What matters most?

Have your say on the district's nine-year plan.

2025/34 Long-Term Plan Consultation document

SOUTH WAIRARAPA DISTRICT COUNCIL
Kia Reretahi Tātau

What matters most?

In July 2025, South Wairarapa District Council will publish its 2025/34 Long-Term Plan (LTP). It's an important document that outlines our services, how we maintain our district's infrastructure, our budgets and projects to make our district an even better place to live.

Before we publish the LTP, it's important we hear your views about the priorities and decisions to be made that are outlined in this consultation document. When you're reading through, keep in mind;

What is important to you regarding the options we are proposing?

Have we taken the right approach to updating our strategies and policies?

What else would you like to share with us?

This document will help you consider the challenges the district faces, our finances, and the key projects that we are planning to do. We look forward to reading and hearing your feedback.

> **"Your feedback plays a crucial role in shaping our plan and the place we call home."**

Cover photo credit @Roady

What's the process from here?

Key dates:

Public consultation | 7 March - 6 April

This opportunity gives you the chance to share your thoughts on our proposals and any other matters you think are important to the LTP.

Hearings | 16 April

Elected members will hear verbal submissions from the community.

Deliberations | 14 May

Elected members will then discuss the feedback from the community. This feedback will help them make decisions, decide on any changes and what they are going ahead with for the final LTP.

Long-Term Plan adoption | 25 June

The final 2025/34 LTP will be formally adopted at a Council meeting and take effect from 1 July 2025.

Have your say
Throughout the consultation period there will be different ways for you to provide your feedback, and we encourage you to do this in the way that suits you best.

Find out more by visiting haveyoursay.swdc.govt.nz/long-term-plan or on page 73

All figures in this document are exclusive of GST unless stated otherwise.

Contents
Rārangi upoko

What we deliver to our community

Tā mātou e kawe nei ki tō tātau hapori

South Wairarapa District Council is responsible for providing a number of services that are essential to keeping our community healthy and safe. Most of these are funded by rates or fees and charges (or a mixture of both).

If someone asked you what your rates pay for, you might think of a few things, like maintaining roads and footpaths, fixing pipes, maintaining parks and reserves, and looking after pools, sportsgrounds, and playgrounds. But there's a lot more to it than that – rates have a direct impact on how our community live, learn, work, play, do business, and socialise across our district.

Credit @Jet Productions

Key services and amenities include:

18 public toilets

4 community buildings

3 campgrounds

4 drinking water systems

884 streetlights

3 pools

63km of footpath

4 playgrounds

3 dog parks

4 wastewater systems

20+ parks and reserves

140 bridges and culverts

34 senior housing units

3 libraries

3 cemeteries

3x recycling stations

3,945 signs

667km of roading

1x transfer station

+ Emergency Management, grants, building consents, liquor licensing, dog control, town seating, noise control, food registration, urban kerbside rubbish collection, illegal dumping cleanup, planting, walking and biking tracks, community events and more...

We have a very small ratepayer base, a very large land area, a vast roading network and a large number of amenities per capita. Rates help make the South Wairarapa a fantastic place to live and help us build resiliency for the future.

Nau mai
Welcome to your 2025/34 LTP consultation document

Tēnā koutou katoa,

Preparing for consultation on the key issues for the 2025/34 Long-Term Plan (LTP) has been a complex process. As part of this plan, we have included information on three waters infrastructure to ensure transparency about the investment required for South Wairarapa over the next nine years. This also aligns with the separate consultation on Local Water Done Well, which is taking place alongside this process.

As a result of this approach, the consultation document has been issued with an Adverse Audit Opinion. This reflects a difference in perspective between the auditors and Council regarding how financial information, particularly future debt levels, is presented. However, Council firmly believes that the consultation document and supporting information are appropriate, as the auditor's concerns do not affect the first two years of the plan. Maintaining transparency with our community is a priority, and for this reason, we have chosen not to alter the information to avoid an adverse opinion.

We are pleased to present South Wairarapa District Council's proposed plan for the next nine years. South Wairarapa is a unique and vibrant district, with stunning urban, coastal and rural communities. Our vision is to ensure it remains a great place to live, and this document outlines the steps we propose to achieve that goal.

We recognise the challenges posed by an evolving economic landscape, including inflation, rising insurance costs, and the overall cost of living. These factors have influenced our decision making throughout this process. We also acknowledge that the rate increases of recent years are not sustainable, and we have carefully considered community feedback to ensure this plan reflects what matters most to residents.

In early 2024, while planning for a 2024/34 LTP, we opted to defer its adoption by a year and instead developed an Enhanced Annual Plan. This decision allowed us to better understand key factors, including the priorities of the new government, Local Water Done Well reform, and confirmation of New Zealand Transport Agency land transport funding. Since then, elected members and

council officers have engaged in extensive discussions, including 10 workshops, five detailed reviews of capital and operational budgets, and a reassessment of fees and charges.

As a result, we are confident that this plan, particularly in its first two years, strikes a balance between addressing historical underinvestment in core infrastructure, maintaining compliance with regulations, ensuring public health and safety, and keeping rates as affordable as possible.

Water reform is an important consideration for this plan, with upcoming changes shaping how water services will be delivered in South Wairarapa. At the same time this document is being consulted on, we are also seeking feedback on Local Water Done Well. The outcomes of that consultation will inform our future Water Services Delivery Plan. To maintain transparency and provide a clear understanding of the investment required, three waters information has been retained in our supporting documentation.

This plan provides the foundation for essential work in our district, with a focus on long-term stability and sustainability. Council has made significant efforts to manage operating costs while minimising the impact on rates. We are proposing a total rates revenue increase of $1.24 million (4.3%) for the 2025/26 year, based on the budgeted options presented in the consultation questions. The individual impact on ratepayers will depend on property value and infrastructure connections. A rates calculator is available on our website to help residents understand the potential effects of different options. Final decisions on rates will be made following community consultation.

We encourage you to explore this document and share your thoughts—your feedback is essential in shaping the final plan. This consultation is open until 6 April 2025, and we look forward to hearing from you before final decisions are made in May.

Ngā mihi nui,
Mayor Martin Connelly and South Wairarapa District Councillors

A glimpse at what we've been up to

He tirohanga whāiti ki ā mātou mahi

In February 2024, we chose to produce an Enhanced Annual Plan instead of our 2024/34 LTP. At the time, a new government had been formed which brought considerable unknowns for the future of water reform, and we were still in the process of understanding what our funding from New Zealand Transport Agency (NZTA) would look like. A year might not feel like a long time, but it has brought us a step closer to understanding what water service delivery could look like. We have reprioritised our roading budgets and, importantly, we've gained a thorough understanding about what the community expects of us.

Here's a snapshot of some of the work we've achieved over the past 18 months. Some of the projects are big, others are small, but they all contribute to making South Wairarapa the wonderful place we call home. We've continued to deliver on key infrastructure while navigating the changes in direction, required of us by central government. We've also made progress on key planning documents to help guide our long-term decision making.

Local Water Done Well

We investigated joint arrangement options for three waters delivery, ahead of public consultation which is underway alongside the consultation for the LTP. You will find reference to the proposal in this document but the detail on the options is part of the Local Water Done Well consultation document you can access separately. You can read more about Local Water Done Well on page 18.

Operational review

We worked through an organisational review of our workforce to make sure that we are better aligned with customer needs and service delivery to the community.

Wastewater treatment plant compliance upgrades

Preparation for the desludging of Martinborough wastewater treatment plant to bring it back to compliance is underway and expected to be completed by mid-2025.

Featherston wastewater treatment plant consent

The Featherston wastewater treatment plant consent application was publicly notified in October 2024.

Representation Review

We consulted with the community on an Initial Proposal for the Council's representation arrangement at the 2025 and 2028 local body elections.

Featherston Masterplan

The Featherston Masterplan was adopted following consultation and engagement with the local community.

Māori Ward

A Māori Ward (Te Karu o Te Ika a Māui) was established for the 2025 local body elections, with a binding poll to be held for future trienniums.

Community Wellbeing Fund

The Community Wellbeing Fund of $500,000, funded by the Department of Internal Affairs, was allocated to a range of community groups to provide projects focused on resilience and community wellbeing.

Greytown water supply secured

The Council agreed that Greytown's water supply upgrade will be in Soldiers Memorial Park, following public consultation.

The Greytown Pavilion

The Greytown Sports Pavilion in Soldier's Memorial Park was replaced with a new, custom-built facility to support the district's sporting community.

Community Fund Finder launched

We launched Fund Finder, an online tool that handpicks grants and funding specific to the needs of applicants, individuals, or groups.

Top: Hinekura roadworks
Bottom: Greytown Pavilion

Hinekura Road remediation completed

Hinekura Road was remediated and reopened in April 2024, reconnecting the Hinekura community with Martinborough.

Wairarapa Recovery Office

Emergency supplies such as water tanks, defibrillators, storage containers and resources were gifted to rural towns to support community resilience.

The Greytown Wheels Park

The design of the Greytown Wheels Park was confirmed ahead of a staged construction approach. Stage one is expected to be completed in late 2025.

Underhill Road recreation trail

A new 2.2 kilometre recreation trail was built on Underhill Road in Featherston, funded by central government's COVID-19 Infrastructure Investment Fund.

Library hours extended

The operating hours of all three libraries were extended to meet the wishes of our district's library enthusiasts.

Greytown Lands Trust Park secured

We signed a 99 year lease on the Greytown Rugby Club grounds for community use in agreement with Greytown Lands Trust and Greytown Rugby Club.

Gambling Policy and Local Alcohol Policy

We consulted with the community on both the Gambling Policy and the Local Alcohol Policy. These are consolidated bylaws across the three Wairarapa councils.

Top: Underhill cycle trail, Featherston.
Bottom: Featherston library

What we have heard

Tā mātou i rongo ai

We listen closely to what our communities tell us matters most to them, what they value and the progress they want to see. The feedback we receive from our community, whether directly or indirectly, has contributed to the planning and timing of priorities and projects for this LTP.

The following comments have all come from the community during the past year:

"If our water infrastructure continues to be underfunded then it will reduce the appeal of South Wairarapa as a great place to move to and live in and that will hamper long term growth of the district."

"We must not drop the full burden for infrastructure payments on future generations, we must all pay for the infrastructure we use through the use of responsible borrowing and repayment of both interest and principal."

"As much as I think that more should be spent than the minimum proposed, I also think that this is not the time to do it. Perhaps next year, when mortgage interest rates should have fallen, and borrowers will feel less pain, will be the time to invest more in funding water services."

"Rates should be allocated on the basis of services provided, creating an incentive for users to think about consumption."

"Strengthen the infrastructure in a reasonably affordable (and non-gold plated) manner."

"As a rural resident my main concern is roading. In particular, adequate maintenance and safety upgrades as appropriate."

"As a couple, now on a fixed income, the council needs to be very mindful of their residents who are paying the rates. This is becoming harder every year."

Community Boards told us

Community Boards are an important connection between the community and Council. When compiling this LTP, we asked them what their top three priorities are for the next nine years.

Here's what they said:

"The Park Management Plans should better reflect how parks are used by the community".

The Council has budgeted for the review of the plans as part of the LTP.

"The council should enable and encourage a greater community led approach to funding projects".

We are looking at how it can work to provide the community with greater access to external funding.

"Prioritising infrastructure such as wastewater treatment"

This is being considered in the consultation document.

Setting the scene

He whakataunga horopaki

Like many councils throughout Aotearoa New Zealand, South Wairarapa District Council has been navigating its way through an uncertain time.

Since setting our last LTP in 2021, the environment which we operate in has shifted significantly. Like you at home, Councils are affected by inflation, increases in insurance, and cost of borrowing. All of which result in an increased cost to delivering our services, which puts significant pressure on affordability for our communities. We're also facing legislative demands and reforms that are outside of our control, historic underinvestment in infrastructure with substantial effects on growth,
and a changing climate.

It's important that the LTP considers the challenges ahead so that we can budget realistically and achieve what we set out to do.

