTION 1

Status quo – continue to extend the sealed network by 1km per year.

OPTION 2

Cease the seal extension programme saving \$120,000 per year which will result in a 4% decrease in the "general rural" rate

OPTION 3

Increase the seal extension programme incurring an overall 4% rates rise for every km completed

CYCLE STRATEGY



Council sees benefit in improving pedestrian and cycle access across the district; walking and cycling has health benefits, is easy on our environment and provides greater connectivity.

We have seen the success of the first stages of the Greytown rail trail in attracting and fostering cycling, and to a lesser extent walking.

We are currently constructing a cycle trail from Cross Creek to Featherston

joining Featherston to one of the "great rides", the Rimutaka cycle trail. This will cost approximately \$200K, or approximately \$30K per km (excluding bridging).

We are developing a cycle strategy in 2015/16 to ensure we take a long-term approach to being a pedestrian and cycle friendly district, increasing opportunities for residents to be active and provide for cycle tourism. To ensure a long term approach with a user focus, attracting maximum funding.

OPTION 1

Continue to develop cycle trails at \$30,000 per km, which equates to 0.25% rates increase per km.

OPTION 2

Do not construct any further cycle trails

SHARE YOUR VIEW

FOOTPATHS

Currently we have 49.2km of urban footpaths and we propose spending \$90,000 on maintenance and \$45,000 on new footpaths per annum.

This LTP has provision for \$45,000 footpath refurbishment, and \$90,000 new footpaths. (A kilometre of new footpath costs \$120,000). This represents 3.3% of the current general rate.

The maintenance and placement of new footpaths is decided in consultation with the community boards, in general terms the programme considers connectivity to the town centres and facilities.

OPTION 1

Proposed (\$45,000 Maintenance \$90,000 New) no impact on rates. Approx 220m per town.

OPTION 2

Current (\$90,000 Maintenance \$45,000 New) no impact on rates. Approx 110m per town.

OPTION 3

Alternative (\$135,000 on Maintenance) no impact on rates.

In recent years we have seen growing demand for Rural Footpaths/walking tracks in three key areas rural schools, coastal settlements and rural residential areas on the outskirts of the main towns to aid safety and connectivity in rural areas.

This project will be funded out of rural rates. The cost of construction is \$30,000 per Km which represents 1% of the current "general rural" rate.

OPTION 1

Stand-alone rural footpaths established for safety and connectivity

OPTION 2

Rural paths established for walking and cycling in line with the Cycle strategy being developed.

OPTION 3

No rural footpaths established

SHARE YOUR VIEW



SPECIAL PURPOSE ROAD – CAPE PALLISER ROAD

NZ Transport Agency is transitioning all special purpose road funding to normal funding assistance by 2023/24. In the South Wairarapa this only affects Cape Palliser Road. The transition is scheduled to start in 2018 moving from the current 100% subsidy to our standard rate of 52% (up from 49%). While NZTA have not decided

on the exact transition timeline for the reduction, we have allowed for this at 5% per year. In the meantime preventative maintenance work will continue to be done to reduce future costs through erosion and storm damage. When more information is available we may need to go out to consultation.

RATES AFFORDABILITY

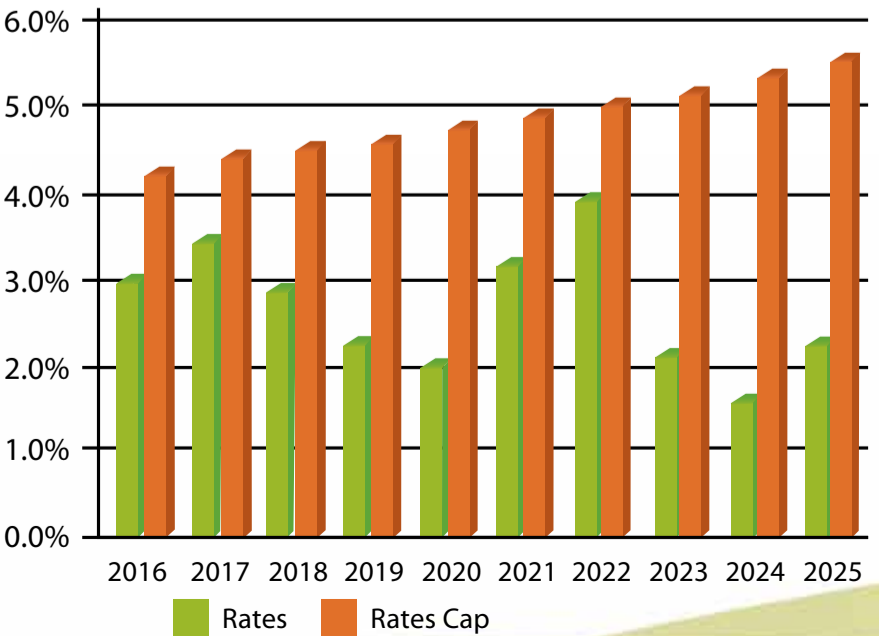


- The biggest single challenge we face as a district is paying for essential public services (needs) and balancing wants to keep rates affordable, not exceeding the national benchmark of 5% of household income. To manage this, we utilise a mixture of available tools:

 - Set rates increases at no more than 2% above Local Government Cost Index
 - Economic Development
- Cost saving
 - Seeking innovative solutions
 - Staged investment
 - Raising loans for life of asset
 - Reviewing rates system
 - Reviewing fees and charges
 - Planning to ensure projects are right first time
 - Services matching our population base

RATES AND CHARGES (INCLUDING GST)				
	2014/15	2015/16	CHANGE %	CHANGE
General Rates - Commercial rate in dollar of LV	0.00392	0.00399	2.00%	0.00007
General Rates - Urban rate in dollar of LV	0.00196	0.00199	2.02%	0.00003
General Rates - Rural rate in dollar of LV	0.00213	0.00188	-11.64%	0.00024
UAGC	610	548	-10.16%	-62
UAGC Urban	233	314	34.76%	81
UAGC Rural	117	159	35.90%	42
Water Charge	619	610	-1.45%	-9
Sewer Charge	412	539	30.83%	127
Refuse Collection Levy	122	138	13.11%	16

The following chart outlines the proposed rates increases, and the maximum allowable increases “rates cap” as set in our Financial Strategy. This maximum rates limit is set at the Local Government Cost Index (LGCI) plus 2%.



