

# Annual Plan

## 2023/24



### Photos (Top left to right):

Tauwharenīkau Cycle Bridge

Dogs 'n' Togs (Ali Little)

WaiHINGA Sculpture

Featherston Incident (Pete Monk)

Ecoreef (Ed Wilcock, Ecoreef)

King's Coronation Planting



**SOUTH WAIRARAPA  
DISTRICT COUNCIL**

*Kia Reretahi Tātau*

# Your Councillors

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



## Whakataukī

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

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

# Contents

<b>Joint Message from the Mayor and Interim Chief Executive</b>	<b>1</b>
Financial Overview	3
2023/24 Capital Expenditure	3
2023/24 Operating Expenditure	3
2023/24 Funding	3
Key Facts	4
<b>Part 1: Direction Setting Te Whakatakoto Aronga</b>	<b>5</b>
Our context	6
What is an Annual Plan?	6
What has changed since the 2021-31 Long-term Plan?	7
Public Consultation	8
Consultation process	8
Consultation outcomes	8
Submission themes	9
<b>Part 2: Significant Activities Ngā Mahi Whakahirahira</b>	<b>10</b>
What are our significant activities?	11
Governance and Policy	12
Overview and purpose	12
Activities summary	12
Assets	12
Governance and Policy performance measures	13
Finance and Corporate Support	14
Overview and purpose	14
Activities summary	14
Assets	14
Finance and Corporate Support Prospective Statement of Capital Expenditure	15
Finance and Corporate Support performance measures	15
Planning and Regulatory Services	16
Overview and purpose	16
Activities summary	16
Assets	16
Planning and Regulatory Prospective Statement of Capital Expenditure	17



Planning and Regulatory Services performance measures.....	17
Community Facilities and Services .....	19
Overview and purpose .....	19
Activities summary .....	19
Assets .....	19
Community Facilities and Services Prospective Statement of Capital Expenditure.....	20
Community Facilities and Services performance measures.....	21
Land Transport (Roothing and Footpaths) .....	22
Overview and purpose .....	22
Activities Summary.....	22
Assets .....	22
Land Transport Prospective Statement of Capital Expenditure.....	23
Land Transport performance measures.....	24
Water Supply.....	25
Overview and purpose .....	25
Activities summary .....	25
Assets .....	25
Water Supply Prospective Statement of Capital Expenditure (Wellington Water Ltd (WWL)) .....	26
Water Supply performance measures .....	27
Wastewater.....	28
Overview and Purpose .....	28
Activities summary .....	28
Key activities for Wastewater in 2023/24 .....	28
Assets .....	28
Wastewater Prospective Statement of Capital Expenditure (Wellington Water Ltd (WWL)) .....	29
Wastewater performance measures .....	30
Stormwater Drainage .....	31
Overview and purpose .....	31
Activities summary .....	31
Stormwater Prospective Statement of Capital Expenditure (Wellington Water Ltd (WWL)) .....	31
Stormwater performance measures.....	32

### **Part 3: Financial Information and Statements** **33**

Prospective Statement of Comprehensive Revenue and Expenses for the Year Ending 30 June 2024.....	34
Prospective Statement of Changes in Net Assets/Equity for the Year Ending 30 June 2024 .....	35
Prospective Statement of Financial Position for the Year Ending 30 June 2024 .....	36
Prospective Cash Flow Statement for the Year Ending 30 June 2024 .....	37
Prospective Schedule of Capital Expenditure.....	38
Prospective Schedule of Capital Expenditure (cont.).....	39
Funding Impact Statement.....	40
Prospective Funding Impact Statement for the year ending 30 June 2024	
Whole of Council.....	41
Prospective Funding Impact Statement for the year ending 30 June 2024	
Finance and Corporate Support.....	42
Prospective Funding Impact Statement for the year ending 30 June 2024	
Governance, Leadership and Advocacy.....	43
Prospective Funding Impact Statement for the year ending 30 June 2024	
Land Transport .....	44
Prospective Funding Impact Statement for the year ending 30 June 2024	
Planning and Regulatory Services .....	45
Prospective Funding Impact Statement for the year ending 30 June 2024	
Community Facilities and Services .....	46
Prospective Funding Impact Statement for the year ending 30 June 2024	
Stormwater Drainage .....	47
Prospective Funding Impact Statement for the year ending 30 June 2024	
Wastewater.....	48
Prospective Funding Impact Statement for the year ending 30 June 2024	
Water Supply.....	49
Prospective Statement of Special and Separate Funds for the Year Ending 30 June 2024.....	50
Accounting Policies.....	51
Reporting Entity .....	51
Basis of Preparation .....	51
Significant Accounting Policies.....	51
Financial Prudence Disclosure Statement.....	62

General Forecasting Assumptions .....	64
1 Insurance.....	64
2 Asset Condition.....	64
3 Waka Kotahi subsidies .....	64
4 Reforms .....	65
5 External factors.....	66
6 Number of rateable properties .....	66
7 District populations trends.....	66
8 Economic shock.....	67
9 Climate change.....	67
Financial Forecasting Assumptions .....	68
1 Interest Rates.....	68
2 Revaluation of Non-Current Assets .....	68
3 Depreciation .....	68
4 Asset Lives.....	69
5 Sources of funds for future replacement of assets.....	69
6 Inflation.....	70
7 Investments and return on investments .....	70
8 Delivery of Capital Works Programme.....	70
Funding Impact Statement (Rating) for the Year Ending 30 June 2024 .....	71
Rating System.....	71
Rates Examples .....	73
Rates and Charges .....	75
Fees and Charges.....	75

# Joint Message from the Mayor and interim Chief Executive

Tēnā koutou katoa

Welcome to the South Wairarapa District Council's 2023/24 Annual Plan, which was formally adopted on 28 June 2023. This sets out our plans, priorities and budgets for the 1 July 2023 to 30 June 2024 financial year.

In 2021 the Council published its last Long-term Plan, setting out its anticipated work programme and budget for the following ten years. We are now into the third year of that Plan.

Faced with the decision whether to confirm our original intentions for the coming year or amend them, regrettably, we must amend them. The environment has altered so much in those two years that we must alter what we originally planned to do in the 2023/24 year.

Amid difficult times, your elected members and Council staff have worked hard to maintain services. Some of those difficulties relate to:

- The uncertainty of government direction, including funding plans
- Our susceptibility to extreme weather due to climate change, combined with the huge size of our district, so much so that weather-related damage to our rural roads has drained our Rural Roding Reserve
- Maintaining our water and wastewater services in the face of rising water standards and deteriorating infrastructure that should have been better maintained
- An abatement notice on one of our wastewater plants, followed by the discovery that it was operating at its limits and could not take any more connections
- The rising costs of many of the materials we need to maintain assets, such as roads
- Uncertainty around the government's water reform programme and the need to continue protecting our water infrastructure.

Reluctantly, we must report that to deal with these difficulties we will need to increase the Council's income from rates by 19.8%. This increase equates to \$4.21 million on

top of the 2022/23 budget making a total of \$25.45 million.

More than half of our budget will be spent on maintaining and operating core infrastructure such as roads and footpaths, water treatment and supply, and wastewater treatment.

Another large portion of our budget will be spent on our amenities, things that help make a community. Our people, especially the young, need parks and playgrounds. We all need libraries and council buildings, reserves, public gardens and trees. Cemeteries need to be maintained. Waste management, rubbish collection and recycling are some other services we'd find it difficult to do without.

We thank the 180 people who made formal submissions on the 2023/24 Annual Plan Consultation Document and the 100-plus who emailed, commented on social media or spoke with us at our public sessions.

From our public engagement process, we learned that:

- There was mixed support for increasing the amount of money allocated to the Rural Roding Reserve, and
- There was considerable support for increasing the amount of money allocated to water operations.

We did not consult on whether people wanted more money spent on addressing the recent wastewater problems as we have an abatement order to fix those. We have no choice in the matter.

The Council has recognised the community's feedback through the consultation process and our decisions since then reflect that feedback.

We have also maintained our fees at very similar levels to the previous year.

We know that we will continue to have some tricky times. Influences such as climate change and the state of the economy are permanent or entrenched, and they can have an impact on our assets or our capacity to fulfil our plans.

Despite this, your Council will continue seeking ways to improve the social, economic, environmental and cultural wellbeing of communities. This will be especially pertinent during the long-term planning conversations as we recognise that we need to do things differently to deliver the quality outcomes needed for our community.

We recognise that our purpose is to assist local decision-making and to act on behalf of communities. And we know we have many vibrant elements that make up the communities in our district.

Events such as Booktown, Matariki, the Midwinter Festival of Christmas and the Martinborough Fairs all reflect the strength and diversity of our communities.

South Wairarapa would not be the exciting place it is without the amazing people who live here. We know you all share our vision for South Wairarapa: to have the best of country living with the community at the heart of everything we do. It remains such a great place to live in and to invest in.

Ngā mihi

Martin Connelly & Paul Gardner

*Mayor Martin Connelly and Interim Chief Executive Paul Gardner*

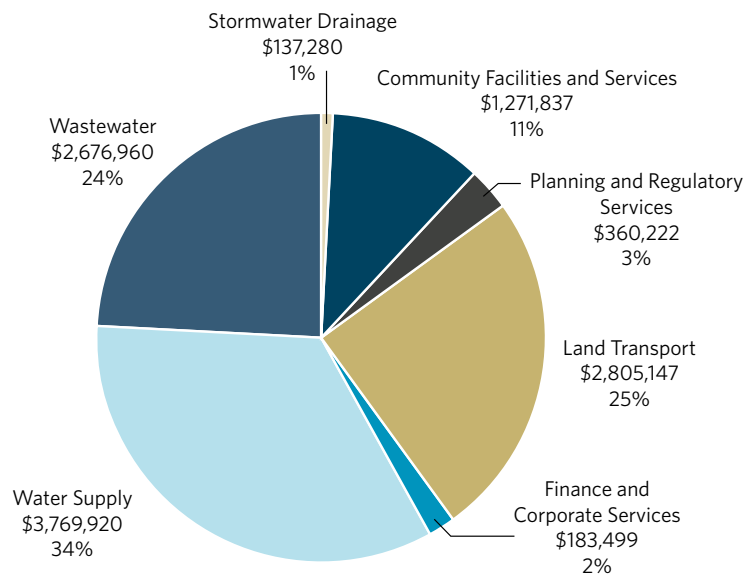




# Financial Overview

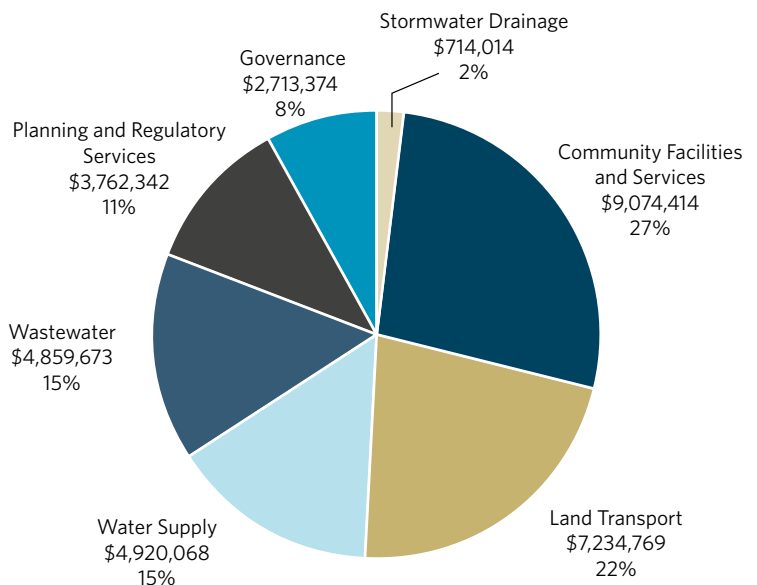
## 2023/24 Capital Expenditure

The Council plans to spend \$11.2million on capital expenditure over the 2023/24 year. \$2.8million (25%) will be spent on transport infrastructure, \$6.6million (59%) on water infrastructure and \$1.3million (11%) on community facilities and services.



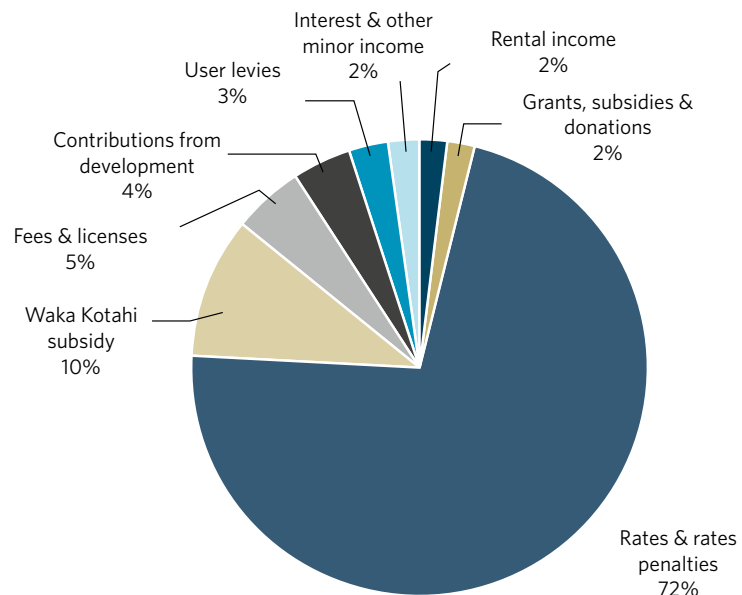
## 2023/24 Operating Expenditure

The Council plans to spend \$33.3million on operating expenditure over the 2023/24 year. Of this, \$7.2million (22%) will be spent on transport infrastructure, \$10.5million (32%) on water infrastructure and \$9.1million (27%) on community facilities and services.

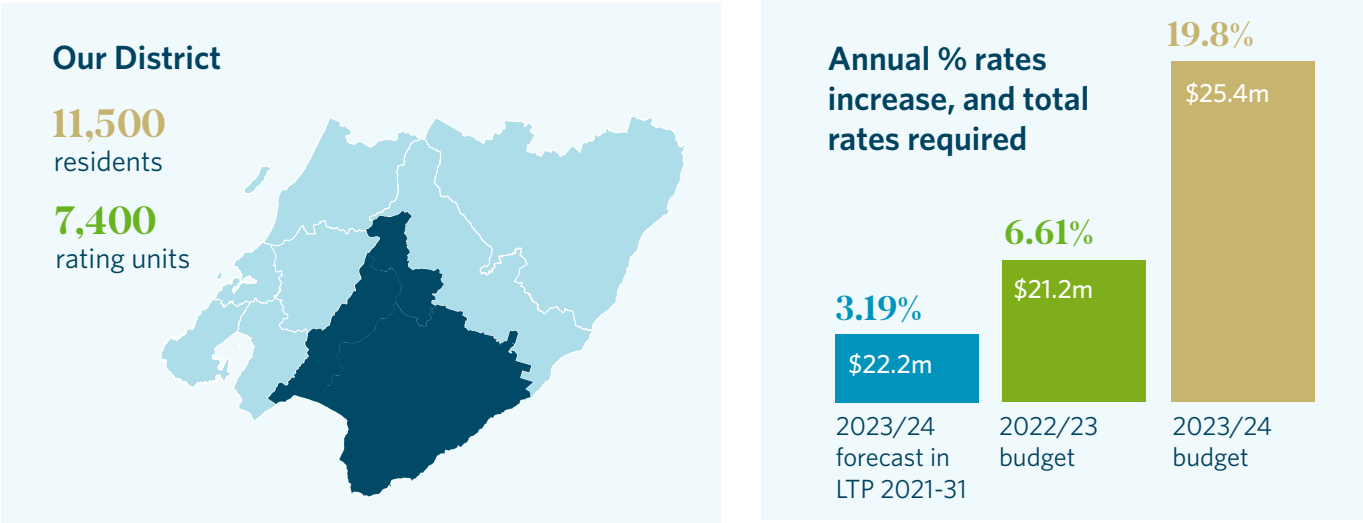




## 2023/24 Funding

There are no changes from the 2021-31 Long-term Plan (LTP) on how the Council funds its operating and capital expenditure requirements. The chart below shows how the Council will fund the services and projects it will deliver to the community.



# Key Facts



Targeted rates incl GST			Please refer to the Rates section on page 77 for more information. We also have the Rates Estimator on our website where you can estimate 2023/24 rates.
	Total Urban	21.3%	
	Total Rural	20.9%	
	Water & Refuse	16.5%	
Consultation outcomes			<ul style="list-style-type: none"><li>Water budget increased \$1.3million to \$4.87million</li><li>Rural Roding Reserve retained at \$300,000 p.a.</li><li>Casual pool of library staff declined – saving \$165,000</li><li>Grants funding reduced by \$50,000 to \$120,000</li></ul>

What do we get for our rates, fees and charges?

\*only properties connected to services

 20 parks & reserves

 4 cemeteries

 3 libraries

 3 swimming pools

 667km roads

 140 bridges

 884 streetlights

 63km footpaths

 4 drinking water systems\*

 4 waste water systems\*

 4 3 recycling stations & 1 transfer station + urban kerbside collection\*

Other services and facilities: dog walking parks | animal control | town seating | public parking | noise control | building permits | liquor licencing | food registration | community buildings | public toilets | sports stadium and pavilion | senior housing | coastal campsites

*Tree planting at Wairarapa Moana – Deputy Mayor Melissa Sadler-Futter with her son and Violet Edwards from the Māori Standing Committee with her mokopuna.*



# Part 1: Direction Setting Te Whakatakoto Aronga



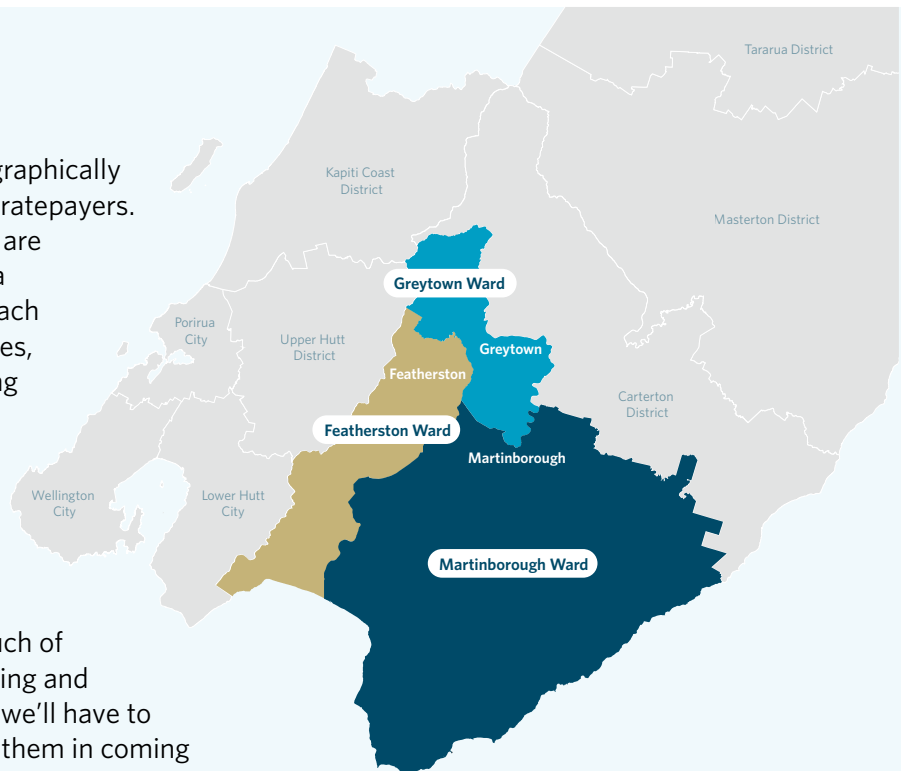
**SOUTH WAIRARAPA  
DISTRICT COUNCIL**  
*Kia Reretahi Tātau*

## Our context

South Wairarapa district is geographically vast compared to its number of ratepayers. Our district is unique in that we are comprised of three towns with a number of rural communities. Each town has most of its own facilities, meaning at least three swimming pools, libraries, recycling stations and water and wastewater treatment plants that must be maintained and managed.

