



SOUTH WAIRARAPA
DISTRICT COUNCIL
Kia Reretahi Tātau

INCLUDES
SPATIAL PLAN
PULL-OUT

BIG CHALLENGES

BIG DECISIONS

LONG TERM PLAN
2021-2031

CONSULTATION
DOCUMENT

Message from the Mayor

NGĀ KUPU RĀHIRI A TE MEA



He Kōrero nā te Mea.

Every three years we dig a little deeper, look further into the future, and reassess where we're heading as we develop our Long Term Plan, or LTP. It is an important document as it sets our strategic direction for the next 10 years.

If ever there has been a time to reflect and refocus, it's now. There have been so many changes over the past three years and we know there are more to come.

South Wairarapa's population is projected to grow from 11,512 in 2021 to 14,476 by 2051, and the

number of households is projected to grow from 4,946 to 6,371 over the same period.

We are a new council of elected members, appointed in October 2019. We bring fresh ideas on how we can meet the needs of our community. The role of local councils has changed too; in 2019 central government reaffirmed to local councils that they needed to promote the social, economic, cultural, and environmental wellbeing of their communities.

There are many ways in which we can make South Wairarapa a better place to live, but we also need to

protect what makes us special. This LTP consultation is extra special as we're aligning it with consultation on residential growth options, as a first step in developing the districtwide spatial plan. This will set the blueprint for what we want South Wairarapa to look like in 30 years from now (see Spatial Plan).

We've reconsidered what we aspire to be, the outcomes we want for our community, and the strategic drivers that will help us get there. These all make up our strategic direction, to guide us, both in implementing our LTP and Spatial Plan.

If the proposed Long Term Plan goes ahead indicative rates increases for next year would be 15.3% (\$9.35/week) for urban ratepayers, 14.0% (\$4.53/week) for lifestyle and 7.1% (\$8.41/week) for rural.

We look forward to receiving your feedback.

Ngā mihi

Alex Beijen
Mayor

We asked 'What's on Top?'

I UIUI MĀTOU 'HE AHA KEI TE KŪRAE O WHAKAARO?'

It's really important we consider what matters most to our community. During the campaign that ran September-October last year, we asked you 'What's on Top?'. A total of 686 people responded to the online survey, in addition to feedback given during workshops and pop-up stands at events, supermarkets and train stations.

All feedback, together with that received during the annual plan consultation, is reflected in our proposed LTP.

The 'What's on Top?' engagement campaign was the first time we had carried out such widespread pre-consultation engagement to understand what our community thinks is important. See below for the key themes raised.

Key themes raised:

- Water
- Robust Infrastructure
- Roothing
- Housing and Growth
- Local Businesses/Jobs
- Community Wellbeing
- Climate Change/Sustainability
- Cycleways, Walkways, Tracks and Trails
- Public Transport/Accessibility
- Open and Green Spaces

Where we are now and the challenges ahead

Right now, we are facing some huge challenges – some uncertain and out of our control, while others are caused by historic underinvestment.

At this time it's also important we focus on the social, environmental, economic and cultural wellbeing of our community.

Over the past two years, Council has increased investment in water, roading and amenities, but the demands placed on ageing assets continues to grow. To meet service levels in these areas, enhance the wellbeing of our community, and enable economic growth, a further investment boost is required over this LTP period.

The challenge we face as a small council is how to meet all requirements put upon us by Central Government and the increasing expectations of our community, while keeping rates affordable. We are acutely aware of the impacts of COVID-19, which we responded to last year by spreading the rates increase over five years.

We've looked at rationalising current activities to help keep rates affordable. You'll see that we've included proposals to stop urban berm mowing (page 8), and stop rural road sealing (page 7) to help pay for important water maintenance and renewals, which are a higher priority.

We don't take putting up rates lightly, but we do have to face reality.

We see our biggest challenges to be:



COVID-19 – the future impact is uncertain.



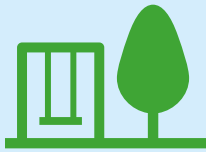
Three waters – ageing infrastructure, deferred maintenance, tighter health and environmental regulation, increasing population, and the uncertainties of Government reform.



Climate change – we must continue to act, mitigate and adapt.



Roothing – past underinvestment, future population growth and increased safety needs.



Spaces – public spaces, greenspaces, playgrounds and swimming pools need investment to support social, cultural, and environmental wellbeing to attract visitors, new residents and businesses and to help our community thrive.

INSIDE

Welcome from the Mayor	2
We asked 'What's on top?'	2
Where we are now and the challenges ahead	2
Setting our direction to 2050	3
Challenges and decisions	4
Big decision #1: Three Waters	6

Big decision #2: Rural roads	7
Big decision #3: Footpaths	7
Big decision #4: Berms	8
Big decision #5: Greytown play space	9
Big decision #6: Greytown recycling centre	9
Rates affordability and rates examples	10

Changes to fees and charges	10
Financial Strategy	11
Infrastructure Strategy	13
Changes to policies	14
Tell us what you think	15
Feedback form	16

Setting our direction to 2050

TE AHUNGA KI TE 2050

Council needs a strong strategic framework that encapsulates our long-term aspirations for the district, the outcomes we want to achieve for the community and how we propose to get there. The strategic framework drives Council’s Spatial Plan, which is the blueprint for how we want the district to be in 30 years’ time, and our LTP, which sets the direction, activities and budgets for the first ten years.

Our strategic framework flows from one of the purposes of local government, which is to promote the social, economic, environmental and cultural wellbeing of communities now and in the future.

What we aspire to be in 30 years

OUR VISION

Best of country living with the community at the heart of everything we do.

What this will mean for people living in our community

COMMUNITY OUTCOMES

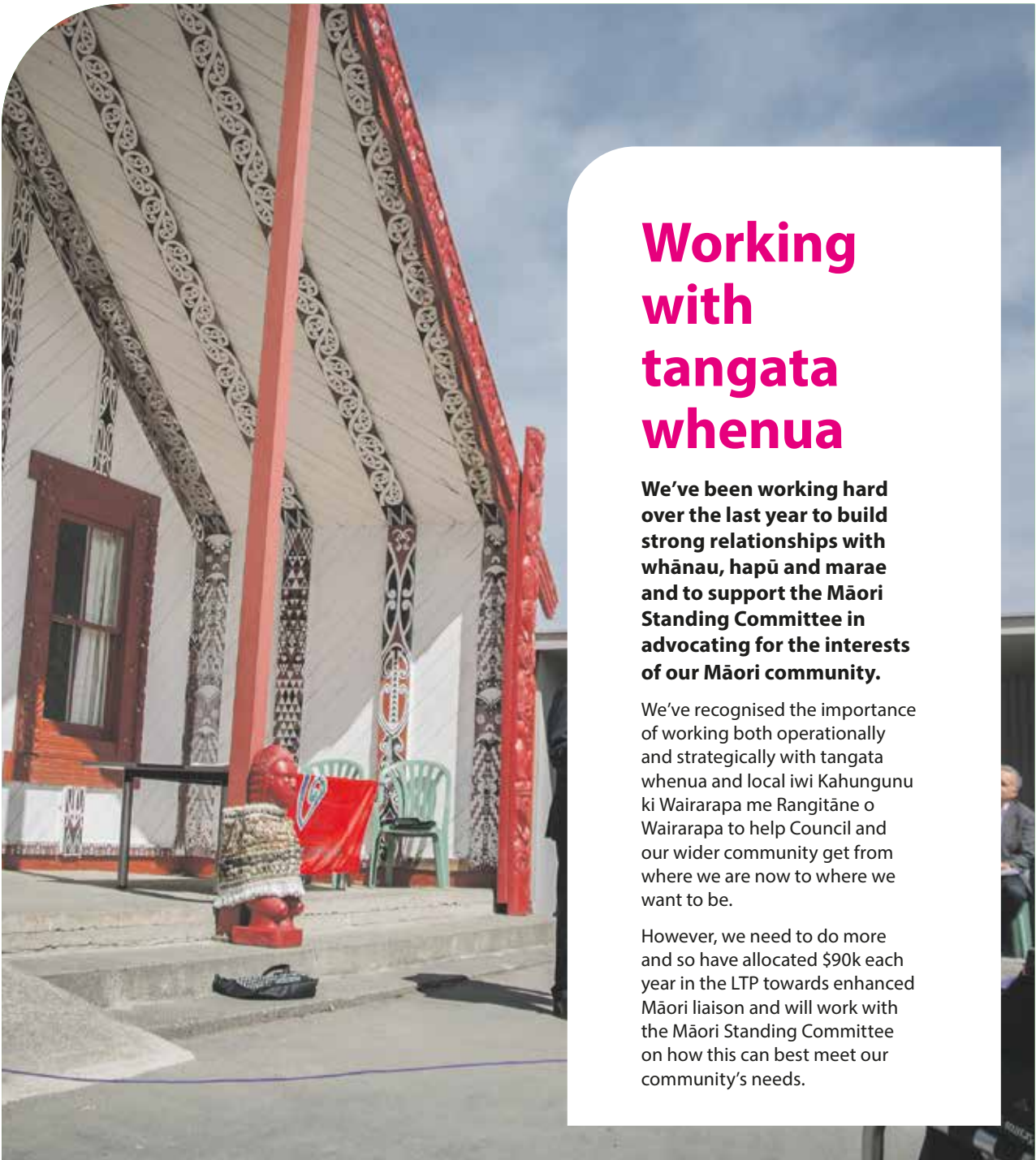
- Social wellbeing - residents are active, healthy, safe, resilient, optimistic and connected
- Economic wellbeing - a place of destination, new business and diverse employment that gives people independence and opportunity
- Environmental wellbeing - sustainable living, safe & secure water and soils, waste minimised, biodiversity enhanced
- Cultural wellbeing - strong relationships with iwi, hapū and whānau, celebrating diverse cultural identity, arts and heritage.

How we are going to achieve it

STRATEGIC DRIVERS

- Creating better connections & social wellbeing
- Supporting sustainable growth, employment, economic wellbeing & development
- Enhancing three waters delivery & environmental quality
- Nurturing and creating the District’s special character, qualities and culture.

The above framework is important to guide the decisions we make and keeps us on track to achieving our vision. More details on the Strategic Framework to 2050 is available in the Spatial Planning Consultation Document ‘Mapping our Future to 2050 – Residential Growth Options’.



Working with tangata whenua

We’ve been working hard over the last year to build strong relationships with whānau, hapū and marae and to support the Māori Standing Committee in advocating for the interests of our Māori community.

We’ve recognised the importance of working both operationally and strategically with tangata whenua and local iwi Kahungunu ki Wairarapa me Rangitāne o Wairarapa to help Council and our wider community get from where we are now to where we want to be.

However, we need to do more and so have allocated \$90k each year in the LTP towards enhanced Māori liaison and will work with the Māori Standing Committee on how this can best meet our community’s needs.