The following tables show indicative rates for a number of properties based on an average 2.98% rates increase. A number of median range valued properties have been selected, a low, mid, and high value property for each area. These are split between the two proposed Differentials - District Wide (including residential and lifestyle) and Business (including urban, rural, farms and utilities). The general rate applies to every rating unit in the district. Targeted rates are applied as per our Funding Policy. It is important to note that these are just indicative rates, and the change you see for your property is likely to be different.

RATES AND CHARGES (INCLUDING GST)						
	COMMERCIAL \$		URBAN \$		RURAL \$	
	2014/15	2015/16	2014/15	2015/16	2014/15	2015/16
Low Value						
Land Value	100,000	100,000	125,000	125,000	240,000	240,000
General rate	392	400	245	250	513	453
UAGC	610	548	610	548	610	458
Reserves & Civic Amenities	233	314	233	314	116	159
Water	619	610	619	610	-	-
Sewer	412	539	412	539	-	-
Refuse	122	138	122	138	-	-
	2,388	2,549	2,241	2,399	1,238	1,160
% Increase		7%		7%		-6%
Medium Value						
Land Value	150,000	150,000	250,000	250,000	600,000	600,000
General rate	588	600	490	500	1,282	1,132
UAGC	610	548	610	548	610	548
Reserves & Civic Amenities	233	314	233	314	116	159
Water	619	610	619	610	-	-
Sewer	412	539	412	539	-	-
Refuse	122	138	122	138	-	-
	2,584	2,749	2,486	2,649	2,007	1,839
% Increase		6%		7%		-8%
High Value						
Land Value	-	-	-	-	4,000,000	4,000,000
General rate	-	-	-	-	8,544	7,549
UAGC	-	-	-	-	610	548
Reserves & Civic Amenities	-	-	-	-	116	159
Water	-	-	-	-	-	-
Sewer	-	-	-	-	-	-
Refuse	-	-	-	-	-	-
	-	-	-	-	9,270	8,256
% Increase						-11%



PENSIONER HOUSING

There has been significant debate in the media recently about the role of local authorities in the provision of community housing, and whether community housing is core business.

Local Authorities cannot become "community housing providers" and therefore are not eligible to receive the rent subsidies available to community housing providers.

Local Government New Zealand has been discussing this anomaly with the Government, it is apparent from these discussions that the current policy is not likely to change in the future.

The benefit of community housing being run by a community housing provider (CHP) is that the CHP can increase rent by the amount of the rent subsidy, and the tenant receives the subsidy so the net position is the same for the tenant.

This increased revenue can be put back into the housing stock to improve

the quality of the accommodation by the CHP.

While our pensioner housing is planned to run at no cost to the ratepayer, there is always some cross subsidisation.

We believe we do a good job; however we are not a full time landlord, and cannot therefore bring the skills and experience to bear on this activity that a full time landlord can.

The only current CHP in the Wairarapa is Trusthouse, however if SWDC planned to exit the housing market other CHP's would more than likely be interested.

We seek your feedback on whether you think we should consider options with regard to the community housing output. We are gauging public feeling on this issue and based on that feedback may consult further on this issue when preparing future statutory plans.

OPTION 1

Exit Community housing as it is not our core business in favour of CHP's

OPTION 2

Remain in Community Housing

SHARE YOUR VIEW

COASTAL RESERVES

The development of coastal reserve plans is complete and works to implement the plans are set to commence.

The plans are available from the Council offices in Martinborough, and on the www.swdc.govt.nz

Work will be staged over 10 years across Ngawi, North Tora, South Tora, Te Awaiti, Lake Ferry. This project will be funded out of rural rates and represents 2.5% of the current rate.

A plan for Lake Reserve has been completed by DOC and no funds have been set aside for this pending the Treaty Settlement.

SHARE YOUR VIEW

OPTION 1

Ultra-fast broadband in urban areas

OPTION 2

Improving rural broadband

OPTION 3

Addressing mobile black spots

SHARE YOUR VIEW

BROADBAND & CELL PHONE

Many of our community have told us how they could benefit from improved internet and cell phone – faster uploading and downloading, seamless music streaming and video calling, reduced cell black spots.

The recent Central Government announcement to extend its two flagship broadband initiatives with additional funding and establish a new initiative to expand mobile coverage is good news. We will be submitting

a combined council registration of interest under "WaiConnect" to be part of the Ultra-Fast Broadband 2, Rural Broadband Initiative 2 and Black Spot Cell coverage in July 2015.

At the time of consultation, it is not known what funds are required to support this project. **But we would like to know which of the following digital services you think the priority is for the Wairarapa.**

OPTION 1

Proceed with annual expenditure of \$75k Year

OPTION 2

Coastal reserves remain as they are now

OPTION 3

Proceed with annual expenditure at some other level than proposed

WAIHINGA CENTRE

The Martinborough Town Hall project is continuing along the lines as previously outlined in the 2012/22 LTP and subsequent Annual Plans.