Many factors have come into play this year. We know that much of our infrastructure is already ageing and underperforming, which means we'll have to replace or significantly upgrade them in coming years. Other challenges include disruptions in the supply chain and the ongoing change in compliance and regulations that local government must keep up with. At this stage, it's unclear how the water reform will impact the district, but one thing is for sure: keeping our water clean and treating wastewater to standard is getting more expensive. We are also required to meet higher water drinking standards as a result of a recent changes to the required standards.

In addition to water reforms, rating system and representation reviews, new environmental and land development rules, and working with our



neighbouring councils to look at efficiencies are all looming to varying degrees on our horizon. We also have a general election later in the year and Quotable Value (QV) will be undertaking its three-yearly property revaluations. The impact from property revaluations could be felt in the rate-setting for 2024/25 if land value remains a basis for calculating part of the rates following the 2023/24 rating review.

The Council on your behalf must maintain a level of service that keeps everyone safe and all our core services operating properly.

## What is an Annual Plan?

Every three years we produce a Long-term Plan (LTP) to set the future direction of the Council for the district. Outside of those years, we produce an Annual Plan, which identifies any changes or additions to the projects, activities and financial information included in the LTP. Our current 2021-31 LTP was adopted by Council on 30 June 2021.

In addition, we produce an Annual Report to review our performance against the LTP and Annual Plans. Together, these three documents:

1. Identify the Council's priorities
2. Outline the Council's programme of work
3. Measure our performance.





## What has changed since the 2021–31 Long-term Plan?

Since the Council's current LTP was written in 2021, the financial environment we operate in has shifted significantly. The increase in rates forecast in the 2021-31 LTP for 2023/24 was 3.19%. However, like many other organisations, the costs of services the Council provides have increased dramatically since then.

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

Since January 2022, our district experienced seven weather events including Cyclones Dovi, Hale and Gabrielle, and these have resulted in numerous unforeseen costs. As for households

and businesses, the cost of living expenses has hit Council's ability to deliver services at the same level as previously and at the same cost.

The Council on your behalf must maintain a level of service that keeps everyone safe and all our core services operating properly. There is a natural tension between keeping costs as low as possible and maintaining adequate service delivery, and this is especially evident in water services. Submitters to the consultation were very clear that Council must assume greater responsibility for water quality and a robust infrastructure for our three waters.

There are a number of other costs that Council has had to budget for. These include legal fees, hearings, and project management for the LTP.

The Council has committed to equitable funding for the Māori Standing Committee (MSC) (compared with the community boards). This has meant increased funding for grants, and salaries. This commitment has been advocated for many years by the MSC and is a long overdue obligation under Te Tiriti o Waitangi/ the Treaty of Waitangi. More recently, we have increased the representation of local iwi in the

MSC and have further work to do to improve our commitment to a healthy relationship.

Additionally, the Council has established a permanent role to provide advice and support for tikanga to elected officials and staff and to enable improved capability and capacity to respond to our Te Tiriti o Waitangi commitments.

## Public Consultation

### Consultation process

Consultation on this Annual Plan occurred between 27 April and 28 May 2023. The Annual Plan consultation document and submission forms were available on our website, from the Council office and from the three libraries. The opportunity to submit was widely promoted to our community through social media and advertising in the Midweek. Elected members and staff hosted two drop-in sessions in each of the three towns (Featherston, Greytown and Martinborough) to raise awareness and for the community to ask questions about the consultation topics. Community drop-in sessions were also held at Tora/Te Awaiti, Cape Palliser/ Ngawi, Kitchener's Café in Martinborough, and a Wisdom and Wellbeing seniors' group in Featherston.

The Māori Standing Committee and community boards were actively invited to participate in the consultation process and all made submissions to the Annual Plan. Council committed to explore with the Māori Standing Committee the costs of supporting the maintenance of local urupa and the placement of a pou for each of the three towns.

The Council received 180 submissions (representing less than 2% of the resident population) and 28 submitters requested to speak to their submissions. 121 submissions were made using the online platform (SurveyMonkey), 33 completed their submission on the physical submission form, and 26 provided their submission via email or

letter. An analysis of the addresses provided indicated that 86 (48%) submitters live in rural areas and 94 (52%) submitters live in urban areas. Additionally, 165 questions were sent via email and 74 posed via the Local Government Official Information and Meetings Act (LGOIMA) process.

### Consultation outcomes

The Council consulted on the following four topics:

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

*72.25% of submitters supported increasing the budget.*

Council resolved to increase the water budget to \$4.871 million, from the LTP forecast amount of \$3.541 million. A further resolution was passed to add \$500,000, charged to ratepayers, to help with addressing the issues related to the abatement notice for the Martinborough wastewater treatment plant. The abatement notice is a legal requirement. Therefore, public consultation could not be held.

2. Keep the current \$300,000 annual Rural Roding Reserve contribution or increase it to provide a buffer during times of urgent need.

*62.14% of submitters supported increasing the budget.*

Council resolved to retain the Rural Roothing Reserve at \$300,000 per annum. Councillors agreed the upcoming rating review should address how rural roads are funded in future as they are currently fully funded by rural ratepayers yet used by all.

3. Include a budget of \$165,000 for a pool of casual library staff to cover leave or remove the use of a pool of casual staff, which will result in libraries being closed more often.

*50% of submitters supported removing the budget.*

Council resolved to remove the \$165,000 for a casual pool of library staff on an 'as needed' basis to cover scheduled and unscheduled leave such as sickness. This means that opening hours for libraries will be reduced due to insufficient staffing numbers, estimated at a minimum of four days per month. There have been flow-on effects from this decision that have led to further impacts on our ability to concurrently staff Greytown, Featherston and Martinborough libraries. We will try and roster library closures with the least amount of impact on customers.

4. Keep or remove the community and youth grants scheme of \$170,000.

*63.09% supported keeping the current budget. However, there was also a lot of feedback recommending a reduction.*

Council resolved to reduce the funding for community and youth grants to \$120,000 and apply criteria that equitably benefits South Wairarapa.

## Submission themes

The feedback from the submissions had the following themes:

- Council to focus on essential services and infrastructure
- Rates unaffordability
- Innovation and efficiencies
- Criticism of and lack of confidence in Council
- Climate change.

The Annual Plan consultation also took the opportunity to seek feedback that will help shape the 2024-34 Long-term Plan. The community was invited to provide initial feedback on the priority outcomes and strategic drivers in the current LTP. There will be further opportunities for the community to have their say on the 2024-34 LTP.



Sakura Garden, SH2, Featherston



*Upgrade underway on Featherston's  
Donald Street wastewater plant*



## Part 2: Significant Activities Ngā Mahi Whakahirahira



**SOUTH WAIRARAPA  
DISTRICT COUNCIL**  
*Kia Reretahi Tātau*



# What are our significant activities?

The community's outcomes define the future shape and form of social, cultural, economic and environmental wellbeing for the district. The Council, along with key stakeholders, has a role in promoting the sustainable wellbeing of its district community.

It achieves this through the collective application of its eight significant activities, being:

1. Governance and Policy
2. Finance and Corporate Support
3. Planning and Regulatory Services
4. Community Facilities and Services
5. Land Transport (Roading and Footpaths)
6. Water Supply
7. Wastewater
8. Stormwater Drainage.

Each significant activity comprises a number of sub-activities. The scope and cost of providing each significant activity is determined through a series of agreed levels of service. The quantity and quality of each level of service translates into cost – generally, the higher the service the higher the cost. In a number of cases, the minimum levels of service are determined by statutory and regulatory compliance rather than community requirements.



## Governance



## Land Transport



## Finance and Corporate Support



## Wastewater



## Planning and Regulatory Services



## Water Supply



## Community Facilities and Services



## Stormwater Drainage

# Governance and Policy

## Overview and purpose

The Governance activity provides for the governance, leadership, advocacy, and policy-making activities for the Council. The Council aims to be a vigorous advocate for issues of concern to the community and to demonstrate leadership in carrying out its work. We seek to build confidence in our decisions by being as transparent as possible, clearly communicating the reasons for the things we do and encouraging public participation in the decision-making process.

## Activities summary

- Rating review – this is aligned with the LTP and must be completed by July 2024
- Representation review – this is aligned with the election period and must be completed by December 2024
- Long-term Plan – engagement, consultation, writing and consideration must be completed by 30 June 2024.

The Governance team is also involved in improving our engagement and consultation with our iwi and hapū partners and our communities. We will be strengthening new approaches that are receiving positive feedback with a commitment to more transparency.

We also hope to make progress on other long-standing issues raised by stakeholders including:

- Making official information request responses available on our website.
- Improving out-of-date policies and bylaws that are due for review.
- Strengthening coordination and promotion of our work to address climate change.

## Assets

There are no assets or capital expenditure projects under this category.



*Featherston Military Camp Memorial*

## Governance and Policy performance measures

Service Level	Key Performance Indicators	Performance Targets (for the Financial Year)		How it will be measured
		Target 2022/23	Target 2023/24	
<b>Council supports and enables good decision-making resulting in decisions that are transparent, robust, fair and legally compliant</b>	Meeting and committee agendas are made available to the public within statutory timeframes (2 working days prior to meetings)	100%	100%	Council records
	Meeting and committee agendas made available to the public 3 working days prior to meetings	85%	90%	Council records
	Residents who agree that there are adequate opportunities to participate in decision-making	80%	80%	Customer survey
<b>Council provides opportunities for community engagement</b>	Residents who agree that there are adequate opportunities to have their say in Council activities	80%	80%	Customer survey
<b>The community has confidence in the quality of democracy and representation provided by elected members</b>	Residents are satisfied with the accessibility of the Mayor and Councillors	80%	80%	Customer survey
	Residents are satisfied with the advocacy and leadership of the Mayor and Councillors	80%	80%	Customer survey
	Residents who agree that the community board effectively advocates on behalf of their community	80%	80%	Measured by ward via customer survey
<b>Council works in partnership with Māori and mana whenua</b>	Mana whenua are satisfied with their relationship with Council	80%	80%	Customer survey
	Residents who feel that Māori culture and te reo is appropriately recognised and visible in the district	80%	80%	Customer survey
	Mana whenua partners agree that the use and protection of the district's resources for the future is appropriate	80%	80%	Customer survey
<b>Council provides effective planning and monitoring of performance</b>	The Annual Plan and Long-term Plan are adopted within statutory timeframes	100%	100%	Council records
	The Annual Report includes an unqualified audit opinion	Yes	Yes	Council records
	Council strategies, policies and regulatory instruments are current	100%	100%	Council records

# Finance and Corporate Support

## Overview and purpose

Finance and Corporate Services provide support and overheads for all the groups of significant activities. The expenditure related to these services is allocated by way of internal charges and overheads to the groups of activities based on a range of usage factors.

The key functions we are responsible for are financial management; human resource management and development; health, safety and wellbeing; communications and engagement including channel management; information technology; office support and customer services.

Cost increases relate to information technology architecture and systems, disaster recovery and business continuity protocols, and privacy management.

## Activities summary

We will continue to provide services that include:

- Financial expertise and advisory services to the organisation and elected members
- Financial, strategic and operational risk management
- Corporate compliance with statutory obligations and managing legal relationships
- Monitoring and reporting against financial targets and developing the financial components of strategic plans and reports including the Annual Plan, Long-term Plan and Annual Report

- Ensuring that the human resources management of the organisation takes a long-term view of business needs
- Maintaining a healthy and safe culture
- Meeting current and long-term information technology management architecture needs
- Customer services and administration support to the community
- Effective and timely external and internal communication through traditional and digital platforms
- Production of statutory documents such as the Annual Plan, Long-term Plan and Annual Report
- Community messages on heavy rain warnings, road closures, flooding, and other natural weather events
- Community consultation and engagement to build a social licence to operate
- Website and social media provision and management
- Business continuity, emergency management and civil defence functions.

## Assets

Existing assets

- Administration offices
- Information technology equipment
- Vehicles and plant.



## Finance and Corporate Support Prospective Statement of Capital Expenditure

Annual Plan  
30 June 24  
\$000's

IT	Administration IT	144
Operations	Motor vehicles and plant	21
Council offices	Offices furniture and equipment	18
<b>Total</b>		<b>183</b>

## Finance and Corporate Support performance measures

Service Level	Key Performance Indicators	Performance Targets (for the Financial Year)		How it will be measured
		Target 2022/23	Target 2023/24	
<b>People are prepared for a civil defence emergency</b>	Ratepayers and residents prepared for an emergency	75%	75%	Customer survey
	Regional Civil Defence Emergency Annual Plan achieved	Yes	Yes	WREMO records
<b>Council's processes &amp; decision-making is open and transparent</b>	Official information requests are handled within statutory timeframes	100%	100%	Council records
	Reduction in complaints received about council communications	10% reduction	Further 10% reduction	Number of upheld complaints received
<b>Council's website is effective in supporting self-service</b>	Customers use the website	10% increase	Further 10% increase	Website data for bounce rates and return visitors
	Enquires via email and phone are reduced	10% reduction	Further 10% reduction	Council records
	Customer use of self-service tools	10% increase	Further 10% increase	Website data for use rates

# Planning and Regulatory Services

## Overview and purpose

Planning and Regulatory Services promotes the sustainable management of natural and physical resources in the district through the administration of the Resource Management Act and the Wairarapa Combined District Plan, and the protection of public health, welfare, and safety through implementation of a broad range of legislation. Planning work also covers growth planning, compilation and implementation of the South Wairarapa Spatial Plan and related masterplan work regarding future growth via integrated land use planning.

- Featherston Masterplan is progressing well, with numerous face-to-face as well as online meetings, with formal public consultation to come later in 2023.
- Wairarapa Combined District Plan review progressed steadily in 2022 with work continuing to update relevant chapters. Public consultation is targeted for the third quarter of 2023.
- The new dog pound facility for South Wairarapa has been completed and it provides a fit-for-purpose pound that meets modern animal welfare standards to serve the district's needs.
- Building consents, Building Act and Building Code implementation
- Ensuring that all new building works and building activities in the district comply with legislative requirements for safety and sanitary conditions
- providing services to address issues with management of dogs and stock to prevent nuisances and ensure public safety. The service enforces the requirements of the Dog Control Act 1996, Dog Control Bylaw 2013, Policy for Control of Dogs 2013, Impounding Act 1955 and Wairarapa consolidated bylaws
- Administration of the Sale and Supply of Alcohol Act 2012 encouraging the responsible and safe sale, supply, and consumption of alcohol while minimising alcohol-related harm in South Wairarapa.
- Registration authority under the Food Act 2014 monitoring the performance of premises and undertaking compliance, enforcement and prosecution activities
- Monitoring camping and campgrounds, hairdressers, offensive trades, amusement devices and beauty therapy operators
- Enforcement of the combined bylaw on gaming machine numbers and venues, which is currently under review. Licensing is administered by the Department of Internal Affairs
- Administration and enforcement the South Wairarapa bylaw controlling sale of psychoactive substances in the district, in accord with the bylaw Supporting agencies in the compliance of hazardous substances to minimise risk
- Inspection and audit of existing and new premises that require trade waste permits within the towns of South Wairarapa.

## Activities summary

We will continue to deliver core services including:

- Resource management
- District Plan policy and implementation and Wairarapa Combined District Plan review
- Resource consent decisions, land use, subdivision, and certificates
- Spatial Plan implementation and review, master planning and growth-related integrated planning
- Public nuisances and environmental health: compliance, enforcement, licensing and education
- Noise limit setting and enforcement through the Wairarapa Combined District Plan and Resource Management Act 1991

## Assets

Existing assets

- Dog pound
- Wairarapa Combined District Plan
- Spatial Plan.

## Planning and Regulatory Prospective Statement of Capital Expenditure

Annual Plan  
30 June  
\$000's

<b>Combined District and Spatial Plans</b>	Wairarapa Combined District Plan to make it current for district planning needs. Continued work on spatial masterplan	360
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## Planning and Regulatory Services performance measures

Service Level	Key Performance Indicators	Performance Targets (for the Financial Year)		How it will be measured
		Target 2022/23	Target 2023/24	
<b>All resource consents will be processed efficiently</b>	Consent applications completed within statutory timeframes	100%	100%	Council records
	s.223 certificates issued within 10 working days	100%	100%	Council records
	s.224 certificates issued within 15 working days of receiving all required information (note no statutory requirement)	95%	95%	Council records
<b>Council has a District Plan that provides certainty of land-use/environmental outcomes</b>	Ratepayers and residents satisfied with the image of the closest town centre shown as "satisfied"	80%	80%	Customer survey
	The District Plan has a monitoring programme that provides information on the achievement of its outcomes (AER's)	Yes	Yes	Council records
<b>It is easy to purchase information on any property in the district</b>	LIMs contain all relevant accurate information (no proven complaints)	100%	100%	Council records
	Non-urgent LIMs are processed within 10 days	100%	100%	Council records
<b>Food services used by the public are safe</b>	Premises have appropriate FMP in place and meet the risk-based standards set out in the Plan	100%	100%	Council inspection records
	Premises are inspected in accord with regulatory requirements	100%	100%	Council inspection records

(Cont.)

## Planning and Regulatory Services performance measures (Cont.)

Service Level	Key Performance Indicators	Performance Targets (for the Financial Year)		How it will be measured
		Target 2022/23	Target 2023/24	
<b>The sale and supply of alcohol is controlled and responsible drinking is promoted</b>	Premises are inspected as part of licence renewals or applications for new licences	100%	100%	Council inspection records
	Premises that are high or medium risk are inspected annually, while low-risk premises are audited no less than once every three years	100%	100%	Council inspection records
	Compliance activities are undertaken generally in accord with the Combined Licensing Enforcement Agencies agreement	100%	100%	CLEG agreement and Council records
<b>The Council will respond when I need some help with noise control</b>	% of calls received by Council that have been responded to within 1.5 hours	100%	100%	Council inspection records
<b>Dogs don't wander freely in the street or cause menace to or harm humans or stock</b>	Undertake public education, school and community visits to promote safe behaviour around dogs and/or responsible dog ownership	3 Visits	3 Visits	Council records
	Complaints about roaming and nuisance dogs are responded to within 4 hours	100%	100%	Council records
	Complaints about dog attacks on persons or stock are responded to within 1 hour	100%	100%	Council records
<b>Stock don't wander on roads; farmers are aware of their responsibilities</b>	Stock causing a traffic hazard is responded to within 1 hour	100%	100%	Council records
<b>Council certifies all consented work complies with the building code - ensuring our communities are safe</b>	Code Compliance Certificate applications are processed within 20 working days	100%	100%	Council records
	Building consent applications are processed within 20 working days	100%	100%	Council records
<b>The Council processes, inspects and certifies building work in my district</b>	Council maintains its processes so that it meets BCA accreditation every 2 years	Yes	Yes	Building Consent Authority
	Council inspects new building works to ensure compliance with the BC issued for the work, BWO's and Swimming Pools	Yes	Yes	Building Consent Authority
	Earthquake prone buildings reports received and actioned	100%	100%	Council records



# Community Facilities and Services

## Overview and purpose

The Community Facilities and Services activity brings together those areas of the Council's business that have a direct interface with the community's wellbeing. Services range widely and include working collaboratively with business partners; supporting the day-to-day wellbeing of our community; supporting land and water conservation efforts; providing essential services such as the rubbish/recycling, library facilities, swimming pools, parks and sports facilities; and advocating strongly for climate change adaptations and mitigations.