We have a growing population, with a demographic shift

The current population of South Wairarapa is just over 11,800. We have seen a growth rate of 11.7% from the 2018 census population count to the 2023 census count (a higher rate than the average population growth of New Zealand at 6.3%). Featherston has been identified as a Growth Node in the South Wairarapa Spatial Plan, and is expected to have greater diversity in youth and ethnicity going forward. This level of growth in our region puts pressure on our supply of houses and infrastructure, such as water pipes and roads.

How we're responding
The Featherston Masterplan is an example of how the council is preparing for future growth. When planning for the long-term, we are also exploring extending the timing over the life of a project to spread the cost evenly across a longer period of time, reducing the impact on our balance sheet and ratepayers.

Financial contributions ensure that any adverse effects from subdivision and development on the environment or on community resources are minimised. This includes offsetting adverse effects with a contribution toward environmental improvements. Find out more about these on page70.

A difficult economic environment

We know our community is facing increasing cost burdens that impact day to day living, and that increased unemployment, especially in Wellington will have an effect in South Wairarapa given our close proximity. Council has also been faced with economic pressures of higher inflation (it now costs us more money to provide the same level of service), higher cost of borrowing due to interest rates, increasing insurance costs, and higher construction and resourcing costs. We need to balance the community needs and aspirations, service realities and the community's willingness and ability to pay. Simply put – we are just like everyone else, facing rising costs and the need to balance our budget.

> **How we're responding**
> We are carefully considering the rating impact on our community who are affected by the rising cost of living. This means reviewing project budgets and working hard to find savings in our operational costs.
> We are 'smoothing out' the rates we collect for our operating projects budget across the nine-year plan. This will help make rates increases more predictable and steadier over time. Read more about this on page 54.
>
> A number of our functions have shared services across the other two Wairarapa Councils. This includes libraries, emergency management and roading, along with some policy and strategy roles where we have common goals. This allows the expertise and funding of the roles to be spread across each council.

Did you know

An Infometrics report analysing increases in local government costs across New Zealand found that cumulative inflation since 2020 was more than 25% across the capital costs that local government invests in.

The difference between actual and anticipated cost escalation over the last three years is around 20%.

Between 2020 – 2023, bridges became **38% more expensive** to build, and sewerage systems **30% more expensive**. Roads and water supply systems were around **27% more expensive.***

** Analysing increases in local government costs for Local Government New Zealand. Infometrics Report, February 2024*

Looking after ageing infrastructure

We are dealing with the consequences of historic underinvestment in our infrastructure which is now aged and affecting our towns' growth. This means our water and wastewater services, and our roading network are in the spotlight with high levels of investment required.

> **How we're responding**
> For this LTP, we're maintaining our previous increased investment in infrastructure, with future increases where it is prudent to do so. This work is essential for building strong foundations for our future and most of our investment now goes towards water and roading. However, we still have a significantly deferred work programme which will need to be dealt with in years beyond this nine-year plan. After our Low Cost Low Risk (LCLR) roading subsidy funding was declined last year, we are proposing to fund the full capital work programme of works to improve the roading network resilience and connectivity. Find out more about this on page 50. Our Infrastructure Strategy outlines our plans to address this. Find out more about this on page 56.

Legislative demands from central government

In recent years, the world has entered a period of political instability and uncertainty. Political change is a strong theme at both central and local elections. The change in government in 2023 has resulted in a dramatic change in government direction with large-scale public sector job cuts and rapid legislative changes. This change includes LWDWl, Māori Wards, roading and changes coming to the Resource Management Act. These legislative changes continue to add complexity and uncertainty for councils and add costs through resourcing and additional workload.

> **How we're responding**
> As central government continues to reset the role of local government, Council will need to work more adaptively to respond to legislative changes. The focus on "core" services plays a large part in this LTP with a strong focus on roading and waters. We will continue to advocate for our communities by actively engaging with central government to bring attention to the pressures that we face.

Hinekura Road remediation

Changing weather patterns

Communities around the country are feeling the impact of adverse weather events. Our rural and coastal communities are especially vulnerable to the effects of these. As well as more severe weather, a changing climate means potential for more droughts and heavy rainfall for the district as temperatures change, creating pressure on our communities living and working in South Wairarapa, impacting our infrastructure and assets. It also influences our need for access to a regular. and consistent supply of water.

> **How we're responding**
> Grants from the Community Boards and the Māori Standing Community have supported community environmental work at the Ruamahanga River and the Wairarapa Moana to improve the natural environment and help with future flood protection. The council is also upskilling its staff in emergency management alongside the Wellington Regional Emergency Management Office (WREMO) to empower communities to be emergency prepared though initiatives such as Community Emergency Hub events.

Did you know

Nationally, **interest payments** by councils topped $1.3b in the September 2023 year, **up 64%** on pre pandemic payments. Nationally, these payments now equate to **8.8% of operating income**.

In the past five years, South Wairarapa District Council's **insurance costs have increased 159%**. Where we paid $348,395 in 2020, we paid $901,312 for 2024.

Local Water Done Well

Water service providers face significant challenges in delivering drinking water, wastewater and stormwater services in New Zealand. We need to work together to ensure that water infrastructure is developed, maintained and operated for the long-term benefit of consumers.

Local Water Done Well (LWDW) is the central government's plan to address New Zealand's water infrastructure challenges. The provision of reliable and safe water services to communities will be done within a new regulatory framework, focused on meeting economic, environmental and water quality needs.

New regulations are being put in place that will require water service organisations to generate sufficient revenue to meet the costs of delivering water services (financially sustainable), are separate from other Council activity (ring-fenced), meet new standards, and protect the ownership of water services assets against privatisation.

The legislation allows for and effectively encourages the development of Council-Controlled Organisations (CCOs) as potential models to enhance access to funding and operational efficiency, ensuring resilience and compliance with stricter regulations. The legislation will address economic regulation and pricing standards for water services.

The programme we have included in our supporting documents shows the level of capital investment required in the coming years as this represents our existing approach. Under current arrangements, the plan to meet our strategic responses is unaffordable and either a single or multi CCO will be the future for this Council.

On 13 November 2024, the Council approved further work on the development of the Wairarapa and Tararua Water Services Delivery Plan (WSDP) option for consultation alongside our existing approach.

Work on the proposal for LWDW has been developed in parallel to the LTP, so this document provides supporting information on water services for the whole nine year period. To understand how this might affect you in the future, please connect with our Local Water Done Well consultation that is open alongside this process. The feedback from that consultation will inform Council's decision on the future of how water, wastewater, and stormwater services will be operated in South Wairarapa. Our existing approach, until adoption of a WSDP in September 2025, continues to be that we would work with a delivery partner to operate and develop our water, wastewater, and stormwater services.

The big decisions
Ngā whiringa nui

We need your help with some important decisions we have to make.

The ultimate decision on which option elected members choose for each issue will be informed by your feedback. Your thoughts matter, so take a moment to have your say on six questions across three key topics:

1 Alternate ways to distribute rates
page 20

2 Operating our water network
page 39

3 Prioritising our roading improvements
page 50

This section includes proposals that we want your feedback on, and each one has a set of options which include the financial impact. The online form is the quickest and easiest way to make a submission.

Visit our website to calculate your estimated rates for the 2025/26 year.

You'll find a handy glossary at the end of this document to explain some technical language and concepts that are included in the following decisions.

Decision area one

Alternate ways to distribute rates

Ngā mōmō ara toha rēti

When we make decisions about the activities and services we provide, we consider how they align with our strategic priorities. Equally important is deciding how to pay for these activities and services, and the impact these decisions have the community.

While we work hard to minimise costs to our community, some expenses are unavoidable. For example, local councils face high insurance premiums due to the significant risks associated with maintaining public infrastructure and services. By joining forces with other councils, we gain greater buying power, allowing us to negotiate better rates and save money on insurance.

We also seek funding from Central Government, private groups, and individuals where possible, to reduce the pressure on rates. For example, we receive large subsidies from the New Zealand Transport Agency (NZTA) for our local roads, and we also receive grants for some projects. Inevitably though, most of the cost of our services falls on ratepayers, and we must decide the fairest way to spread that cost.

Top: Featherston pool
Bottom: Pedestrian lighting upgrades

To fund the activities and services we provide, we use a mix of General Rates, Targeted Rates, and User Charges. This combination is designed to distribute costs in a way we believe is fair. When deciding how to allocate costs, we consider who could benefit from an activity or service. For example:

- **When an individual benefits**, we tend to use **fees or charges**. For instance, rubbish bag fees are purchased directly by households that use them, as they benefit specifically from this service.
- **When the general community as a whole benefits**, we often use a **General Rate** (based on Capital Valuation) and a Uniform Annual General Charge (spreading costs evenly across all ratepayers). Emergency Management and preparedness is a good example, as everyone in the community benefits from a resilient district.
- **When a specific community benefits**, we typically use a **Targeted Rate**. For example, water services are funded through Targeted Rates that are only paid by those connected to (or able to connect to) the water network.

Proposed changes to our funding mixes

Sometimes, if the cost of the service is spread across too few ratepayers, it can create an excessive financial burden on them. To address this, we periodically review how costs are distributed and adjust our funding mix where necessary. In June 2024, we made significant changes to our rating methodologies to better align with the needs of our community. Since then, we've continued to listen to your feedback and have been exploring additional ways to ensure the funding burden is distributed more fairly across all ratepayers. Your input remains vital to shape these improvements and we want your feedback on the proposed changes.

What we're proposing is outlined in the following questions, along with the reasons behind them. Importantly, none of the options under each rating tool will affect the total amount of rates revenue we collect, the level of service provided, or increase council debt. They will merely determine the "slice" of the pie charged to each customer.

Read our rates explainer on page 79

None of the options presented in the following four questions have an impact on debt or levels of service.

1

Question 1

Should we adjust the level of uniform charges?

Rates are charged either based on fixed amounts (uniform charges), or as a rate on every dollar of property value (value based rates).

- **Uniform charges** are the same fixed amount, regardless of the value of the property.
- **Value based rates** are calculated based on the value of the property. Higher value properties pay more of these rates, and lower value properties pay less.

Most councils across New Zealand use a mixture of these types of rates to get a balance, and there's a legal cap on the proportion of total rates that can be charged as uniform charges (excluding those levied for water and wastewater) of 30% of a council's total rates revenue[1].

We currently fund 21% of total rates revenue through uniform charges, set as a fixed amount per property or Separately Used or Inhabitable Part (SUIP) of a property. Our uniform charges that are included in the 30% cap are;

- Uniform Annual General Charge
- Roading Uniform Charge
- Refuse & Recycling Charge

The Water Supply Charge and the Wastewater Charge are excluded from the 30% cap.

When the proportion of uniform charges is lower, it affects low value and high value properties differently. For higher value properties, uniform charges make up a smaller proportion of the overall rates as the rest is calculated on the property's value. For lower value properties, uniform charges make up a larger proportion of the overall rates as the property's value on which the remaining rates are calculated is lower. This means that changes to uniform charges impacts lower value properties more than higher value properties.

[1]*Section 21 of the Local Government (Rating) Act 2002.*

In 2024/25, council moved to rating on capital value instead of land value for value based rates. Some ratepayers feel that this change disproportionately affected those properties with a higher capital value. Feedback suggested that our proportion of uniform rates should be increased, closer to the 30% cap to ensure that those with higher value properties are not disproportionately affected. We propose increasing the proportion of uniform rates to 28%, which remains within the legal cap but is closer to the maximum allowed, to try to rebalance the distribution of rates within the community.

1 Option 1

Increase the uniform charges to 28% of total rates

This is the option we think works best

This option would increase the uniform charges from 21% to 28%, reducing the reliance on property values on rates.

Under this option, the uniform charges would have a larger impact on lower value properties as they make up a larger proportion of the property's rates than they do for higher value properties. It would also have a bigger impact on properties with more than one SUIP, as uniform charges are applied to each rateable SUIP.

Centennial and Considine Park, Martinborough

Option 2

2 Maintain the current level of uniform charges at 21% of total rates

This approach would maintain the uniform charges at 21% and continue to place greater emphasis on rates based on property value, with a larger impact felt by those properties with a higher capital value.

Estimated rates for each option

Neither of these options have an impact on debt or levels of service.