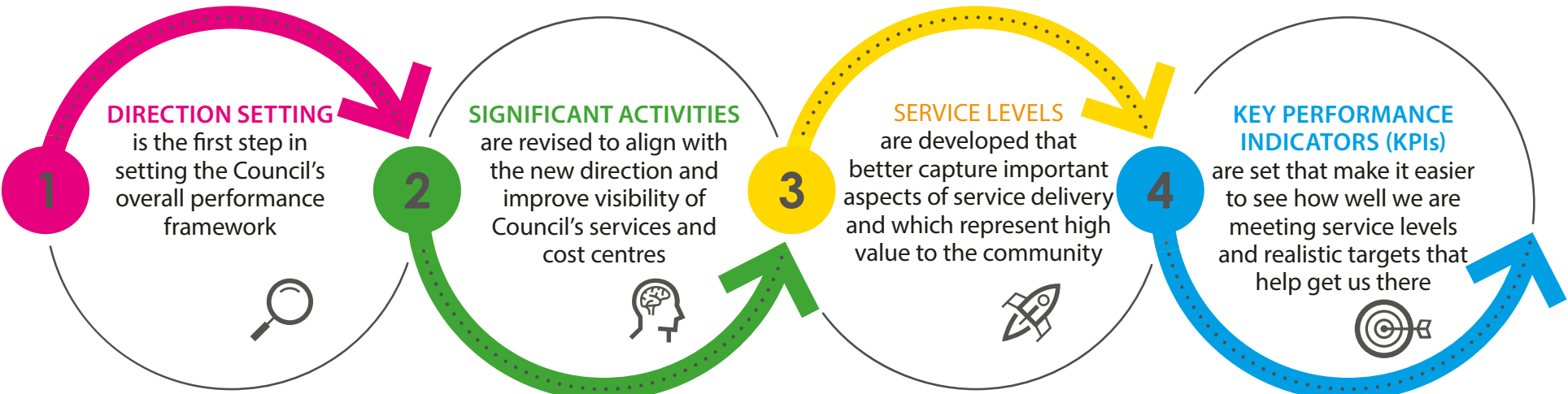


LOOKING FOR MORE INFORMATION?

Supporting Document: Significant Activities
www.swdc.govt.nz/LTP-Consultation-2021-2031

How we measure performance

It is important that Council’s performance in undertaking its significant activities is evaluated so that we can see how well we are achieving our vision and identify areas for improvement. We’ve made some significant changes to the performance framework, described below.



Challenges and decisions

Taking a closer look at our five big challenge areas and the tough decisions to make, we're asking you what you think.

These are important decisions because they impact everyone in our community, the rates you'll pay next year, and in years to come. Please, help us make these big decisions.



Challenge: COVID-19



The future impacts of COVID-19 are unknown. Even if the vaccination programme is successful in preventing community outbreaks and future lockdowns, the pandemic has changed the way we live, work and play. Uncertainty surrounding the course of the pandemic and its impact on the New Zealand and local economy makes planning for the future more challenging.

Fortunately, South Wairarapa was not impacted as badly as other areas that rely more on hospitality and tourism and, because we are lucky to be the playground for the Wellington region, we have benefitted from an upturn in local

tourism post-lockdown.

We've developed the LTP based on a positive scenario that there are no further national lockdowns and only localised community outbreaks and that vaccinations and border controls will keep the situation that way. But, as we know, the future is highly uncertain and the situation overseas is worrying, so we may have to revisit our plan if another scenario eventuates.

Council services will be impacted to the extent that facilities may be closed if alert levels are raised. We would experience a slight decrease in income from the collection of fees, e.g. for venue hire; however,

this is not considered material. Based on the impact of the March 2020 lockdown, no other income streams were significantly affected.

Minor savings may be made through reduced contractor costs for maintaining facilities through a lockdown situation, however, as experienced in March 2020 this was offset by additional costs i.e. cleaning public toilets. There was only a minimal increase in unpaid rates due to economic conditions. Our rates policies allowed Council to work within its parameters to support ratepayers suffering rating stress to opt into payment plans and direct debits.

The Council provided information in its Annual Plan Consultation Document on how it proposed to respond to the potential impact of COVID-19 on ratepayers' ability to pay, for example, through loan funding and rates relief for those in financial hardship.

There has not been, and we do not expect there to be, any impact on the organisation's size, shape or capacity due to COVID-19, other than the consideration of rates affordability.

As discussed above, there are no identified significant financial impacts. Rates policies can support ratepayers sufficiently.

Challenge: Climate change

We are all facing challenges due to climate change. According to Greater Wellington Regional Council (GWRC) climate change assumptions, Wairarapa could see a variety of environment impacts, as shown below.

- Increased risk to coastal roads and infrastructure from coastal erosion and inundation, increased storminess and sea-level rise.
- Increased risk of surface flooding and river flooding due to heavier rain.
- Increased risk of erosion and landslides.
- More frequent droughts leading to water shortages, increased demand for irrigation and increased risk of wild fires.
- Impact on agriculture due to warmer temperatures, a longer growing season and fewer frosts potentially providing opportunities to grow new crops. Farmers might benefit from faster growth of pasture and better crop growing conditions. Benefits may be limited, however, by drought, water shortages and greater frequency and intensity of storms.
- Changes in biodiversity, including pests and diseases over time. Also current biodiversity suffering due to the increased rate of climate change.

- Ocean acidification, because the ocean absorbs a huge quantity of the carbon dioxide released in the atmosphere, it becomes more and more acidic. This impacts negatively on all marine species, especially shellfish such as kina and paua.

As well as impacting our environmental wellbeing, climate change has other negative effects on our social, economic and cultural wellbeing. Examples include risk to health, increased pressures on water storage, potential reduced workplace productivity, damage to property and infrastructure, loss of taonga species, and impact on cultural values relating to e.g. mahinga kai and water ways.

On a positive note, we have for some time now recognised the significance of climate change for our district. In 2019, jointly with Carterton District Council, we appointed a climate change advisor who led the development of a joint carbon reduction strategy, the Ruamāhanga Climate Change Strategy, with action plan. This Strategy was adopted by Council in June 2020 and is already a year into implementation.

Up until now, implementation has involved assessing the performance of all of Council's activities with a focus on climate change mitigation, as well as education to staff, elected members and the community. We have also considered the impact of climate change on the wellbeing

of our community and the services we provide. Subsequently, contingency has been built into asset plans and budgets.

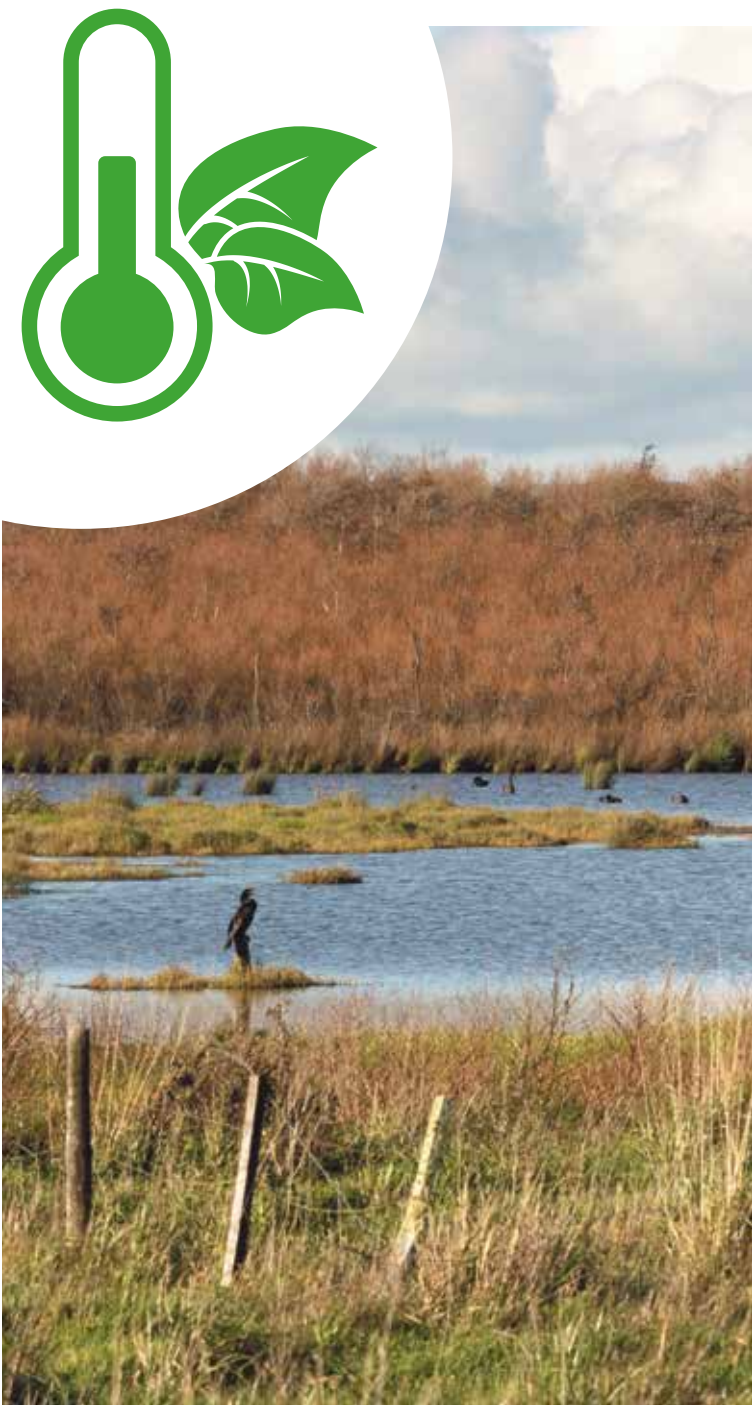
In addition, we have planned a number of activities for Year 1 to Year 3 including:

- developing and implementing energy audits on our key community buildings
- providing self-assessment kits to measure and increase residents' home health and efficiency
- developing a Climate Change Resilience and Risk Strategy
- reviewing Council's procurement policy to support sustainability and local businesses in their transition to a low carbon economy.

The full strategy and action plan is available on our website at www.swdc.govt.nz/climate-change.

We are also working with other councils in the region on climate change adaption to address impacts on the natural environment, built environment, local democracy and council operations.

We will continue to make changes to council activities to reduce greenhouse gas emissions, adapt to the future, as well as educate and support the community to do the same.



Challenge: Three Waters – drinking water, wastewater & stormwater

Government's reform programme

As for many small councils, providing safe and affordable three water services to our ratepayers is an ongoing challenge. Recognising the need for help some years ago, and being aware there were tighter regulations and Central Government's Three Waters Reform on the horizon, in October 2019 our council joined five other Wellington regional councils in becoming part-owner of Wellington Water Limited and they now manage our three waters services.

In July 2020, the Government launched the Three Waters Reform Programme – a three-year programme to reform local government three waters service delivery arrangements. Our Council signed the Memorandum of Understanding with Central Government to explore future service delivery options.

The Government expects to make substantive decisions in April/May 2021. It is expected that councils will be asked to consult with their communities in late 2021 as to whether they should join one of the new water service delivery entities. If set up, we intend to consult on this decision once central government has made their decision and more information is available.

For councils who participate in the reforms, transfer of responsibilities and assets is likely to take place from 2023/24 onwards. In the absence of a fully developed proposal at this time, this LTP has assumed the current model of delivering three water services over the life of the LTP.

As such, we have included three waters in our financial and infrastructure strategies and recognise the reform process and outcome will be a challenge for long-term planning. More information is available in Supporting Information: Financial Assumptions and Statements and on the Government Three Water Reform Programme web page at www.dia.govt.nz/Three-Waters-Reform-Programme

Addressing historic underinvestment

Due to years of underinvestment, and underground pipes failing earlier than expected, our water and wastewater network assets are no longer performing at a level that consistently meets the needs of our community.

While in the last 18 months we have increased capital funding to help address this, there is still more work to do to upgrade our water plants and pipes, but a big focus for this LTP will be wastewater.

Water was identified as our top priority for this current financial year and it is clear it will remain the priority next year. In last year's annual plan submissions, 80% of submitters stated water was their



highest priority for Council's focus. 'Water' and 'Robust Infrastructure' were also the highest ranked priorities in our pre-consultation engagement undertaken in October/November last year.

We are proposing an ambitious capital programme to address these challenges.

The focus of our three waters investment over the first few years of the LTP is on improving network performance through increased renewals (replacing or restoring existing assets), as well as increased funding for operational and maintenance costs.

There are key areas where our approach is still being developed; the Featherston wastewater treatment plant (page 6) and the future of water races (see right).