## Activities summary

We will continue to deliver services including:

- Maintaining our facilities and amenities including community halls and senior housing, and all Council leases
- Management, planning, and administration of our:
  - › Outdoor sports and recreational areas
  - › Children's playgrounds
  - › Passive parks
  - › Public swimming pools
  - › Public cemeteries
  - › Public toilet facilities
  - › Reserves and open spaces
  - › Project management.
- Contributing strongly as a key member of the Joint Wairarapa Moana Conservation Project for Wairarapa Moana in partnership with iwi, Greater Wellington Regional Council (Greater Wellington) and the Department of Conservation.
- Facilitating and growing community connections and connectivity in our libraries through:
  - › Collection availability, discovery, access and usage – print and electronic
  - › Workshop/seminar and event offerings, participation and satisfaction ratings
  - › Provision of information management skills development and support for community groups
  - › Continued digital literacy support and upskilling of communities
  - › Functioning as a service centre on behalf of Council.
- Community development through:
  - › Developing frameworks supporting improved community development outcomes
  - › Advocating for improved community wellbeing
  - › Partnering with community and organisations to address needs, coordinate and deliver initiatives, and enable and achieve community aspirations.
- Collection and disposal of solid waste management and associated recycling.
- Aligning our waste management practices with the waste hierarchy:
  - › Rethink/Redesign
  - › Reduce/Reuse/Repurpose
  - › Recycle/Compost/Anaerobic digestion
  - › Recover, Treat and Dispose.

## Assets

Existing assets

- Libraries
- Community buildings and housing
- Campgrounds and cemeteries
- Parks and reserves
- Playgrounds and swimming pools

## Community Facilities and Services Prospective Statement of Capital Expenditure

Annual Plan  
30 June 24  
\$000's

<b>Public toilets</b>	New facilities	54
<b>Parks and reserves</b>	General improvements, Greytown Wheels Park	426
<b>Playgrounds</b>	General improvements	54
<b>Swimming pools</b>	Pool painting	54
<b>Cemetery developments</b>	General improvements	38
<b>Community buildings</b>	Anzac Hall repainting General improvements	182
<b>Investment buildings</b>	Farm fencing General improvements	133
<b>Community housing</b>	Senior housing repainting General improvements	167
<b>Campgrounds</b>	General improvements	16
<b>Libraries</b>	Books and furniture	149
<b>Total</b>		<b>1,272</b>



StoryWalk® at Considine Park, Martinborough

## Community Facilities and Services performance measures

Service Level	Key Performance Indicators	Performance Targets (for the Financial Year)		How it will be measured
		Target 2022/23	Target 2023/24	
<b>Council provides community facilities and spaces that encourage community use</b>	Residents are satisfied with community buildings, parks and open spaces	90%	90%	Customer survey
	Increase in number of bookings for community facilities	10% increase	10% increase	Council records
	Swimming pools are open at least 15 weeks per year	100%	100%	Council records
	Residents are satisfied with Council swimming pools	74%	76%	Customer survey
	Library collection turnover meets or better national averages by 2023/24	90%	100%	Council records
	At least 75% of library programme attendees report a positive impact or application as a result of attendance	>75%	>75%	Programme evaluation feedback
<b>Council promotes the waste management hierarchy "reduce, reuse, recycle, reprocess, treat, dispose"</b>	% waste recovered for recycling through the kerbside collection	Further 5% recovered	Further 5% recovered	Council records
<b>Refuse collection and disposal meets the needs of the community</b>	% of customer complaints resolved within 24 hours	95%	95%	Council records
	% of residents satisfied with the level of service	85%	85%	Customer survey
<b>Council supports the community to improve their social, cultural and environmental wellbeing</b>	Provide appropriate funding to organisations and community groups to help them deliver programmes and services to their communities	Yes	Yes	Council records
<b>Council supports economic wellbeing</b>	% of commercial ratepayers satisfied with the level of services essential for their business operations (information provided, response time, fairness and consistency)	70%	75%	Council survey

# Land Transport (Roothing and Footpaths)

## Overview and purpose

The South Wairarapa District Council provides and maintains a network of public roads. The road transport network is one of the primary assets that enable people in the community to interact with each other. Other assets such as rail, water, and air work in conjunction with roads to allow people to connect.

The level of service a community demands from its road transport network is dependent on how critical the connection along the road is to the community's social, cultural, and commercial activities. The greater the intensity of demand, both existing and future, the higher the level of service the community will wish to have along the road.

In roading, we will be concentrating on safety and maintaining access to our vulnerable rural communities on the coast. We will deliver on routine work across the network, strengthen our focus on repairing footpaths (we have reduced spend on new footpaths), maintain rural and urban roads, and reseal roads when our budgets allow.

There was mixed public feedback during consultation on the Annual Plan priorities, including whether to maintain the Rural Roothing Reserve contribution at \$300,000 per annum. A decision was made to retain it. Its purpose is to better prepare us for the impact of natural disasters on our rural network. We also heard concerns on culverts, and diligence will be given to culverts and managed within current funding levels. Further investment will be considered as part of the next long-term planning.

## Activities Summary

Council provides roading network services in the South Wairarapa District. This includes roads, bridges, culverts, footpaths, street lighting, street cleaning, vegetation control, kerbs and channels, and structures such as retaining walls, bus shelters and carparks.

Council aims to plan, provide, and maintain a roading network for the safe, comfortable, and convenient movement of people and goods.

The Ruamāhanga Roads contract commenced in July 2019. The contract is a joint approach between the Council and Carterton District Council to roading maintenance and aims to maximise efficiency, achieve increased regional consistency, and optimise the use of internal resources.

## Assets

### Existing assets

- 404.787 km of sealed roads
- 263.560 km of unsealed roads
- 735 sumps and catch pits
- 2,548 culverts (30.696 km length)
- 96.288 km of concrete channels
- 647.492 km of unlined surface water channels
- 3,945 signs
- 884 streetlights
- 63.482 km of footpaths
- 140 bridges and bridge culverts.

### Asset valuations

- Valuation of the road infrastructure assets was last undertaken by the engineering firm WSP as at 30 June 2022. The valuation basis is optimised replacement cost, which is in accordance with generally accepted accounting practices.



## Land Transport Prospective Statement of Capital Expenditure

Annual Plan  
30 June 24  
\$000's

<b>Unsealed road metalling</b>	Local and Special Purpose Roads	421
<b>Sealed road resurfacing</b>	Local and Special Purpose Roads	804
<b>Drainage renewals</b>	Local and Special Purpose Roads Renewal and repairs of culverts and kerbs	171
<b>Sealed road pavement rehabilitation</b>	Local and Special Purpose Roads	250
<b>Structure component replacement</b>	Road/pedestrian bridges	140
<b>Traffic service renewals</b>	Local and Special Purpose Roads	51
<b>Footpath renewals &amp; extensions</b>	Footpath renewals, such as resurfacing or reconstruction and extensions in urban area.	130
<b>Minor Improvements</b>	Local and Special Purposes Roads	678
<b>Road to Zero - Waka Kotahi</b>	Local and Special Purpose Roads Reduced number of deaths and serious injuries and a safer land transport network. New and additional speed signs and markings	160
<b>Total</b>		<b>2,805</b>

Special Purpose Roads (SPR) are local roads and other carriageways that for a number of years received very high funding assistance rates. Cape Palliser Road has been an SPR since September 1997 and is the only SPR in the Wairarapa.

By the end of 2023/24 financial year, the funding assistance rates (FARs) for local SPRs will be transitioned to the relevant council's normal funding assistance rate. These rates are

listed in the general assumptions table in the financial section of this report.

The FARs for local SPRs will be transitioned down separately from the transition process that is used for the Council's normal funding assistance rates. The specific transition approach is to be determined following discussions with relevant councils.

## Land Transport performance measures

Service Level	Key Performance Indicators	Performance Targets (for the Financial Year)		How it will be measured
		Target 2022/23	Target 2023/24	
<b>The roads are maintained to ensure that they are safe and comfort-able to travel on</b>	Using the RAMM measurement system, average smooth travel exposure on urban roads to be 85% and rural roads 95% with maximum variation of 5%	95%	95%	Council records
	Ratepayers and residents fairly/very satisfied with the roads	80%	85%	Customer survey
	5% of sealed roads are resealed each year subject to availability of NZTA subsidy	100%	100%	Council records
	The pavement condition index as measured by the NZTA pavement integrity index	95%	95%	NZTA
<b>Footpaths can be safely used to get around town</b>	Ratepayers and residents are satisfied with footpaths in the district	70%	75%	Customer survey
	Change in number of fatalities and serious injury crashes on the local road network from previous year	<7	<7	NZTA records
	Availability of footpaths on at least one side of the road down the whole street (urban)	90%	90%	Council records
	Footpath Condition rating 95% compliant with SWDC AMP Standard	95%	95%	Council records
	The % of customer service requests relating to roads and footpaths responded to within 48 hours	85%	90%	Council records
	Meet annual plan footpath targets	Yes	Yes	Council records

# Water Supply

## Overview and purpose

The Council's primary aim is to provide reliable and sustainable reticulated water supplies to our three towns, to support the delivery to one rural community and to encourage conservation of this valuable resource.

The Council also provides two water race networks that supply water for stock in our rural areas.

This Council's responsibilities include a duty under the Health Act 1956 (as at 2022) to improve, promote and protect public health within the district. This means that the Council has an obligation to identify where a potable water service is required, and to either provide it directly itself or maintain an overview of the supply if it is provided by others.

Through its Council Controlled Organisation Wellington Water Limited (WWL), the Council provides and maintains potable water supplies to properties throughout the district. This doesn't include premises that have their own rainwater tanks or bores.

WWL also manages the water race networks for the Council.

The potential negative effects associated with this activity and ways we mitigate these effects are as follows.

- A water supply that does not meet New Zealand drinking water standards increases the risk of health problems for the community. The Council uses contemporary techniques to ensure water remains healthy and safe to drink and has invested heavily in infrastructure over the life of the LTP.
- In addition, a reliable supply is needed during drought and for firefighting purposes. The Council aims to improve reliability through demand management and is investing in core infrastructure.

## Activities summary

We will continue to deliver and maintain services, including the 4,215 serviced and 251 serviceable water connections.

See our Infrastructure Strategy in the 2021-31 LTP for more information on our planned work.

## Assets

### Existing assets

- Four public water supply systems serving Featherston and Greytown, Martinborough and Pirinoa (Waiohine, Memorial Park, Ruamāhanga, Pirinoa water treatment plants)
- Water pipes – Featherston 36km; Greytown 30km; Martinborough 38km
- Featherston – Tauwharenikau River (Longwood water race) 40km
- Greytown – Waiohine River (Moroa water race) 240km

### Asset valuations

Valuation of the water infrastructure assets was last undertaken by engineering firm WSP as at 30 June 2022. The valuation basis is optimised replacement cost, which is in accordance with generally accepted accounting practices.

## Water Supply Prospective Statement of Capital Expenditure (Wellington Water Ltd (WWL))

Annual Plan  
30 June 24  
\$000's

<b>Greytown Water Treatment Plant Upgrade</b>	Wellington Water is upgrading the water treatment facilities at Soldiers' Memorial Park on Kuratawhiti Street to increase the resilience of Greytown's drinking water supply.	2,767
<b>Tauwharenikau pipeline</b>	Wellington Water is in the early stages of a key project to upgrade the pipeline that crosses the Tauwharenikau River.	908
<b>District water supply renewals and upgrades</b>	A renewals package of work for Featherston water mains network. Continual improvements for the Waiohine Water treatment plant.	95
<b>TOTAL</b>		<b>3,770</b>



*Dogs 'n' Togs at Featherston Pool - Ali Little*



Water Supply performance measures				
Service Level	Key Performance Indicators	Performance Targets (for the Financial Year)		How it will be measured
		Target 2022/23	Target 2023/24	
<b>Potable water demand</b>	The average consumption of drinking water per day per resident within the territorial authority	< 400 L	< 400L	Council records
<b>The Council provides reliable and safe drinking water supplies</b>	Compliance with resource consent conditions/water permit conditions to “mainly complying” or better	100%	100%	Council records
<b>The water provided is safe to drink</b>	Water supply systems comply with Ministry of Health Drinking Water Standards - Bacteriological	Yes	Yes	Council records
	Water supply systems comply with Ministry of Health Drinking Water Standards - Protozoa	Yes	Yes	Council records
<b>Meeting customer expectations</b>	Number of complaints about the wastewater odour, system faults, blockages, and supplier responsiveness, expressed per 1000 connections	< 30	< 30	Council records
<b>Fault response times where the local authority attends a call-out in response to a fault or unplanned interruption to its networked reticulation system</b>	Ratepayers and residents satisfied with level of service for water	75%	80%	Customer survey
	Attendance for urgent call-outs: from the time that the local authority receives notification to the time that service personnel reach the site: · in < 1 hour · median response time measured	80%	85%	Council records
	Resolution of urgent call-outs: from the time that the local authority receives notification to the time that service personnel confirm resolution of the fault or interruption: · in < 8 hours · median response time measured	90%	90%	Council records
	Attendance for non-urgent call-outs: from the time that the local authority receives notification to the time that service personnel reach the site: · in < 2 working days · median response time measured	80%	85%	Council records
	Resolution of non-urgent call-outs: from the time that the local authority receives notification to the time that service personnel confirm resolution of the fault or interruption: · in < 5 working days · median response time measured	80%	85%	Council records
<b>There is adequate water for urban fire fighting</b>	Fire hydrants tested annually that meet FENZ's Code of Practice	20%	20%	Council records
<b>Maintenance of the reticulation network</b>	The % of real water loss from the local authority's networked reticulation system identified by establishing and measuring night flow	< 30%	< 30%	Council records

# Wastewater

## Overview and Purpose

The Council provides and maintains wastewater services to properties in the district. This does not include single premises that have their own septic tanks. The Council aims to collect, treat and dispose of wastewater from the urban areas of Featherston, Greytown, Martinborough and Lake Ferry to provide public health protection with minimal effects on the environment.

The Council's responsibilities include the duty under the Health Act 1956 (as at 2022) to improve, promote and protect public health within the district. This means that the Council has an obligation to identify where such a wastewater service is required and to either provide it directly itself or maintain an overview of the supply if it is provided by others.

## Activities summary

We will continue to deliver services including:

- Four wastewater systems and approximately 4,365 serviced pans and 286 properties that are serviceable.
- Featherston Wastewater Treatment Plant oxidation pond effluent is treated through ultraviolet disinfection and is discharged via a trough into an open channel that flows into Donald's Creek and then down to Wairapa Moana. Discharge to the lake is not sustainable, and we are working closely with WWL, industry wastewater experts, key stakeholders, iwi and the wider community to identify the best long-term solution for our community and environment.
- Greytown Wastewater Treatment Plant oxidation ponds are located at the end of Pā Road and effluent discharges into the Pāpāwai Stream. The Pāpāwai Stream flows into the Ruamāhanga River some 1,500 metres downstream of the effluent discharge point. Council has purchased 116ha of farmland adjacent to the current Pāpāwai site as part of the consent process to irrigate wastewater to land. Ultraviolet disinfection was commissioned in 2020 and irrigation to 30 ha of this land to eliminate discharges to water during low-flow conditions has been

commissioned. The Council plans to discharge 100% of wastewater to land by 2041.

- Martinborough wastewater flows by gravity from individual connections through the mains to a single oxidation pond. The effluent is then disinfected with ultra-violet treatment and discharged via an outlet structure into the Ruamāhanga River, except in low-flow conditions when the treated effluent is irrigated to 6ha of land adjacent to the plant. Council's goal is to discharge 100% of wastewater to land by 2041.
- Lake Ferry's small community system services properties that retain onsite septic tank systems. The effluent from the septic tanks is either pumped or gravitated depending upon the location to central pump station and then to a centralised treatment plant and disposal field east of the settlement.

## Key activities for Wastewater in 2023/24

The Council has included an ambitious capital programme for this Annual Plan to respond to the challenges of past underinvestment and earlier-than-expected failure of infrastructure. This necessary investment has materially increased the costs of providing wastewater services.

## Assets

Existing assets

- Four wastewater treatment plants and associated disposal fields and treatment assets (Greytown, Martinborough, Featherston and Lake Ferry)
- Underground pipe network maintenance: Featherston 25km; Greytown 20km; Martinborough 20km; Lake Ferry 3km.

Asset valuations

Valuation of the wastewater infrastructure assets was last undertaken by engineering firm WSP as at 30 June 2022. The valuation basis is optimised replacement cost, which is in accordance with generally accepted accounting practices.

## Wastewater Prospective Statement of Capital Expenditure (Wellington Water Ltd (WWL))

Annual Plan  
30 June 24  
\$000's

<b>Featherston Wastewater Treatment Plant (Business as usual)</b>	On 1 May 2023, Wellington Water lodged an application for a new resource consent for the project with Greater Wellington on behalf of the South Wairarapa District Council. The current resource consent for the Featherston Wastewater Treatment Plant (FWWTP) has expired and it is operating under an extension. The project's objective is to obtain a renewed consent.	898
<b>Donald Street wastewater pump station upgrade</b>	The Donald Street pump station has been identified as an asset in poor condition and is therefore in need of an upgrade to meet the increasing wastewater demands for the local catchment area. The project includes the renewal of the wet well and two upsized pumps as well as additional storage capacity to manage periods of high inflow.	898
<b>District wastewater upgrades and renewals</b>	This includes work on the Martinborough Wastewater Treatment Plant and other major projects and upgrades with WWL.	882
<b>TOTAL</b>		<b>2,677</b>



*Wind-grass sculpture in foreground with Featherston Library and old Courthouse in background*

## Wastewater performance measures

Service Level	Key Performance Indicators	Performance Targets (for the Financial Year)		How it will be measured
		Target 2022/23	Target 2023/24	
<b>Council provides wastewater services that effectively collect and dispose of wastewater</b>	Number of blockages per 1000 connections	< 10	< 10	Council records
	Ratepayers and residents' satisfaction with wastewater services	57%	60%	Customer survey
	Number of dry weather sewerage overflows per 1000 connections	< 10	< 10	Breach of Consent
	Attendance time: from notification to arrival on site: · in <1 hr · median response time measured	75%	80%	Council records
	Resolution time: from notification to resolution of fault: · in <4 hours · median response time measured	80%	85%	Council records
<b>Wastewater disposal does not create any smells, spill or health issues and causes minimal impact on the natural environment</b>	% of resource consent conditions complied with to mainly complying or better	90%	90%	Council records
	No. of abatement notices	< 2	< 2	Council records
	No. of infringement notices	0	0	Council records
	No. of enforcement notices	0	0	Council records
	No. of convictions	0	0	Council records
	No. of complaints per 1000 connections received about sewage odour	< 15	< 15	Council records
	No. of complaints per 1000 connections received about sewage system faults	< 15	< 15	Council records
	No. of complaints per 1000 connections received about sewage system blockages	< 15	< 15	Council records
	No. of complaints per 1000 connections received about the response to issues with sewage	< 15	< 15	Council records
	Proportion of urgent wastewater service requests responded to within 6 hours of notification	95%	95%	Council records



# Stormwater Drainage

## Overview and purpose

Council provides and maintains stormwater drainage assets, and the requirements for these assets when provided by others.