It is still anticipated this project will proceed, and this LTP includes the relevant financial allocations.

Results of the final funding application will be known prior to the adoption of the LTP.

If all goes to plan the opening date will be November 2017 and a trust will be established to support the on-going aspects of the project.



In keeping the community informed of what has and may be considered we are including the following topics that are not subject to consultation at this time but have been in the past or have the potential to be in the future.

GLIDING INITIATIVE

When we purchased the land at Papawai for irrigation of treated wastewater, we obtained two additional amenities. Firstly access to the Waiohine and Ruamahanga rivers for recreational use, and secondly an operating gliding club, the Wairarapa Gliding Club.

Since then we have negotiated with another gliding club to fly out of the airfield space in tandem with the Wairarapa Gliding Club.

This is an exciting development for the South Wairarapa district – the new venture is of a scale that will provide a significant economic benefit to the district. While it is not anticipated in this LTP to set aside any funds to support this initiative, it may be prudent to do so in the future.

Expenditure would be from reserves and would not impact rates.



FEATHERSTON TOWN SQUARE

Concept drawings have been completed, discussed with a number of groups in Featherston and available for public viewing and comment.

The feedback is now being considered by council in deciding the final design.

In addition Council is beginning work to scope out a wider development

Strategy for Featherston town centre as a whole and the immediate environs. This project will be funded from reserves and/or grants.

WORK WITH TANGATA WHENUA

It is envisaged Treaty Settlement with crown will be reached by Rangitaane following the signing of an Agreement in Principal between the parties in 2014. A settlement with Ngata Kahungunu may also be reached.

This will have a number of implications and opportunities for SWDC and require input and consideration on how SWDC works during and after the transition including a review of the Maori Standing Committee. The signed framework agreement, lists some of the issues and opportunities as:

- Co-governance structures for the management of certain parts of the district.
- The ensuing governance structure will own substantial resources and land and are therefore an important stakeholder for processes like the District Plan Review and economic development opportunities in the District.
- Formalisation of relations through "Memorandum of Understanding" with Council, which more clearly define

things like cultural protocols and consultation processes.

We will work with the Masterton District Council, Carterton District Council, Wellington Regional Council and the Department of Conservation to ensure a regional approach is taken in negotiations with the Collective and the Office of Treaty Settlements. When more information comes to hand we may need to go out to consultation on this.





Our strategies, policies, asset management plans and fees and charges together help inform the decisions made in the long term plan.

This section of the Consultation Document provides a brief summary of our key documents. For full copies of these documents visit www.swdc.govt.nz, or one of our libraries, or the council office.

FINANCE STRATEGY - BALANCING THE FUTURE

As part of the LTP we are required to have a Finance Strategy setting out our current financial position, where we are heading over the next 10 years, and the financial limits we are committed to working within.

The focus of this Financial Strategy is to ensure the long term sustainability of our infrastructure.

We need to make sure our assets, such as pipes, roads, and treatment plants, meet new environmental and health standards (such as the water quality standards).

Asset renewals and replacements are expensive and we need to make sure that any increases in our income (which primarily comes from rates and fees and charges) are affordable and meet our Community's needs, while also working towards our overall goal of having a balanced budget in the future.

This combination makes for a challenging environment but we aim to:

- Deliver affordable rates to the community
- Minimise borrowing
- Optimise capital spending
- Have a balanced budget
- Maintain intergenerational equity



Spending on assets

Our policy is to maintain our asset base in a manner that results in long-term serviceability.

Deferring this work would likely result in an inability to maintain current levels of service and spending more in

the future due to infrastructure failure.

We set aside sufficient funds each year to achieve this policy.

Debt

Our debt has increased from \$9.3 million as at 30 June 2012 to \$12.2 million as at 30 June 2014, and is

projected to be \$14.2M as at 30 June 2015.

This is primarily because we have been borrowing money on waste water and water supply assets, choosing to fund the assets over their life cycle rather than increasing rates.

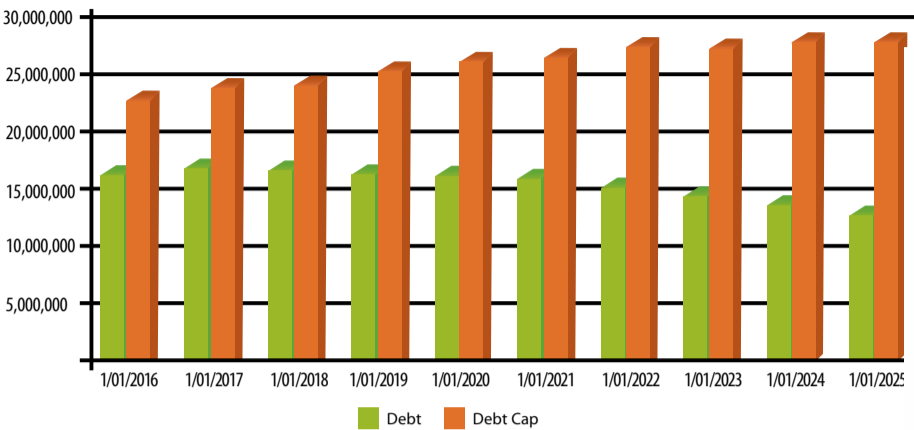
- Our forecast debt maximum during this LTP is \$16.7 million.
- Our maximum debt allowable under our current policy is \$27.7 million based on gross interest expense not exceeding 12% of total rate revenue.

One of the ways we can reduce debt is to sell some of our non-core assets and use the proceeds to reduce or avoid further loans.