Using real examples of properties with capital value of **$500,000**, this would mean:		
	Option 1 28%	**Option 2** 21%
Uniform Annual General Charge	$792	$469
Roading Charge	$162	$162
Refuse & Recycling Charge	$522	$522
Total uniform charges*	**$1,476**	**$1,153**
General Rate	$35	$188
Total uniform charges plus General Rate	**$1,511**	**$1,341**

*Note - above figures are inclusive of GST. * For properties with more than one SUIP, the uniform charges for each additional SUIP would be $1,476 under Option 1, or $1,153 under Option 2.*

Using real examples of properties with capital value of **$1,000,000**, this would mean:		
	Option 1 28%	**Option 2** 21%
Uniform Annual General Charge	$792	$469
Roading Charge	$162	$162
Refuse & Recycling Charge	$522	$522
Total uniform charges*	**$1,476**	**$1,153**
General Rate	$70	$375
Total uniform charges plus General Rate	**$1,546**	**$1,528**

*Note - all figures are inclusive of GST. * For properties with more than one SUIP, the uniform charges for each additional SUIP would be $1,476 under Option 1, or $1,153 under Option 2.*

Using real examples of properties with capital value of **$3,300,000**, this would mean:		
	Option 1 28%	**Option 2** 21%
Uniform Annual General Charge	$792	$469
Roading Charge	$162	$162
Refuse & Recycling Charge	$522	$522
Total uniform charges*	**$1,476**	**$1,153**
General Rate	$232	$1,238
Total uniform charges plus General Rate	**$1,708**	**$2,391**

*Note - above figures are inclusive of GST. * For properties with more than one SUIP, the uniform charges for each additional SUIP would be $1,476 under Option 1, or $1,153 under Option 2.*

The option we think works best

We think **option one** works best as increasing the UAGC helps balance the proportion of fixed rates for both high value and low value properties and will help lessen the rate burden for some of the higher value properties that were disproportionately affected with the change to capital value. Council is trying to take a more balanced and equal approach to everyone that pays rates.

"Council is trying to take a more balanced and equal approach to everyone that pays rates."

Have your say

Do you think we should increase uniform rates to lessen the burden on higher value properties?

Tell us what matters most at haveyoursay.swdc.govt.nz/long-term-plan

2

Question 2

Should people who live closer to our towns contribute a higher share of funding the services and facilities in the towns?

Facilities and services that are not funded through Targeted Rates are funded through General Rates, which are rated using the same methodology across the whole district.

General Rates are made up of:

› A Uniform Annual Charge (UAGC) per Separately Used or Inhabited Part of a property (SUIP).

› A General Rate calculated as a rate per dollar of the property's capital value.

We have received feedback from ratepayers with properties further away from the three main towns of Featherston, Greytown and Martinborough, indicating that they benefit less from the services and facilities that are based in the three towns, which are funded through General Rates.

The facilities and services identified as being less utilised by those who live further from the towns are:

› Community buildings

› Libraries

› Parks and reserves

› Swimming pools

› Public toilets

› Resource management ("Planning")

› Animal control and bylaws

In the 2025/26 year the total rates required to fund these activities is $6.50m, with an average of $7.70m over the remaining years of the LTP.

We've considered this feedback and feel it is reasonable to assume that those who live in closer proximity to one of the three towns could benefit more from the facilities and services provided. We propose introducing a Targeted Rate that would see those who live closer to the town centres contribute a higher portion towards funding these facilities and services.

1

Option 1

Introduce a new Targeted Rate to fund town-based facilities and services

This is the option we think works best

This Targeted Rate, called the District Services Rate, would be introduced and allocate costs for the above facilities and services based on proximity to the three main town centres.

Properties within 10km of Featherston, Greytown or Martinborough town centres would collectively pay 80% of the cost of these activities.

6,319 properties

This is **6,319 properties**, which is **85%** of the district's rateable properties.

The capital value of these properties is **$6.4billion**, or **80%** of the rateable capital value in the district.

Properties further than 10km from all three town centres would collectively pay the remaining 20% of the cost of these activities.

1,097 properties

This is **1,097 properties**, which is **15%** of the district's rateable properties.

The capital value of these properties is **$1.6 billion**, or **20%** of the rateable capital value in the district.

The rate would be calculated as an amount per dollar of the property's capital value, with higher rates applied to properties within 10km of the town centres, to reflect the increased accessibility to the benefits of those activities.

Changing the funding of these activities from General Rates to a Targeted Rate wouldn't increase the total amount of rates collected by Council as a whole. It would simply changes how the cost of the activities listed is allocated between groups of ratepayers. The General Rates would be reduced by the same amount now covered by the Targeted Rate, so the overall total remains the same.

Why 10km from town centres?

Under New Zealand's local government rating legislation, councils must provide clear and transparent criteria for how rates are applied to different properties. When using location as a factor to differentiate rates, it's essential to define boundaries to ensure fairness, consistency, and compliance with the law.

It's not practical to calculate rates for each property based on its exact distance from a town. Instead, we've set a clear boundary: properties within 10km as the crow flies of the Waihinga Centre in Martinborough, Anzac Hall in Featherston or the Town Hall in Greytown. This ensures all ratepayers within this area are treated equally, aligns with legal requirements, and provides a fair and consistent way of managing rates.

The 10km boundary is a reasonable distance for residents to drive to access facilities and services in these towns. It strikes a practical balance by including properties that directly benefit from being closer to these amenities while keeping the system fair and straightforward.

Find out if your property is within the 10km radius by visiting haveyoursay.swdc.govt.nz/long-term-plan

2 Option 2
Continue with the current funding approach

This option would continue with the current approach of funding town based facilities and services equally through General Rates, regardless of how close the property is to the towns.

This approach means that every property owner contributes to the funding of council services and facilities at the same level as they do now.

The use of General Rates to fund these activities does not account for the varying accessibility of services and facilities to different areas. Remote parts of the district might not benefit as much from services like libraries, parks, and community buildings, yet the ratepayers still contribute in the same way to the funding of those activities through General Rates.

Estimated rates for each option

Neither of these options have an impact on debt or levels of service.

Using real examples of properties with capital value of **$500,000**, this would mean:			
		Option 1 District Services Rate	**Option 2** General Rates (existing)
Properties within 10km of town centres	Uniform Annual General Charge	$792	$792
	General Rate	$35	$508
	District Services	$474	-
	Total	**$1,301**	**$1,300**
Properties further than 10km of town centres	Uniform Annual General Charge	$792	$792
	General Rate	$35	$508
	District Services Rate	$465	-
	Total	**$1,292**	**$1,300**

Note - above figures are inclusive of GST. For properties with more than one SUIP the uniform charges for each additional SUIP would be $792 for the UAGC.

Using real examples of properties with capital value of **$1,000,000**, this would mean:			
		Option 1 District Services Rate	**Option 2** General Rates (existing)
Properties within 10km of town centres	Uniform Annual General Charge	$792	$792
	General Rate	$70	$1,017
	District Services	$949	-
	Total	**$1,811**	**$1,809**
Properties further than 10km of town centres	Uniform Annual General Charge	$792	$792
	General Rate	$70	$1,017
	District Services Rate	$930	-
	Total	**$1,792**	**$1,809**

Note - above figures are inclusive of GST. For properties with more than one SUIP, the uniform charges for each additional SUIP would be $792 for the UAGC.

The option we think works best

We think **option one** works best because a Targeted Rate considers that remote parts of the district may have less access to services and facilities like libraries, parks, and community buildings in our three main towns. Those who live in closer proximity to them are likely to benefit more.

> **Those who live in closer proximity to them are likely to benefit more.**

Have your say

Do you think properties closer to the three towns should pay more for services and facilities in those towns?

Tell us what matters most at haveyoursay.swdc.govt.nz/long-term-plan

Estimated rates for options under questions one and two combined

Because questions one and two are closely linked, the following tables show the impact of all four options under each question.

Property within 10km of town centres with a capital value of **$500,000**				
	28% Uniform Charges		21% Uniform Charges	
	District Services Rate	General Rates only	District Services Rate	General Rates only
Uniform Annual General Charge	$792	$792	$469	$469
Roading Charge	$162	$162	$162	$162
Refuse & Recycling Charge	$522	$522	$522	$522
Total uniform charges	**$1,476**	**$1,476**	**$1,153**	**$1,153**
General Rate	$35	$508	$188	$661
District Services Rate	$474	-	$474	-
Total uniform charges plus General and District Services rates	**$1,986**	**$1,984**	**$1,815**	**$1,814**

Note - above figures are inclusive of GST. For properties with more than one SUIP, the uniform charges for each additional SUIP would be $1,476 under 28% Uniform Charges, or $1,153 under 21% Uniform Charges.

Property further than 10km from town centres with a capital value of **$500,000**				
	28% Uniform Charges		21% Uniform Charges	
	District Services Rate	General Rates only	District Services Rate	General Rates only
Uniform Annual General Charge	$792	$792	$469	$469
Roading Charge	$162	$162	$162	$162
Refuse & Recycling Charge	$522	$522	$522	$522
Total uniform charges	**$1,476**	**$1,476**	**$1,153**	**$1,153**
General Rate	$35	$508	$188	$661
District Services Rate	$465	-	$465	-
Total uniform charges plus General and District Services rates	**$1,977**	**$1,984**	**$1,806**	**$1,814**

Note - above figures are inclusive of GST. For properties with more than one SUIP, the uniform charges for each additional SUIP would be $1,476 under 28% Uniform Charges, or $1,153 under 21% Uniform Charges.

Property within 10km of town centres with a capital value of **$1,050,000**				
	28% Uniform Charges		21% Uniform Charges	
	District Services Rate	General Rates only	District Services Rate	General Rates only
Uniform Annual General Charge	$792	$792	$469	$469
Roading Charge	$162	$162	$162	$162
Refuse & Recycling Charge	$522	$522	$522	$522
Total uniform charges	**$1,476**	**$1,476**	**$1,153**	**$1,153**
General Rate	$74	$1,068	$394	$1,388
District Services Rate	$996	-	$996	-
Total uniform charges plus General and District Services rates	**$2,546**	**$2,544**	**$2,543**	**$2,541**

Note - above figures are inclusive of GST. For properties with more than one SUIP, the uniform charges for each additional SUIP would be $1,476 under 28% Uniform Charges, or $1,153 under 21% Uniform Charges.

Property further than 10km from town centres with a capital value of **$1,050,000**				
	28% Uniform Charges		21% Uniform Charges	
	District Services Rate	General Rates only	District Services Rate	General Rates only
Uniform Annual General Charge	$792	$792	$469	$469
Roading Charge	$162	$162	$162	$162
Refuse & Recycling Charge	$522	$522	$522	$522
Total uniform charges	**$1,476**	**$1,476**	**$1,153**	**$1,153**
General Rate	$74	$1,068	$394	$1,388
District Services Rate	$977	-	$977	-
Total uniform charges plus General and District Services rates	**$2,527**	**$2,544**	**$2,524**	**$2,541**

Note - above figures are inclusive of GST. For properties with more than one SUIP, the uniform charges for each additional SUIP would be $1,476 under 28% Uniform Charges, or $1,153 under 21% Uniform Charges.

3

Question 3

How should we define Separately Used or Inhabitable Parts (SUIPs)?

Council applies some uniform charges (Uniform Annual General Charge, Roading Charge, Water Supply, and Wastewater) to each Separately Used or Inhabited Part (SUIP) of a property, rather than charging one flat rate per rating unit (the entire property). This reflects the fact that properties with multiple uses or occupancies (e.g. rental units, flats, or businesses) typically have more impact on council services, such as the water and roading networks, than single use properties.

SUIPs have been used as a basis for calculating rates for many years where water supply and wastewater (directly or indirectly connected) rates were charged. From the 2024/25 year, the Uniform Annual General Charge and Uniform Roading Charge were also switched to being charged per SUIP.

We currently use a broad definition of what a SUIP is and have remissions available for certain circumstances that can remove the charge for secondary SUIPs if the application meets the remission criteria.