Council's responsibilities include an obligation to identify where a public stormwater management service is required and to either provide it directly or maintain an overview when it is provided by others.

The potential negative effects associated with this activity and ways we mitigate these effects are as follows.

- If our stormwater systems are not properly maintained and upgraded, flooding and contamination may impact the wellbeing of ratepayers and their dwellings, as well as the profitability of local businesses. We are investing in preventative maintenance and investigations to inform future investment strategies.

## Activities summary

We will continue to deliver services including:

- a primary stormwater system; and
- a secondary stormwater system.

Many of the urban areas are not provided with secondary stormwater flow-paths. The provision of secondary stormwater flow-paths is a relatively recent practice in New Zealand. Secondary flow-paths are generally provided at the time of subdivision as the subsequent provision of secondary stormwater flow-paths is usually technically difficult and expensive.

Council aims, over the long term, to provide protection of properties in all urban areas and to ensure stormwater is contained in channels, pipes and structures to direct the flow in a controlled manner across Council-owned/ vested land to a waterway or other suitable discharge points.

Council's policy is that unused stormwater from the roofs of all buildings is disposed of onsite through appropriate means.

Although Council does not maintain an extensive stormwater network, the impacts and performance of the assets we do have are coming under increasing scrutiny to address flooding and quality issues. In our Annual Plan we recognise this as we have provided for activities around modelling, consenting and pipe renewals.

## Stormwater Prospective Statement of Capital Expenditure (Wellington Water Ltd (WWL))

Annual Plan  
30 June 24  
\$000's

<b>Reticulation</b>	Reticulation upgrades and renewals	137
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## Stormwater performance measures

Service Level	Key Performance Indicators	Performance Targets (for the Financial Year)		How it will be measured
		Target 2022/23	Target 2023/24	
<b>Stormwater drains are well operated and maintained by the Council</b>	% of ratepayers and residents satisfied with stormwater drains	59%	60%	Customer survey
	% of urgent (any blockage causing extensive flooding of buildings or other serious flooding) requests for service responded to within 5 hours	95%	95%	Council records
	No. of flooding events	0	0	Council records
	No. of habitable floors affected per flooding event per 1000 properties connected	0	0	Council records
<b>Consent Compliance</b>	No. of abatements notices	0	0	Council records
	No. of infringement notices	0	0	Council records
	No. of enforcement notices	0	0	Council Records
	No. of convictions	0	0	Council Records
	Median response time to flooding events (Notification to personnel reaching site in hrs)	3	3	Council Records
	No. of complaints about stormwater per 1000 properties connected	0	0	Council records

*Cape Palliser Road*

# Part 3: Financial Statements Ngā Pūrongo Pūtea



**SOUTH WAIRARAPA  
DISTRICT COUNCIL**  
*Kia Reretahi Tātau*

## Prospective Statement of Comprehensive Revenue and Expenses for the Year Ending 30 June 2024

Annual Plan 2022/2023 \$000's		Annual Plan 2023/2024 \$000's	LTP Year 3 2023/2024 \$000's	Change from LTP Year 3 \$000's
<b>Operating Revenue</b>				
21,342	Rates & rates penalties	25,566	22,352	3,215
3,089	Waka Kotahi subsidy	3,294	3,749	(455)
2,203	Fees & licences	1,896	1,678	218
1,378	Contributions	1,483	1,413	69
790	Rental income	784	739	44
674	User levies	761	828	(66)
252	Interest	431	254	177
55	Grants, subsidies, and donations	808	4	804
77	Miscellaneous revenue	187	99	88
91	Petrol tax	101	94	6
85	Commissions	82	84	(3)
<b>30,037</b>	<b>Total operating revenue</b>	<b>35,392</b>	<b>31,294</b>	<b>4,098</b>
<b>Operating Costs</b>				
7,530	Community Facilities and Services	9,074	7,626	1,449
6,152	Land Transport	7,235	6,691	544
4,342	Water Supply	4,920	4,035	886
2,952	Wastewater	4,860	2,516	2,344
3,185	Planning and Regulatory Services	3,762	3,331	432
2,221	Governance	2,713	2,163	550
615	Stormwater Drainage	714	433	281
28	Bad debts	25	22	3
<b>27,026</b>	<b>Total operating costs</b>	<b>33,303</b>	<b>26,816</b>	<b>6,487</b>
<b>3,011</b>	<b>Total Operating Surplus/(Deficit)</b>	<b>2,089</b>	<b>4,478</b>	<b>(2,389)</b>
-	Assets vesting in Council	-	-	-
413	Gain on investment revaluations	485	301	184
<b>3,423</b>	<b>Total Surplus/(Deficit) after tax</b>	<b>2,574</b>	<b>4,779</b>	<b>(2,205)</b>
<b>Note: Operating costs include the following expenses:</b>				
5,412	Depreciation & amortisation	5,805	5,625	181
722	Interest	945	891	54



## Prospective Statement of Changes in Net Assets/Equity for the Year Ending 30 June 2024

Annual Plan 2022/2023 \$000's		Annual Plan 2023/2024 \$000's	LTP Year 3 2023/2024 \$000's
<b>Equity at 1 July</b>			
158,009	Public Equity	167,194	154,521
29,128	Special Separate and Trust Funds	32,089	33,261
321,633	Asset Revaluation Reserve	368,873	303,647
0	Other reserves	0	0
<b>508,771</b>	<b>Total equity at 1 July</b>	<b>568,156</b>	<b>491,430</b>
3,423	Total Surplus/(Deficit) after tax	2,574	4,779
-	Asset Revaluation	32,864	43,828
<b>3,423</b>		<b>35,438</b>	<b>48,607</b>
<b>Equity at 30 June</b>			
161,432	Public Equity	169,321	153,933
32,559	Special Separate and Trust Funds	32,536	38,629
321,633	Asset Revaluation Reserve	401,737	347,475
0	Other reserves	0	0
<b>515,625</b>	<b>Total equity at 30 June</b>	<b>603,594</b>	<b>540,037</b>

## Prospective Statement of Financial Position for the Year Ending 30 June 2024

Annual Plan 2022/2023 \$000's		Annual Plan 2023/2024 \$000's	LTP Year 3 2023/2024 \$000's
<b>ASSETS</b>			
<b>Current assets</b>			
(366)	Cash and cash equivalents	1,070	(223)
12,616	Investments	11,460	18,123
3,332	Debtors and other receivables	2,614	2,300
46	Inventories	42	54
-	Non-current assets held for sale	-	-
<b>15,627</b>	<b>Total current assets</b>	<b>15,186</b>	<b>20,255</b>
<b>Non-current assets</b>			
725	Investments	935	323
15,152	Investment properties	16,655	12,337
-	Properties intended for sale	-	-
137	Intangible assets	292	508
522,405	Property, plant, and equipment	608,100	549,506
<b>538,418</b>	<b>Total non-current assets</b>	<b>625,981</b>	<b>562,674</b>
<b>554,046</b>	<b>TOTAL ASSETS</b>	<b>641,167</b>	<b>582,929</b>
<b>LIABILITIES AND EQUITY</b>			
<b>Current liabilities</b>			
4,795	Creditors and other payables	4,029	3,655
468	Employee entitlements	519	404
-	Public Debt - Current Portion	2,471	-
34	Provisions - Current Portion	34	35
<b>5,297</b>	<b>Total current liabilities</b>	<b>7,052</b>	<b>4,093</b>
<b>Non-current liabilities</b>			
32,742	Public Debt - Non Current Portion	30,206	38,391
381	Provisions - Non Current Portion	315	408
<b>33,124</b>	<b>Total non-current liabilities</b>	<b>30,521</b>	<b>38,799</b>
<b>Equity</b>			
161,432	Public equity	169,321	153,933
32,559	Restricted reserves and trust funds	32,536	38,629
321,633	Asset revaluation reserve	401,737	347,475
0	Other reserves	0	0
<b>515,625</b>	<b>Total equity</b>	<b>603,594</b>	<b>540,037</b>
<b>554,046</b>	<b>TOTAL LIABILITIES AND EQUITY</b>	<b>641,167</b>	<b>582,929</b>

## Prospective Cash Flow Statement for the Year Ending 30 June 2024

Annual Plan 2022/2023 \$000's		Annual Plan 2023/2024 \$000's	LTP Year 3 2023/2024 \$000's	Change from LTP Year 3 \$000's
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Cash received from:</b>				
21,342	Receipts from rates revenue	25,566	22,352	3,215
3,144	Government grants & subsidies	4,102	5,166	(1,065)
91	Petrol tax	101	94	6
5,207	Other revenue	5,192	3,428	1,764
4,969	Regional Council rates	5,565	4,969	597
252	Interest on investments	431	254	177
<b>35,005</b>		<b>40,957</b>	<b>36,263</b>	<b>4,695</b>
<b>Cash applied to:</b>				
21,851	Payments to suppliers & employees	26,528	19,999	6,529
4,969	Regional Council rates	5,565	4,969	597
722	Interest paid	945	891	54
<b>27,542</b>		<b>33,039</b>	<b>25,859</b>	<b>7,180</b>
<b>7,464</b>	<b>Net cash flow from operating activities</b>	<b>7,918</b>	<b>10,404</b>	<b>(2,485)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
<b>Cash received from:</b>				
-	Sale of property, plant, & equipment	-	-	-
543	Term investments, loan redemption deposits, & shares	354	-	354
<b>543</b>		<b>354</b>	<b>-</b>	<b>354</b>
<b>Cash applied to:</b>				
11,314	Purchase of property, plant, & equipment	11,077	12,631	(1,554)
1,641	Term investments, loan redemption deposits, & shares	679	1,833	(1,153)
<b>12,955</b>		<b>11,756</b>	<b>14,463</b>	<b>(2,707)</b>
<b>(12,412)</b>	<b>Net cash flow from investing activities</b>	<b>(11,402)</b>	<b>(14,463)</b>	<b>3,061</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
<b>Cash received from:</b>				
5,329	Drawdown of public debt	1,967	6,049	(4,082)
<b>5,329</b>		<b>1,967</b>	<b>6,049</b>	<b>(4,082)</b>
<b>Cash applied to:</b>				
-	Repayment of public debt	-	-	-
<b>5,329</b>	<b>Net cash flow from financing activities</b>	<b>1,967</b>	<b>6,049</b>	<b>(4,082)</b>
381	Net increase/(decrease) in cash held	(1,516)	1,989	(3,506)
2,781	Add cash at start of year (1 July)	13,732	5,050	8,682
<b>3,162</b>	<b>Balance at end of year (30 June)</b>	<b>12,216</b>	<b>7,039</b>	<b>5,176</b>
<b>REPRESENTED BY:</b>				
(366)	Cash and cash equivalents	1,070	(223)	1,293
3,528	Short-term investments	11,145	7,262	3,883
<b>3,162</b>		<b>12,216</b>	<b>7,039</b>	<b>5,176</b>

## Prospective Schedule of Capital Expenditure for the Year Ending 30 June 2024

Total Capital Expenditure LTP Year 1 2022/2023 \$000	Main Purpose of Capital Expenditure	Carried Forward Capital Budget LTP Year 1 2022/2023 \$000	New Capital Expenditure Annual Plan 2023/2024 \$000	Total Capital Expenditure Annual Plan 2023/2024 \$000	Total Capital Expenditure LTP Year 2 2023/2024 \$000	
Finance and Corporate Services						
5	Council offices	Renewal	250	5	255	5
12	Furniture	Renewal	-	13	13	12
10	GIS	Renewal	-	11	11	10
20	Intangible	Improve	20	-	20	-
50	IT hardware	Renewal	-	90	90	51
128	IT software	Renewal	-	54	54	60
140	Motor vehicles	Renewal	-	-	-	61
10	Office equipment	Renewal	-	11	11	10
375			270	183	454	210
Community Facilities and Services						
15	Campgrounds	Renewal	178	16	194	15
310	Cemeteries	Renewal	232	38	270	36
1,250	Community buildings	Improve	1,330	182	1,512	20
60	Community housing	Renewal	135	167	302	61
20	Investment buildings	Renewal	-	133	133	20
110	Library books	Renewal	-	149	149	112
120	Parks & reserves	Growth	897	426	1,323	1,613
100	Playgrounds	Renewal	-	54	54	51
50	Swimming pools	Renewal	190	54	244	51
50	Toilets	Renewal	-	54	54	51
30	Transfer station renewals	Renewal	-	-	-	10
2,115			2,962	1,272	4,234	2,042
Planning and Regulatory Services						
100	Dog pound	Renewal	-	1	1	-
14	IT hardware	Renewal	6	4	10	4
15	IT software	Improve	-	-	-	1
140	Liquefaction modelling for building regulations	127	-	127	-	
200	Combined District Plan	Renewal	-	215	215	204
265	Spatial Plan	Improve	252	140	392	123
734			385	360	745	332

(Cont.)



## Prospective Schedule of Capital Expenditure for the Year Ending 30 June 2024 (Cont.)

Total Capital Expenditure LTP Year 1 2022/2023 \$000	Main Purpose of Capital Expenditure	Carried Forward Capital Budget LTP Year 1 2022/2023 \$000	New Capital Expenditure Annual Plan 2023/2024 \$000	Total Capital Expenditure Annual Plan 2023/2024 \$000	Total Capital Expenditure LTP Year 2 2023/2024 \$000
<b>Land Transport</b>					
-	Bridges	Renewal	-	-	-
167	Drainage	Renewal	42	171	213
400	Footpath additions	Growth	-	-	410
127	Footpath renewals	Renewal	-	130	130
1,210	Other minor works	Improve	-	632	704
245	Rehabilitation	Renewal	74	250	251
846	Reseals	Renewal	60	804	805
405	Road metalling	Renewal	26	421	415
-	Road to Zero	Renewal	-	160	-
285	Signs, guardrails, & safety	Improve	-	46	289
128	Structures	Renewal	74	140	132
52	Traffic services	Renewal	-	51	53
<b>3,866</b>		<b>276</b>	<b>2,805</b>	<b>3,081</b>	<b>3,360</b>
<b>Water Supply</b>					
22	Consents, models, & plans	Improve	-	-	51
-	Infrastructure upgrades	Improve	1,540	2,767	-
358	Infrastructure renewals	Renewal	-	908	376
-	Smart meters	Improve	-	-	1,027
-	Water supply & treatment - Featherston	Improve	-	-	100
1,458	Water supply & treatment - Greytown	-	-	-	-
497	Water supply & treatment - Martinborough	Growth	-	95	444
<b>2,334</b>		<b>1,540</b>	<b>3,770</b>	<b>5,310</b>	<b>1,998</b>
<b>Wastewater</b>					
227	Consents, models, & plans	Renewal	-	898	-
108	Health & safety upgrades	Improve	-	-	111
-	Infrastructure upgrades	-	-	-	-
329	Infrastructure renewals	Renewal	-	354	568
1,800	Wastewater treatment & disposal - Featherston	Improve	-	898	1,027
308	Wastewater treatment & disposal - Greytown	Growth	-	32	60
108	Wastewater treatment & disposal - Martinborough	Improve	-	496	277
<b>2,879</b>		<b>-</b>	<b>2,677</b>	<b>2,677</b>	<b>2,043</b>
<b>Stormwater Drainage</b>					
11	Consents, models, & plans	Renewal	-	-	-
-	Stormwater upgrades	Improve	-	95	-
-	Stormwater renewals	Renewal	-	42	-
-	Water races	Renewal	-	-	-
<b>11</b>		<b>-</b>	<b>137</b>	<b>137</b>	<b>-</b>
<b>12,314</b>	<b>Total Capital Expenditure</b>	<b>5,434</b>	<b>11,205</b>	<b>16,639</b>	<b>9,985</b>

# Funding Impact Statement

Clause 20 of Schedule 10 of the Local Government Act 2002 requires a funding impact statement for the year to which the Annual Plan relates.

All Funding Impact Statements for individual Council activity groups, together with the Whole-of-Council Funding Impact Statement, are presented from pages 41 onwards. They identify:

- The sources of funding to be used by Council.
- The amount of funds expected to be produced from each source.
- How the funds are to be applied.

If the sources of funding include a general rate, the funding impact statement must:

- Include particulars of the valuation system on which the general rate is to be assessed e.g., land or capital.
- State whether a uniform annual general charge is to be included and, if so, how the charge is to be calculated and the Council's definition of a separately used or inhabited part of a rating unit of the charge is to be calculated on that basis.
- State whether the general rate is to be set differentially and, if so, state the category or categories that will be used for differentiating the general rate within the meaning of Section 14 of the Local Government (Rating) Act 2002 and the objectives differential rate in terms of the total revenue sought from each category of rateable land or the relationship between the rates set on rateable land in each category.

If the sources of funding include a targeted rate, the funding impact statement must:

- Specify the activity or groups of activities for which a targeted rate will be set.
- Specify any category or categories of rateable land that will be used to set a targeted rate on a differential basis or determine whether a property will be liable for a targeted rate.
- State any factor or factors that will be used to calculate liability for a targeted rate.
- State the Council's definition of a separately used or inhabited part of a rating unit if the rate is to be calculated on that basis.
- State the total revenue sought from each category of rateable land or the relationship between the rates set on rateable land in each category if the targeted rate is to be set differentially.
- State whether lump sum contributions will be invited in respect of the targeted rate.
- State the basis for setting charges for water supply if it is to be by volume of water consumed e.g., as a fixed charge per unit of water consumed or supplied or according to a scale of charges.

The method and impact of both general and targeted rates is covered in the 'Rating System' section that follows on page 77.