We plan to sell the old county yard in Martinborough, part of Cecily Martin – Huangarua Park and some land at Ruakokoputuna in the next three years, resulting in up to \$1 million in revenue increasing the District Property Reserve before being used to pay for the Martinborough Town Hall (Waiinga Centre).

Any other future asset sales would be consulted on with the community separately from this Long Term Plan process.

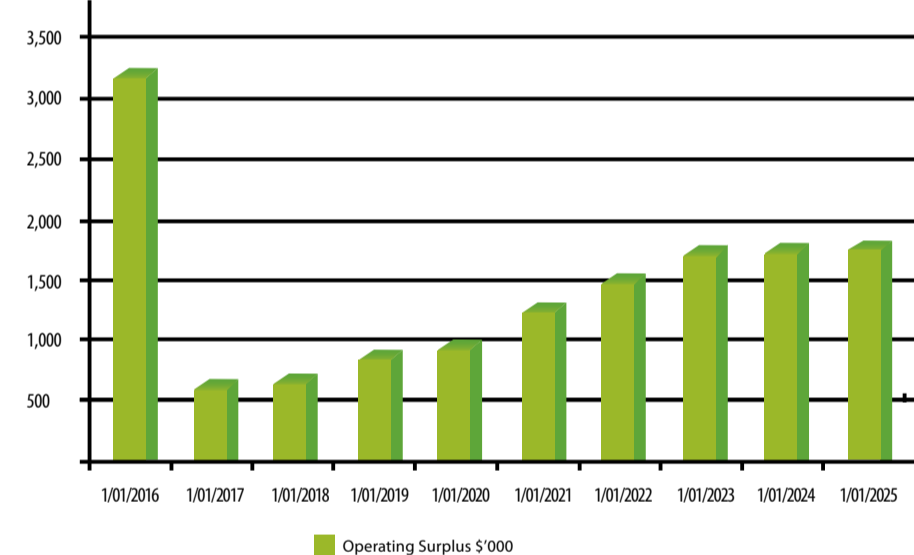
The following table outlines the projected level of debt, and councils debt cap, over the term of the LTP.



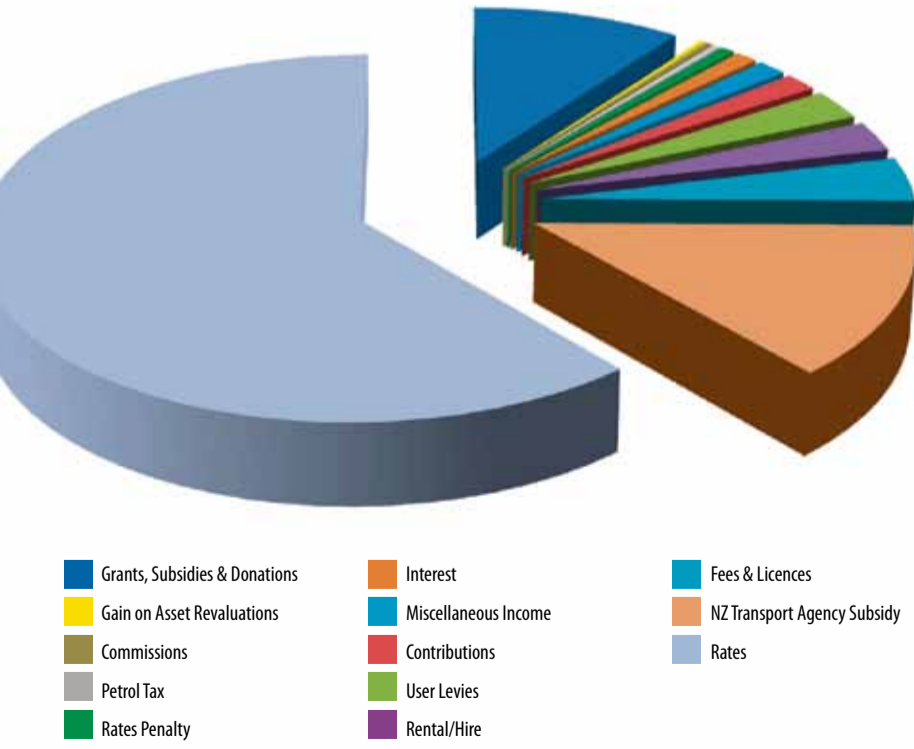
The following table outlines the operating surplus for the years 2015 to 2025

Note the large surplus in 2016 is due to the forecast donations we anticipate to receive in relation to the Martinborough Town Hall.