Water supply

The provision of reliable and safe drinking water, without causing adverse environmental effects and respecting the importance of water in Māori culture, is central to promoting our community outcomes and supporting social, environmental, economic and cultural wellbeing.

Wellington Water's review, released in November 2019, revealed the critical work needed to deliver clean, clear, safe and secure drinking water to our three towns. Council approved \$500,000 to start work almost immediately, and further funding in last year's annual plan, bringing the total to \$2.8 million, to undertake work to achieve compliance with national drinking water standards. This funding has also gone towards increasing storage, the installation of an additional bore at the Featherston-Greytown water treatment plant, and investigations into the Boar Bush Gully and Tait's Creek emergency supplies.

The installation of the manganese reduction plant in Martinborough cost an additional \$2.5 million.

We plan in this LTP to increase funding on drinking water treatment and supply, increase maintenance, improve the performance of the system, reduce the number of pipe breakages, and improve response times for fixes.

Other drinking water investment will focus on, secondly, an increased renewals programme to accelerate the replacement of failing pipes to reduce maintenance costs in future, and, thirdly, improving resilience in the system, by increasing proactive leak detection and repair work, and relocating the Martinborough water supply in the medium term.

Water conservation will continue to be integral to our water activities and is essential for environmental sustainability. Water conservation measures were strongly supported by the community during our annual plan consultation and council officers will be drafting a Water Conservation Action Plan for future consultation.

Water resilience continues to be an issue for our region, and this will likely be exacerbated by climate change and longer dry periods. Council has agreed to fund Wairarapa Water \$100K in Year 1 of the LTP, for its ongoing investigations into Wakamoekau Community Water Storage Scheme, northwest of Masterton. The project, if it goes ahead, may not provide water to the South Wairarapa District but could benefit our residents by strengthening economic development and employment in the region.

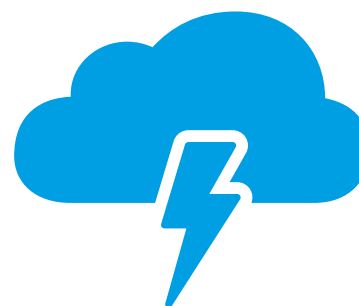


Wastewater

Many of the issues facing our drinking water networks are the same for our wastewater networks. The pipes are largely made from similarly brittle materials (asbestos cement, earthenware, and concrete) and the same

performance issues exist. However, the effects are different. Breaks in these pipes have the potential to adversely impact our environment but, also, allowing inflow and infiltration (stormwater and groundwater, respectively) into the network increases the influent flows to the wastewater treatment plants. This results in the treatment plants treating water unnecessarily, increasing costs and maintenance requirements.

In some areas, our wastewater pipes will not be big enough to handle our projected growth, particularly in Greytown. We're in the process of increasing the size of some and others may require upgrading in later years of the LTP to account for an increase in demand.



Stormwater drainage

South Wairarapa District has a limited stormwater network mostly comprising kerb and channels associated with our roading network, culverts and swales. Disposal of stormwater is generally through soakaway, which is possible due to local soil type in the District and relatively low-density housing.

However, this approach is likely to become increasingly untenable and is impacted by:

- Climate change bringing more intense rainfall events that may overwhelm the limited system
- Growth, potentially increasing housing density across the District, and
- The environmental impact of stormwater run-off and its environmental effects potentially becoming subject to regulation.

There are also areas across the District where flooding has become an increasing hazard, especially in areas close to hillsides, such as in Ngawi and Featherston. This is further exacerbated by loose material and scree blocking culverts and other water courses,

limiting the dispersal of the stormwater away from housing and other infrastructure. Often material comes with rainfall, limiting the ability of Council to proactively remove this material and an improved schedule of preventative maintenance is required.

Improving stormwater drainage to prevent flooding of community facilities, individual properties and roads supports social, environmental and economic wellbeing.

Water races

Since the water races were established, the District has changed and so may have the use and benefit of water races. To understand whether this is the case, over the next year Council will undertake a strategic review of the water races in the District, informed by consultation with water race users and broader community engagement.

This emerging strategy will need to consider a changing regulatory landscape, including the Freshwater National Policy Statement 2020 and any requirements for stock exclusion, and other ecological or environmental obligations on Council. The strategy will also consider the viability of alternative sources and affordability of any future solution.

The water races strategy will help support community outcomes for improved environment and cultural wellbeing.

Council has allocated \$1 million in the LTP for possible changes to the water races.



LOOKING FOR MORE INFORMATION?

Supporting Document:
Infrastructure
Strategy – [www.
swdc.govt.nz/LTP-
Consultation-2021-2031](http://www.swdc.govt.nz/LTP-Consultation-2021-2031)

#1 BIG DECISION

Do you prefer our lower cost investment option for renewals for our water and wastewater networks or do you want us to build in more resilience?

Wellington Water Limited manages our water network and has proposed investment based on age of pipes, historic failure rates on the network, as well as improvements to enable efficiencies. They recommend Council invests \$27M over the next three years to address the challenges in our water and wastewater networks, discussed above. This would include \$7M to accelerate renewal work which would allow us to make a significant difference to the resilience of our networks.

However, with the uncertainty around the solution for the Featherston WWTP (see below), we do not consider this level of investment for renewals to be affordable. We therefore intend to prioritise preventative maintenance and upgrades on critical assets. These are assets where the consequences of failure would be significant even if the likelihood of failure is low. For our renewals, we have identified two options in the table below. Option 1 is our preferred option and what we think is a realistic

balance of necessary investment and affordability. We have included the budget for this in our proposed rates increases.

For Option 2, Council could allocate an additional \$1.2M each year over the next three years to enable us to not only focus on our critical assets (see above) but also build a higher level of resilience across the networks. Renewing pipes earlier than the expected end of life builds resilience, reducing the likelihood of failures (burst pipes, plant failures).

Historical data has shown some pipes in our network are failing sooner than expected. By bringing this work forward we would reduce the risk of failure and so decrease the cost of reactive renewals (fixing the pipe after it has burst). An additional \$3.6M over three years equates to about an extra 3km of pipe upgrades at today's prices. This additional allocation would be funded 50% from ratepayers and 50% from internal reserves. The rates increase would affect urban ratepayers only.

OPTIONS	COST		IMPACT ON RATES	IMPACT ON DEBT	IMPACT ON LEVEL OF SERVICE
OPTION 1 [PREFERRED OPTION] Includes capital funding for: <ul style="list-style-type: none"> Identifying alternative water source for Martinborough Smart meter rollout Upgrade to Greytown water treatment plant Upgrade to Martinborough treatment plant Upgrade to Featherston waste water pump station Featherston WWTP improvements Upgrade to Greytown waste water trunk main Includes operational funding for: <ul style="list-style-type: none"> Asset condition assessments Safety inspections Population growth studies Leak detection 	Year 1	Increases operational budget from last year by \$500K from \$2.6M to \$3.1M Increases capital budget from \$4.5M last year to \$6.2M	Accounts for 9% of average rates increase of 15.3%	Increases debt in 2021/22 by \$2.6M	Increased spend maintains the current Level of Service (LOS) and reduces risks associated with network failures
	Year 2	Total capital budget of \$4.1M (decrease of \$2.1M on previous year)	Accounts for 6% of average rates increase of 7.7%	Increases debt by a further \$2.6M in 2022/23	
	Year 3	Total capital budget of \$7.5M (increase of \$3.4M on previous year)	Accounts for 1% of average rates increase of 1.7%	Increases debt by a further \$6M in 2023/24	
OPTION 2 Includes: <ul style="list-style-type: none"> Capital and operational funding as for preferred option above Additional network upgrades and renewals 	Year 1	Increases operational budget from last year by \$500K from \$2.6M to \$3.1M Increases capital budget from \$4.5M last year to \$7.4M (additional \$1.2M to Option 1)	Increases urban rates by 4.1% bringing average rates increase to 19.4%	Increases debt by \$2.6M in 2021/22	Increased spend maintains the current LOS and reduces risks associated with network failures
	Year 2	Total capital budget of \$5.3M (additional \$1.2M to Option 1)	Increases urban rates by 4.1% bringing average rates increase to 11.8%	Increases debt by a further \$2.6M in 2022/23	
	Year 3	Total capital budget of \$8.7M (additional \$1.2M to Option 1)	Increases urban rates by 4.1% bringing average rates increase to 5.9%	Increases debt by a further \$6M in 2023/24	

Featherston Wastewater Treatment Plant

After requesting the withdrawal of our 2017 consent application for Featherston’s wastewater treatment plant (WWTP), we are currently operating the plant under the 2012 consent.

The consent allows Council to discharge treated wastewater into Donald’s Creek, which then flows down to Wairarapa Moana. This is not sustainable and we are working closely with Wellington Water, industry wastewater experts, key stakeholders, iwi, and the wider community to progressively identify the best long-term solution for our community and environment.

One of the challenges we face is the evolving regulatory environment which impacts the feasibility of the options we are considering. The Climate Change Response (Zero Carbon) Amendment Act, the National Environmental Standards

for Freshwater Regulations 2020, possible future national standards for wastewater, along with the new water regulator Taumata Arowai and the ongoing water reform. We are seeking a long-term solution that will take account of these changes while balancing affordability for our ratepayers. So far, we have developed a long list of ideas, consulted on them with the wider community, and received valuable feedback that has enabled us to develop a shortlist to consider in more detail. There is still a lot of work required to fully understand and consider the technical dynamics of the current options, their feasibility and affordability. This is a lengthy process and when it is complete we will develop a concept design to lodge a new resource consent application with GWRC.

This means that we are not in a position to be able to provide a fully costed solution for this LTP. However, there is still work we can do to improve the current treatment of wastewater (to the waterways), while progressing the consent process.

This LTP we have:

- Allocated approximately \$17M in the first five years of this LTP to make treatment improvements to the pipe network and current plant, and to progress and submit a new consent with GWRC. The allocation of funds will significantly improve the wastewater pipe network to reduce additional inflow into the treatment plant and make treatment improvements. This work will help us maintain our

current level of service

- We have not included budget beyond the first five years as we anticipate we will know the costs for the long-term solution well before then and will need to revise our budgets accordingly
- We have taken a cautious approach to new debt and deferred unnecessary operating and capital expenditure while maintaining current levels of service for infrastructure assets. We are limiting network renewal budgets in other areas of wastewater and water supply and proposing savings relating to berm mowing in urban areas, stopping the 1km per year seal extensions on our roading network, and closing the Greytown recycling centre.

The risks faced:

- We are currently operating under the 2012 consent at the discretion of GWRC. An extension until 1 February 2023 has been granted by GWRC enabling the continued operation of discharges
- It is likely that the long-term solution for Featherston will cost significantly more than the \$17M allocated in this LTP. As indicated above, we will likely need to consult on a refreshed LTP once we know the cost of the long-term solution as this may have a significant impact on the budgets and levels of service outlined in this LTP.

Challenge: Roothing

Safe roads are a vital element in being able to connect with family and friends, and travel to and from work, therefore they are important for social and economic wellbeing and growth.

Our district has a vast road network of 662km of local roads (not including SH2 and SH53, which are maintained by Waka Kotahi NZ Transport Agency). After three waters, roading is our highest area of expenditure. Last financial year, we spent \$3,415K of our income on local roads for which maintenance is subsidised by Waka Kotahi NZTA. In addition, we spent \$1.386M on Cape Palliser Rd for emergency works due to storm erosion.

Over the past five years, the cost of maintaining roads has increased dramatically, driven by increasing compliance costs and reduced

availability of resources and materials. Over the same period, our investment in roads has not kept pace.

This has resulted in a reduced programme of road maintenance and renewals and therefore a large backlog of work. Waka Kotahi NZTA Roothing Efficiency Group Report for South Wairarapa showed our district had historic lower levels of investment relative to other rural district councils.