## Prospective Funding Impact Statement - Whole of Council for the Year Ending 30 June 2024

	Annual Plan 2022/2023 \$000	LTP Year 3 2023/2024 \$000	Annual Plan 2023/2024 \$000
<b>Sources of operating funding</b>			
General rates, Uniform Annual General charges, rates penalties	13,473	14,158	13,497
Targeted rates	6,548	7,475	12,047
Subsidies and grants for operating purposes	1,463	1,580	2,191
Fees and charges	2,039	2,168	2,473
Interest and dividends from investments	109	139	431
Local authorities fuel tax, fines, infringement fees, and other receipts	1,150	1,218	1,336
<b>Total operating funding (A)</b>	<b>24,782</b>	<b>26,738</b>	<b>31,975</b>
<b>Applications of operating funding</b>			
Payments to staff and suppliers	18,718	20,057	26,523
Finance costs	614	745	945
Other operating funding applications	-	-	-
<b>Total applications of operating funding (B)</b>	<b>19,332</b>	<b>20,802</b>	<b>27,468</b>
<b>Surplus /(deficit) of operating funding (A-B)</b>	<b>5,450</b>	<b>5,936</b>	<b>4,507</b>
<b>Sources of capital funding</b>			
Subsidies and grants for capital expenditure	2,307	1,937	1,911
Development and financial contributions	900	951	1,013
Increase/(decrease ) in debt	7,503	2,600	1,967
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	397	427	470
Other dedicated funding	-	-	-
<b>Total capital funding (C)</b>	<b>11,107</b>	<b>5,915</b>	<b>5,360</b>
<b>Applications of capital funding</b>			
- to meet additional demand	1,175	2,607	555
- to improve the level of service	6,494	3,840	5,264
- to replace existing assets	4,645	3,538	5,386
Increase/(decrease ) in reserves	4,243	1,866	(1,337)
<b>Total applications of capital funding (D)</b>	<b>16,557</b>	<b>11,851</b>	<b>9,868</b>
<b>Surplus/(deficit) of capital (C-D)</b>	<b>(5,450)</b>	<b>(5,936)</b>	<b>(4,507)</b>
<b>Funding balance (A-B)+(C-D)</b>	<b>-</b>	<b>-</b>	<b>-</b>

## Prospective Funding Impact Statement - Finance and Corporate Support for the Year Ending 30 June 2024

	LTP Year 2 2022/2023 \$000	LTP Year 3 2023/2024 \$000	Annual Plan 2023/2024 \$000
<b>Sources of operating funding</b>			
General rates, Uniform Annual General charges, rates penalties	442	446	350
Targeted rates	-	-	-
Subsidies and grants for operating purposes	-	-	-
Fees and charges	-	-	-
Interest and dividends from investments	-	-	-
Internal charges and overheads recovered	3,074	3,330	4,762
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-
<b>Total operating funding (A)</b>	<b>3,516</b>	<b>3,776</b>	<b>5,112</b>
<b>Applications of operating funding</b>			
Payments to staff and suppliers	2,948	3,187	4,570
Finance costs	-	-	38
Internal charges and overheads	-	-	-
Other operating funding applications	-	-	-
<b>Total applications of operating funding (B)</b>	<b>2,948</b>	<b>3,187</b>	<b>4,608</b>
<b>Surplus /(deficit) of operating funding (A-B)</b>	<b>568</b>	<b>589</b>	<b>504</b>
<b>Sources of capital funding</b>			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase/(decrease ) in debt	-	-	-
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated funding	-	-	-
<b>Total capital funding (C)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Applications of capital funding</b>			
- to meet additional demand	-	-	-
- to improve the level of service	9	-	-
- to replace existing assets	201	205	183
Increase/(decrease ) in reserves	358	383	320
<b>Total applications of capital funding (D)</b>	<b>568</b>	<b>589</b>	<b>504</b>
<b>Surplus/(deficit) of capital (C-D)</b>	<b>(568)</b>	<b>(589)</b>	<b>(504)</b>
<b>Funding balance (A-B)+(C-D)</b>	<b>-</b>	<b>-</b>	<b>-</b>



## Prospective Funding Impact Statement - Governance, Leadership and Advocacy for the Year Ending 30 June 2024

	LTP Year 2 2022/2023 \$000	LTP Year 3 2023/2024 \$000	Annual Plan 2023/2024 \$000
<b>Sources of operating funding</b>			
General rates, Uniform Annual General charges, rates penalties	2,416	2,356	2,523
Targeted rates	-	-	-
Subsidies and grants for operating purposes	-	-	110
Fees and charges	-	-	-
Interest and dividends from investments	9	16	27
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	7	7	7
<b>Total operating funding (A)</b>	<b>2,432</b>	<b>2,379</b>	<b>2,667</b>
<b>Applications of operating funding</b>			
Payments to staff and suppliers	1,450	1,358	1,688
Finance costs	-	-	-
Internal charges and overheads	773	805	1,025
Other operating funding applications	-	-	-
<b>Total applications of operating funding (B)</b>	<b>2,223</b>	<b>2,163</b>	<b>2,713</b>
<b>Surplus /(deficit) of operating funding (A-B)</b>	<b>209</b>	<b>216</b>	<b>(46)</b>
<b>Sources of capital funding</b>			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase/(decrease ) in debt	-	-	-
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated funding	-	-	-
<b>Total capital funding (C)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Applications of capital funding</b>			
- to meet additional demand	-	-	-
- to improve the level of service	123	136	-
- to replace existing assets	204	209	-
Increase/(decrease ) in reserves	(118)	(129)	(46)
<b>Total applications of capital funding (D)</b>	<b>209</b>	<b>216</b>	<b>(46)</b>
<b>Surplus/(deficit) of capital (C-D)</b>	<b>(209)</b>	<b>(216)</b>	<b>46</b>
<b>Funding balance (A-B)+(C-D)</b>	<b>-</b>	<b>-</b>	<b>-</b>

## Prospective Funding Impact Statement - Land Transport for the Year Ending 30 June 2024

	LTP Year 2 2022/2023 \$000	LTP Year 3 2023/2024 \$000	Annual Plan 2023/2024 \$000
<b>Sources of operating funding</b>			
General rates, Uniform Annual General charges, rates penalties	3,826	4,055	4,914
Targeted rates	-	-	-
Subsidies and grants for operating purposes	1,576	1,631	1,531
Fees and charges	-	-	-
Interest and dividends from investments	27	49	83
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	150	154	228
<b>Total operating funding (A)</b>	<b>5,578</b>	<b>5,889</b>	<b>6,757</b>
<b>Applications of operating funding</b>			
Payments to staff and suppliers	3,351	3,507	3,719
Finance costs	37	37	57
Internal charges and overheads	309	334	727
Other operating funding applications	-	-	-
<b>Total applications of operating funding (B)</b>	<b>3,696</b>	<b>3,878</b>	<b>4,502</b>
<b>Surplus /(deficit) of operating funding (A-B)</b>	<b>1,882</b>	<b>2,010</b>	<b>2,254</b>
<b>Sources of capital funding</b>			
Subsidies and grants for capital expenditure	1,894	2,118	1,763
Development and financial contributions	-	-	-
Increase/(decrease ) in debt	-	-	-
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	427	439	470
Other dedicated funding	-	-	-
<b>Total capital funding (C)</b>	<b>2,321</b>	<b>2,558</b>	<b>2,233</b>
<b>Applications of capital funding</b>			
- to meet additional demand	410	419	46
- to improve the level of service	993	1,164	792
- to replace existing assets	1,957	2,001	1,967
Increase/(decrease ) in reserves	843	984	1,682
<b>Total applications of capital funding (D)</b>	<b>4,203</b>	<b>4,568</b>	<b>4,487</b>
<b>Surplus/(deficit) of capital (C-D)</b>	<b>(1,882)</b>	<b>(2,010)</b>	<b>(2,254)</b>
<b>Funding balance (A-B)+(C-D)</b>	<b>-</b>	<b>-</b>	<b>-</b>

## Prospective Funding Impact Statement - Planning and Regulatory Services for the Year Ending 30 June 2024

	LTP Year 2 2022/2023 \$000	LTP Year 3 2023/2024 \$000	Annual Plan 2023/2024 \$000
<b>Sources of operating funding</b>			
General rates, Uniform Annual General charges, rates penalties	1,599	1,572	1,783
Targeted rates	-	-	-
Subsidies and grants for operating purposes	-	-	-
Fees and charges	1,722	1,773	1,872
Interest and dividends from investments	10	18	31
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	42	43	58
<b>Total operating funding (A)</b>	<b>3,373</b>	<b>3,407</b>	<b>3,745</b>
<b>Applications of operating funding</b>			
Payments to staff and suppliers	2,825	2,812	2,850
Finance costs	6	6	26
Internal charges and overheads	425	465	828
Other operating funding applications	-	-	-
<b>Total applications of operating funding (B)</b>	<b>3,256</b>	<b>3,282</b>	<b>3,704</b>
<b>Surplus /(deficit) of operating funding (A-B)</b>	<b>118</b>	<b>125</b>	<b>41</b>
<b>Sources of capital funding</b>			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	582	595	613
Increase/(decrease ) in debt	-	-	-
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated funding	-	-	-
<b>Total capital funding (C)</b>	<b>582</b>	<b>595</b>	<b>613</b>
<b>Applications of capital funding</b>			
- to meet additional demand	-	-	-
- to improve the level of service	1	1	141
- to replace existing assets	4	4	219
Increase/(decrease ) in reserves	694	715	293
<b>Total applications of capital funding (D)</b>	<b>699</b>	<b>720</b>	<b>654</b>
<b>Surplus/(deficit) of capital (C-D)</b>	<b>(118)</b>	<b>(125)</b>	<b>(41)</b>
<b>Funding balance (A-B)+(C-D)</b>	<b>-</b>	<b>-</b>	<b>-</b>

## Prospective Funding Impact Statement - Community Facilities and Services for the Year Ending 30 June 2024

	LTP Year 2 2022/2023 \$000	LTP Year 3 2023/2024 \$000	Annual Plan 2023/2024 \$000
<b>Sources of operating funding</b>			
General rates, Uniform Annual General charges, rates penalties	5,453	5,738	3,302
Targeted rates	820	836	3,882
Subsidies and grants for operating purposes	4	4	50
Fees and charges	358	367	430
Interest and dividends from investments	35	64	109
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	741	759	823
<b>Total operating funding (A)</b>	<b>7,411</b>	<b>7,769</b>	<b>8,597</b>
<b>Applications of operating funding</b>			
Payments to staff and suppliers	5,744	5,911	6,832
Finance costs	112	115	147
Internal charges and overheads	821	860	1,342
Other operating funding applications	-	-	-
<b>Total applications of operating funding (B)</b>	<b>6,677</b>	<b>6,887</b>	<b>8,322</b>
<b>Surplus /(deficit) of operating funding (A-B)</b>	<b>734</b>	<b>882</b>	<b>275</b>
<b>Sources of capital funding</b>			
Subsidies and grants for capital expenditure	42	43	148
Development and financial contributions	-	-	-
Increase/(decrease ) in debt	-	-	214
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated funding	-	-	-
<b>Total capital funding (C)</b>	<b>42</b>	<b>43</b>	<b>362</b>
<b>Applications of capital funding</b>			
- to meet additional demand	1,532	-	351
- to improve the level of service	61	52	54
- to replace existing assets	449	604	868
Increase/(decrease ) in reserves	(1,266)	269	(635)
<b>Total applications of capital funding (D)</b>	<b>776</b>	<b>925</b>	<b>637</b>
<b>Surplus/(deficit) of capital (C-D)</b>	<b>(734)</b>	<b>(882)</b>	<b>(275)</b>
<b>Funding balance (A-B)+(C-D)</b>	<b>-</b>	<b>-</b>	<b>-</b>



## Prospective Funding Impact Statement - Stormwater Drainage for the Year Ending 30 June 2024

	LTP Year 2 2022/2023 \$000	LTP Year 3 2023/2024 \$000	Annual Plan 2023/2024 \$000
<b>Sources of operating funding</b>			
General rates, Uniform Annual General charges, rates penalties	422	433	624
Targeted rates	-	-	-
Subsidies and grants for operating purposes	-	-	-
Fees and charges	-	-	-
Interest and dividends from investments	2	4	7
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	2	2	2
<b>Total operating funding (A)</b>	<b>426</b>	<b>439</b>	<b>633</b>
<b>Applications of operating funding</b>			
Payments to staff and suppliers	262	246	346
Finance costs	-	26	-
Internal charges and overheads	38	39	60
Other operating funding applications	-	-	-
<b>Total applications of operating funding (B)</b>	<b>300</b>	<b>311</b>	<b>406</b>
<b>Surplus /(deficit) of operating funding (A-B)</b>	<b>126</b>	<b>128</b>	<b>227</b>
<b>Sources of capital funding</b>			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase/(decrease ) in debt	-	-	-
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated funding	-	-	-
<b>Total capital funding (C)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Applications of capital funding</b>			
- to meet additional demand	-	-	32
- to improve the level of service	-	1,052	63
- to replace existing assets	-	-	42
Increase/(decrease ) in reserves	126	(924)	90
<b>Total applications of capital funding (D)</b>	<b>126</b>	<b>128</b>	<b>227</b>
<b>Surplus/(deficit) of capital (C-D)</b>	<b>(126)</b>	<b>(128)</b>	<b>(227)</b>
<b>Funding balance (A-B)+(C-D)</b>	<b>-</b>	<b>-</b>	<b>-</b>

## Prospective Funding Impact Statement - Wastewater for the Year Ending 30 June 2024

	LTP Year 2 2022/2023 \$000	LTP Year 3 2023/2024 \$000	Annual Plan 2023/2024 \$000
<b>Sources of operating funding</b>			
General rates, Uniform Annual General charges, rates penalties	-	-	-
Targeted rates	2,939	2,894	3,795
Subsidies and grants for operating purposes	-	-	500
Fees and charges	-	-	34
Interest and dividends from investments	32	59	100
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	258	265	200
<b>Total operating funding (A)</b>	<b>3,230</b>	<b>3,218</b>	<b>4,628</b>
<b>Applications of operating funding</b>			
Payments to staff and suppliers	1,344	1,235	3,190
Finance costs	481	507	602
Internal charges and overheads	128	120	340
Other operating funding applications	-	-	-
<b>Total applications of operating funding (B)</b>	<b>1,954</b>	<b>1,862</b>	<b>4,132</b>
<b>Surplus /(deficit) of operating funding (A-B)</b>	<b>1,276</b>	<b>1,355</b>	<b>496</b>
<b>Sources of capital funding</b>			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	211	216	229
Increase/(decrease ) in debt	1,027	1,052	950
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated funding	-	-	-
<b>Total capital funding (C)</b>	<b>1,238</b>	<b>1,268</b>	<b>1,179</b>
<b>Applications of capital funding</b>			
- to meet additional demand	222	-	32
- to improve the level of service	1,475	1,736	1,447
- to replace existing assets	346	362	1,199
Increase/(decrease ) in reserves	471	525	(1,002)
<b>Total applications of capital funding (D)</b>	<b>2,514</b>	<b>2,624</b>	<b>1,675</b>
<b>Surplus/(deficit) of capital (C-D)</b>	<b>(1,276)</b>	<b>(1,355)</b>	<b>(496)</b>
<b>Funding balance (A-B)+(C-D)</b>	<b>-</b>	<b>-</b>	<b>-</b>

## Prospective Funding Impact Statement - Water Supply for the Year Ending 30 June 2024

	LTP Year 2 2022/2023 \$000	LTP Year 3 2023/2024 \$000	Annual Plan 2023/2024 \$000
<b>Sources of operating funding</b>			
General rates, Uniform Annual General charges, rates penalties	-	-	-
Targeted rates	3,716	3,999	4,370
Subsidies and grants for operating purposes	-	-	-
Fees and charges	88	90	137
Interest and dividends from investments	24	43	74
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	19	19	19
<b>Total operating funding (A)</b>	<b>3,846</b>	<b>4,152</b>	<b>4,600</b>
<b>Applications of operating funding</b>			
Payments to staff and suppliers	2,508	2,518	3,328
Finance costs	109	202	75
Internal charges and overheads	206	211	440
Other operating funding applications	-	-	-
<b>Total applications of operating funding (B)</b>	<b>2,822</b>	<b>2,932</b>	<b>3,843</b>
<b>Surplus /(deficit) of operating funding (A-B)</b>	<b>1,024</b>	<b>1,220</b>	<b>756</b>
<b>Sources of capital funding</b>			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	158	162	171
Increase/(decrease ) in debt	1,573	3,892	803
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated funding	-	-	-
<b>Total capital funding (C)</b>	<b>1,732</b>	<b>4,055</b>	<b>974</b>
<b>Applications of capital funding</b>			
- to meet additional demand	444	2,840	95
- to improve the level of service	1,178	1,150	2,767
- to replace existing assets	376	393	908
Increase/(decrease ) in reserves	758	891	(2,040)
<b>Total applications of capital funding (D)</b>	<b>2,755</b>	<b>5,275</b>	<b>1,730</b>
<b>Surplus/(deficit) of capital (C-D)</b>	<b>(1,024)</b>	<b>(1,220)</b>	<b>(756)</b>
<b>Funding balance (A-B)+(C-D)</b>	<b>-</b>	<b>-</b>	<b>-</b>

# Prospective Statement of Special and Separate Funds

## for the Year Ending 30 June 2024

The Council maintains funds reserves as a sub-part of its equity. Schedule 10, clause 21 of the Local Government Act 2002 requires certain information to be included in the Annual Plan about these reserves. The Act defines reserve funds as 'money set aside by a local authority for a specific purpose'.

Reserves are part of equity, which may or may not be physically backed by cash/investments. Reserves are often used to separate a funding surplus of an activity.

The Council lists specific reserves below:

Prospective Statement of Special and Separate Funds for the Year Ended 30 June 2024				
	Opening Balance \$000	Transfers In \$000	Transfers Out \$000	Closing Balance \$000
<b>Discretionary Reserves</b>				
District Property Reserve				
To be used for Town Centre Development	247	989	999	236
Disaster Recovery Reserve	20	10	-	30
<b>Community Board Reserves</b>				
Community Board funds	123	-	-	123
<b>Restricted Reserves</b>				
To provide for the acquisition and development of reserves and open spaces in response to the needs arising from subdivision and development, to protect conservation values.	2,798	613	351	3,060
To provide opportunities for public access to and along water bodies, to provide recreational opportunities near water bodies				
<b>Water Race Reserves</b>				
Featherston/Longwood Water race	21	74	74	21
Moroa	314	80	80	314
<b>Trusts</b>				
Campground Memorial:	7	-	-	7
Pain Farm	148	113	118	143
Maintaining and improving the Borough's parks, sports grounds, camping ground, swimming baths, providing and maintaining sports facilities and a children's playground.				
<b>Infrastructure Contributions</b>				
To provide a potable water supply, to safeguard the health of inhabitants and protect the natural environment for inappropriate disposal of sewage, to prevent damage to property or amenity from the indiscriminate and uncontrolled runoff of Stormwater, to ensure sufficient water is available for fire fighting purposes.	3,404	870	686	3,587
To provide for the safe and convenient movement on roads of vehicular, bicycles and pedestrians within and through the Wairarapa.				
<b>Combined District Plan and Spatial Plan Reserves</b>				
To spread the costs of the Combined District Plan over the life of the plan	264	60	215	108
To spread the costs of the Spatial Plan over the life of the plan	(19)	133	140	(26)
<b>Loan Redemption Reserve</b>				
To cover loan principal repayments	10,466	679	-	11,145
<b>Depreciation Reserves</b>				
To fund new capital projects	13,314	5,336	5,944	12,706
<b>Martinborough Town Hall Reserve</b>				
Waiinga Centre Project	22	-	-	22
<b>Rural Roading Reserve</b>				
Rural Roading	1,253	300	-	1,553
<b>Housing Reserve</b>				
Housing	(282)	266	482	(498)
<b>Maintenance Reserve</b>				
To cover maintenance to buildings	(8)	33	21	3
<b>Total Special and Separate Funds</b>	<b>32,089</b>	<b>9,556</b>	<b>9,110</b>	<b>32,536</b>



# Accounting Policies

## Reporting Entity

South Wairarapa District Council (SWDC) is a territorial local body governed by the Local Government Act 2002 (LGA 2002 and Local Government Rating Act 2002) and is domiciled in New Zealand.