We have heard from some people that this system of charging all SUIPs and then asking the ratepayer to apply for a remission is confusing and difficult and doesn't cover all circumstances, such as essential workers for horticultural properties. To address this, we have reviewed the definition of a SUIP and propose to add exclusions which would mean that the additional SUIPs aren't each charged uniform charges in the first place, thus removing the need for those remissions sections in the policy.

1

Option 1

Refine the definition by adding exclusions

This is the option we think works best

This option would clarify the SUIP definition by adding explicit exclusions for certain circumstances, such as dwellings occupied by dependent family, or buildings used for recreation purposes (e.g. home gyms, or hobby studios) if they aren't run as businesses.

A clearer definition could make it easier for ratepayers to understand what a SUIP is and isn't, and to avoid the need to apply for remissions in many cases. Ratepayers will need to declare how the building is used if it meets this criteria, and if the use changes, they need to let us know.

Proposed definition:
A Separately Used, or Inhabitable Part (SUIP) includes any portion inhabitable or used by the owner or a person other than the owner who has the right to use or inhabit that portion by virtue of a tenancy, lease, licence, or other agreement.

A SUIP includes separately used parts, whether or not actually occupied at any particular time, which are used by the owner for rental (or other form of occupation) on an occasional or long-term basis by someone other than the owner.

A rating unit that has a single use or occupation is treated as one Separately Used or Inhabitable Part.

New part of the definition

A SUIP does not include buildings that are predominantly or solely used:

- For occupation by dependent family members who are paying nominal or no rent.
- By the owner for recreational, hobby, or leisure activities, that are not for the purpose of providing income.
- For occupation by workers essential to the operation of the commercial, agricultural, or horticultural business that are the main use of the property.

By making these changes the following remissions in the Remissions Policies would be rescinded as they would no longer be needed:

- 4.5 Remission of Uniform Annual General Charge, and Uniform Targeted Rates on Residential Properties in Certain Circumstances
- 4.6 Remission of Uniform Annual General Charge, and Uniform Targeted Rates on Retail Properties in Certain Circumstances
- 4.7 Remission of Uniform Annual General Charge, and Uniform Targeted Rates on Pastoral and Dairying Properties in Certain Circumstances

Read the draft Rate Relief Policies in our supporting documents.

2

Option 2

Keep the current definition with remissions

This option would maintain the current definition of a SUIP as it can provide flexibility, however it can also be complex for ratepayers to understand and take time to apply for remission.

Ratepayers who believe their situation doesn't warrant additional SUIP charges (e.g. unoccupied units, units used for family purposes, additional buildings used for housing workers on farms) can apply for rates remissions. This may involve administrative challenges and a lack of upfront clarity.

The existing Remissions Policy would be retained, where ratepayers that meet the remission criteria must apply each year for their remission.

Current definition:
A SUIP includes any portion inhabitable or used by the owner or a person other than the owner who has the right to use or inhabit that portion by virtue of a tenancy, lease, license, or other agreement.

It includes separately used parts, whether or not actually occupied at any particular time, which are used by the owner for rental (or other form of occupation) on an occasional or long term basis by someone other than the owner. A rating unit that has a single use or occupation is treated as having one Separately Used or Inhabitable Part.

Identification of "dwellings" is taken from the nature of improvements provided by Quotable Value (Council's Valuation Service Provider) and includes but is not limited to dwelling, granny flat, bach, cottage, flat. Further clarification can be sought from QV on studio, sleepout or others if required.

The option we think works best
We think **option one** works best because it is a clearer definition and we believe it will make it easier for ratepayers to understand what a SUIP is and isn't, and to avoid the need to apply for remissions in most cases.

4 Question 4

Should we change the Refuse & Recycling Charge back to per rating unit instead of per Separately Used Inhabitable Part of a property?

The Refuse & Recycling Charge is a targeted rate that is charged per Separately Used or Inhabited Part (SUIP) of a property. This means there is an additional charge for every subsequent SUIP (e.g. rental units, flats, or businesses) regardless of the number of bins the property may have.

The Refuse & Recycling Charge is charged per SUIP based on the premise that the additional home, business or separately used part of the property generates additional refuse and recycling. The rate covers weekly collection and processing of recycling, part of our refuse collection and disposal, and part of running our transfer stations. The additional funding comes from user pays rubbish bags, charges to dispose of refuse at the transfer stations, and government levies.

Overwhelming feedback from ratepayers, however, has noted that they feel they don't receive any extra services despite paying rates for their secondary bins which remain unutilised, managing with a single bin each for general recycling and glass collection.

We propose to return the Refuse & Recycling Charge to being based on the rating unit, with an additional charge for those who require an extra general recycling and glass bin.

1 Option 1

Charge the Refuse & Recycling Charge per rating unit

This is the option we think works best

This option would see the Refuse & Recycling Charge structured by:

- **A charge for every property (rating unit)** to cover refuse and recycling services.
- **An extra charge for additional recycling bins and collection** if the property needs more than the standard bin and collection allocation per rating unit.
- **A fee for rubbish bags** would still apply.

Under this option, all properties would pay the same Refuse & Recycling Charge regardless of how many homes or businesses are on the property, with an extra charge only if extra bins are required.

The overall amount of revenue required to fund refuse and recycling services for our district does not decrease, so an implication of moving to rating unit would reduce the number of units over which the charges are calculated. This would mean an increase in the rate charged per unit.

2 Option 2
Continue to charge the Refuse & Recycling Charge per SUIP

This option would continue to apply the Refuse & Recycling Charge for each SUIP, regardless of whether the service is required. This is structured by:

- **A charge for every SUIP such as a home, shop, or separately rented unit** on a property.
- **An extra charge for additional recycling bins and collection** still applies, if requested over the number of SUIPs on a property.
- **A fee for rubbish bags** would still apply.

Estimated rates for each option

Neither of these options have an impact on debt or levels of service

	Cost	Description	Impact on rates
Option 1	No impact	Charge Refuse & Recycling Charge based on rating unit	Estimated annual Refuse & Recycling Charge would be $522 per rating unit and for each additional set of recycling bins requested
Option 2	No impact	Charge Refuse & Recycling Charge based on SUIP	Estimated annual Refuse & Recycling Charge would be $508 per SUIP

Note - all figures are inclusive of GST.

The option we think works best

We think **option one** works best because it addresses feedback from ratepayers who felt they were paying more without receiving extra services.

Other changes to rating policies

Remission of Rates on land protected for natural, historical or cultural conservation purposes

We have made minor wording changes to the Remission Policy for land protected for natural, historical, or cultural conservation purposes. These changes clarify that the policy applies to bare land, not heritage buildings. Additionally, the types of conservation agreements that qualify for this remission have been listed to provide greater clarity for ratepayers considering applying. This ensures the policy is easier to understand and more transparent for everyone.

Remission of Rates for new subdivisions

There is a criteria for remission of uniform charges in our policy that provides rates relief to new subdivisions that have not yet been developed, unless capacity in council infrastructure causes delay in ability to develop. We have added a time limit of the three financial years following issuance of the 224c certificate to new subdivisions. This change aims to discourage land banking, where land is held without development, and to encourage the timely development of subdivided land. By imposing this time limit, the Council hopes to promote the efficient use of land, ensuring that subdivided properties are developed and utilised, contributing to the community and local economy.

Cape Palliser. Photo credit @Roady

Decision area two

Operating our water network

Te whakahaere i tō tātau pūnaha wai

With ageing infrastructure and competing priorities being front of mind for our community, it is important we get your feedback on our plans for water services.

South Wairarapa is a large district with a small population spread across coastal settlements, rural inland areas and our three main towns. This means our infrastructure is multiplied throughout the district as opposed to metro areas where services tend to be centralised into one large asset.

Water is our largest infrastructural cost and paying for the operation of these services is our biggest challenge and has the largest impact on rates increases. This puts a lot of pressure on the council to account for how we pay for infrastructure that meets drinking water, wastewater and stormwater standards and prepares for future growth. We have nearly 12,000 people living in South Wairarapa, and we need to account for:

- Four water supply systems in Martinborough, Featherston, Greytown and Pirinoa.
- Four wastewater systems in Martinborough, Featherston, Greytown and Lake Ferry.
- Stormwater systems in our urban towns.
- Two water races to supply drinking water for stock.

We pay for day to day operation and maintenance of water assets through rates, as part of the operational budget. We have legal obligations to meet the standards in the Water Services Act 2021, and to monitor and comply with the conditions of any resource consents we have in place to operate these assets. Paying for delivery of safe, compliant, and reliable water services is a bottom line for our health and environmental obligations.

We know that improving our three waters network is a top priority for the community. While the network is a core service for the Council to deliver, it does not always perform as required due to its age and underinvestment issues.

We know that:

- A significant portion of water pipes need to be replaced within the next five years, with further renewals required between the next 10 to 20 years.
- Investment in water assets has increased significantly over the years, however the backlog of leaks, both public and private, remains.
- Wastewater treatment plants in Martinborough and Greytown are at capacity, which is impacting growth in both towns.

Tauwharenīkau river. Photo credit @Roady

Who does this impact?

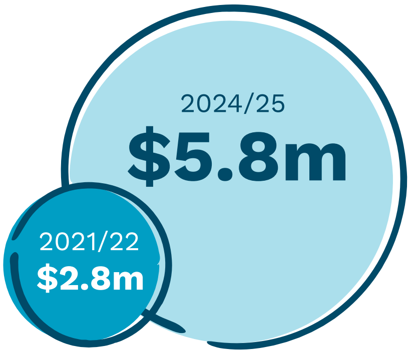
Drinking water, wastewater, stormwater, and water races are paid for by Targeted Rates. If you are not connected to (or cannot be connected to) the network, **this will not impact you**.

Question 5

How much should we spend on operating and maintaining our water network?

Council owns and pays for the upgrade, operation, and replacement of our water assets, and Wellington Water Limited manages them on our behalf. With LWDW on the horizon, we are asking you how much we should spend on operating water services for the year ahead. Wellington Water has provided options about how we could invest in our network.

Since 2021/22, the annual operational budget for water Supply, wastewater, and stormwater has increased significantly from $2.80m in 2021/22 to $5.80m in 2024/25.



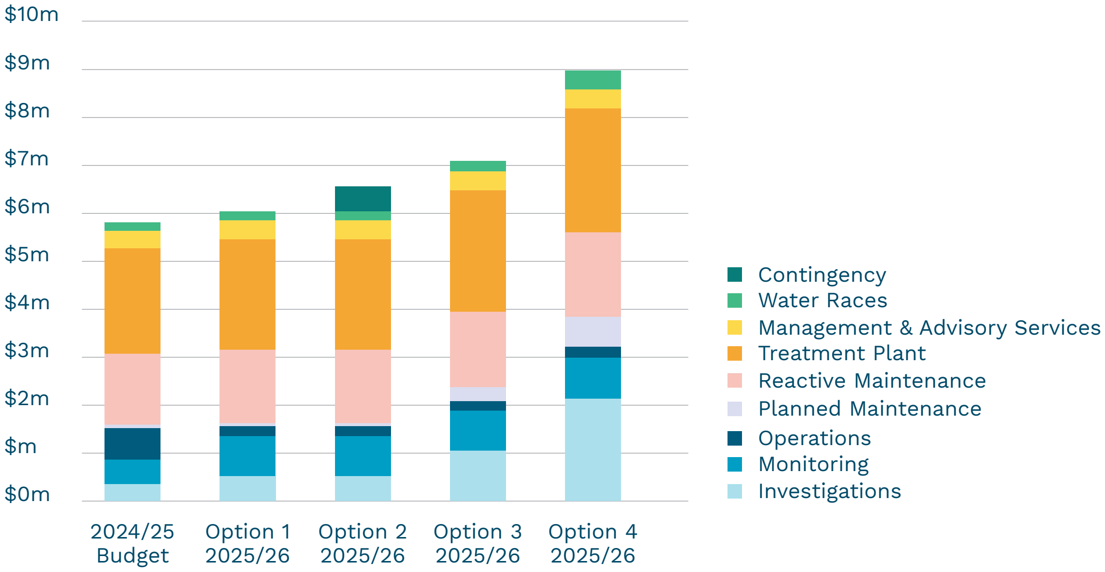
The options present an increasing level of investment aligned to levels of service and risk. The greater the investment, the less operational risk. All options include a fixed operational budget for the essentials: monitoring, treatment plant and network operations, paying Wellington Water's management fee, and operating the water races.