To help mitigate increasing costs, in July 2019, our council joined Ruamahanga Roads, a shared service arrangement with Carterton District Council, with Fulton Hogan as our contractor. This partnership has reduced costs compared with levels we would have faced otherwise.



its subsidy towards maintaining and renewing our local roads.

Next year, the subsidy will be 53% of the total cost, but in the subsequent two years it will decrease to 51%.

We need to increase funding for roading to:

- Increase the network renewals that can be undertaken
- Address the backlog of road maintenance activities that has built up
- Undertake more maintenance on bridges.

We will, of course, continue to apply for maximum subsidies in the areas of drainage, bridging, road safety, footpaths, streetlights, signage,

vegetation control, sealed and unsealed road maintenance and renewals.



LOOKING FOR MORE INFORMATION?
Supporting Document:
Infrastructure Strategy – www.swdc.govt.nz/LTP-Consultation-2021-2031

#2 BIG DECISION

Do you agree with the preferred option to remove funding for rural road seal extensions to save \$400,000 per year?

Currently, 401km of the local roading network is sealed and the remaining 261km is unsealed. NZTA does not fund new seal extensions on our local roads. Council currently budgets to seal 1km of unsealed rural roads each year. This previously cost \$126K but roading cost increases mean

that the budget would need to increase to \$400K to continue to seal 1km of road.

The locations of seal extensions are based on ratepayer consultation and feedback, traffic movements, maintenance costs, health and safety concerns, and agreed by councillors.

In order to minimise the rates increase, we propose to remove funding for rural road seal extensions from the LTP.

Only sealing of road sections that pose health and safety concerns would continue to occur in the meantime.

This would mean the current sealing of Ruakokopatuna Road would not continue once current fund allocations are exhausted.

If the rural road sealing budget were stopped, it would be reviewed again in three years' time with the next LTP refresh.

OPTIONS	COST	IMPACT ON RATES	IMPACT ON DEBT	IMPACT ON LEVEL OF SERVICE
OPTION 1 [PREFERRED OPTION] Remove funding for rural road seal extensions and review for the next LTP	Removes budget to seal 1km of roads at previous cost of \$126K per annum	Reduces rates by an average of 2.8% being 2.1% for rural and 0.7% for urban ratepayers	No additional impact on debt	May impact on the comfort of the journey. Impact would be restricted to 1km of the 261km of unsealed roads in the district
OPTION 2 Keep annual budget for rural road seal extensions	Cost increases to seal 1km of roads would require the budget to increase from \$126K to \$400K per annum	Increases rates by 1.9% being 1.4% for rural and 0.5% for urban ratepayers	No additional impact on debt	No impact

#3 BIG DECISION

Do you agree we should start funding footpath kerb and channel extensions in Year 1, at a current cost of \$400K per year (inflation adjusted)?

The need for safe and accessible footpaths always features in community feedback, including in the recent LTP engagement.

It's also part of the Transport Goal in the Wairarapa Region Positive Ageing Strategy, developed and adopted by all three Wairarapa councils in 2019.

Older people and users of mobility scooters, wheelchairs and pushchairs need smooth, safe

footpaths to move around town safely, with confidence.

We need to extend the urban footpath network if we are to achieve the goal we set of having footpaths on at least one side of the road down the whole street.

The addition of kerbs and channels also help manage surface stormwater flooding and protect street pavements. The locations of footpath extensions

are generally based on feedback from the community; busy pedestrian routes, particularly those used by older people; and the location of schools, central business areas, parks and reserves.

The installation of new kerbs and channels is based on known flooding hotspots. Throughout the ten-year life of this LTP, we propose to include a new annual budget of \$400K per year

(inflation adjusted), 50% coming from town infrastructure reserve funds, which include contributions from property developers for local infrastructure.

Do you agree that extending the footpath network in towns is important? We could remove \$400K from the budget to help minimise the rates increase and review the situation again in three years' time with the next LTP refresh.

OPTIONS	COST	IMPACT ON RATES	IMPACT ON DEBT	IMPACT ON LEVEL OF SERVICE
OPTION 1 [PREFERRED OPTION] Starting in Year 1, include \$400K per year (inflation adjusted) for new town footpaths, kerbs and channels.	Increases the Roothing budget by \$400K each year from 2021/22. 50% of this cost would be funded through Council Reserves	Increases rates by an average 1.38% each year being 1.03% for rural and 0.34% for urban ratepayers	No additional impact on debt	May improve the safety and comfort of roads and footpaths by reducing the impact of flooding in adverse weather events. May increase user satisfaction with footpaths
OPTION 2 Do not include \$400K per year (inflation adjusted) for new town footpaths, kerbs and channels and review in three years.	No additional increase in budgets	No additional increase in rates	No additional impact on debt	No impact

#4 BIG DECISION

Do you agree with the proposal to stop mowing berms in towns?

Mowing berms improves the amenity of the urban environment but it comes at a cost.

Council pays contractors between \$80-100K per year (depending on weather conditions) to mow about 30% of urban roadside berms, while 70% is mowed by residents.

In future, the cost of this berm mowing will approximately double due to tighter road management regulations to ensure mower driver safety, the need for roadside

signage and, at times, a truck and driver behind the mower.

This means that 70% of ratepayers are subsidising the remaining ratepayers by mowing their own berms to the benefit of the community, this is not equitable.

If all urban residents would take on the responsibility of mowing the berm in front of their house, Council could save money to put towards other projects, for example, parks, greenspaces, track

and trails, thereby minimising this year's rates increase for ratepayers.

Council would continue to mow berms in the 70km speed zone and those in the 50km zone that pose a fire risk.

What do you think? Perhaps you're an urban resident who already mows their own berm.

Do you support our proposal to stop mowing them?



LOOKING FOR MORE INFORMATION?

Supporting Document:
Infrastructure Strategy
– www.swdc.govt.nz/LTP-Consultation
– 2021-2031

OPTIONS	COST	IMPACT ON RATES	IMPACT ON DEBT	IMPACT ON LEVEL OF SERVICE
OPTION 1 [PREFERRED OPTION] Stop urban berm mowing	Decreases mowing costs by \$90K per year	Reduces rates by an average 0.6% each year	No additional impact on debt	May have an impact on the visual amenity of the roading reserve
OPTION 2 Keep urban berm mowing	Increases costs by \$110K per year due to changes in traffic management requirements	Increases rates by an average of 1.4% each year	No additional impact on debt	No impact

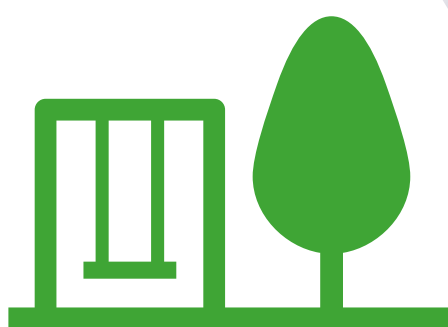
Challenge: Spaces

Public spaces, such as parks, sports grounds, reserves, playgrounds, tracks and trails, provide recreational spaces for our community to enjoy, fostering social wellbeing. Attractive greenspaces also enhance the beauty and character of the district, attracting visitors, new residents, businesses, and events, playing a key role in supporting the environmental and economic status of the District.

Trees are an important element in climate change mitigation and more native tree planting will increase biodiversity while enhancing cultural wellbeing.

Council provides the management, planning, administration, and maintenance of open public spaces, as well as other community facilities such as libraries, swimming pools and transfer stations.

The need for high-quality open spaces was reinforced during the COVID-19 lockdown, when access gave ratepayers the opportunity to exercise safely. Community cohesion and social wellbeing are increasingly important, and Council will continue to maintain and develop these facilities for our community. Feedback via both the 2020/21 Annual Plan process and the LTP preconsultation



engagement showed 'Open and greenspaces' and 'Cycleways, walkways, tracks and trails' as top priorities.

Greenspaces strategy

Due to residential growth to house our urban populations, more public greenspace is needed to maintain the character of the towns and support healthy, active lifestyles. These are significant investments and we want to make sure we have the right type

of facilities in the right places. We believe a more strategic, districtwide approach is needed.

As a result, we propose to develop a greenspaces strategy that considers factors such as population growth and demographics, available infrastructure, natural hazards, and distances to nearby spaces to best meet the needs of the community for current and future generations.

The estimated cost of developing a greenspaces strategy is \$180K,

to be undertaken and paid for in Years 2-4 of this LTP.

Tracks and trails

Cycling has become an increasingly popular activity for all ages. Council would like to improve trails for cycling, walking and horse riding. With an ageing population being projected, it is important that tracks and facilities are provided to give users easy access to trails for exercise and social wellbeing. To this end, Council

proposes to increase existing trail maintenance by \$60K per year and develop a walking and cycling strategy.

The strategy development, which is being funded jointly with Carterton and Masterton District Councils, will cost our Council \$126K and encompass trails within and around our towns and rural areas, including the Five Town Trails Network (STTN) and this strategy will increase outdoor recreation opportunities, improve public health, wellbeing and lifestyles, and attract more visitors to the Wairarapa.

Continuing extended swimming pool hours

For the past two summers our three town swimming pools have opened later some weekday evenings and for longer periods on the weekends. The pools, which have free entry, attract young people in particular, providing them with a much-needed place to socialise, have fun, and learn important water safety skills.

The pools cost \$300K per year to run, including an extra \$28,000 for the extended hours. Weighing up the relatively small dollar increase associated with continuing the extended hours against the health and social wellbeing benefits the pools provide, we intend to adopt the current opening hours for the long term.

Greytown greenspace

While Council voted not to proceed with last year's annual plan proposal to purchase the Greytown

Rugby and Bowls Clubs' land, it agreed the town needed more sports and recreational greenspace.

As a result, it is proposed that a \$3M reserve be built up to purchase and develop land for this purpose.

This will be debt funded – \$1.5M in Year 2 and \$1.5M in Year 4.

#5 BIG DECISION

Do you support the development of a new Greytown play space?

The concept of developing a ‘wheels park’ on Council-owned land on the corner of Pierce and Cotter Streets, at the southern end of Greytown, has been around for many years. Currently, Greytown is the only town in Wairarapa without a skatepark, and has just one Council-owned playground, aimed at younger children, on Kuratawhiti Street.

With the Tararua Junction development and expansion of Greytown to the south, there are funds available in Council’s Restricted Reserve to get this project underway. We believe this is a wise use of the reserve as many more families are coming into the area, as evidenced by the expanding student rolls of both Greytown Primary School and Kuranui College.

Development of the play space could be phased, starting with a skatepark, carpark, toilets, and a children’s playground. In time the play space could include additional attractions, such as a pump park and basketball court, as further funds and community fundraising allow.

We propose to use \$1 million from the Restricted Reserve phased across Year 1 to Year 3 of the LTP to develop the play space.

OPTIONS	COST	IMPACT ON RATES	IMPACT ON DEBT	IMPACT ON LEVEL OF SERVICE
OPTION 1 [PREFERRED OPTION] Develop the proposed new Greytown play space on the corner of Cotter and Pierce Streets	This will cost \$1 million phased over three years and funded from Council’s Restricted Reserve	No additional impact on rates	No additional impact on debt	Provides additional facilities and spaces for the community which may improve wellbeing and increase community satisfaction
OPTION 2 Do not develop a new Greytown play space on the corner of Cotter and Pierce Streets	No additional increase in budget	No additional impact on rates	No additional impact on debt	No impact

#6 BIG DECISION

Do you support closing down the Greytown recycling centre?