The SWDC is a separate legal entity and does not have any subsidiaries. The Council provides local infrastructure, local public services, and performs regulatory functions to the community. The Council does not operate to make a financial return.

The SWDC has designated itself as a public benefit entity (PBE) for the purpose of complying with generally accepted accounting practice.

The financial forecasts of the Council are for the financial years from 1 July 2023 to 30 June 2024 and comply with PBE standards. The financial forecasts were authorised for issue by Council on 28 June 2023. The Council is responsible for the prospective financial statements presented, including the appropriateness of the assumptions underlying the prospective financial statements and all other required disclosures.

## Basis of Preparation

The prospective financial statements of the SWDC have been prepared in accordance with the requirements of the Local Government Act 2002, section 93 and Part 1 of schedule 10, and the information may not be appropriate for other purposes.

These prospective financial statements have been prepared in accordance with PBE standards of a Tier 2 entity as the Council does not have public accountability and is not large.

### *Statement of prospective financial information*

The financial information contained in this document is a forecast for the purposes of PBE Financial Reporting Standard (FRS) 42. It has been prepared on the basis of assumptions as to future events that the Council reasonably

expects to occur, associated with the actions it reasonably expects to take, as at the date the forecasts were prepared. The purpose for which it has been prepared is to enable the public to participate in the decision-making process as to the services to be provided by the Council to the community.

The Council does not intend to update the prospective financial statements subsequent to the final presentation of the Annual Plan. It will however update the prospective financial statements relating to the financial year being considered within each subsequent Annual Plan to this Annual Plan.

The Annual Plan is in full compliance with PBE FRS 42.

The actual results achieved are likely to vary from the information presented. The variation may be material and will be dependent upon circumstances which arise during the forecast period.

The accounting policies set out below have been applied consistently to all periods presented in these prospective financial statements.

The financial statements have been prepared on a historical cost basis, except where modified by the revaluation of land and buildings, certain infrastructure assets, investment property, playground assets, library books and certain financial instruments.

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

### *Changes in Accounting Policies*

There have been no changes in accounting policies during the year.

## Significant Accounting Policies

### Revenue

Revenue is measured at the fair value of consideration received or receivable.

### *Rates Revenue*

The following policies for rates have been applied:

General rates, targeted rates (excluding water-by-meter), and uniform annual general charges are set annually by a resolution from Council and relate to a financial year. All ratepayers are invoiced within the financial year to which the rates have been set. General rates, targeted rates (excluding water-by-meter), and uniform annual general charges are recognised when invoices are created.

Rates are a tax as they are payable under the Local Government Ratings Act 2002, and therefore meet the definition of non-exchange transactions.

Rates arising from late payment penalties are recognised as revenue when rates become overdue.

Revenue from water-by-meter rates is recognised on an accrual basis. Unbilled usage, as a result of unread meters at year end is accrued on an average usage basis.

Rates remissions are recognised as a reduction of rates revenue when the Council has received an application that satisfies its rates remission policy.

Rates collected on behalf of the Greater Wellington Regional Council (Greater Wellington) are not recognised in the financial statements, apart from the Statement of Cash flows, as SWDC is acting as an agent for Greater Wellington.

### *Other Revenue*

SWDC receives government grants from the New Zealand Transport Agency (Waka Kotahi) which subsidises part of SWDC's costs in maintaining the local roading infrastructure. The subsidies are recognised as revenue upon entitlement as conditions pertaining to eligible expenditure have been fulfilled.

Revenue from the rendering of services is recognised by reference to the stage of completion of the transaction at balance date, based on the actual service provided as a percentage of the total services to be provided.

Where a physical asset is acquired for nil or nominal consideration the fair value of the asset received is recognised as revenue. Assets vested in the SWDC are recognised as revenue when control over the asset is obtained.

Sales of goods are recognised when a product is sold to the customer. Sales are in cash. The recorded revenue is the gross amount of the sale.

Where revenue is derived by acting as an agent for another party, the revenue that is recognised is the commission or fee on the transaction.

Interest revenue is recognised using the effective interest method.

### *Financial Contributions*

Financial contributions are recognised as revenue when the Council provides, or is able to provide, the service for which the contribution was charged. Otherwise, development contributions and financial contributions are recognised as liabilities until such time as the SWDC provides, or is able to provide, the service.

### *Borrowing Costs*

Borrowing costs are recognised as an expense in the period in which they are incurred.

### *Grant Expenditure*

Non-discretionary grants are those grants that are awarded if the grant application meets the specified criteria and are recognised as expenditure when an application that meets the specified criteria for the grant has been received.

Discretionary grants are those grants where SWDC has no obligation to award on receipt of the grant application and are recognised as expenditure when a successful applicant has been notified of the SWDC's decision.

### *Leases*

#### *Finance Leases*

A finance lease is a lease that transfers to the lessee substantially all the risks and rewards incidental to ownership of an asset, whether or not title is eventually transferred.

At the commencement of the lease term, the SWDC recognises finance leases as assets and liabilities in the statement of financial position at the lower of the fair value of the leased item or the present value of the minimum lease payments.

The finance charge is charged to the statement of financial performance over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability.

The amount recognised as an asset is depreciated over its useful life. If there is no certainty as to whether the SWDC will obtain ownership at the end of the lease term, the asset is fully depreciated over the shorter of the lease term and its useful life.

### Operating Leases

An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset. Lease payments under an operating lease are recognised as an expense on a straight-line basis over the lease term.

### Debtors and Other Receivables

Debtors and other receivables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

A provision for impairment of receivables is established when there is objective evidence that the SWDC will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted using the effective interest method.

### Financial Assets

SWDC classifies its financial assets into the following categories: held-to-maturity investments and loans and receivables.

The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and re-evaluates this designation at every reporting date.

Financial assets and liabilities are initially measured at fair value plus transaction costs.

Purchases and sales of investments are recognised on trade-date, the date on which the SWDC commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the SWDC has transferred substantially all the risks and rewards of ownership.

The categories of financial assets are:

### Loans and receivables

- Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance date, which are included in non-current assets. SWDC's loans and receivables comprise terms deposits.

### Held to maturity investments

- Held to maturity investments are assets with fixed or determinable payments and fixed maturities that SWDC has the positive intention and ability to hold to maturity. They are included in current assets, except for maturities greater than 12 months after the balance date, which are included in non-current assets.

### Fair value through other comprehensive revenue and expense.

- Financial assets at fair value through other comprehensive revenue and expense are those that are designated into the category at initial recognition or are not classified in any of the other categories above. They are included in non-current assets unless management intends to dispose of, or realise, the investment within 12 months of balance date. The Council includes in this category:
- Investments that it intends to hold long-term, but which may be realised before maturity; and
- Shareholdings that it holds for strategic purposes.

These investments are measured at their fair value, with gains and losses recognised in other comprehensive revenue and expenses, except for impairment losses, which are recognised in the surplus or deficit.

On de-recognition, the cumulative gain or loss previously recognised in other comprehensive revenue and expense is reclassified from equity to the surplus or deficit.

### *Fair Value*

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. The quoted market price used is the current bid price.

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. SWDC uses a variety of methods and makes assumptions that are based on market conditions existing at each balance date. Quoted market prices or dealer quotes for similar instruments are used for long-term debt instruments held. Other techniques, such as discounted expected cash flows, are used to determine fair value for the remaining financial instruments.

### *Impairment of Financial Assets*

Financial assets are assessed for objective evidence of impairment at each balance date. Impairment losses are recognised in the surplus or deficit.

### *Loans and other receivables, and held to maturity investments*

Impairment is established when there is objective evidence that the SWDC will not be able to collect amounts due according to the original terms of the debt. Significant financial difficulties of the debtor, probability that the debtor will enter into bankruptcy, and default in payments are considered indicators that the asset is impaired. The amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted using the original effective interest rate. For debtors and other receivables, the carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the surplus or deficit.

When the receivable is uncollectible, it is written off against the allowance account. Overdue receivables that have been renegotiated are reclassified as current (that is, not past due). Impairment in term deposits, local authority stock, government stock, and community loans, are recognised directly against the instruments carrying amount.

### *Financial assets at fair value through other comprehensive revenue and expense*

For equity investments, a significant or prolonged decline in the fair value of the investment below its cost is considered objective evidence of impairment.

For debt investments, significant financial difficulties of the debtor, probability that the debtor will enter into bankruptcy, and default in payments are considered objective indicators that the asset is impaired.

If impairment evidence exists for the investments at fair value through other comprehensive revenue and expense, the cumulative loss (measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in the surplus or deficit) recognised in other comprehensive revenue and expense is reclassified from equity to the surplus or deficit.

Equity instrument impairment losses recognised in the surplus or deficit are not reversed through the surplus or deficit.

If in a subsequent period the fair value of a debt instrument increases and the increase can be objectively related to an event occurring after the impairment loss was recognised, the impairment loss is reversed in the surplus or deficit.

### *Non-Current Assets Held for Sale*

Non-current Assets held for sale are classified as held for sale if their carrying amount will be recovered through a sale transaction, not through continuing use. Non-current Assets held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

Any impairment losses for write-downs of non-current assets held for sale are recognised in the statement of Comprehensive revenue and expense.

Any increases in fair value (less costs to sell) are recognised up to the level of any impairment losses that have previously been recognised.

Assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

### *Property, Plant and Equipment*

Property, plant and equipment consist of:

#### *Operational Assets*

These include land, buildings, landfill post closure, library books, plant and equipment, and motor vehicles.

#### *Restricted Assets*

Restricted assets are parks and reserves owned by the SWDC which provide a benefit or service to the community and cannot be disposed of because of legal or other restrictions.

#### *Infrastructure Assets*

Infrastructure assets are the fixed utility systems owned by the SWDC. Each asset class includes all items that are required for the network to function, for example, sewer reticulation includes reticulation piping and sewer pump stations.

#### *Heritage Assets*

Heritage assets are assets owned by the SWDC that are of cultural or historical significance to the community and cannot be replaced due to the nature of the assets. Buildings recorded under the Historic Places Act 1993 have been recorded as heritage assets.

Property, plant and equipment are shown at cost or valuation, less accumulated depreciation and impairment losses.

### *Additions*

The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits or service potential associated with the item will flow to the SWDC and the cost of the item can be measured reliably.

Work in progress is recognised at cost less impairment and is not depreciated.

In most instances, an item of property, plant and equipment is recognised at cost. Where an asset is acquired at no cost or for nominal cost, it is recognised at fair value as at the date of acquisition.

### *Disposals*

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposals are included in the statement of Comprehensive revenue and expense. When revalued assets are sold, the amounts included in asset revaluation reserves in respect of those assets are transferred to retained earnings.

### *Subsequent Costs*

Costs incurred subsequent to initial acquisition are capitalised only when it is probable that future economic benefits or service potential associated with the item will flow to the SWDC and the cost of the item can be measured reliably.

The costs of day-to-day servicing of property, plant, and equipment are recognised in the surplus or deficit as they are incurred.



### Depreciation

Depreciation is provided on a straight-line basis on all property, plant and equipment other than land (which also includes the landfill and water races), at rates that will write off the cost (or valuation) of the assets to their estimated residual values over their useful lives. The estimated useful economic lives of major classes of assets have been estimated as follows:

ASSET	ESTIMATED LIFE	PERCENTAGE
Buildings and Improvements	20 to 100 years	1% to 5%
Heritage assets	70 to 120 years	0.80% to 1.4%
Furniture and equipment	5 to 22 years	4.5% to 20%
Motor vehicles	5 years	20%
Library collections	7 years	14.3%
Roading*	1 to 100 years	1% to 100%
Bridges*	30 to 100 years	1% to 3.3%
Water infrastructure*	15 to 103 years	0.97% to 6.7%
Sewer infrastructure*	14 to 123 years	0.81 to 7.1%
Stormwater infrastructure*	60 to 100 years	1% to 1.7%
Parks and reserves	25 to 32 years	3.1% to 4%
Playground equipment*	5 to 20 Years	5% to 20%

In relation to infrastructural assets marked \* (above), depreciation has been calculated at a componentry level based on the estimated remaining useful lives as assessed by Council's engineers and independent registered valuers.

Land under roads and formation are not depreciated. A summary of these lives is detailed above.

The residual value and useful life of an asset is reviewed, and adjusted if applicable, at each financial year-end.

### Revaluation

Land, buildings (operational and restricted), heritage assets, library books, and infrastructural assets (except land under roads) are revalued with sufficient regularity to ensure that their carrying amount does not differ materially from fair value and at least every three years. All other assets are carried at depreciated historical cost.

SWDC assesses the carrying values of its revalued assets annually to ensure that they do not differ materially from the assets' fair values.

If there is a material difference, then the off-cycle asset classes are revalued.

SWDC accounts for revaluations of property, plant and equipment on a class of asset basis.

The results of revaluing are credited or debited to an asset revaluation reserve for that class of asset. Where this results in a debit balance in the asset revaluation reserve, this balance is expensed in the statement of Comprehensive revenue and expense. Any subsequent increase on revaluation that off-sets a previous decrease in value recognised in the statement of financial performance will be recognised first in the statement of financial performance up to the amount previously expensed, and then credited to the revaluation reserve for that class of asset.

Those asset classes that are revalued are valued on a three yearly cycle on the basis described below. All other asset classes are carried at depreciated historical cost. The carrying values of revalued items are reviewed at each balance date to ensure that those values are not materially different to fair value.

### Land and Buildings

An independent valuation is carried out to ascertain fair value as determined from market-based evidence. The most recent valuation was performed by Angela Scott (BBS (VPM), MPINZ), Trent Bellingham (B.Com Ag (VFM)) of QV Asset & Advisory, and the valuation is effective as at 30 June 2022.

Heritage assets are also included in this category. Additions are recorded at cost.

### Infrastructure Assets

Infrastructure asset classes are roads, bridges and footpaths, water systems, wastewater (sewerage) systems and stormwater systems.

At fair value determined on a depreciated replacement cost basis by an independent valuer. At balance date the SWDC assesses the carrying values of its infrastructure assets to ensure that they do not differ materially from the assets' fair values. If there is a material difference, then the off-cycle asset classes are revalued. The most recent valuation was performed by John Vessey (BE (Civil), BA (Economics), FIPENZ (Civil), CPEng, and IntPE) of WSP on 30 June 2022.

Additions are recorded at cost.

### Playground equipment

At fair value determined on a depreciated replacement cost basis by an independent valuer. At balance date the SWDC assesses the carrying values of its playground equipment to ensure that they do not differ materially from the assets' fair values. If there is a material difference, the off-cycle asset classes are revalued. The most recent valuation was performed by John Vessey (BE (Civil), BA (Economics), FIPENZ (Civil), CPEng, and IntPE) of WSP on 30 June 2021.

Additions are recorded at cost.

### Vested Assets

At the actual costs or the current cost of providing identical services.

### Library Collections

At depreciated replacement cost in accordance with the guidelines released by the New Zealand Library Association, the National Library of New Zealand, and Audit NZ in 1992. Library valuations are performed by Brian Sherman (CMEngNZ, CPEng) of IAMC Consulting, and the valuation is effective as at 30 June 2020.

### Assets Held for Sale

Assets held for sale are valued annually at the lower of carrying value and fair value less costs to sell. As at 30 June 2024 there are no assets held for sale. Assets held for sale are valued at the agreed sale price.

### Intangible Assets

#### Software Acquisition and Development

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. Costs associated with maintaining computer software are recognised as an expense when incurred. Costs that are directly associated with the development of software for internal use are recognised as an intangible asset. Direct costs include the software development employee costs and an appropriate portion of relevant overheads.

Staff training costs are recognised as an expense when incurred.

#### Amortisation

The carrying value of an intangible asset with a finite life is amortised on a straight-line basis over its useful life. Amortisation begins when an asset is available for use and ceases at the date that the asset is derecognised. The amortisation charge for each period is recognised in the Statement of Comprehensive Revenue and Expense.

The useful lives and associated amortisation rates of major classes of intangible assets have been estimated as follows:

TANGIBLE ASSET	ASSET LIFE	AMORTISATION RATE
Computer software	5 years	20%

### *Investment Properties*

Properties leased to third parties under operating leases are classified as investment property unless the property is held to meet service delivery objectives, rather than to earn rentals or for capital appreciation.

Investment property is measured initially at cost, including transaction costs.

After initial recognition, the SWDC measures all investment property at fair value as determined annually by an independent valuer.

Investment properties are valued annually at fair value as determined from market-based evidence by an independent valuer. The most recent valuation was performed by Jaime Benoit (B.App Sci (VFM, AG), MPINZ) of QV Asset & Advisory, and the valuation is effective as at 30 June 2021.

Gains and losses arising from a change in the fair value of investment property are recognised in the Statement of Comprehensive Revenue and Expense.

### *Impairment of Property, Plant, Equipment and Intangible Assets*

Assets that have an indefinite useful life or not yet available for use, are not subject to amortisation and are tested annually for impairment. Assets that have a finite useful life are reviewed for impairment wherever events or changes in circumstances indicate that the carrying amount may not be recovered. When there is an indicator of impairment, the asset recoverable amount is estimated. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

Value in use is the depreciated replacement cost for an asset where the future economic benefit or service potential of the asset is not primarily dependent on the asset's ability to generate net cash flows and where the entity would, if deprived of the asset, replace its remaining future economic benefits or service potential.

The value in use for cash-generating assets is the present value of expected future cash flows.

Cash-generating assets are those assets that are held with the primary objective of generating a commercial return.

If an asset's carrying amount exceeds its recoverable amount, the asset is impaired and the carrying amount is written down to the recoverable amount. For revalued assets the impairment loss is recognised against the revaluation reserve for that class of asset. Where that results in a debit balance in the revaluation reserve, the balance is recognised in the Statement of Comprehensive Revenue and Expense.

For assets not carried at a revalued amount, the total impairment loss is recognised in the Statement of Comprehensive Revenue and Expense.

The reversal of an impairment loss on a revalued asset is credited to the revaluation reserve. However, to the extent that an impairment loss for that class of asset was previously recognised in the statement of financial performance, a reversal of the impairment loss is also recognised in the Statement of Comprehensive Revenue and Expense.

For assets not carried at a revalued amount, the reversal of an impairment loss is recognised in the Statement of Comprehensive Revenue and Expense.

### *Creditors and Other Payables*

Creditors and other payables are recorded at their face value.

### *Employee Entitlements*

#### *Short-term Employee Entitlements*

Employee benefits that the SWDC expects to be settled within 12 months of balance date are measured at nominal values based on accrued entitlements at current rates of pay.

These include salaries and wages accrued up to balance date, annual leave earned to, but not yet taken at balance date, long service leave entitlements expected to be settled within 12 months, and sick leave.

The SWDC recognises a liability for sick leave to the extent that absences in the coming year are expected to be greater than the sick leave entitlements earned in the coming year.

The amount is calculated based on the unused sick leave entitlement that can be carried forward at balance date, to the extent that the SWDC anticipates it will be used by staff to cover those future absences.