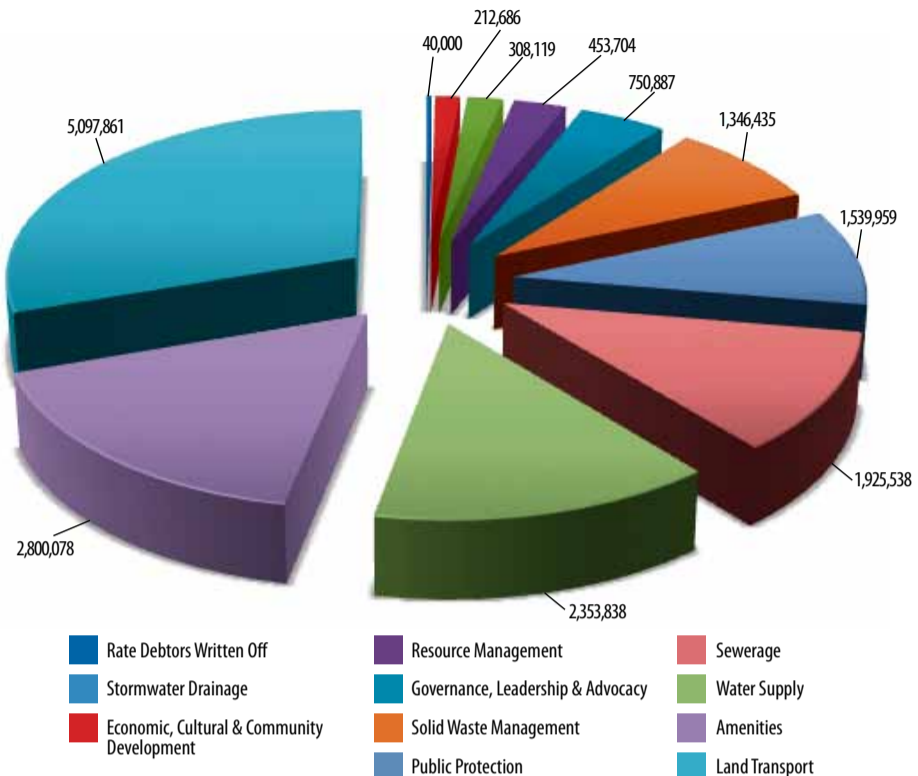
Operating \$'000



Where do we get our income?

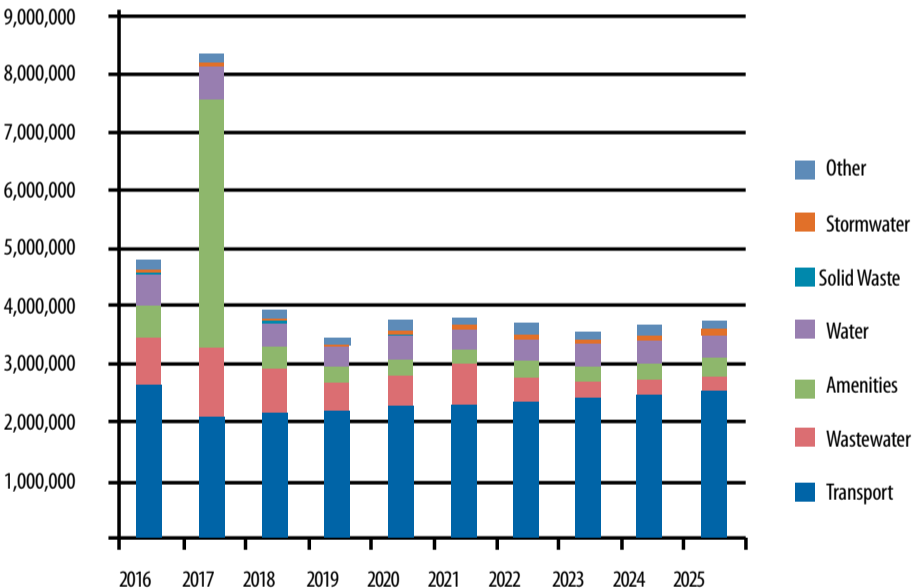


What do we spend our money on?

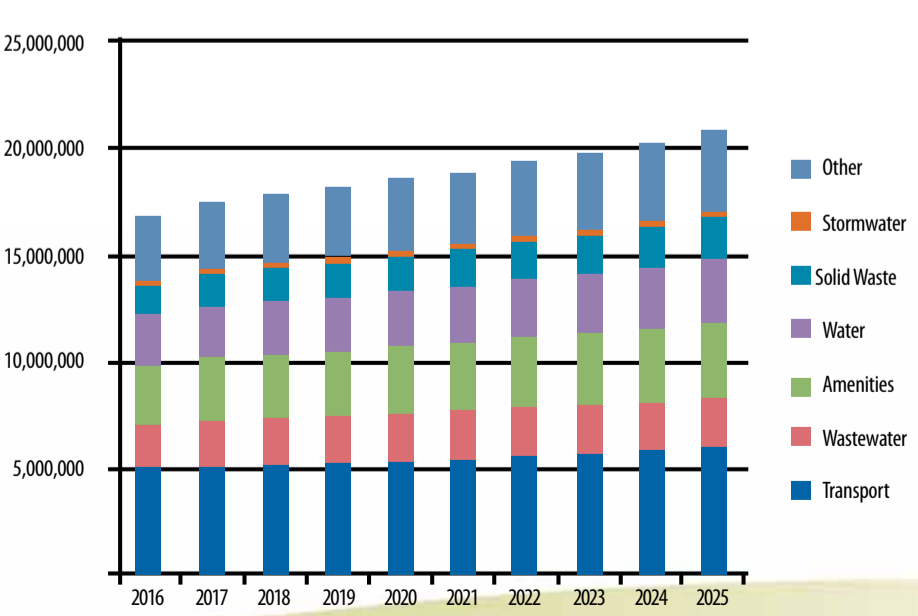


Building and maintaining quality infrastructure is a critical component in having a resilient, growing economy. The following graphs show our proposed renewal and capital expenditure over the next 10 years of the plan.

Capital Expenditure



Operating Expenditure





INFRASTRUCURE STRATEGY



This Strategy provides part of the framework for managing our biggest budget item sustainably while allowing us to achieve identified infrastructure objectives over the next 30 years.