The recycling centre located on Cotter Street in Greytown accepts general recycling and green waste and is open for limited hours, three days a week. Rural residents needing to drop-off recycling also have rubbish to dispose of, so tend to use the Martinborough Transfer Station, which is 22.2km away and offers a fuller range of rubbish and recycling services, including landfill and e-waste, and has extended opening hours. Urban residents use the facility for overspill or oversized recycling (their regular rubbish and recycling is removed by kerbside collection), and to dispose of green waste, which is a user pays service. Other users of the centre are commercial operators arriving in trucks.

The problem with the Cotter Street location is that it is sandwiched between the start of The Rail Trail – popular with walkers, runners and cyclists – and a dog park, and is surrounded by an increasing number of residential properties. The traffic movements, particularly the trucks, create noise and odour, and the visual effects of the facility are not in keeping with recreational and residential use of the area. Furthermore, the location is in close proximity to the proposed new play space on the corner of Pierce and Cotter Streets (see Big Decision #5 above).

The Council recycling centre in Johnston Street, Featherston, which is 13.6km away offers the same services as Greytown and provides an alternative option for Greytown residents. See www.swdc.govt.nz for all centres current opening hours and services.

The financial gain of closing the centre is minimal and would be offset in Year 1 by the costs associated with closure. Closing the centre opens possibilities for land use that would be more in keeping within a residential area and more beneficial to the community. If the proposed closure goes ahead, the use of the land would be subject to options analysis and further community consultation.

During a transition period following closure, there would be a recycling hub placed outside the front of the site for domestic recycling while people adapt to the change.

Council’s preferred option is to close the recycling centre and to consult with the community on the future use of the land for both residents and recreational users. What do you think? Do we need a recycling centre in every town?



OPTIONS	COST	IMPACT ON RATES	IMPACT ON DEBT	IMPACT ON LEVEL OF SERVICE
OPTION 1 [PREFERRED OPTION] Close down the Greytown recycling centre and consult on the future use of the land	No net cost in 2021/22 as savings from reduced contract services will be offset by the costs to close the centre. From 2022/23 there will be a decrease in costs of approximately \$60K per year	No additional impact on rates for 2021/22. Reduces rates from 2022/23 by an average of 0.4%	No additional impact on debt	Impacts on the accessibility of recycling centres as users would need to travel to Featherston or Martinborough to dispose of excess recycling and green waste
OPTION 2 Keep the Greytown recycling centre open	No additional costs compared to previous year	No additional impact on rates for 2021/22. Increases rates from 2022/23 by an average of 0.4%	No additional impact on debt	No impact

Rates affordability and rates examples

HE TAUIRA PĀPĀTANGA

The biggest single challenge we face as a district is keeping rates affordable while providing essential infrastructure and investing in amenities needed for community wellbeing.

To manage this, we utilise a mixture of available tools:

- Rationalising current activities
- Phasing investment to stagger the impact on rates
- Raising loans for the life of the asset
- Reviewing fees and charges annually.

QV land revaluations





QV Land Values are used to determine the General Rates portion of your rates bill only.

An increase in your property valuation doesn't necessarily equate to an increase in your rates, particularly if it's in line with the

average increase.

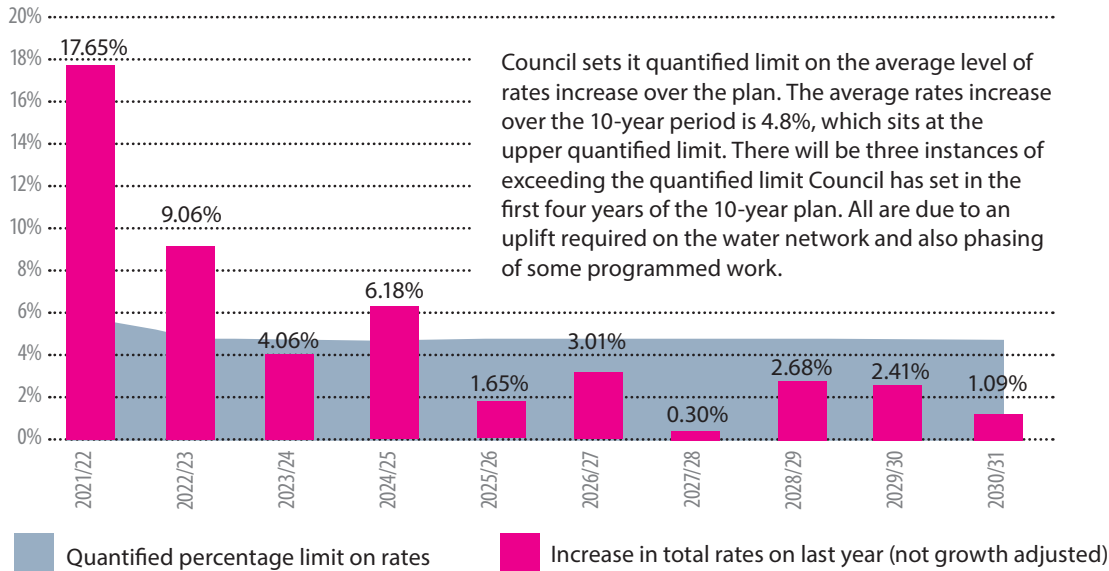
However, if your property value has increased disproportionately to the average increase, your rates increase will be higher.

Rates examples (growth adjusted and including GST)

Land Value	 URBAN RESIDENTIAL						 COMMERCIAL		 LIFESTYLE		 RURAL			
	\$250,000		\$350,000		\$600,000		\$350,000		\$450,000		\$2,300,000		\$2,800,000	
	Actual 2021	Proposed 2022	Actual 2021	Proposed 2022	Actual 2021	Proposed 2022	Actual 2021	Proposed 2022	Actual 2021	Proposed 2022	Actual 2021	Proposed 2022	Actual 2021	Proposed 2022
General	\$519	\$473	\$726	\$663	\$1,245	\$1,137	\$1,452	\$1,327	\$861	\$900	\$4,401	\$4,599	\$5,358	\$5,599
UAGC*	\$591	\$742	\$591	\$742	\$591	\$742	\$591	\$742	\$591	\$742	\$591	\$742	\$591	\$742
Reserves & Civic Amenities	\$446	\$567	\$446	\$564	\$446	\$564	\$446	\$564	\$234	\$280	\$234	\$280	\$234	\$280
Water Charge	\$631	\$840	\$631	\$840	\$631	\$840	\$631	\$840	-	-	-	-	-	-
Wastewater Charge	\$602	\$653	\$602	\$653	\$602	\$653	\$602	\$653	-	-	-	-	-	-
Refuse Collection Levy	\$183	\$203	\$183	\$203	\$183	\$203	\$183	\$203	-	-	-	-	-	-
TOTAL	\$2,972	\$3,474	\$3,179	\$3,665	\$3,698	\$4,139	\$3,905	\$4,329	\$1,686	\$1,922	\$5,226	\$5,621	\$6,183	\$6,621
Total annual \$ Change	-	\$504	-	\$486	-	\$441	-	\$424	-	\$236	-	\$395	-	\$438
Total weekly \$ Change	-	\$9.69	-	\$9.35	-	\$8.48	-	\$8.15	-	\$4.53	-	\$7.59	-	\$8.41
Total % Change	-	16.9%	-	15.3%	-	11.9%	-	10.9%	-	14.0%	-	7.6%	-	7.1%

*Uniform Annual General Charge

Setting limits on rates increases



Council sets it quantified limit on the average level of rates increase over the plan. The average rates increase over the 10-year period is 4.8%, which sits at the upper quantified limit. There will be three instances of exceeding the quantified limit Council has set in the first four years of the 10-year plan. All are due to an uplift required on the water network and also phasing of some programmed work.

What about GWRC rates?

We collect rates on behalf of GWRC. These rates are set by them.

In general, GWRC rates fund the following regional services:

- biosecurity
- emergency management
- environment sustainability
- flood protection

- regional transport (trains and buses)
- harbour safety
- land management
- regional parks and forests
- water supply to reservoirs.

If you have any questions about GWRC rates, contact them on 0800 801 7000 or email info@gw.govt.nz

Changes to fees and charges

NGĀ PANONITANGA Ā-PŪTEA

We are proposing some changes to our fees and charges to reflect our Revenue and Financing policy, which considers factors such as the balance of public vs private benefit of the service, and the actual cost of providing the service.

As a result, we are proposing changes to fees and charges in the following areas:

- Disposal of trade waste – to mitigate negative effects of waste to our environment, as at 1 July 2021, we will increase monitoring and auditing commercial businesses to ensure permitted waste only is entering our network.
- Cost of council rubbish bags – these are to be increased from \$1 to \$3 per bag.

At the same time, the \$10 minimum fee to drop council rubbish bags at the transfer station is being removed. The increase in the cost of the bags is necessary to reflect changes to landfill charges to councils and our goal to encourage recycling over disposal to landfill.

- Consenting fees – a range of planning and consenting fees will be increased to better reflect the balance of public vs private benefit and the real cost of officer time.



LOOKING FOR MORE INFORMATION?

All proposed fees and charges starting 1 July 2021 can be found at www.swdc.govt.nz/LTP-Consultation-2021-2031

Financial Strategy

TE RAUTAKI PŪTEA

Our Financial Strategy sets out our current financial position, where we’re heading over the next 10 years and the financial limits we are committed to working within.

Long-term historic underinvestment in infrastructure, in both roading and water services, means this LTP will focus heavily on investment in our critical infrastructure. Our failing water pipes require increased renewal

investment to maintain service levels. Similarly, our roading network requires increased investment to address a backlog of renewal and maintenance work. Asset management planning is therefore central to our Financial

Strategy as it forms the basis of the renewals and maintenance expenditure. Some levels of service are decreasing in order to afford our ongoing infrastructure needs. Council is proposing to remove the previous service of sealing 1km of

road each year as it will not impact road safety; we will stop mowing the berms for visual amenity in our urban areas; and will also close the Greytown recycling centre. It is not anticipated that any other levels of service will be affected.

Key changes in organisational management

Since the last LTP a new shared service in partnership with Carterton District Council has been implemented to deliver the roading network. Ruamahunga Roads was formed in 2019 to

provide synergies across the two districts with one contractor, being Fulton Hogan. Council also decided in 2019 to move the management of our three water services to Wellington

Water Limited, enabling access to specialists able to assist with delivering the required levels of service across the three waters network. There are likely to be further

changes in the management arrangement of our three waters during this LTP, however, in the absence of a fully developed proposal of the Government’s Three Waters Reform (see page

5), any transfer of responsibility or assets would likely not occur until 2023/24, should it proceed. This LTP has assumed the current model of delivering three water services over the life of the LTP.

Future focus

Three waters continues to be our highest priority. Over the past two years, there has been a focus on improving drinking water quality across our district, which has required a capital investment of \$5.3M, but there is more work to be done (see page 5).

Wastewater treatment plants in both Greytown and Martinborough were upgraded and network resilience improved. Finding a solution for the Featherston treatment plant remains a focus for the current LTP (see page 6: Featherston Wastewater Treatment Plant). Complexities around location of the current plant, and increasing focus on environmental and climate change impacts, along with feedback from our community to

find a solution that meets long-term sustainability has caused a delay in this project. There is still a high level of uncertainty around the best solution and affordability of this project. GWRC has extended the current consent until 1 February 2023 allowing time to find the best long-term solution. A sum of \$16M has been built into this LTP, however more investment will be required.