The SWDC recognises a liability and an expense for bonuses where contractually obliged or where there is a past practice that has created a constructive obligation.

### Presentation of Employee Entitlements

Sick leave, annual leave, vested long service leave, and non-vested long service leave and retirement gratuities expected to be settled within 12 months of balance date, are classified as a current liability. All other employee entitlements are classified as a non-current liability.

### Long-term Employee Entitlements

#### Superannuation Schemes

Obligations for contributions to KiwiSaver are accounted for as defined contribution superannuation schemes and are recognised as an expense in the statement of financial performance as incurred.

### Provisions

The SWDC recognises a provision for future expenditure of uncertain amount or timing when there is a present obligation (either legal or constructive) as a result of a past event, it is probable that expenditures will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as a finance cost expense.

### Borrowings

Borrowings are initially recognised at their fair value net of transaction costs incurred. After initial recognition, all borrowings are measured at amortised cost using the effective interest method.

Borrowings are classified as current liabilities unless SWDC has an unconditional right to defer settlement of the liability for at least 12 months after the balance date or if the borrowings are expected to be settled after 12 months of the balance date.

### Equity

Equity is the community's interest in the SWDC and is measured as the difference between total assets and total liabilities. Equity is disaggregated and classified into a number of reserves.

The components of equity are:

- Public equity – accumulated funds
- Special reserves and trust funds
- Asset revaluation reserves

### Restricted and Council Created Reserves

Restricted reserves are a component of equity generally representing a particular use to which various parts of equity have been assigned. Reserves may be legally restricted or created by the SWDC.

Restricted reserves are those subject to specific conditions accepted as binding by the SWDC and which may not be revised by the SWDC without reference to the courts or a third party. Transfers from these reserves may be made only for certain specified purposes or when certain specified conditions are met.

Also included in restricted reserves are reserves restricted by Council decision. The Council may alter them without references to any third party or the courts. Transfers to and from these reserves are at the discretion of the Council.

The asset revaluation reserve relates to the revaluation of property, plant and equipment to fair value.

Fair value through other comprehensive revenue and expense reserves comprises the net cumulative change in the fair value through other comprehensive revenue and expense instruments.

### *Goods and Services Tax (GST)*

All items in the financial statements are stated exclusive of GST, except for receivables and payables, which are stated on a GST-inclusive basis. Where GST is not recoverable as input tax, it is recognised as part of the related asset or expense.

The net amount of GST recoverable from or payable to the Inland Revenue (IR) is included as part of receivables or payables in the statement of financial position.

The net GST paid to or received from the IR, including the GST relating to investing and financing activities, is classified as an operating cash flow in the statement of cash flows.

Commitments and contingencies are disclosed exclusive of GST.

### *Cost Allocation*

The SWDC has derived the cost of service for each significant activity of the SWDC using the cost allocation system outlined below.

Direct costs are those costs directly attributable to a significant activity. Indirect costs are those costs, which cannot be identified in an economically feasible manner, with a significant activity.

Direct costs are charged directly to significant activities. Indirect costs are charged to significant activities using appropriate cost drivers such as actual usage, staff numbers and floor area.

### *Critical Accounting Estimates and Assumptions*

In preparing these financial statements, the SWDC has made estimates and assumptions concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations or future events that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

### *Landfill Aftercare Provision*

A provision has been included in the financial forecasts for the exposure of the Council in relation to the estimates and uncertainties surrounding the landfill aftercare provision.

### *Infrastructural Assets*

There are a number of assumptions and estimates used when performing DRC valuations over infrastructural assets.

These include:

- The physical deterioration and condition of an asset, for example the SWDC could be carrying an asset at an amount that does not reflect its actual condition. This is particularly so for those assets that are not visible, for example stormwater, wastewater and water supply pipes that are underground. This risk is minimised by the SWDC performing a combination of physical inspections and condition modelling assessments of underground assets.
- Estimating any obsolescence or surplus capacity of an asset.
- Estimates are made when determining the remaining useful lives over which the asset will be depreciated. These estimates can be impacted by the local conditions; for example, weather patterns and traffic growth. If useful lives do not reflect the actual consumption of the benefits of the asset, the SWDC could be overestimating and underestimating the annual depreciation charge recognised as an expense in the statement of comprehensive revenue and expense.
- To minimise this risk, SWDC's infrastructural asset useful lives have been determined with reference to the New Zealand Infrastructural Asset Valuation and Depreciation Guidelines published by the National Asset Management Steering Group and have been adjusted for local conditions based on past experience. Asset inspections, deterioration and condition modelling are also carried out regularly as part of the SWDC asset management planning activities, which gives the SWDC further assurance over its useful life estimates.

Experienced independent valuers perform the Council's infrastructural asset revaluations.



### *Critical Judgements in Applying the SWDC's Accounting Policies*

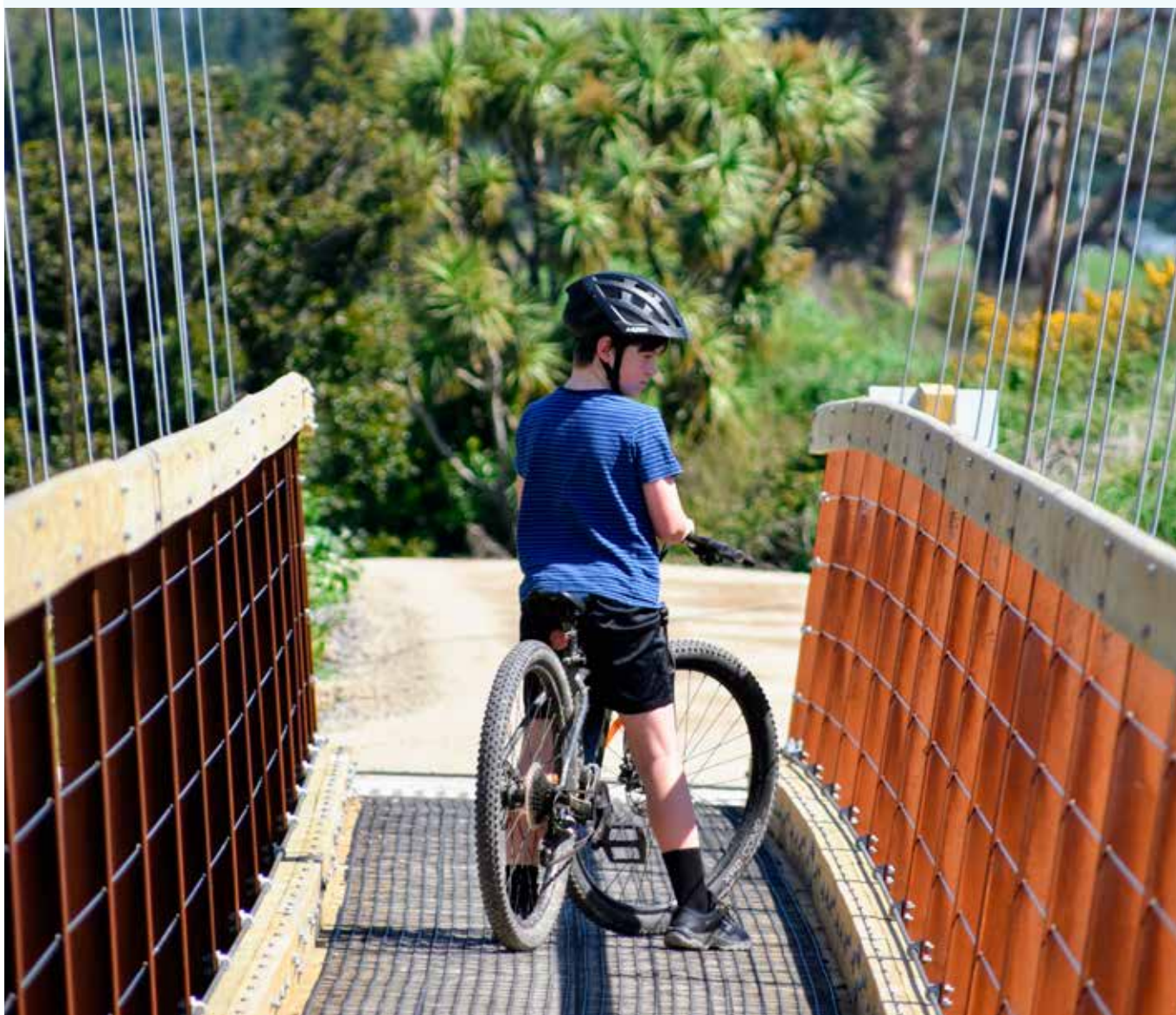
Management has exercised the following critical judgments in applying the SWDC's accounting policies for these financial statements.

#### *Classification of Property*

SWDC owns a number of properties, which are maintained primarily to provide housing to pensioners. The receipt of market-based rental from these properties is incidental to holding these properties. These properties are held for service delivery objectives as part of the SWDC's social housing policy. These properties are accounted for as property, plant and equipment.

### *Prospective Total Surplus / (Deficit)*

The council is projecting a surplus for the financial year ended 30 June 2024.



*Tauwharenikau Cycle Bridge*

# Financial Prudence Disclosure Statement

## What is the purpose of this statement?

The purpose of this statement is to disclose the Council's planned financial performance in relation to various benchmarks to enable the assessment of whether the council is prudently managing its revenues, expenses, assets, liabilities, and general financial dealings.

The Council is required to include this statement in its annual plan in accordance with the Local Government (Financial Reporting and Prudence) Regulations 2014 (the Regulations). Refer to the Regulations for more information, including definitions of some of the terms used in this statement.

Benchmark Name	Benchmark	Planned	Met
Rates affordability benchmark			
▪ income	\$22,915k	\$25,446k	No
▪ increases	7.9%	19.8%	No
Balanced budget benchmark	100.0%	99.2%	No
Debt affordability benchmark	12.0%	2.8%	Yes
Debt servicing benchmark	10.0%	2.9%	Yes
Essential services benchmark	100.0%	193.0%	Yes

## Rates affordability benchmarks

The **rates income** quantified limit is based on rate revenue increasing by no more than 2% above the BERL "overall Local Government Cost Index" (LGCI) as set in the financial strategy of the Long Term Plan. The LGCI is 5.9% for the 2023/24 year.

The **rates increases** quantified limit is based on average rates increases being no more than 2% above the BERL "overall Local Government Cost Index" (LGCI) as set in the financial strategy of the Long Term Plan. The LGCI is 5.9% for the 2023/24 year.

## Debt affordability and servicing benchmarks

The **debt affordability** quantified limit is based on the covenant that interest cost will be no more than 12% of rates revenue.

The **debt servicing** quantified limit is based on the covenant that interest cost will be no more than 10% of revenue, excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant, and equipment.

## Essential services benchmark

The **essential services** quantified limit is that planned capital expenditure on network services equals or is greater than expected depreciation on network services.

# Notes

## 1. Rates affordability benchmark

For this benchmark -

- a. the council's planned rates income for the year is compared with a quantified limit on rates contained in the financial strategy included in the Council's long-term plan; and
- b. the Council's planned rates increase for the year is compared with a quantified limit on rates contained in the financial strategy included in the Council's long-term plan.

The Council meets the rates affordability benchmark if -

- a. its planned rates income for the year equal or is less than each quantified limit on rates; and
- b. its planned rates increase for the year equal or are less than each quantified limit on rates increases.

## 2. Debt affordability benchmark

- a. For this benchmark, the Council's planned borrowing is compared with quantified limits on borrowing contained in the financial strategy included in the Council's Ten-Year Plan.
- b. The Council meets the debt affordability benchmark if its planned borrowing is within each quantified limit on borrowing.

## 3. Balanced budget benchmark

- a. For this benchmark, the Council's planned revenue (excluding development contributions, vested assets, financial contributions, gains on derivative financial instruments, and revaluation of property, plant or equipment) is presented as a portion of its planned operating expenses (excluding losses on derivative financial instruments and revaluation of property, plant or equipment).
- b. The Council meets the balanced budget benchmark if its revenue equals or is greater than its operating expenses.

## 4. Essential services benchmark

- a. For this benchmark, the Council's planned capital expenditure on network services is presented as a proportion of expected depreciation on network services.
- b. The Council meets the essential services benchmark if its planned capital expenditure on network services equal or is greater than the expected depreciation on network services.

## 5. Debt servicing benchmark

- a. For this benchmark, the Council's planned borrowing costs are presented as a proportion of planned revenue ((excluding development contributions, vested assets, financial contributions, gains on derivative financial instruments, and revaluation of property, plant or equipment)).
- b. Because Statistics New Zealand projects that the Council's population will grow faster than the national population growth rate, it meets the debt servicing benchmark if its planned borrowing costs equal or are less than 15% of its planned revenue.

## General Forecasting Assumptions

Assumption	Risk	Level of Uncertainty	Mitigation
<b>1 Insurance</b>			
Insurance costs have varied significantly over recent years. The Council's broker has advised that the underlying adjustment by reinsurers to risk has levelled off, and increases are likely to continue through the Long-Term Plan in line with asset price level adjustment. Currently the Council has full cover for above ground assets and limited cover provided by the Local Authority Protection Programme Disaster Fund (LAPP).	Reinsurance costs escalate beyond forecasted budgets. Cover may not be available for certain assets or risks. LAPP may not be able to secure cover for the 40% balance not assured by central government. The central government has been considering removing the 40% it now covers.	Moderate	Any further significant earthquake events in New Zealand in the next ten years would impact on renewal costs. The cost of insurance may be greater than forecast leading to unbudgeted expenditure. The cost if reinstating LAPP cover would be significant, funded by additional rates. The Council will need to consider the trade-off between self-insurance or paying higher insurance premiums, funded by additional rates.
<b>2 Asset Condition</b>			
Activity and asset management plans have been prepared for all major activities and include renewal and capital programmes for all major infrastructural assets. These plans include assessments of asset condition, lifecycle and demand management. This planning information is considered by Council to be reasonable and supportable. There are no substantial asset disposals or acquisitions that will impact significantly on the plan.	Asset Management Plans (AMP) are incomplete. Condition ratings and life cycle demand assumptions are materially incorrect.	Low	Asset management plans are updated annually following 'best practice' as prescribed by the New Zealand Infrastructure Asset Management Manual.  For instance, for roading asset inventories and condition ratings are stored and maintained in the RAMM database and in the AMP. The new AMP was audited by Waka Kotahi in 2021 and found to be adequately maintained.
<b>3 Waka Kotahi subsidies</b>			
Subsidies from the Waka Kotahi for maintaining and development of roads will be at the approved rates as follows: <ul style="list-style-type: none"> <li>53% in 2021/22</li> <li>52% in 2022/23 and</li> <li>51% in 2024-2031.</li> </ul>	Changes in subsidy rate, total subsidy dollars, and variation in criteria for inclusion in subsidised works programmes. The total subsidy dollars may not increase as assumed.	Low	In 2020 the Agency reviewed its subsidy and funding policies. As a result of this review the subsidy rate has been reduced from 53% in 2021/22 to 51% in 2023/24. Any further reductions are unlikely but possible if the rate or dollar level of subsidy decreases, roading projects may be reprioritised, or scaled down, or they may be funded through a different source such as increased borrowing or rates.

## General Forecasting Assumptions (Cont.)

Assumption	Risk	Level of Uncertainty	Mitigation
<b>4 Reforms</b>			
There are number of significant government reforms including changes to climate change, resource management, affordable waters reform and the future of local government review. These changes may impact council's strategic direction and community confidence and may raise challenges in terms of change preparedness. There may be misalignment between government and Council's strategic goals and failure to adapt to changes may affect community wellbeing.	There is unexpected change to legislation that alters the nature or levels of service provided by Council.	Moderate	<p><b>Resource Management Reforms:</b></p> <p>The reforms of the resource management system involve repealing the Resource Management Act (RMA) and replacing it with three new pieces of legislation.</p> <p>The drafting of the three new pieces of legislation has commenced and due to a significant lead-in time to make the transition to any new arrangements, we have assumed we will continue with existing provisions for the life of this LTP.</p> <p>We do, however, anticipate that the review of the Wairarapa Combined District Plan will be adapted to reflect the existence of the RMA reforms.</p> <p>Should the district plan review need to be slowed or suspended as a result of the reforms being pursued by Government, there may be some cost savings or overspend dependent on whether our contract for service needs to be suspended or extended.</p> <p>It is also expected that any urgent matters could be addressed through a Plan Change while the reforms are being progressed in which case the costs of the Plan Change would be covered by the existing district plan review budget. The district plan budget also allows for a certain degree of flexibility to ensure that the Plan remains relevant in the future.</p> <p><b>Affordable Waters Reform:</b></p> <p>The Government has confirmed it will create ten publicly owned water entities for delivery of the three waters (water supply, wastewater and stormwater). These entities are expected to be in place from 1 July 2026, and the Council will no longer provide water services or own the related assets. For the purposes of this plan we are assuming no changes to our current model.</p> <p><b>Other changes:</b></p> <p>A number of other pieces of legislation have been signalled as well as a number of reviews. These include a review of Future Local Governance, Civil Defence and Emergency Management as well as our District Plan review. These potential changes are not expected to impact the 2023/24 year.</p>



## General Forecasting Assumptions (Cont.)

Assumption	Risk	Level of Uncertainty	Mitigation
<b>5 External factors</b>			
There will be no unexpected changes to legislation or other external factors that alter the nature or levels of service provided by the Council.	There is unexpected change to legislation that alters the nature or levels of service provided by Council.	Moderate	There are a number of legislative and reforms underway by the Government, highlighted above. The final outcomes of this work are unknown and are not expected to have an impact on the 2023/24 annual plan.
<b>6 Number of rateable properties</b>			
<p>The growth in rateable properties continues to be positive.</p> <ul style="list-style-type: none"> <li>2021 6,942</li> <li>2022 7,274</li> <li>2023 7,340</li> </ul>	Growth does not meet this assumption	Moderate	The growth estimate reflects recent changes in rateable properties and considers ongoing development in the district. Should growth not continue as forecast, some projects responding to demand will be deferred or not go ahead and expenditure will be lower than forecast. If growth is greater than predicted, some projects may go ahead earlier than forecast and expenditure will be higher than forecast.
<b>7 District populations trends</b>			
The population growth assumption is based on the Sense Partners moderate growth projections. There is inherent uncertainty in the base assumptions for population movement, labour market, economic conditions, and development potential.	Growth may occur at a faster rate than assumed due predominantly to the proximity to Wellington for employment and relative housing affordability. Net migration may increase as people are attracted to the lifestyle the district offers and as future growth opportunities are opened up.	Moderate	<p>We are investing heavily in our infrastructure over the life of this LTP to address previous underinvestment. This extra capacity will accommodate a degree of growth higher than anticipated. Higher growth will increase the rating database and lower the cost per household. However, significant growth may require investment to be brought forward, resulting in increases in debt and/or rates. Higher growth may also impact our ability to deliver services to the same level and we may need to reduce service levels and/or increase debt, rates or fees.</p> <p>Although unlikely to stall, housing growth may occur at a slower rate than assumed. This is not likely to have a significant impact on our service or funding levels.</p>