The differences between the options relate to how much we spend on investigations, planned maintenance and reactive maintenance. The more we spend on these activities the less risk of an unplanned failure.

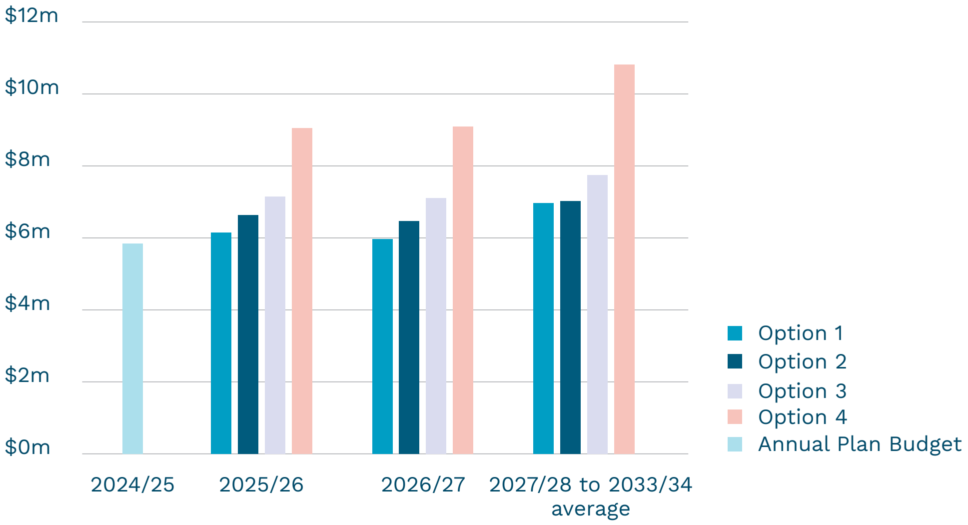
Strategic forward planning, increased proactive maintenance to protect the longevity of our assets, quicker resolution of issues, and better data management will incrementally improve under Options 3 and 4 compared to Option 1.

This decision relates to operating our water network, rather than investing in capital works which replaces or builds new assets. Find out the difference between capital and operational spend on page 59

Overview of Water Services Options (by budget area)



Overview of Water Services Options (across nine-year plan)



Tauwharenīkau bridge

1 Option 1

$6.05m - slight increase to add inflation to the current level of funding providing a minimum viable option for the delivery of services.

Low budget / High risk

This is the option we think works best

Excluding wastewater desludging, this option is a slight increase on the 2024/25 year. It allows for the continued safe maintenance and operation of our assets. This option includes committed contracts for high priority work only (which is a mix of committed projects and compliance), leaving some risks unattended to within the water supply, wastewater, and stormwater public systems.

What is included in Option 1:

- Critical investigations to ensure the water supply and wastewater services meet the minimum regulatory standards set by the Water Services Act 2021.
- All monitoring activity will be carried out to comply with our consent conditions.
- Running automated control systems that are critical to core operation of the water networks.
- Limited planned maintenance activities on the highest priority assets only, such as ultraviolet treatment in our wastewater plants.
- There is a minimal budget for unplanned (reactive maintenance) which allows response to a base level of unplanned events within working hours, under the existing prioritisation process.
- Operational costs at the water supply and wastewater treatment plants such as chemicals and staff.
- Management and advisory services – covering Wellington Water staff costs and overheads such as insurance, rent and IT.
- Management and operation of the two water race networks.
- Riparian planting around the treatment operations to comply with consent conditions.
- Infrastructure network study of Greytown's wastewater treatment plant.

Implications of Option 1:

- We would not make further progress on the Featherston Stormwater Catchment Plan to reduce impacts of future flood events, responding to all emergency events after they occur.
- Pressure will be put on our reactive maintenance budgets until plans are developed and implemented.
- It does not include any contingency funding if costs increase during the year. This means we will deliver less for the same amount of money if inflation leads to more cost increases.
- Less spending on planned maintenance would make us more reliant on reactive maintenance of our pump stations, reservoirs, and other key network assets with an increased risk that we would suddenly need extra money for an asset that fails due to a lack of ongoing maintenance.
- The likelihood of not meeting consent conditions would also increase as reliably maintained and functioning equipment is a key part of consent compliance.

Option 1 – maintain current budget plus inflation, $6.05m. This is an increase in budget of $0.24m on 2024/25			
Impact on 2025/26 proposed rates	**Estimated annual water supply, wastewater, and stormwater charges for 2025/26**	**Impact on debt**	**Impact on levels of service**
Included in the proposed rates increase, it makes up 0.8% of the 4.3%	**Water supply** Serviced $1,338 per SUIP Serviceable $669 per rating unit **Wastewater** Serviced $1,160 per SUIP Serviceable $580 per rating unit **Stormwater*** $160 per urban-zoned rating unit	None – this is operational expenditure	Maintain current levels of service (only increase is inflation)

** based on average capital value in the applicable zone, $760,000. Note - above figures are inclusive of GST.*

White Rock Beach

2 Option 2

$6.55m - Option 1 plus a contestable emergency fund held by Council

Low budget/High risk

This is the same as Option 1 except it contains a $500,000 contingency fund for emergency work such as remediation to a wastewater treatment plant leak.

This option includes committed contracts for high priority work only (as Option 1), and holds a contingency fund to pay for the type of unexpected events that have dogged the water supply, wastewater, and stormwater public systems in the recent past. If the budget is unspent at the end of the fiscal year, it would remain ringfenced for future unexpected events.

Option 2 – maintain current budget plus inflation and $0.50m contingency, $6.55m. This is an increase in budget of $0.74m on 2024/25			
Impact on 2025/26 proposed rates	**Estimated annual water supply, wastewater, and stormwater charges for 2025/26**	**Impact on debt**	**Impact on levels of service**
+ $0.50m or 1.7% added to proposed total rates increase, which would then be 6.8%	**Water supply** Serviced $1,392 per SUIP Serviceable $696 per rating unit **Wastewater** Serviced $1,212 per SUIP Serviceable $606 per rating unit **Stormwater*** $174 per urban-zoned rating unit	None – this is operational expenditure	Maintain current levels of service (increased for inflation plus a $500k contingency for unforeseen events)

** based on average capital value in the applicable zone, $760,000. Note - above figures are inclusive of GST.*

3 Option 3

$7.08m - Option 1 plus additional priorities to increase planning and resilience

Medium budget / Medium risk

This option includes committed contracts for high priority work only (as Option 1), plus undertakes some additional renewal work. It increases the number and speed of investigations and the budget for reactive and planned maintenance.

This option has lower risks than Option 1 because it includes more:

- planned maintenance activities on a greater number of key assets.
- reactive maintenance budgets to allow for the application of additional resources (time and/or personnel) to address unplanned works.

The increased budget for this option will help will help our assets to last longer with less need for reactive maintenance or urgent responses to issues over the lifetime of the asset.

What is included (in addition to Option 1):

- Water supply investigations and studies such as water treatment plant documentation to update the Operations and Maintenance Manual and improvements to our asset register and management planning.
- Planning for required upgrades to the water treatment plants to meet Taumata Arowai Drinking Water Assurance Rules released in July 2022.
- Stormwater studies to complete flood hazard mapping and a Stormwater Management Plan for Featherston.
- An increased core budget to respond to unplanned reactive maintenance. This would cover the minimum running costs for the operation of the services including labour, vehicles, plant and building costs, and allow for future cost increases due to inflation within the year (contingency).
- Reactive maintenance at this level would avoid a backlog of issues to fix and would provide enough ongoing work for subcontractors to invest in optimising their services.
- Additional budget for planned maintenance for all three water services to work towards a closer alignment to best practice. It also includes the maintenance of open stormwater channels.

Option 3 - moderateoderate increase in current budgets – to pay for more maintenance and planning for growth, $7.08m. This is an increase in budget of $1.27m on 2024/25			
Impact on 2025/26 proposed rates	**Estimated annual water supply, wastewater, and stormwater charges for 2025/26**	**Impact on debt**	**Impact on levels of service**
+ $1.03m or 4.4% added to proposed total rates increase, which would then be 8.7%	**Water supply** Serviced $1,446 per SUIP Serviceable $723 per rating unit **Wastewater** Serviced $1,253 per SUIP Serviceable $626 per rating unit **Stormwater*** $206 per urban zoned rating unit	None - this is operational expenditure	Slight increase (increased for inflation plus additional budget for maintenance and growth planning)

** based on average capital value in the applicable zone, $760,000. Note - above figures are inclusive of GST.*

> **Increased budget would help our assets to last longer with less need for reactive maintenance or urgent responses to issues over the lifetime of the asset.**

Stormwater pipe

4 Option 4

$8.97m - Option 3 plus the highest level for planning and resilience

High budget / Low risk

This is Wellington Waters recommended approach that covers all important activities. This level of spending would provide for all legislative requirements, ensure current levels of service are met, and pay for investigations to improve drinking water quality, reduce flooding risks, and further plan for growth.

This is the option with the least risk. It involves more investment in condition assessments, growth planning, and more focus on sustainability, health and safety, and long term replacement of assets.

What is included (in addition to Option 3):

› Complete outstanding water treatment plant documentation.

› Carry out planning and assessments for the Featherston reservoir and Boar Bush Dam (the latter is required by new Dam Safety Regulations).

› Develop a Martinborough reservoir replacement plan and a water supply operating strategy.

› Develop a Sustainable Water Supply Strategy to identify and address water losses throughout the district and ensure we have access to sufficient water in future, considering climate change, safe drinking water, and growth.

› Improve health and safety by eliminating hazards rather than controlling them e.g. removing a hazard rather than using barricades or signs to alert people to it.

› Complete condition assessments for all water assets.

› Additional budget for planned maintenance on drinking water pump stations which will improve reliability.

› An additional budget for treatment plant maintenance to reduce the risk of non-compliance and overflows.

› Reactive maintenance budget for stormwater and drinking water.

Option 4 - large increase in current budgets – to pay for more investigations and planned maintenance, $8.97m. This is an increase in budget of $3.17m on 2024/25			
Impact on 2025/26 proposed rates	**Estimated annual water supply, wastewater, and stormwater charges for 2025/26**	**Impacts on debt**	**Impacts on levels of service**
+ $2.93m or 10.8% added to proposed total rates increase, which would then be 15.1%	**Water supply** Serviced $1,632 per SUIP Serviceable $816 per rating unit **Wastewater** Serviced $1,426 per SUIP Serviceable $710 per rating unit **Stormwater*** $257 per urban zoned rating unit	None – this is operational expenditure	Significant increase (more investigations and planned maintenance)

** based on average capital value in the applicable zone, $760,000. Note - above figures are inclusive of GST.*

The option we think works best

We think **option one** works best as it maintains a significant uplift in the operating budget since 2021/22 and it keeps rates at an affordable level, which our community had told us is important.

Over the past four financial years, we have more than doubled the budgets for water, wastewater, and stormwater services, significantly addressing historical underinvestment and easing maintenance pressures. This substantial investment has strengthened resilience and improved service reliability. Given this progress, a minimal budget increase next year is a reasonable approach to ensure continued stability while balancing affordability for ratepayers. This allows us to maintain essential services without imposing unnecessary cost burdens, ensuring that our previous investments continue to deliver long-term benefits.

Investment in water significantly impacts rates and it’s important we understand your views on the cost of increasing to a higher investment level.

Have your say

How much should we spend on operating and maintaining our water network?

Tell us what matters most at haveyoursay.swdc.govt.nz/long-term-plan

Decision area three

Prioritising our roading improvements

He whakamātāmua i ngā mahi whakapai rōri

Our roading network connects communities across the district. It's fragile and parts of it are susceptible to mother nature. We need your help to determine how much to invest in Low Cost Low Risk activities for long term benefits to our roads.