The \$16M allocated in this LTP focuses on:

- Finding a long-term solution
- Lodging a new consent with GWRC
- Fixing pipes to improve the inflow and infiltration into the pipe network

■ Treatment plant upgrades
The priority of expenditure will be given to the consent process and the network renewals. This cost will be required irrespective of the final solution. For the purposes of this consultation it has been assumed that the treatment plant will remain in its existing location. Upgrades to the existing treatment plant will only take place if this remains the case. It is likely we will need to consult on a refreshed LTP once we know the cost of the long-term solution as this may have a significant impact on the budgets and levels of service outlined in this LTP.
One of the big challenges we have is the need to balance expenditure on infrastructure with improving

our facilities and delivering progress in the four wellbeing areas and community outcomes. Improvements have been made to the condition of our buildings, senior housing, and rental properties over the last two years.
We need to continue this work but also focus on improving sport and recreational facilities and provide better open spaces for our communities. In 2020, Council decided to contribute funding for a full-sized gymnasium at Kuranui College. This will provide an invaluable indoor space for the community. Additional funds have been set aside in Years 2 and 4 of this LTP to purchase additional green space land with a Greenspaces Strategy to help us make decisions about the

intergenerational requirements of our communities.
South Wairarapa is expected to see continued growth in all three towns over the next 30 years. Rating units are expected to increase at an average rate of 1.6% per annum over this LTP.
To develop a blueprint of what we want our district to look like in 30 years, funds have been allocated in the first three years to complete a districtwide spatial plan.
At the same time, a review of the Wairarapa Combined District Plan is due to begin in 2022.
Both of these projects will be funded from rates with the cost spread over the useful life of the assets.

Debt

Council raises and allocates debt on a project basis meaning the full cost of debt sits at the activity level it relates to.
Long-term debt is funded through interest-only loans over the life of the asset to ensure intergenerational equity. Rates are

collected both to pay the interest cost (reflected in operation costs) and to accumulate in a Reserve to pay the principal portion of the loan at the end of the life of the associated asset. Some large capital expenditure items have been funded through new debt in this LTP and include:

- Featherston Wastewater Treatment Plant – upgrading and consenting the existing plant
- Smartmeters to be rolled out over three years
- Purchase of land for green spaces

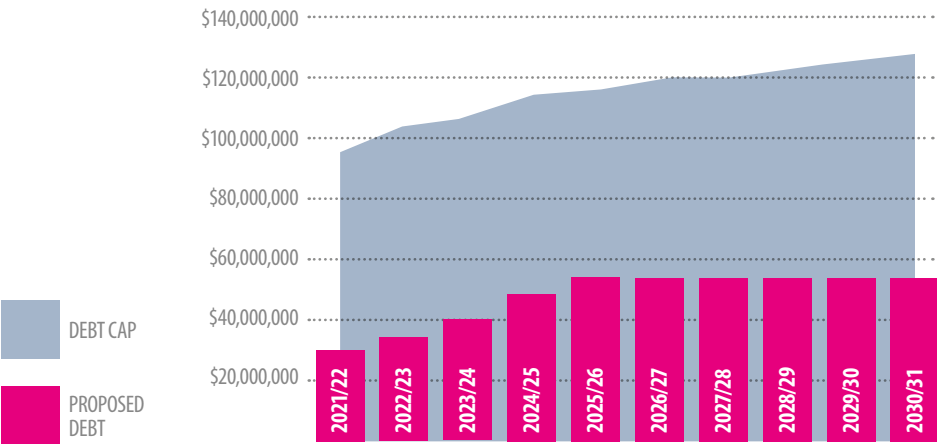
■ Alternative Martinborough water source
The level of debt is projected to increase from \$25M to a maximum of \$54M by Year 5 through Year 10. Net debt reflects debt being progressively repaid.



LOOKING FOR MORE INFORMATION?
Supporting Document: Financial Strategy and Financial Assumptions and Statements
www.swdc.govt.nz/LTP-Consultation-2021-2031

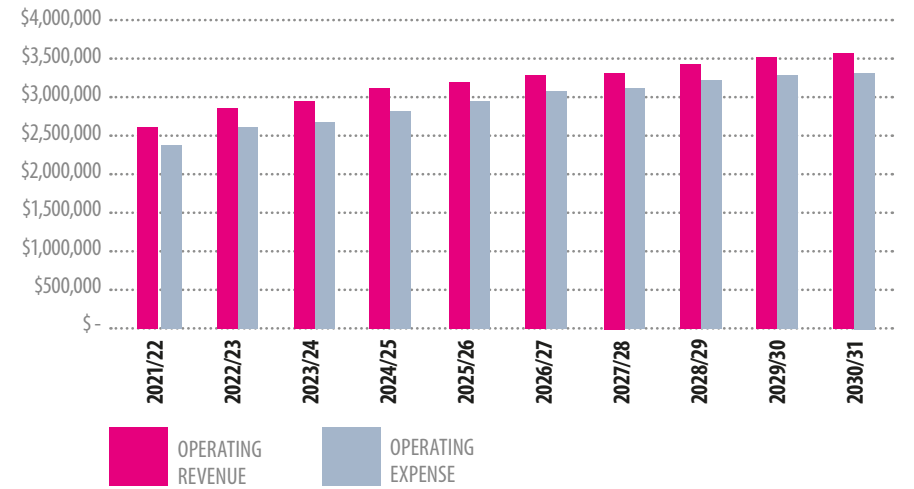
Projected level of debt

The following graph shows the projected level of debt and Council’s debt cap over the term of the LTP. Council has capped debt at an interest cost no greater than 12% of rates revenue. Based on an average 2.5% interest rate on debt this amounts to a debt limit of \$128M in 2031. Council’s proposed plan does not exceed this limit.



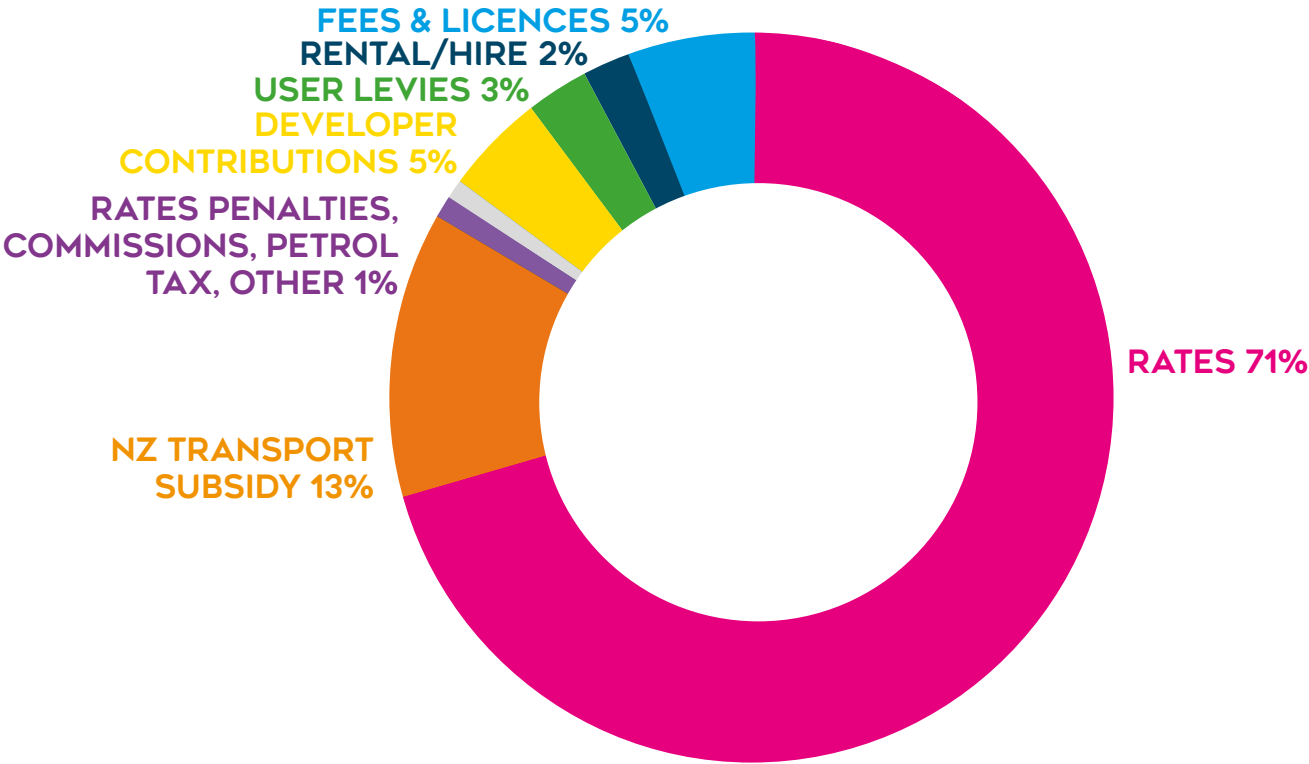
Balanced budget

The Local Government Act requires Council to run a balanced budget. The following graph shows the relationship between operating revenue and operating expenditure for the years 2021 to 2031.



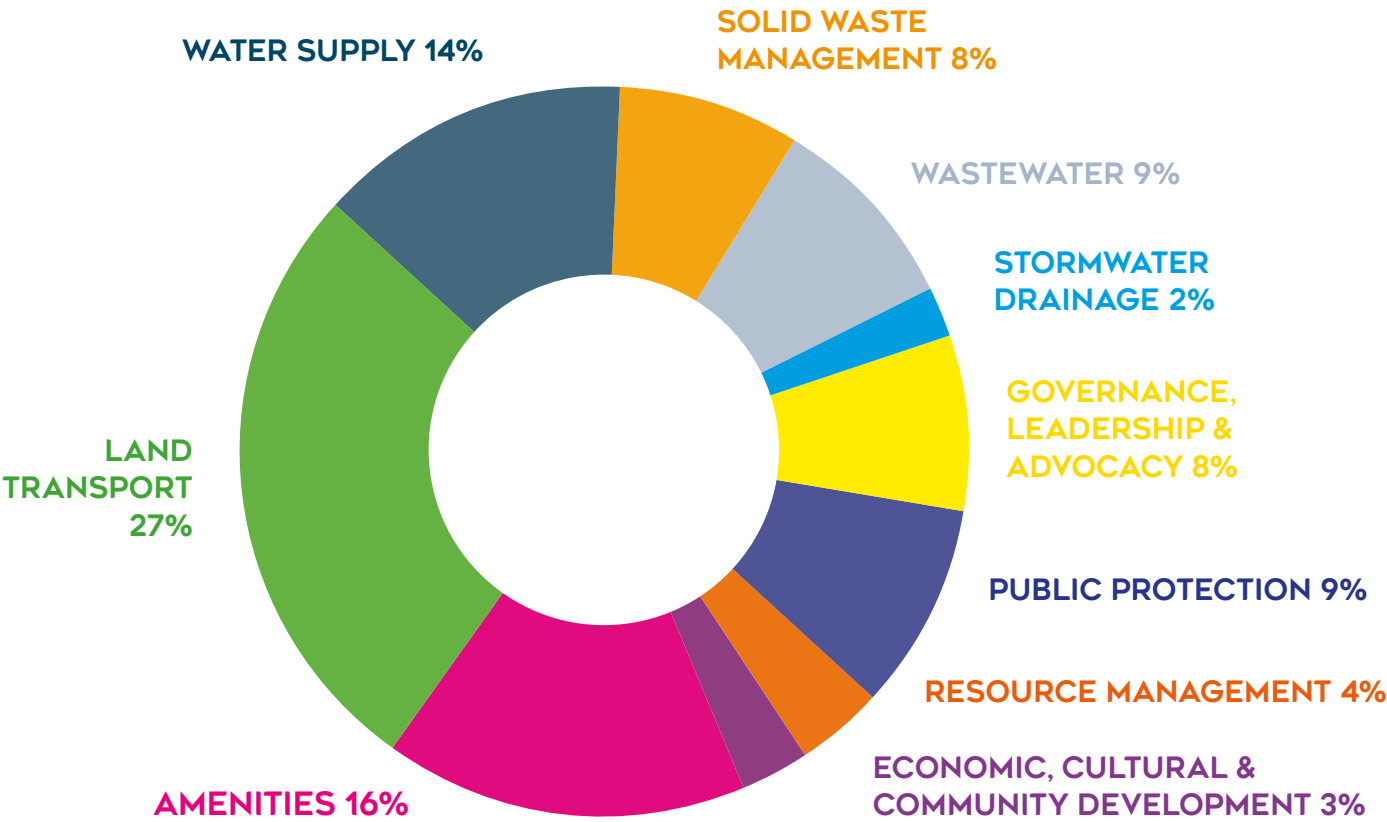
Where do we get our income?