## General Forecasting Assumptions (Cont.)

Assumption	Risk	Level of Uncertainty	Mitigation
<b>8 Economic shock</b>			
New Zealand is likely to experience a recession in the coming months. Inflation is at its highest rate since the 1980s. There is a shortage of resources including human and materials in the country and this impacts on potential development and infrastructure, particularly water and roading. We propose an ambitious capital works programme in the LTP and Audit NZ has identified the risk of non-delivery.	The impacts would be on Council reputation, loss of trust and confidence, not meeting service levels, strategic goals or regulatory requirements and increased costs long term.	Moderate	<p>Lack of or inadequate:</p> <ul style="list-style-type: none"> <li>• Preparedness and understanding of economic climate</li> <li>• Leadership and decision-making</li> <li>• Policies and procedures</li> </ul>
<b>9 Climate change</b>			
Failing to adapt to the impacts of climate change on our environment and failing to mitigate council's contributions to greenhouse gas emissions may result from the complexity of processes and dependencies that may not adequately consider climate impacts.	There may be impacts on the environment, health and safety or wellbeing of staff and the community, reputation, operations and finance and strategic goals may not be delivered.	Low	<ul style="list-style-type: none"> <li>• Appointment to role of Climate Change Advisor to lead this</li> <li>• Climate Change Carbon Reduction Strategy and Action Plan</li> <li>• Wellington Regional common climate change assumptions used to carry out a risk assessment</li> <li>• Contingency built into LTP budgets</li> <li>• Energy audits</li> <li>• Community self-assessment kits</li> <li>• Climate Change Resilience and Risk Strategy (further detailed mitigations)</li> <li>• Council's updated procurement policy supports sustainability</li> <li>• Establishment of Climate Change and Environment Committee.</li> </ul>

## Financial Forecasting Assumptions

Assumption	Risk	Level of Uncertainty	Mitigation
<b>1 Interest Rates</b>			
<p>The range of interest rates on term debt is calculated at 1.69% to 5.23%. To allow for anticipated timing of capital expenditure, on selected loans interest expenditure is provided for on only 50% of forecast new loan amounts each year.</p> <p>The interest rate on investments is calculated at 4.00%.</p>	That the interest rate will differ from those used in the calculations.	Moderate	<p>This will be managed through the Liability Management Policy and Investment Policy. The financial impact is not able to be measured.</p> <p>A 1% movement in interest rates (on a \$1m loan) increases/decreases total loan repayments by \$10,000. On the total forecast portfolio of \$20m, this would result in an increase/decrease of \$200,000. Council would have the option of mitigating this impact by altering the term of the loans.</p>
<b>2 Revaluation of Non-Current Assets</b>			
<p>Revaluation assumptions have been included in the Plan. These have been done following the Business &amp; Economic Research Limited (BERL) forecasts of price level change adjusters.</p> <p>Revaluation movements will be shown in the statement of financial position and the statement of other comprehensive income. Revaluations are carried out at three-year intervals, apart from investment properties, which are revalued annually.</p>	Actual revaluation results differ from those in the forecast.	Low	Where the actual inflation rate is different from that forecast, the actual revaluation will be different from that forecast.
<b>3 Depreciation</b>			
<p>Depreciation has been calculated on asset values at their latest revaluation date, and on additions at cost thereafter. The rates applied are listed in the 'Depreciation' section of the accounting policies. It is assumed that:</p> <ul style="list-style-type: none"> <li>existing depreciation will continue.</li> <li>replacement assets (renewals) affect depreciation as follows:</li> <li>asset renewal will equal that of the assets being replaced;</li> <li>new assets' depreciation will be the result of their estimated lives and values; and</li> <li>depreciation on new and renewal programmes will impact in the year following the capital programme.</li> </ul>	<p>That more detailed analysis of planned capital works once complete may alter the depreciation expense.</p> <p>That asset lives may alter due to new technology improving asset lives.</p>	Low	<p>The Council has asset management planning and upgrade programmes in place. Asset capacity and condition is monitored with replacement works being planned in accordance with standard asset management and professional practices. Depreciation is calculated in accordance with normal accounting and asset management practices.</p>

## Financial Forecasting Assumptions (Cont.)

Assumption	Risk	Level of Uncertainty	Mitigation
<b>4 Asset Lives</b>			
Useful lives of assets are based on professional advice. These are summarised in the depreciation note within the accounting policies.	That assets wear out earlier than estimated.	Low	Asset life is based on estimates of engineers, valuers and asset managers. Capital projects can be brought forward in event of early expiration of assets (this would affect depreciation and interest of which the amounts are unknown).
<b>5 Sources of funds for future replacement of assets</b>			
<p>The funding of the replacement of future assets is based on the following assumption:</p> <ul style="list-style-type: none"> <li>In accordance with the revenue and financing policy and financial strategy, the Council has, over the term of the LTP, set revenue levels sufficient to fully fund depreciation of its assets and loan repayments, with the exception of roading (partially funded by Waka Kotahi through subsidy on capital expenditure).</li> </ul> <p>The funding for the replacement of any individual asset will be funded from the following sources:</p> <p>From prior year credit depreciation reserve balances</p> <ul style="list-style-type: none"> <li>From the current year's cash arising from the revenue funding of depreciation</li> <li>Infrastructure contributions under the development contributions or financial contributions policy</li> <li>Loan funding with a loan being the shorter of either a 34-year loan term or the life of the asset</li> <li>Special funds set aside for specific purposes identified by the Council.</li> </ul> <p>Existing loan facilities are based on 34-year terms and mature every 5 years. It is assumed that these loans will be rolled by the bank on maturity for a further five years.</p>	A planned funding source is unavailable.	Low	As the Council operates a central treasury function, should one source of funding be unavailable for asset replacement, a further option would be available. Local authorities have the power to rate, and that makes them attractive to borrowers and to private bankers and investors. The Council has the further ability to indirectly borrow through the Local Government Funding Agency. It is likely that alternative sources of borrowing than that planned would be at similar interest expense.

## Financial Forecasting Assumptions (Cont.)

Assumption	Risk	Level of Uncertainty	Mitigation
<b>6 Inflation</b>			
Revenues and expenses for 2023/24 have been estimated based on 2022/23 estimated out-turn. Personnel costs other operating costs (excluding interest, depreciation, and some other minor costs), and capital expenditure were adjusted by the BERL forecasts of price level adjusters where appropriate.	That actual inflation differs to that predicted, on which decisions are made.	Moderate	Where the actual inflation rate is different from that forecast, the cost of projects and expenditure will be different from that forecast. Higher than forecast inflation would likely mean higher operating and capital costs and higher revenue; higher capital expenditure could mean greater borrowing; and there would be pressure on rates to increase to cover these costs.
<b>7 Investments and return on investments</b>			
The Council's long-term special funds will be retained in their present form throughout the Plan. Additions and withdrawals from the funds have been accounted for each year through the Plan where identified and required.	That the actual return on investment differs to that budgeted.	Low	Movement in the investment fund is difficult to predict but best efforts have been used, using past results. The financial effect is unknown but unlikely to be significant.
<b>8 Delivery of Capital Works Programme</b>			
Council can successfully deliver the planned capital programme as outlined in the Plan.	Council is unable to successfully deliver the planned capital works programme as outlined in the LTP. Non-delivery could impact on Council's ability to deliver levels of service.	Moderate	Delays in the delivery of the project due to contractor availability or product supply constraints could significantly increase costs and timing.  The potential impacts of completing the programme over a longer timeframe is not meeting planned levels of service and increased costs in the long term.



Wairarapa Moana



# Funding Impact Statement (Rating) for the Year Ending 30 June 2024

The revenue and financing mechanisms to be used to cover the estimated expenses of the Council for the year ended 30 June 2024 are described in the Revenue and Financing Policy.

The method and impact of both general and targeted rates is covered in The Rating System section that follows. The specific rating details given in the following pages have been drawn from and are consistent with Council's Annual Plan.

## Rating System

### Introduction

Schedule 101(3) of the Local Government Act 2002 requires Council to include a Funding Impact Statement in its Annual Plan. The following matters cover the specific statements to be provided as set out in Schedule 101(3). This Funding Impact Statement should be read in conjunction with Council's Revenue and Financing Policy.

All figures for rates and charges in this Funding Impact Statement are inclusive of GST.

### General Rates

The Council proposes to set a general rate based on the land value of each rating unit in the district.

#### The general rate will be set on a differential basis over three rating groups:

- **Group 1 Urban** - A rate of 0.00238670 per dollar of rateable land value. The total we anticipate to raise from this rate in the year ended 30 June 2024 is \$2,871,252
- **Group 2 Commercial** - A rate of 0.00477341 per dollar of rateable land value. The total we anticipate to raise from this rate in the year ended 30 June 2024 is \$491,403
- **Group 3 Rural** - A rate of 0.00218964 per dollar of rateable land value. The total we anticipate to raise from this rate in the year ended 30 June 2024 is \$5,810,588
- In addition, the Council has set a Uniform Annual General Charge on each rating unit of \$1,005. The total we anticipate to raise from this rate in the year ended 30 June 2024 is \$6,727,775. Council's UAGC has not exceeded the 30% rating cap requirement specified in Section 21 of the Local Government (Rating) Act 2002

The General Rate, the Uniform Annual General Charge and the Amenities Charge will be used to fund, or assist with funding, all Council activities other than those funded by way of targeted rates for water supply, sewage disposal and refuse collection and disposal.

### Differential Matters and Categories

The Council proposes to differentiate the General Rate based on land valuation (Schedule 2 Local Government (Rating) Act 2002). The differential categories are:

- **Group 1 Urban** - all rating units used for residential and related purposes within the urban areas of the District Plan.
- **Group 2 Commercial** - all rating units that are used (or available) primarily for any commercial or industrial purpose.
- **Group 3 Rural** - all rating units within the rural area in the District Plan.

### **Separately Used or Inhabitable Part of a Rating Unit**

The following definition applies to the levying of all targeted rates by the SWDC where the Council has determined that the rate shall apply to each separately used or inhabitable part of a rating unit. A separately used or inhabitable part of a rating unit includes any portion of any separate rating unit used or inhabitable by any person, other than the ratepayer (as defined by clause 11 of the Local Government (Rating) Act 2002), having the right to use or inhabit that portion by virtue of a tenancy, lease, licence or other agreement.

### **Water Races**

Council proposes to set a targeted rate based on land value for each rating unit in the Featherston-Longwood water race rating district and separately for each rating unit in the Moroa Water Race rating district that have access to the races.

The Featherston-Longwood rate will be 0.00153986 per dollar of land value. The total we anticipate raising from this rate in the year ended 30 June 2024 is \$84,656

The Moroa rate will be 0.00034235 per dollar of land value. The total we anticipate raising from this rate is in the year ended 30 June 2024 \$91,453. No lump sum contributions will be invited in respect of this targeted rate.

### **Wastewater Disposal**

Council proposes to set a uniform targeted rate for wastewater disposal based on each separately used or inhabitable part of a rating unit which is serviced by a connection to the system of \$911 per serviced connection. Serviceable rating units, which are those that could be connected to the system but are not at this time, will be 50% of this charge of \$456 per serviceable connection. The total we anticipate raising from this rate in the year ended 30 June 2024 is \$4,363,838.

The uniform targeted rate covers the first two toilet pans for each separately used or inhabitable part of a rating unit and the same charge is made for each additional pan. No lump sum contributions will be invited in respect of this targeted rate.

### **Water Supply**

Council proposes to set a uniform targeted rate for water supply based on each separately used or inhabitable part of a rating unit for all urban, rural or commercial rating units that are serviced by a connection to the system of \$1,038 per serviced connection. Serviceable rating units, which are those who could be serviced but are not at this time, will be 50% of this charge \$519 per serviceable connection.

The uniform targeted rate will apply to each connection. The total we anticipate raising from this rate in the year ended 30 June 2024 is \$4,849,323.

An additional targeted rate is proposed where the volume exceeds 350 m<sup>3</sup> per year for all metered connections. This charge will be \$1.84 per m<sup>3</sup> for the 2023-24 year. The aforesaid volume will be reviewed as and when required in future.

No lump sum contributions will be invited in respect of this targeted rate.

### **Amenities**

Council proposes a uniform targeted rate for all rating units in the urban areas of Featherston, Greytown and Martinborough for the provision of amenity facilities of \$600 per urban rating unit. The total we anticipate raising from this rate in the year ended 30 June 2024 is \$2,224,770.

Council proposes a different uniform targeted rate for all rating units in the rural area of the district for the provision of amenity facilities of \$321 per rural rating unit. The total we anticipate raising from this rate in the year ended 30 June 2024 is \$953,473. The amenity facilities include parks and reserves, swimming baths, community buildings (including public halls) and other civic amenities.

### **Refuse Collection**

The Council proposes to set a uniform, targeted rate for rubbish collection and disposal of \$265 This will apply to rating units and separately inhabited parts of rating units where the Council provides refuse collection or use of disposal facilities. The total we anticipate raising from this rate in the year ended 30 June 2024 is \$1,286,186

### Overall Rating Levels

The combined effect on individual rating units of a 19.8% increase in total rates will vary considerably from rating unit to rating unit depending on the different types of rates and valuations applicable.

## Rates Examples

The following table shows the typical rates increase for commercial, urban and rural properties.

### Residential Urban

Area	Land Value	2022/23 Total Rates	2023/24 Proposed Total Rates	% Increase
Featherston - lower value property	\$170,000	\$3,554	\$4,224	18.9%
Featherston - median value property	\$190,000	\$3,593	\$4,272	18.9%
Featherston - higher value property	\$235,000	\$3,680	\$4,380	19.0%
Greytown - lower value property	\$295,000	\$3,797	\$4,523	19.1%
Greytown - median value property	\$325,000	\$3,855	\$4,594	19.2%
Greytown - higher value property	\$390,000	\$3,982	\$4,750	19.3%
Martinborough - lower value property	\$280,000	\$3,768	\$4,487	19.1%
Martinborough - median value property	\$320,000	\$3,846	\$4,582	19.2%
Martinborough - higher value property	\$350,000	\$3,904	\$4,654	19.2%

### Commercial Urban

Area	Land Value	2022/23 Total Rates	2023/24 Proposed Total Rates	% Increase
Featherston - lower value property	\$150,000	\$3,807	\$4,535	19.1%
Featherston - median value property	\$210,000	\$4,040	\$4,821	19.3%
Featherston - higher value property	\$248,000	\$4,188	\$5,003	19.4%
Greytown - lower value property	\$255,000	\$4,215	\$5,036	19.5%
Greytown - median value property	\$350,000	\$4,585	\$5,489	19.7%
Greytown - higher value property	\$430,000	\$4,897	\$5,871	19.9%
Martinborough - lower value property	\$205,000	\$4,021	\$4,797	19.3%
Martinborough - median value property	\$310,000	\$4,430	\$5,298	19.6%
Martinborough - higher value property	\$390,000	\$4,741	\$5,680	19.8%

## Rural Residential & Lifestyle

Type of property (use based on data from QV)	Land Value	2022/23 Total Rates	2023/24 Proposed Total Rates	% Increase
Residential - dwelling - lower value property	\$190,000	\$1,447	\$1,792	23.8%
Residential - dwelling - median value property	\$285,000	\$1,623	\$2,000	23.3%
Residential - dwelling - higher value property	\$345,000	\$1,733	\$2,131	23.0%
Lifestyle - Improved - lower value property	\$350,000	\$1,743	\$2,142	22.9%
Lifestyle - Improved - median value property	\$440,000	\$1,909	\$2,339	22.6%
Lifestyle - Improved - higher value property	\$530,000	\$2,074	\$2,537	22.3%

### Rural Residential & Lifestyle properties connected to Water Supply & Wastewater

Residential - dwelling - lower value property	\$190,000	\$3,122	\$3,691	18.2%
Residential - dwelling - median value property	\$285,000	\$3,298	\$3,899	18.2%
Residential - dwelling - higher value property	\$345,000	\$3,408	\$4,030	18.3%
Lifestyle - Improved - lower value property	\$350,000	\$3,418	\$4,041	18.3%
Lifestyle - Improved - median value property	\$440,000	\$3,584	\$4,238	18.3%
Lifestyle - Improved - higher value property	\$530,000	\$3,749	\$4,435	18.3%

## Rural Farming

Type of property (use based on data from QV)	Land Value	2022/23 Total Rates	2023/24 Proposed Total Rates	% Increase
Pastoral - Grazing - lower value property	\$416,000	\$1,864	\$2,287	22.7%
Pastoral - Grazing - median value property	\$1,540,000	\$3,937	\$4,748	20.6%
Pastoral - Grazing - higher value property	\$3,023,000	\$6,672	\$7,995	19.8%
Pastoral - Finishing - lower value property	\$765,000	\$2,508	\$3,051	21.7%
Pastoral - Finishing - median value property	\$1,415,000	\$3,707	\$4,474	20.7%
Pastoral - Finishing - higher value property	\$3,000,000	\$6,630	\$7,945	19.8%
Horticultural - Vineyard - lower value property	\$590,000	\$2,185	\$2,668	22.1%
Horticultural - Vineyard - median value property	\$700,000	\$2,388	\$2,909	21.8%
Horticultural - Vineyard - higher value property	\$980,000	\$2,904	\$3,522	21.3%
Dairying - milk - lower value property	\$1,080,000	\$3,089	\$3,741	21.1%
Dairying - milk - median value property	\$2,180,000	\$5,118	\$6,149	20.2%
Dairying - milk - higher value property	\$4,065,000	\$8,594	\$10,277	19.6%

Note: For other land value examples use the Rates Estimator on Council's website after July 2023.

# Rates and Charges

The following table shows the rating change from the 2022-23 year to the 2023-24 year.

	Last year 2022-23 \$	Proposed 2023-24 \$	Proposed Change \$	Proposed Change %
<b>Targeted urban rates (residential &amp; commercial)</b>				
Uniform Annual General Charge (UAGC)	\$757	\$1,005	\$248	32.8%
Reserves & Civic Amenities – Urban	\$566	\$600	\$34	6.0%
<b>Total Urban Targeted Rates</b>	<b>\$1,323</b>	<b>\$1,605</b>	<b>\$282</b>	<b>21.3%</b>
<b>Targeted rural rates</b>				
Uniform Annual General Charge (UAGC)	\$757	\$1,005	\$248	32.8%
Reserves & Civic Amenities – Rural	\$340	\$321	-\$ 19	-5.6%
<b>Total Rural Targeted Rates</b>	<b>\$1,097</b>	<b>\$1,326</b>	<b>\$229</b>	<b>20.9%</b>
<b>Targeted water &amp; refuse rates (mostly paid by urban ratepayers)</b>				
Water Charge	\$917	\$1,038	\$121	13.1%
Wastewater Charge	\$758	\$911	\$153	20.2%
Refuse Collection Levy	\$225	\$265	\$40	17.7%
<b>Total Water &amp; Refuse Targeted Rates</b>	<b>\$1,900</b>	<b>\$2,214</b>	<b>\$314</b>	<b>16.5%</b>

## Fees and Charges

Fees and charges are reviewed annually as part of the Annual Plan or Long-term Plan process.

The fees and charges schedule for 2023/24 is available on our website:

[swdc.govt.nz/council-fees-and-charges](https://swdc.govt.nz/council-fees-and-charges)



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**SOUTH WAIRARAPA  
DISTRICT COUNCIL**  
*Kia Reretahi Tātau*