The key purpose of the Infrastructure Strategy (the Strategy) is to provide a high level plan for maintaining the current levels of service and identifying gaps in our core infrastructures (Water, Wastewater, Storm water and Roding and Footpaths). The proposed infrastructure work programme identifies significant expenditure concentrated on renewal work to maintain the infrastructure and levels of service, creating an issue about how to fund this. The options for sourcing income (whether from rates or loans) for this work programme are discussed in more detail in the Finance Strategy Section of this document. Asset Management Plans have also been developed for Water, Sewerage and Roads providing more detailed operational plans. Some levels of service are legislatively set and we do not have any flexibility in what we provide. For example, new roading standards through the One Network Road Classification review (ONRC) will be released by NZTA within this long-term plan. At this stage they are believed to be lower than the current standard, this may require consultation when information becomes available.

WHAT ARE THE GOALS OF THE INFRASTRUCTURE STRATEGY?

The role of infrastructure is to support, promote and achieve our Community Outcomes described earlier in the Consultation Document.

The main Aims of the Strategy are to:

1. Ensure adequate infrastructural capacity to meet the demands of current and future generations while being affordable to the Community.
2. Increase the reliability and resilience of existing and future infrastructure.
3. Ensure sustainable use of resources and protection of critical environmental values.

4. Ensure Assets are utilised for their full lifecycle and maintained in perpetuity.

In achieving these aims, the Infrastructure Strategy has identified the:

1. Significant infrastructure issues and the actions required to address the gaps in both the shorter and longer term,
2. Options and associated expenditures for managing them over the period covered by the Strategy taking into account a range of factors that impact on the nature and cost of Infrastructure provision, and
3. The key planned projects to deliver the infrastructure in order to enable growth within the district.

WHAT HAVE WE CONSIDERED?

A large amount of the District's infrastructure was built in the 1960's and 1970's. Our asset management programme has been designed to ensure the asset base remains serviceable in the long term, and we do not anticipate any maintenance or renewal "bubbles".

The District is now at a time when balancing the levels of maintenance costs versus renewal costs is at its' hardest. The key issue in regard to our infrastructure assets is not only what needs to be provided, but how to avoid losing what it has established over time at significant effort and cost in the current constrains of the local government financial environment.

The maintenance, renewal, and capital expenditure programme for our core assets is based on the information in our Asset/Activity Management Plans. This information is the best information available to us about these assets. For some assets (e.g. underground pipes) the information around age, type, and quantity is very reliable, however it is acknowledged that information around condition has some limitations. Where these limitations exist the information will be reviewed as new information becomes available. Updated information could result in changes to the costs or timing of planned expenditure.

SNAPSHOT

WATER SUPPLY

Providing a water supply system that complies with changing legislative requirements is one of the main issues affecting our supplies.

WATER SUPPLY CAPITAL EXPENDITURE PROFILE

YEAR	2015/ 2016 \$000	2016/ 2017 \$000	2017/ 2018 \$000	2018/ 2019 \$000	2019/ 2020 \$000	2020/ 2021 \$000	2021/ 2022 \$000	2022/ 2023 \$000	2023/ 2024 \$000	2024/ 2025 \$000
Meet additional demand	-	-	-	-	-	-	-	-	-	-
Improve level of service	-	-	-	-	-	-	-	-	-	-
Replace existing assets	551	565	322	330	339	348	358	368	378	389

WASTE WATER

Waste water is our major project for the next 35 years at a total cost of \$29m. This will result in all urban waste water being irrigated to land, complying with the new consent requirements.

There is also a focus on reducing inflow and infiltration. Inflow is the direct discharge of storm water by property owners into the sewer system. This is from low-lying gully traps, yard drains, roof downpipes and cross connections from storm water drains. Inflow reduces the network capacity, increases the cost associated with extra wastewater pumping and treatment and can lead to the contamination of private properties. We are continually maintaining the sewer system to minimise these overflows and ask owners to not discharge storm water into the sewer mains. Infiltration is storm water or groundwater that enters the wastewater system through defects, cracks and joints in the pipes or manholes caused mainly by age-related deterioration, tree roots, loose joints or damage.

WASTEWATER CAPITAL EXPENDITURE PROFILE

YEAR	2015/ 2016 \$000	2016/ 2017 \$000	2017/ 2018 \$000	2018/ 2019 \$000	2019/ 2020 \$000	2020/ 2021 \$000	2021/ 2022 \$000	2022/ 2023 \$000	2023/ 2024 \$000	2024/ 2025 \$000
Meet additional demand	-	-	-	-	-	-	-	-	-	-
Improve level of service	489	872	575	279	344	437	191	27	-	19
Replace existing assets	355	314	214	220	226	232	238	245	252	259

STORM WATER

Our policy is that all storm water from buildings is disposed of onsite through soak pits. It is envisaged no major change and we will continue to monitor the situation and service levels as part of the annual plan to ensure the approach is effective.

STORMWATER CAPITAL EXPENDITURE PROFILE

YEAR	2015/ 2016 \$000	2016/ 2017 \$000	2017/ 2018 \$000	2018/ 2019 \$000	2019/ 2020 \$000	2020/ 2021 \$000	2021/ 2022 \$000	2022/ 2023 \$000	2023/ 2024 \$000	2024/ 2025 \$000
Meet additional demand	-	-	-	-	-	-	-	-	-	-
Improve level of service	-	-	-	-	-	-	-	-	-	-
Replace existing assets	51	52	54	55	56	58	60	61	63	65

ROADS

Roding is a vital element to enable social and economic development. With 381.9km sealed and 271km unsealed road network and limited funds, consideration needs to be given to sustainability of maintaining roads over the long term. We will continue to focus on applying to attract maximum subsidies in the areas of drainage, bridging, road safety and maintenance. Roding is historically the highest spend and no change is expected.