The following pie chart shows the make-up of our income in the first year of the LTP.



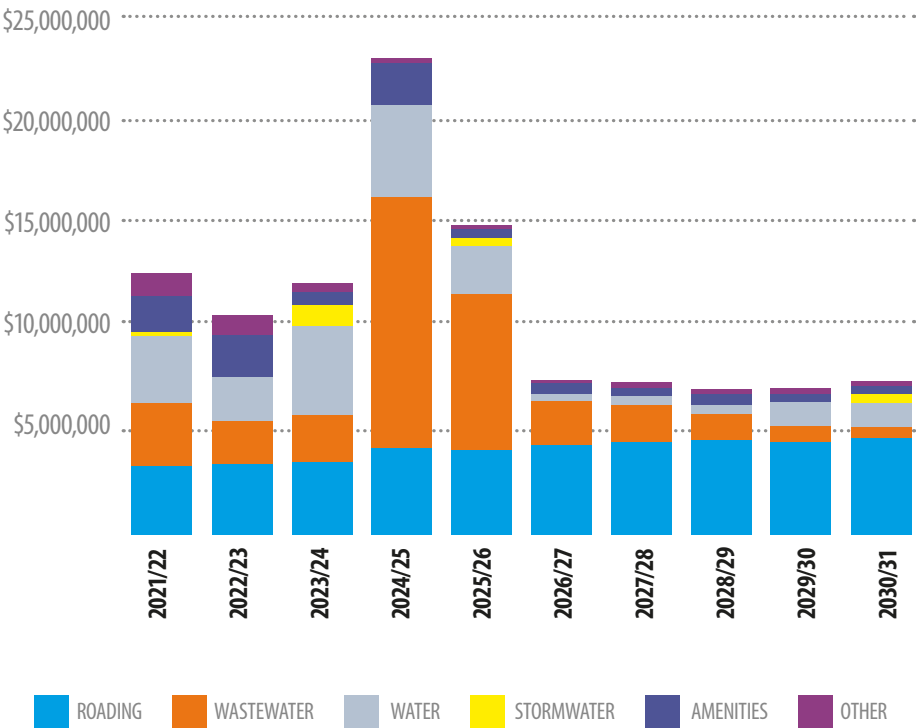
What do we spend the money on?

The following pie chart shows how our expenditure is split between the various activity areas for Council in the first year of the LTP.



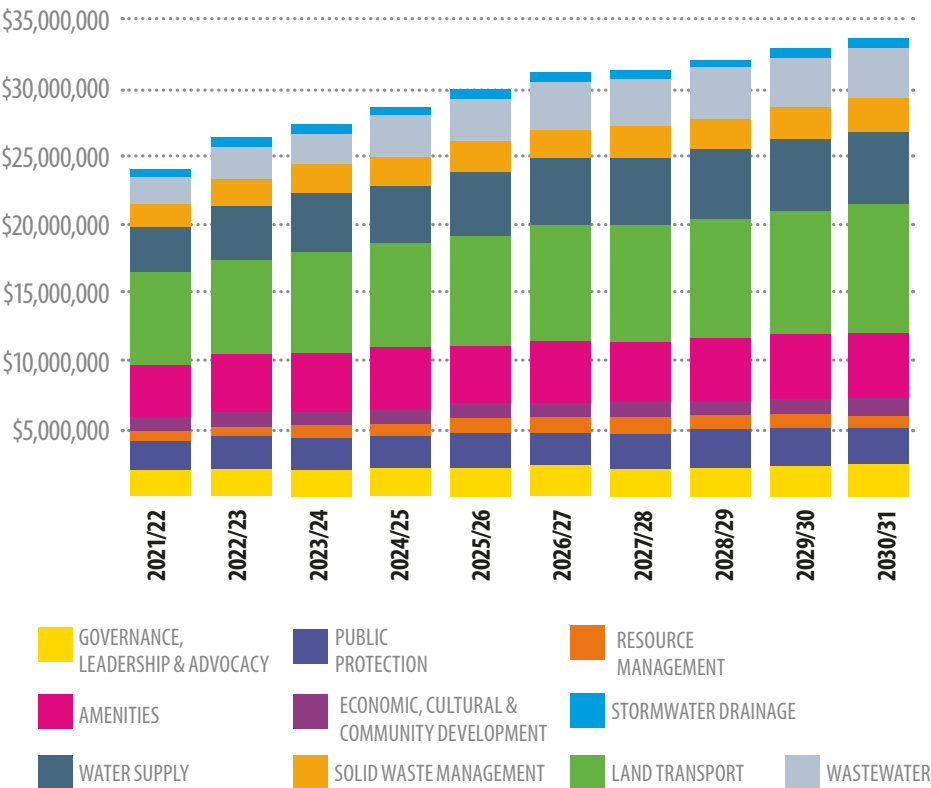
Capital expenditure

The following graph shows the breakdown of our proposed capital expenditure by activity for the 10 years of the LTP.



Operating expenditure

The following graph shows the breakdown of our operating expenditure by activity for the ten years of the LTP.





Infrastructure Strategy

TE RAUTAKI HANGAHANGA

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

The key purpose of the Infrastructure Strategy is to provide a high-level plan for maintaining the current levels of service and identifying gaps in our core infrastructures (water, wastewater, stormwater, roading and footpaths). The proposed infrastructure work programme identifies significant expenditure

concentrated on renewal work to maintain the infrastructure and levels of service, and how to fund this. The options for sourcing income (whether from rates or loans) for this work programme are discussed in more detail in the Financial Strategy Section of this document (page 11). Asset management planning has also been developed for water, wastewater and land transport providing more detailed operational plans.

Some levels of service are legislatively set and we do not

have any flexibility in what we provide. For example, the drinking water standards monitored by Department of Internal Affairs and the Ministry of Health.

We know some of our infrastructure is not performing optimally, particularly in our drinking and wastewater networks. Undertaking the necessary renewals and replacement will be a significant challenge over the LTP period. Wellington Water is prioritising this work based on criticality and age, starting with our critical assets, such as our

water treatment plants. Other assets have been prioritised based on what is known about particular asset types and its age, and investment has been forecasted accordingly.

In parallel, Wellington Water is commencing a programme of work to fully understand the condition of all our assets to provide increased certainty of future investment requirements.

We are proposing an ambitious capital programme compared to the last LTP.

There is an inherent risk that we may not be able to deliver as planned and delays may ultimately increase costs and impact levels of service.

The Council is working with its service providers to take steps to mitigate this risk, including appointing a SWDC Capex Delivery Manager, using Consultant and Contractor panels to secure capacity and undertaking an internal and external capability review to ensure the business is sized appropriately.

Drinking water

Council has invested significantly over the last two years to improve the quality of our drinking water and we are on track to be fully compliant with the New Zealand Drinking Water Standards (one remaining issue). In addition, we are in the process of increasing supply, network resilience and have reduced water losses through leaks in the network.

Since the E. coli outbreak in Martinborough, we have moved to chlorinate the water across our district and commissioned a manganese reduction plant in the town. However, the set-up of the Martinborough network is not ideal and over the course of the LTP we will be looking to establish a new water supply location for the town.

The issues we're facing in our drinking network are similar to those in our wastewater network. Breakages and leaks are becoming increasingly common and we will be increasing our operations budgets to help deal with these and also increasing our renewals to improve the condition of our network and reduce the need for expensive reactive repairs and lost water.

Wastewater

Since the last Infrastructure Strategy, Council has progressively moved the discharge of treated wastewater to land at the Greytown and Martinborough wastewater treatment plants. This will continue and increase in line with our consent and growth requirements.

The project to find a suitable treatment approach for Featherston is continuing and budget provision has been made to continue this project.

In 2020, we had overflow events

at the Martinborough wastewater treatment plant and have been upgrading plant systems to address the underlying causes of these. This work covers all wastewater treatment plants (WWTPs) in our management and investment continues into this forthcoming LTP period.

Our wastewater networks are continuing to show signs of deterioration and the issue of inflow and infiltration (I&I) continues to be an area of council focus. To address this and also deliver on our levels of service, Council is increasing maintenance budgets, renewals spend and, where deemed necessary, upgrading our network to deal with projected growth. This, and getting the best solution, and an associated consent, for the Featherston Wastewater Treatment Plant are our focus areas in wastewater.

Stormwater

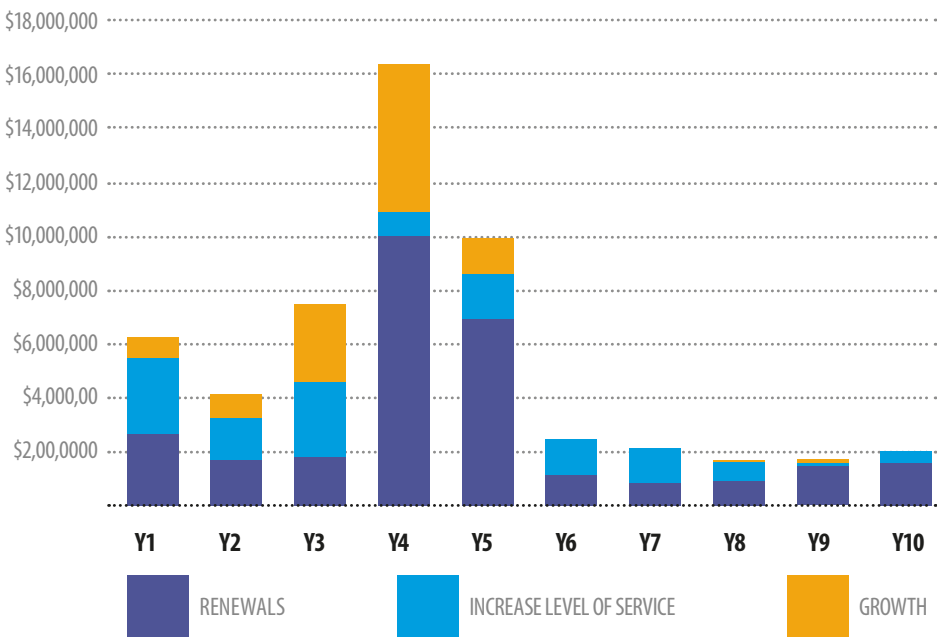
Although Council has limited stormwater networks (most are property soak away or roading infrastructure), the projections for climate change suggest we will experience more intense rainfall events. We will be developing improved plans for how we manage stormwater across the District, as well as improving the management of culverts and sumps to prevent short-term issues.

Water races

A project is currently underway to engage with users on current and future use of our two water races, Longwood and Moroa.

As we get feedback we will develop a strategy for our long-term approach, which considers community feedback and a changing regulatory environment.