The New Zealand Transport Agency (NZTA) Financial Assistance Rate (FAR) is the funding mechanism that determines additional funding for territorial authority's transport related activities. Council usually funds 49% of roading activities, and receives 51% subsidy on eligible work for building and maintaining local roads, and 100% for Special Purpose Roads (SPRs). Cape Palliser, from the intersection with Lake Ferry Road to its terminus at Cape Palliser has been classed as an SPR since 1997 due to its high tourism value and high maintenance costs with minimal local rates income.

The Financial Assistance Rate applies to a several categories that Territorial Authorities apply for on a three yearly basis, including road maintenance, upgrades, construction, renewal works, Low Cost Low Risk (LCLR) projects and emergency works.

In 2024, the Government reviewed its policy statement, known as the GPS, which in turn caused NZTA to adjust their prioritised programme to fit within the new funding limits as well as ensuring that the National Land Transport Programme met statutory obligations and revised strategic priorities.

In early 2024, we submitted our three-yearly funding request. While funding for our operational maintenance and renewals programmes was approved, our request for LCLR projects was not funded at all, along with reductions in footpath renewals funding.

The flow on effects of a change in priorities from Central Government which impacted NZTA's ability to fund our full programme of works equates to approximately $5.3m of capital subsidy funding that we did not receive across the three-year period.

What types of work LCLR funds

LCLR work is a work category that includes a variety of road improvements that cost up to $2.0m per project and are all capital in nature. These include small road and intersection improvements, traffic calming measures, lighting improvements, guard railing, walking, and cycling facilities, mesh installation, drainage improvements, and culvert upgrades.

The projects must align with the Government Policy Statement (GPS) strategic priority for Land Transport under the following strategies: better travel options, safety, improving freight connections and climate change.

6

Question 6

How much of the roading improvements programme should we fund?

South Wairarapa District Council improvements requested for LCLR funding include:

› Ecoreef extensions (Coastal erosion protection)
› Western Lake Road carriageway widening
› East Coast resilience study and stability planting
› Te Awaiti Road (Gluepot) stability
› Guard Rail installation on Lake Ferry and Cape Palliser roads
› Ponatahi Road signage and marking upgrade
› Featherston's Birdwood/Fox Street intersection safety improvements
› Kerbs, channel, and footpath infill
› Vineyard walking and cycle path construction in Martinborough
› Bridge strengthening and load carrying studies

Given the importance of roads to our communities and the need to pay for high quality roads across our district (particularly in rural areas), we propose to fund the full programme of works included in the funding request through capital loan funding, instead of delaying some programmed work.

1 Option 1

Fund 100% of the roading improvements programme with additional capital spend

This is the option we think works best

This option would see the full programme of Low Cost Low Risk works completed over the next two years.

Investing in the road network for resilience, safety, and coastal protection enhances the long-term sustainability of our infrastructure, protects communities, and ensures better recovery from weather events. It fosters economic growth, protects the environment, and provides a foundation for climate change adaptation. This work is crucial in our rapidly changing environment.

Given the diverse geographical landscape and varying road conditions across our district, we must make consistent improvements across the network to strike a balance between minimising costs and risks while addressing road safety and functionality.

This operational cost impact of this option is built into the proposed rates increase so we can keep up the momentum of these preventative improvements to reduce risk and improve resilience.

Fund 100% of the LCLR programme via capital spend, $7.58m over three years			
Cost	**Impact on proposed rates**	**Impact on debt**	**Impact on levels of service**
Additional interest cost has been budgeted: **2025/26** $148k **2026/27** $234k **2027/28 to 2033/34** $251k average per year	None, this is the modelled option, it includes total rates required to fund additional interest costs: **2025/26** $148k **2026/27** $234k **2027/28 to 2033/34** $251k average per year	None, this is the modelled option which includes the additional $5.2 million of debt required	Current capital programme listed above would continue at full level

Note - above figures are inclusive of GST.

In February this year, we submitted another application for the funding we did not originally receive. At this stage we are uncertain about when the outcome of the application will be known.

2 Option 2

Fund 49% of the roading improvements programme

This option would see approximately half (49% of the total value) of the programmed works be completed, which is the level of investment council would historically fund. Which improvements from the programme would need to be prioritised and approved by Council following this consultation.

Failure to invest in safety, resilience, and protection for roads, particularly in coastal areas, creates a cycle of vulnerability and potential failures in the network. The immediate risks to public safety, the environment, and the economy grow significantly, and the costs of recovery and repairs escalate. Proactive measures are essential to ensure the long-term functionality and safety of the road network, especially with climate change and increasing extreme weather events.

The programmed works that would not make the cut will be deferred to future years and create a backlog of work. The price escalation of materials and labour would lead to higher costs to complete these works. This could mean reduced maintenance for some roads, deterioration of some roads, and less resilience to our network.

Fund 49% of the LCLR programme via capital spend, $3.71m over three years			
Cost	**Impact on proposed rates**	**Impact on debt**	**Impact on levels of service**
No additional interest cost would be needed, so the following would be removed from the modelled budgets: **2025/26** $148k **2026/27** $234k **2027/28 to 2033/34** $251k average per year	No additional interest cost means that total rates required would be less than modelled by: **2025/26** $148k (the total rates increase would be 3.8% instead of 4.3%) **2026/27** $234k (the total rates increase would be 6.3% instead of 6.6%) **2027/28 to 2033/34** $251k average per year	Debt would be $5.2m less than modelled by the end of 2026/27 year	For the 2025/26 & 2026/27 years only 49% of the capital programme listed could be completed. Councillors would prioritise which projects from the above programme

Note - above figures are inclusive of GST.

The option we think works best

We think **option one** works best because the community has told us that our roading network is a priority. By completing these essential works in the current funding cycle, we will keep up the momentum of preventative improvements to reduce risk and improve the resilience of the network.

What else?
He aha atu?

The following projects and initiatives influence the activities and budgets in our Long-Term Plan. Previous engagement and feedback from our communities has contributed to recent decisions. While these are not specific consultation questions, we welcome your feedback.

Operational spending smoothing

Council is changing how it funds operational projects and periodic operating costs (for example, public consultations, elections, and projects requested by the community). Instead of covering the full cost of each project in the year it occurs, we will now spread the funding across the nine years of this plan. This approach, known as operational smoothing, ensures a deliberate amount of rates funding is allocated each year, helping to manage fluctuations in expenditure from one off projects and activities we don't do every year. By spreading funding across multiple years, we can make rates increases more predictable and steadier over time, preventing sudden spikes or unexpected increases.

Spreading the impact on rates allows Council to balance the need to conduct essential projects with the need for the community to experience more even rates increases. For example, while costs of public consultation may change every year due to the number of areas we're seeking feedback on, spreading ensures that funding remains stable, making financial planning more predictable. Council will implement a prioritisation process to ensure funding is directed toward projects with the greatest need and benefit. This will not only help ensure consistency in service delivery but also instil improved project planning and financial discipline within council. This approach also fosters transparent communication with the community about how projects are prioritised and how rates are managed.

Ponatahi Road, Martinborough

Greytown Wheels Park

Stages two, three and four for the Greytown Wheels Park are outlined in our supporting capital works programme which show this to be fully funded by the community (so no impact on Council rates or debt).

The auditor recommended removing this due to the high level of uncertainty around how funds would be raised. We chose to retain this information to ensure investors and corporate funders can see the community's commitment to completing the project.

Forestry impact review

The three Wairarapa councils have agreed to collaborate to review the impact of forestry trucks and other associated traffic movements on rural roads across the whole region.

Each council has agreed to provide $35k per year for two years to carry out this review to establish what the impact of trucks, over and above normal day to day use, on our roading network.

If there is sufficient evidence to support a roading differential it would be considered as part of the 2027/37 Long-Term Plans for all three councils.

Infrastructure and Financial Strategies
Ngā rautaki hanganga me pūtea

The Infrastructure Strategy and the Financial Strategy are developed in conjunction as part of developing the Long-Term Plan. These strategies are the foundation documents that drive our spending and are a critical component of our community's long-term success.

Infrastructure strategy

We are the stewards of the core infrastructure assets that allow us to provide services to the community. These include drinking water, wastewater, stormwater and land transport. The management of these assets is long term and intergenerational.

High quality infrastructure is crucial to supporting and enabling our daily activities, ensuring our people and water are healthy and our district is safe and resilient in times of stress or shock. Strong infrastructure provides the foundation for economic prosperity.

The Infrastructure Strategy provides a strategic outlook on South Wairarapa's infrastructure planning and investment over the period to 2054. It identifies the directional shifts anticipated within the infrastructure environment including an increased focus on resilience and climate change, growth, change in government policy direction and community expectations. This is all framed around the underlying constraints of affordability. The strategy is based on the investment options that include all water assets and does not reference any transition of these assets to another form of entity. Whilst we are engaged in the process of consulting on an alternative entity with the community, the strategy remains silent on the issue and provides clear information on the overall position of water and roading infrastructure.

Greytown Woodside Trail

There's no mistaking that we've got some significant infrastructure needs to address in this time. We must bear that in mind when deciding how much we're spending and borrowing now because it will affect what we can afford to do in the long term. The strategy outlines the major issues, options, risks and implications for the district's infrastructure and highlights key projects and approach to maintaining and renewing our key assets.

Our goal is to provide our community with resilient infrastructure in a cost-effective way to meet current needs and future growth. The Strategy has been prepared in accordance with the requirements of section 101B of the Local Government Act 2002 (LGA), and identifies:

- Key issues faced by Council in managing infrastructure over the period 2024/54.
- A summary of the options identified to address these issues.
- Council's strategic response and preferred options scenario.
- Cost and service delivery implications of the options.

Our key infrastructure includes:

- 668km roading
- 140 bridges and bridge culverts
- 104km drinking water pipes
- 68km wastewater pipes
- 4 wastewater treatment plants
- 4 drinking water treatment facilities

In preparing our 30-year Infrastructure Strategy we have determined the following key strategic responses we will be taking:

- Planning for growth: We are focusing on planning for sustainable growth in our towns, particularly for land transport and three waters infrastructure, to support economic development.
- Compliance and performance in wastewater: We aim to address compliance issues at wastewater treatment plants, which currently do not meet resource consent conditions. Major capital investments are planned to achieve compliance. We are also monitoring potential legislative changes relating to wastewater and stormwater environmental standards.
- Strengthening infrastructure resilience: With coastal erosion affecting parts of the land transport network, particularly Cape Palliser Road, we will continue to improve the resilience of our transport infrastructure through innovative, cost effective solutions.
- Managing ageing infrastructure: Our extensive bridge network has many ageing bridges nearing the end of their lifespan which will require heavy maintenance and eventual replacement over the next 30 years. We are also ensuring our land transport asset performance, particularly in road conditions, meets, or exceeds national standards, despite emerging challenges with new measurement technologies.

This strategy will guide our infrastructure development over the next few decades, ensuring that we meet regulatory requirements, improve resilience, and provide reliable services to our communities.

Take a look at the Draft Infrastructure Strategy in the supporting information at haveyoursay.swdc.govt.nz/long-term-plan

Coronation Park cricket pitch, Martinborough

What's the difference between operational and capital expenditure?

Operational expenditure funds the day to day services that the Council provides. It's the money council spends on delivering the wide range of services to our communities like fixing potholes, repairing leaks, maintaining our buildings, and running our libraries. It also includes costs that may not be visible to the public like insurances, depreciation, and interest. Our operational spending is funded from operational subsidies, fees and charges with the balance being the rates we need to charge the community.

Capital expenditure is money Council spends on new assets or upgrading existing assets. It includes critical infrastructure like roads, pump stations, and water pipes. It does not include operational expenditure. Funding for this work comes from capital subsidies, financial contributions, and the balance from borrowing. These assets have a long life so the impact of paying for them is spread over multiple generations.

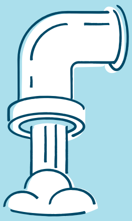
What impact does this have on rates? Operational and capital spending have different effects on rates because we mostly rate for one and borrow for the other.
For example, in the first year of the plan approximately $300,000 of extra operational expenditure has a 1% impact on rates. Whenever we make a decision about capital spending, we need to factor in the full cost over time.