ROADING CAPITAL EXPENDITURE PROFILE

YEAR	2015/ 2016 \$000	2016/ 2017 \$000	2017/ 2018 \$000	2018/ 2019 \$000	2019/ 2020 \$000	2020/ 2021 \$000	2021/ 2022 \$000	2022/ 2023 \$000	2023/ 2024 \$000	2024/ 2025 \$000
Meet additional demand	-	-	-	-	-	-	-	-	-	-
Improve level of service	120	123	126	129	132	135	138	142	145	149
Replace existing assets	2,490	1,966	2,011	2,064	2,111	2,164	2,218	2,273	2,329	2,387

The following policies are required to be reviewed as part of this long term plan process:

DEVELOPMENT CONTRIBUTIONS POLICY

The effects of growth, particularly the cumulative effects of development, require us to incur capital expenditure, on behalf of incoming communities, to provide new or additional services.

Funding tools such as development contributions, as set out in the Wairarapa Combined District Plan, along with others, are essential in meeting these needs. Development contributions assist us to assign the costs of growth to the time frame in which that demand is generated.

The Policy aims to recover infrastructure costs arising from growth from developers who create the infrastructure need.

No material changes are proposed to the current policy.

REVENUE AND FINANCING POLICY

This policy sets out how we fund activities undertaken on behalf of the community and how these activities will be funded.

Our funding policies are determined having consideration of who benefits, intergenerational equity, who contributes to the need for the activity, distinct funding and the overall impact of the method of funding.

No material changes are proposed to the current policy.

LIABILITY MANAGEMENT POLICY

This policy outlines how borrowing is managed by us.

The proposed change is to dispense with the use of sinking funds and allow the conversion of the existing sinking fund loans to ordinary loans. Sinking funds are an inefficient way to set funds aside for future repayment we borrow the principal and repay interest only on that loan.

At the same time we set aside a

calculated amount each month so that, after adding interest earned on the funds set aside, there will be sufficient funds set aside to repay the loan when it is due.

INVESTMENT POLICY

This policy manages short term cash flows in an efficient and prudent manner, providing cash for

- approved expenditure needs
- in the event of urgent requirements
- the future retirement of debt on maturity
- maximising interest income and minimising risk to the capital invested

No material changes are proposed to the current policy.

RATES REMISSIONS AND POSTPONEMENT POLICIES:

These policies set out different circumstances ratepayers can apply for a remission on their rates. Each policy outlines the objectives,

conditions, criteria and information requirements specific to that policy.

The proposed additions to the policies are:

Postponement of rates:

3.3.3 Paragraph 2 Uninsured Ratepayers to be removed as it is the home owner's responsibility to source adequate insurance.

Remission of Rates Policy:

3.2.1 Charitable has been replaced with "not for profit".

3.2.7 Additional clause to allow remission to be on going until criteria no longer met rather than annual to reduce administrative overhead.

Operationally all rates remission applications must now be in writing and not retrospective and the delegations throughout the policy have been updated to reflect new organisational structure

Remission and Postponement of rates on Maori Freehold land:

No material changes are proposed to the current policy.

FEES & CHARGES

We have reviewed our fees and charges with a view to more closely aligning these to our revenue and financing policy.

In general this states they should not be subsidised by rates. This review has resulted in a number of recommended changes effective 1st July 2015, summarised below:

The key changes from 2014/15 to 2015/16 are:

- Building Fees rise 4.1% in line the requirement that the building activity recovers all its costs and is not a burden on the ratepayer. It is anticipated revenue will increase by approximately \$20,000 as a result of this change
- Resource Management Fees increase to align with the funding policy. It is anticipated revenue will increase by approximately \$23,910 as a result of this change.
- Dog registrations rise to align with the Control of Dogs Policy 2013 that states "dog control operations should self-fund". It is anticipated revenue will increase by approximately \$34,000 as a result of this change.
- Public Protection fees will rise to meet the funding policy increasing revenue by about \$4,000. In addition a further \$40,000 has been added in Annual Alcohol Fees revenue as a result of fees and charges set by government.
- The fees for LIM's will increase to cover the actual cost of preparing a LIM. It is anticipated revenue will increase by around \$16,897 as a

result of this change: Non Urgent \$250 and Urgent \$450

- Noise Control rise in line with inflation increasing revenue \$1500
- New charge for issue of Planning and Building Certificates, \$320 each
- New charge for the issue of Right of Way Certificates \$320 each
- New Charge Swimming Pool Fence Inspection, \$140.80 each
- Landfill increase \$3 per tonne
- Vehicle run Up \$550
- Road Opening Bond increase to \$550 inflation
- Sewerage Dumping increasing 50% \$48 per 4 cubic metres
- Ashes niche cost to increase to \$250
- Final/Ad hoc water reading meter readings \$40

A full list of proposed fees and charges inclusive of GST can be found on our website www.swdc.govt.nz.

Further legislative driven fee changes will be made to Food Registration fees in the next 12-24 months.

We will also introduce a new Public Notice service for advertising on and off licence applications if this is economic to do.



LEVELS OF SERVICE

The budgeted proposals in this consultation document are in line with maintaining the current levels of service, facilities and regulatory functions provided by us.

New regulatory service level measures have been introduced and as with the others will be reported on through the annual report.

The proposed infrastructure work programme identifies a concentration of renewal work that we want to undertake to ensure that current levels of service are maintained.

The proposed programme to maintain the infrastructure and levels of service will require significant expenditure, which creates an issue about how to fund this.

The options for sourcing income (whether from rates or loans) for this work programme are discussed in more detail in the Finance Strategy Section of this document.

Asset Management Plans have also been developed for Water, Sewerage and Roads providing more detailed

operational plans and are available from the Council, Libraries and www.swdc.govt.nz

Some levels of service are legislatively set and we do not have any flexibility in what we provide.