Drivers for increased capital costs for three waters combined (\$)



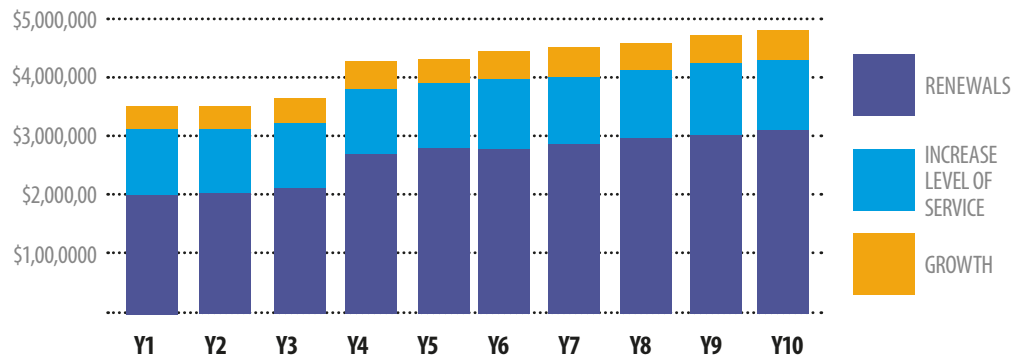
Roading

Investment in our roading network has not kept pace with commercial changes and the condition of our roads has reduced. In order to address this issue, we will increase maintenance and renewals

budgets to progressively improve the condition of our network over time. Safety is also a key issue for us to consider and we intend to invest in widening our narrow secondary collector roads, improve traffic delineation at key points and support

road safety programmes and campaigns. Our roading network is also susceptible to the impacts of climate change, which includes coastal erosion and slips. We will continue to take mitigation measures to address this issue.

Drivers for increased capital costs for roading (\$)



Amenities

Infrastructure investment is important, but so too are amenities as they support community cohesion and social wellbeing. We therefore need to continue to maintain facilities to a high standard and carry out amenity asset planning to ensure

appropriate investment decisions are made now and into the future. Enhancements to our parks and reserves will be progressively made over the first three years of the LTP. We are consulting on the development of a new play space

at the south end of Greytown using \$1 million from Council's Restricted Reserve. To assess the future community needs for parks and reserves, and other greenspaces, we intend to invest in the development of greenspaces strategy within the

term of the LTP. Council will also develop a walking and cycling strategy that encompasses trails within and around our towns and rural areas and includes the Five Town Trails Project. Recognising the important role of trees in climate change mitigation,

our community outcomes and four wellbeings, we are looking to invest further in our trees and consider them as assets that require proper asset management.

Changes to our policies

We've reviewed our key policies that support our LTP and have provided a summary of these below.

Grants policy

We want to give more certainty to community groups for activities that align well with our community outcomes and from next financial year propose to enter into partnership arrangements for multi-year or operational funding. This will also make it clear the amount of grant budget that has been allocated to such arrangements and how much contestable funds remain for other applications.

Other changes to the policy include amendments to the eligibility and assessment criteria so that we can support those causes most important to us and bringing Community Board and Māori Standing Committee grants together under the one policy.

Significance and engagement policy

Our Significance and Engagement Policy is an important document as it lets our community know

how and when they can expect to be engaged in Council's decision-making processes. We've overhauled the policy to bring it up to date and to better support good decision-making and the community's involvement in our processes.

Other policies

We've reviewed and made some minor amendments to the following policies:

- Financial and Development Contributions Policy
- Liability Management Policy
- Investment Policy
- Postponement of Rates Policy
- Remission of Rates Policy
- Remission and Postponement of Rates on Maori Freehold land.



LOOKING FOR MORE INFORMATION?
The revised policies along with all other Supporting Documents are available at: www.swdc.govt.nz/LTP-Consultation-2021-2031

Auditor's statement

Independent auditor's report on South Wairarapa District Council's consultation document for its proposed 2021 31 long term plan

I am the Auditor General's appointed auditor for South Wairarapa District Council (the Council). The Local Government Act 2002 (the Act) requires the Council to prepare a consultation document when developing its long term plan. Section 93C of the Act sets out the content requirements of the consultation document and requires an audit report on the consultation document. I have done the work for this report using the staff and resources of Audit New Zealand. We completed our report on 30 March 2021.

Opinion

In our opinion:

- the consultation document provides an effective basis for public participation in the Council's decisions about the proposed content of its 2021 31 long term plan, because it:
 - fairly represents the matters proposed for inclusion in the long term plan; and
 - identifies and explains the main issues and choices facing the Council and the District, and the consequences of those choices; and
- the information and assumptions underlying the information in the consultation document are reasonable.

Emphasis of matters

Without modifying our opinion, we draw attention to the following disclosures.

Uncertainty over three waters reforms

Page 5 outlines the Government's intention to make three waters reform decisions during 2021. The effect that the reforms may have on three waters services provided is currently uncertain because no decisions have been made. The consultation document was prepared as if these services will continue to be provided by the Council, but future decisions may result in significant changes, which would affect the information on which the consultation document has been based.

Uncertainty over Featherston waste water treatment plant

Pages 6 and 11 outline that the Council is currently operating the Featherston wastewater treatment plant under an extended resource consent while it is working to identify the best long-term solution. The Council has allocated \$16 million in the first five years of the long-term plan to provide treatment improvements to the pipe network and current treatment plant, and to progress and submit a new consent, and included nothing in its forecasts beyond the first five years. A long-term solution will cost significantly more than the \$16 million allocated in the long-term plan.

The Council plans to consult further with the community once it knows the costs of the long-term solution as this may have a significant impact on the Council's

proposed budgets and levels of service.

Uncertainty over the three waters forecasts

Page 13 outlines that the Council's forecasting for its three waters assets is based on age. Because it is not based on condition information, there is a higher degree of uncertainty about how the Council has prioritised its investment needs.

Wellington Water Limited is commencing a programme of work to fully understand the condition of all assets, which will increase certainty of future investment needs.

Uncertainty over the delivery of the capital programme

Page 13 outlines that the Council is proposing an ambitious capital programme compared to its previous long term plan. While the Council has taken steps to mitigate its risk, there is an inherent level of risk that the Council will not be able to deliver on the programme, particularly due to the substantial increase in the programme. The potential impacts of not achieving the capital programme are not meeting planned levels of service, or increased costs in the long term.

Basis of opinion

We carried out our work in accordance with the International Standard on Assurance Engagements (New Zealand) 3000 (Revised): Assurance Engagements Other Than Audits or Reviews of Historical Financial Information. In meeting the requirements of this standard, we took into account particular elements of the Auditor General's Auditing Standards and

the International Standard on Assurance Engagements 3400: The Examination of Prospective Financial Information that were consistent with those requirements.

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

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

Responsibilities of the Council and auditor

- The Council is responsible for:
- meeting all legal requirements relating to its procedures, decisions, consultation, disclosures, and other actions associated with preparing and publishing the consultation document and long term plan, whether in printed or electronic form;
 - having systems and processes in place to provide the supporting information and analysis the Council needs to be able to prepare a consultation document and long term plan that meet the purposes set out in the Act; and
 - ensuring that any forecast financial information being presented has been prepared in accordance with generally accepted accounting practice in New Zealand.

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

Independence

We have complied with the Auditor General's:

- independence and other ethical requirements, which incorporate the independence and ethical requirements of Professional and Ethical Standard 1 issued by the New Zealand Auditing and Assurance Standards Board; and
- quality control requirements, which incorporate the quality control requirements of Professional and Ethical Standard 3 (Amended) issued by the New Zealand Auditing and Assurance Standards Board.

In addition to this report on the Council's consultation document and all legally required external audits, we provide an assurance report on certain matters in respect of the Council's Debenture Trust Deed. These assignments are compatible with those independence requirements. Other than these assignments, we have no relationship with or interests in the Council.


John Whittal
Audit New Zealand
On behalf of the Auditor General
Wellington, New Zealand
AUDIT NEW ZEALAND
Mana Arotake Aotearoa



Tell us what you think

TUKUA MAI ŌU WHAKAARO

We really want to hear your thoughts. That's why we're providing multiple ways to make a submission.

Public meetings are also being held in each town during the consultation period to give you the opportunity to ask questions before making a submission.

Written submissions must be made by 5pm Friday 30 April, and must include your personal details. The submission form can be found on page 16.

Making a submission

- Online at www.swdc.govt.nz/LTP-Consultation-2021-2031
- By email, either by responding to the questions within the body of the email or with a scanned submission form, to ltp@swdc.govt.nz
- By posting the completed submission form, to Council Offices, PO Box 6, Martinborough 5741
- By dropping off the completed submission form to your local library or the Council offices at 19 Kitchener Street, Martinborough
- If you would prefer to make a verbal submission only, phone 06 306 9611 to arrange.



LOOKING FOR MORE INFORMATION?

The following Supporting Documents are available on our website at www.swdc.govt.nz/LTP-Consultation-2021-2031

- Infrastructure Strategy
- Finance Strategy
- Financial Assumptions and Statements
- Significant Activities
- Liability Management Policy
- Investment Policy
- Significance and Engagement Policy
- Grants Policy.

Important dates

- Wednesday 31 March – Consultation opens online, with print copies available in Council offices and libraries
- Wednesday 7 April – LTP Consultation Document published in Wairarapa Midweek
- Monday 12 April, 7pm – Featherston Public Meeting, ANZAC Hall
- Wednesday 14 April, 7pm – Greytown Public Meeting, WBS Room
- Thursday 15 April, 7pm – Martinborough Public Meeting, Waihinga Centre
- Friday 30 April, 5pm – Submissions close
- Tuesday 25 May – Submission hearings and deliberations
- Wednesday 26 May – Submission hearings and deliberations
- Thursday 27 May – Submission deliberations (reserve day)
- Wednesday 30 June – LTP adopted by Council
- See Spatial Plan pull-out document for dates of separate public town meetings



Feedback form

YOUR PERSONAL DETAILS

Your name and feedback will be in public documents. All other personal details will remain private

Name

Postal Address

Email

Phone

Ratepayer

- ☐ Urban
- ☐ Rural
- ☐ Commercial
- ☐ Non-ratepayer

Organisation (only if authorised to submit on behalf of an organisation, one submission per organisation)

Do you want to speak to your submission?

- ☐ YES
- ☐ NO

Which is your preferred hearing date?

- ☐ Tuesday 25 May
- ☐ Wednesday 26 May
- ☐ Either

The Privacy Act 2020 applies when we collect personal details. Any details that are collected will only be used for the purposes stated on this form. You have the right to access and correct any personal information we hold.

#1 BIG DECISION

THREE WATERS

Do you agree with the preferred option of the lower, more affordable investment package for water and wastewater renewals?
See page 6 for details. Tick one.

- ☐ Strongly agree ☐ Neutral ☐ Disagree
- ☐ Agree ☐ Strongly disagree

#2 BIG DECISION

RURAL ROADS

Do you agree with the preferred option to stop funding rural road seal extensions to minimise rate increases? (This would be reviewed in three years). See page 7 for details. Tick one.

- ☐ Strongly agree ☐ Neutral ☐ Disagree
- ☐ Agree ☐ Strongly disagree

#3 BIG DECISION

Do you agree with the preferred option to start funding footpath kerb and channel extensions in Year 1, at a current cost of \$400K per year (inflation adjusted)? See page 7 for details. Tick one.

- ☐ Strongly agree ☐ Neutral ☐ Disagree
- ☐ Agree ☐ Strongly disagree

#4 BIG DECISION

BERMS

Do you agree with the proposal to stop mowing berms in towns to minimise rate increases? See page 8 for details. Tick one.

- ☐ Strongly agree ☐ Neutral ☐ Disagree
- ☐ Agree ☐ Strongly disagree

#5 BIG DECISION

GREYTOWN PLAY SPACE

Do you agree with the proposal to develop a new Greytown play space?
See page 9 for details. Tick one.

- ☐ Strongly agree ☐ Neutral ☐ Disagree
- ☐ Agree ☐ Strongly disagree

#6 BIG DECISION

GREYTOWN RECYCLING CENTRE

Do you agree with the proposal to close down the Greytown recycling centre?
See page 9 for details. Tick one.

- ☐ Strongly agree ☐ Neutral ☐ Disagree
- ☐ Agree ☐ Strongly disagree

Other feedback for the LTP (continue on separate paper if required)