For every $1.0m of debt Council takes out the annual interest cost is an average of $47,000, which must be funded from rates. In 2025/26 we are budgeting **interest costs of $2.1m**, which is **5% of operating costs**, this is **budgeted to rise to $14.2m** in 2033/34, which is **18% of operating costs**.

Investing in our community

Council undertakes a wide portfolio of work that supports and contributes to our communities' daily lives. We've reduced or delayed the amount of non essential projects to balance rates affordability, but that doesn't mean there aren't exciting projects and initiatives that will get underway during this LTP.

Total capital spend for the next nine years $380.9m



Water supply $82.1m

Including:

› Greytown water supply treatment upgrade
› Drinking water pipe renewals
› Firefighting upgrades

Wastewater $170.3m

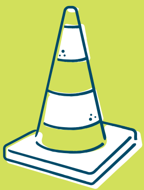
Including:

› Martinborough and Greytown treatment plants compliance upgrades
› Featherston wastewater treatment plant upgrade
› Lake Ferry consent and upgrades
› Wastewater pipe renewals

Stormwater $23.7m

Including:

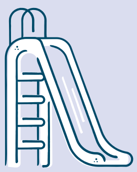
› Flooding improvements



Land transport $80.4m

Including:

› Glue Pot stability
› East Coast stability planting
› Ecoreef extension
› 182km of resurfacing
› Walk and cycle way improvements



Community amenities $19.9m

Including:

› Campground upgrades
› Public toilet development and upgrades
› Library book collections
› Playground refurbishments
› Transfer station upgrades

Financial Strategy

What will it all cost?

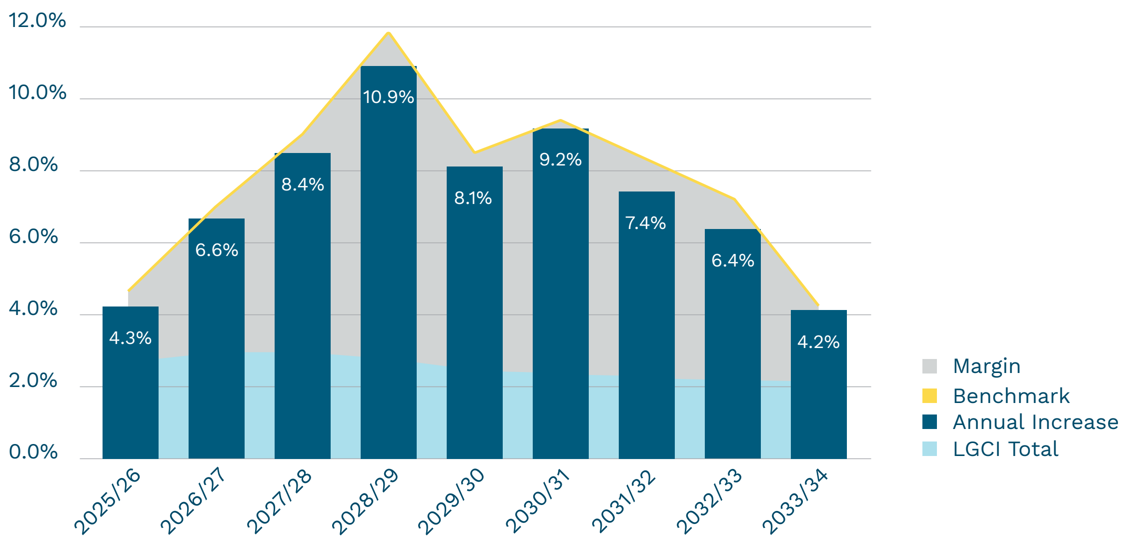
Our Financial Strategy sets out our planned approach to financial management over the life of the nine-year plan. It outlines how we intend to manage our financial resources, details the funding required to support capital investments and service delivery, and assesses the impacts on rates, debt, service levels, and investment resulting from our decisions.

Key aspects of our Financial Strategy are:

- Funding our operating expenditure through a mix of rates, fees and charges, grants and subsidies, and reserves.
- Funding our capital expenditure through a mix of borrowings, rates, grants and subsidies, and financial contributions.
- Minimising the impact on our community by seeking external funding where possible.
- We have capped our rates increases across the next nine years at the rate of inflation using the Local Government Cost Index (LGCI) plus a percentage that allows for our planned operating expenditure and capital investment:

Year of the LTP	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
Limit on overall rates increase	LGCI plus 2.0%	LGCI plus 4.0%	LGCI plus 6.0%	LGCI plus 9.0%	LGCI plus 6.0%	LGCI plus 7.0%	LGCI plus 6.0%	LGCI plus 5.0%	LGCI plus 3.0%

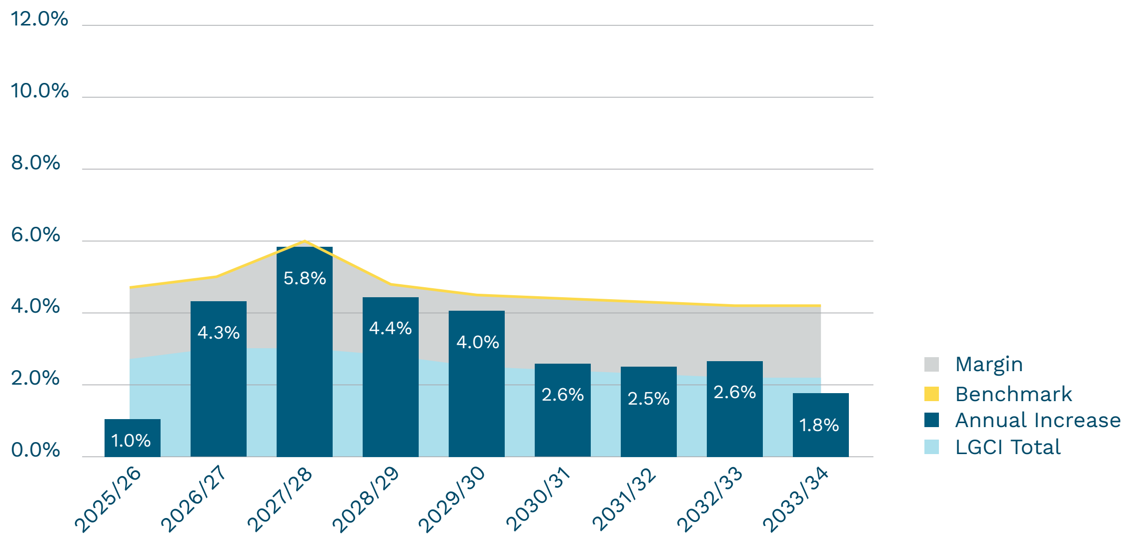
Annual % Increases in Total Rates (including waters)



A 4.3% total rates increase for the year starting 1 July 2025 is based on the budgeted options in our consultation questions and the final increase will depend on the decisions Council make in response to your feedback.

This increase has come about after careful consideration of the options available to us to maintain our infrastructure and current levels of service. The table below shows the proposed future rate increases without rates for the three waters activities.

Annual % Increases in Total Rates (excluding waters)



Flatter rates increases

In recent years, Council made deliberate and necessary rate increases to address historic underfunding of core infrastructure, particularly in water and roading services. These increases, peaking at nearly 20% in some years, were essential to catch up on past underinvestment and build a more sustainable funding base.

Now that these critical funding levels have been reached, the projected rate increases are significantly lower than in previous years. Moving forward, rates will increase in line with the Local Government Cost Index (LGCI) plus an additional margin (ranging from 2% to 8%), ensuring that future increases remain steady and predictable. This shift demonstrates a transition from catch-up funding to long-term financial prudence, balancing affordability for ratepayers while maintaining necessary investment in infrastructure.

What is driving the rates spikes?

The spikes in years 2027/28, 2028/29 and 2030/31 are due to interest and depreciation on capital projects kicking in, which increase the rates that need to be collected.

Additionally, the 2027/28 year sees several anticipated factors with the Land Transport budget:

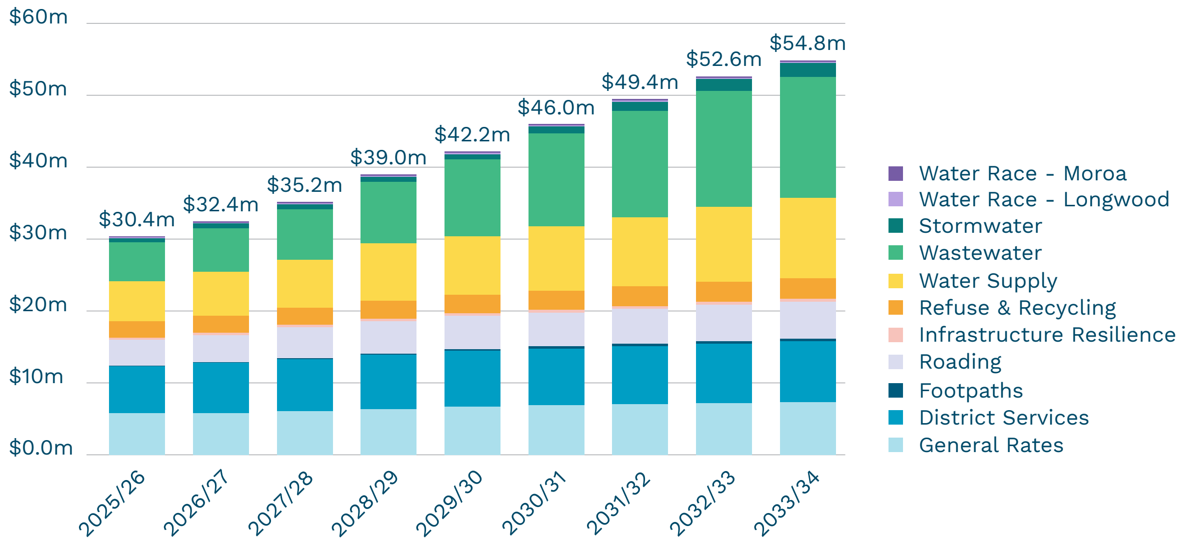
› It's been indicated that the 100% NZTA subsidy on Cape Palliser Road (SPR) will not be renewed in 2027.

› Catching up on inflationary and contract rollover since the roading budget was set in 2024/25.

› 2027/28 is the year a new road network maintenance contract will be procured and an anticipation of an increase in rates.

› Central Government's desire to increase pavement and surfacing renewal with the ongoing targets to reduce potholes.

Total Rates Required (excluding GST)



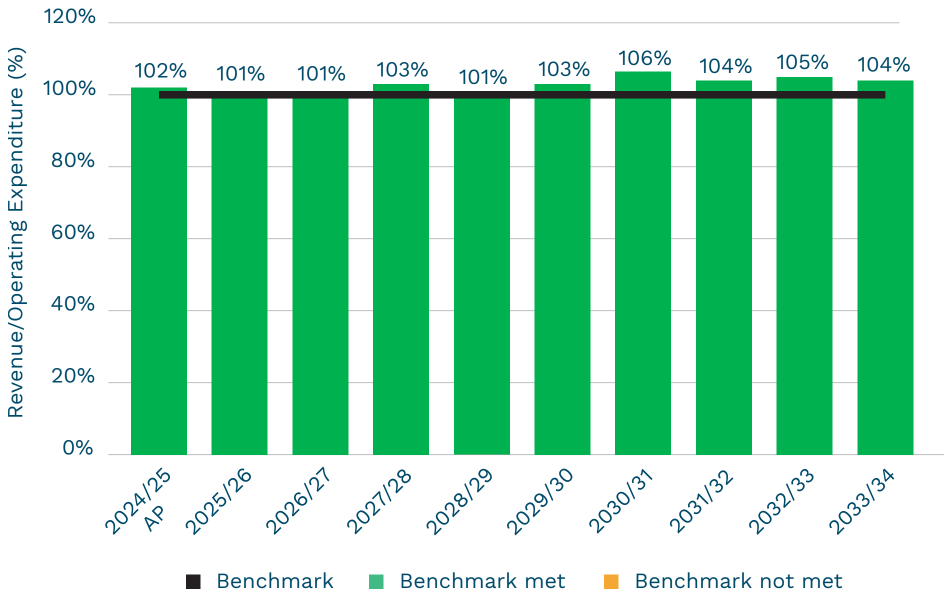
Individual rates will be affected differently depending on the value, location, and type of property, and whether or not a property can be connected to council owned water supply and wastewater network. Find rates examples in the following section, or estimate your rates by visiting haveyoursay.swdc.govt.nz/long-term-plan

Balanced Budget

Councils must cover their operating costs with the money they earn, which includes rates. This is called a Balanced Budget. They also need to make sure they have enough money to maintain their assets in the future, which means setting aside funds for depreciation.