For example, new roading standards through the One Network Road Classification review (ONRC) will be released by NZTA within this long-term plan. At this stage they are believed to be lower than the current standard, this may require consultation when information becomes available.

If the Community wished for increased service levels, an upgrade or works to be brought forward then this would require either a higher level of income from rates or more loans taken out (increasing debt levels).

Alternatively, we could reprioritise projects so that one is moved forward in time and a corresponding project is moved back. This may affect the service levels for the latter and/or increase the risk of infrastructure failure and therefore may result in increased expense.



AUDIT NEW ZEALAND

Mana Arotake Aotearoa

INDEPENDENT AUDITOR'S REPORT ON SOUTH WAIRARAPA DISTRICT COUNCIL'S CONSULTATION DOCUMENT FOR ITS PROPOSED 2015 25 LONG TERM PLAN

I am the Auditor General's appointed auditor for South Wairarapa District Council (the Council). Section 93C of the Local Government Act 2002 (the Act) requires an audit report on the Council's consultation document. I have carried out this audit using the staff and resources of Audit New Zealand. We completed this audit on 1 May 2015.

Opinion

In my opinion:

- the consultation document provides an effective basis for public participation in the Council's decisions about the proposed content of its 2015 25 long term plan, because it:
 - fairly represents the matters proposed for inclusion in the long term plan; and
 - identifies and explains the main issues and choices facing the Council and district, and the consequences of those choices; and
- the information and assumptions underlying the information in the consultation document are reasonable.

Basis of Opinion

We carried out our work in accordance with the Auditor-General's Auditing Standards, relevant international standards and the ethical requirements in those standards.

We assessed the evidence the Council has to support the information and disclosures in the consultation document. To select appropriate audit procedures, we assessed the risk of material misstatement and the Council's systems and processes applying to the preparation of the consultation document.

We did not evaluate the security and controls over the publication of the consultation document.

Responsibilities of the Council and auditor

The Council is responsible for:

- meeting all legal requirements relating to its procedures, decisions, consultation, disclosures, and other actions associated with preparing and publishing the consultation document and long-term plan whether in printed or electronic form;

- having systems and processes in place to provide the supporting information and analysis the Council needs to be able to prepare a consultation document and long term plan that meet the purposes set out in the Act; and
- ensuring that any forecast financial information being presented has been prepared in accordance with generally accepted accounting practice in New Zealand.

I am responsible for reporting on the consultation document, as required by section 93C of the Act. I do not express an opinion on the merits of any policy content of the consultation document.

Independence

We have followed the independence requirements of the Auditor-General, which incorporate those of the External Reporting Board. Other than our work in carrying out all legally required external audits, we have no relationship with, or interests in, the Council or any of its subsidiaries.



Phil Kennerley

Audit New Zealand
On behalf of the Auditor General
Wellington, New Zealand

SHARE YOUR VIEW ON THE FUTURE



**Feedback must be received by
4pm Tuesday 2nd June 2015.**

**Please read the consultation
document before providing your
feedback.**

EMAIL: LTP@swdc.govt.nz
IN PERSON: Drop form to your local library
BY POST: Fold and affix a stamp
Council Office Martinborough
FAX: (06) 306 9373
ON LINE: www.swdc.govt.nz
Your name and feedback will be public documents.
All other personal details will remain private.

Ratepayer:
☐ Urban ☐ Rural
☐ Commercial ☐ Non rate payer

Age:
☐ 15-24 ☐ 25-34 ☐ 35-44
☐ 45-54 ☐ 55-64 ☐ 65+

Ethnicity:

☐ Yes I want to receive the "Stakeholder Update" email from SWDC.
☐ Yes I/We would like to speak to our submission
Organisation:

(Only if authorised to submit on behalf of organisation, one per organisation)

Speaking Preference:
☐ June 10TH am ☐ June 10TH pm ☐ June 11TH am

FIRST NAME: _____
LAST NAME: _____
EMAIL ADDRESS: _____
POSTAL ADDRESS: _____

PHONE: _____

Rates Affordability

Do you agree with the proposed overall average rates increase for the next 10 years, enabling the proposed expenditure outlined in this document?

☐ Agree ☐ Disagree

If not what general rates increase do you support?

☐ 0 % ☐ 5 % ☐ Other

Sewerage

In what timeframe should irrigation to land be completed?

☐ 35 Years ☐ 25 Years ☐ Other

Roading

Should Road maintenance service levels be:

☐ Maintained ☐ Reduced ☐ Increased

Seal Extensions

☐ No extension
☐ 1km Extension ☐ 2km Extension

Where do you think seal extensions should be done?

Footpaths

Do you support the establishment of rural footpaths (lime walkways) through rural rates?

☐ Yes ☐ No

If yes how should they be prioritised?

Pensioner (Community) Housing

Do you consider Pensioner Housing part of our core business?

☐ Yes ☐ No

Levels of Service (LoS)

☐ Maintain the current LoS
☐ Increase LoS
☐ Reduce LoS

Do you support the following proposed INITIATIVES? (TICK AS MANY AS YOU LIKE):

☐ Increased Fees and Charges as opposed to general rates increase
☐ Coastal Reserve Development
☐ Cycle trails

Which digital services do you think are a priority to for the Wairarapa?

☐ Urban Ultra-fast broadband
☐ Improved rural broadband
☐ Mobile black spots

Why?

Strategies and Policies

If you have any views on these please comment below:

If you would like to comment or propose something different now is your chance.

(Continue on another sheet if required)

**Affix
stamp
here**

South Wairarapa District Council
PO Box 6
Martinborough
5741