The following chart uses Local Government Financial Prudence Regulations, which excludes revenue from financial contributions, vested assets, and gains and losses from revaluations.

Balanced Budget



Tora emergency container gifting ceremony

Our plan for borrowing

Council remains committed to prudent debt management, ensuring that borrowing is used strategically to fund long-life infrastructure in a way that spreads costs fairly between current and future generations.

Council's debt limits are set in line with the covenants placed upon Council by our lender, the Local Government Funding Authority (LGFA). These limits currently restrict debt to 175% of revenue, the level for councils without a credit rating. Obtaining a credit rating would allow the debt ceiling to increase to 280% of revenue but this is a costly exercise for a small council, especially when the future transfer of the provision of the waters to another entity would result in Council remaining within the 175% limit.

Council is concurrently consulting on options for the future delivery of waters services under the Local Waters Done Well reform. It is clear that we can't continue to deliver water services in the way they are delivered now and that a new entity of some form will be required to enable the future investment required by our district.

Council's water services will transition to a Water Services Council-Controlled Organisation (WSCCO), either as part of a group of councils or as a single council. As outlined, this will remove a significant portion of Council's debt associated with water infrastructure, ensuring that the projected breach in 2027/28 does not occur.

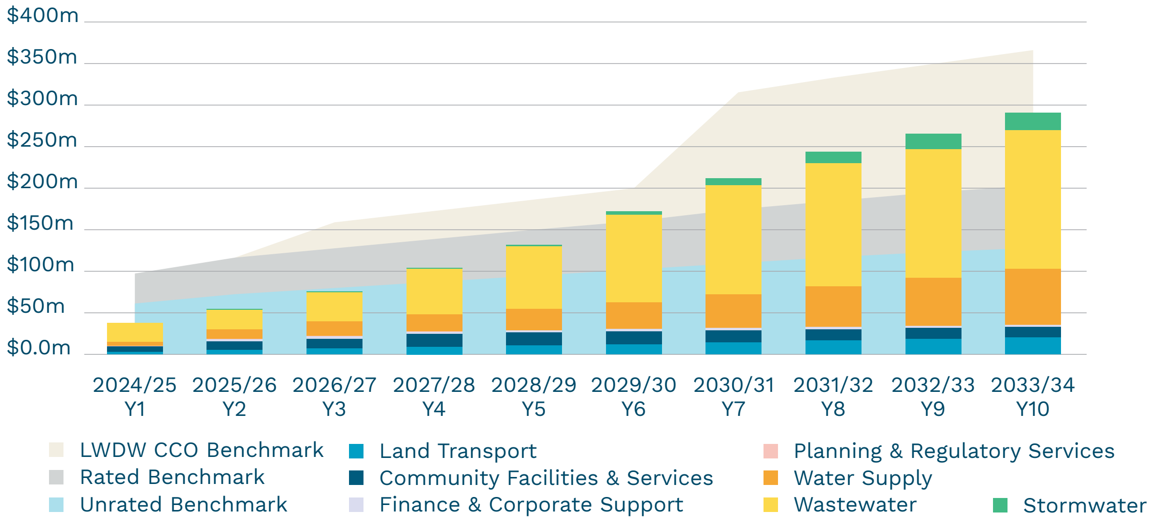
We are consulting on the future of our water, wastewater, and stormwater services in a separate consultation.

Water Services Council-Controlled Organisations (WSCCOs) have debt ceilings set up in a slightly different way. Instead of a simple debt-to-revenue ratio, their financial monitoring requirements look at available revenue to operate and invest in our water network to be between 8% and 12% of debt. This equates to a comparable debt ceiling of 500% of operating revenue. As a result, from transition (expected 1 July 2026), the applicable debt ceiling would shift to a net debt limit 350% and after the realisation of efficiency gains would increase to 500% of operating revenue. This has been outlined in the higher debt ceiling labelled LWDW CCO benchmark in the chart below. This means that by the time the 280% ceiling is reached in 2030, water services would already be delivered by a CCO, and the need to reprioritise the capital programme would no longer be necessary.

Council is committed to continuing to monitor and refine its capital programme to maintain financial sustainability, balancing investment in essential infrastructure with responsible debt management.

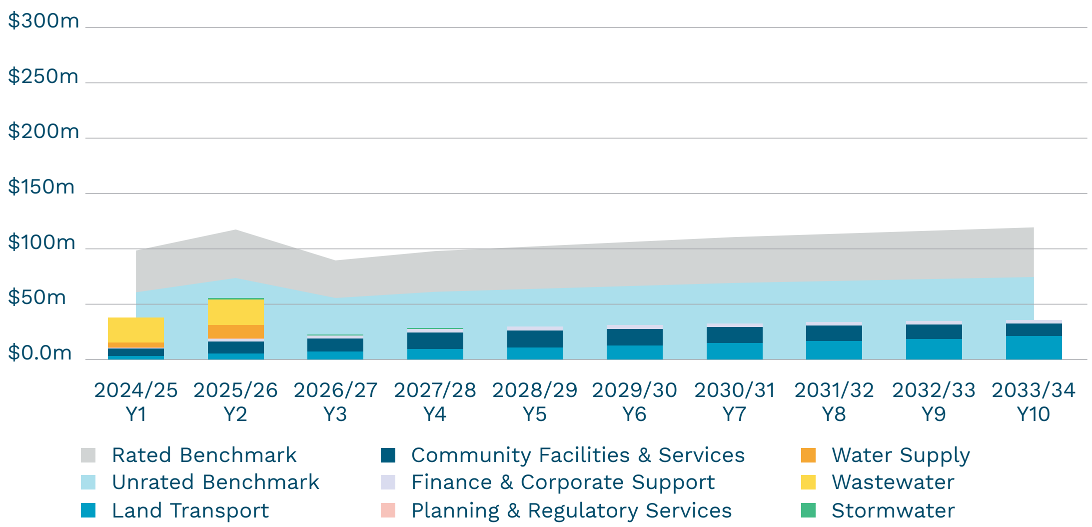
This chart highlights the impact that waters would have on council's debt ceiling if waters were to remain with Council. As Council will have to transition waters to a CCO model before 2029/30 it will remain within the debt ceiling allowed.

Net Debt to Total Revenue ($) **aka Debt Ceiling** (including waters)



This chart shows the impact of removing waters from Council and transferring waters to a new entity. This shows the need for a credit rating would no longer be required, and that Council would not breach its debt ceiling if the transfer of waters to a CCO takes place in July 2026.

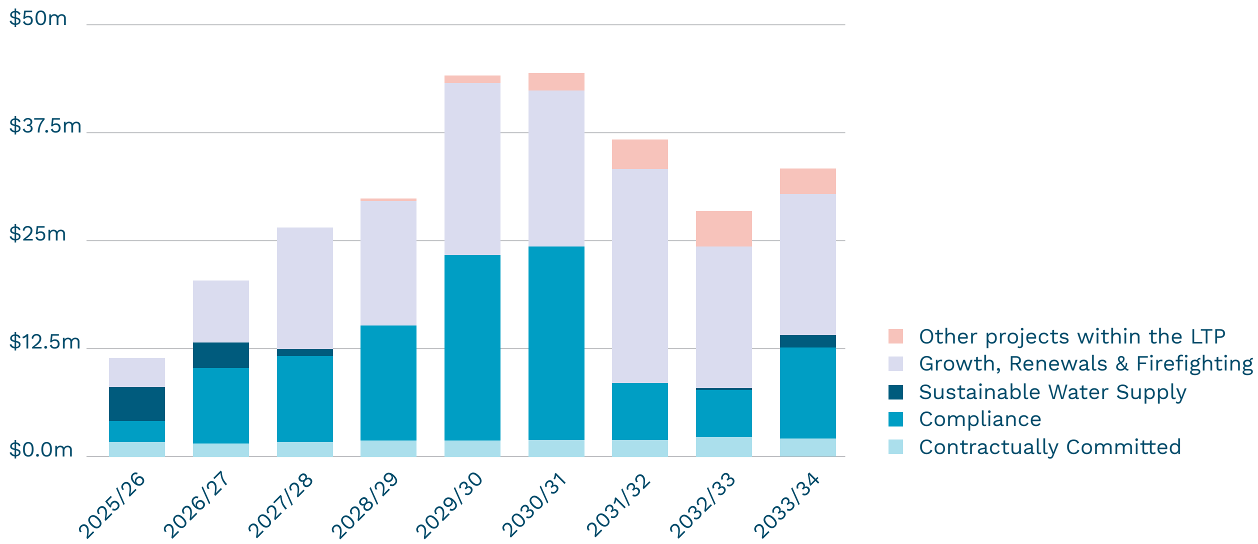
Net Debt to Total Revenue ($) **aka Debt Ceiling** (waters into CCO July 2026)



Our waters capital programme has been categorised into priority areas, with the highest priority given to projects which have already been contracted, then those which are required to comply with regulations, followed by those which improve the sustainability of water supply. After these are projects related to growth, renewals, and other projects.

This chart shows the full programme that would represent our existing approach, to give the full picture of what is recommended and that the consultation for LWDW is based on the same capital investment programme.

Wellington Water Capital Projects



Waiohine river

Ngawi Seal Colony. Credit @Roady

What does it mean for you and your rates?

Te pānga ki a koe me ō rēti

The following tables outline the proposed increases and impact on average properties by category.

These rates are based on the budgets modelled, with the addition of the proposed increase of the proportion of 28% of total rates coming from uniform charges (see question one), and the proposed District Services targeted rate (see question two).

Properties within 10km of town centres

Type of property	Capital value*	Annual rates 2024/25 $	Annual rates 2025/26 $	Annual rates change $	Annual rates change %	Weekly rates change $
Residential – Featherston	$530,000	$4,451	$4,996	$545	12%	$10.49
Residential – Greytown	$870,000	$5,175	$5,565	$390	8%	$7.51
Residential – Martinborough	$860,000	$5,154	$5,549	$395	8%	$7.59
Commercial	$1,020,000	$5,495	$5,817	$322	6%	$6.19
Industrial	$700,000	$3,287	$3,478	$191	6%	$3.67
Lifestyle block (with waters & refuse)	$1,110,000	$5,686	$5,967	$281	5%	$5.40
Horticultural	$2,660,000	$5,955	$5,680	-$276	-5%	-$5.30
Agricultural	$3,200,000	$6,325	$5,491	-$834	-13%	-$16.04

**Real properties with average or near average capital values. These figures exclude Greater Wellington rates. For properties with more than one SUIP, the uniform charges for each additional SUIP would be $792 for UAGC, $162 for Roading Charge, $1,338 for Water Supply, and $1,160 for Wastewater.*

Visit our website to calculate what your estimated rates could be for the 2025/26 year.

Properties more than 10km from town centres

Type of property	Capital value*	Annual rates 2024/25 $	Annual rates 2025/26 $	Annual rates change $	Annual rates change %	Weekly rates change $
Residential (with refuse collection)	$480,000	$1,949	$2,150	$201	10%	$3.86
Commercial	$320,000	$2,896	$2,836	-$60	-2%	-$1.15
Lifestyle block	$760,000	$1,957	$2,018	$60	3%	$1.16
Forestry	$2,605,000	$5,260	$5,637	$377	7%	$7.25
Agricultural	$4,000,000	$7,757	$6,551	-$1,206	-16%	-$23.18

**Real properties with average or near average capital values. These figures exclude Greater Wellington rates. For properties with more than one SUIP, the uniform charges for each additional SUIP would be $792 for UAGC, $162 for Roading Charge, $1,338 for Water Supply, and $1,160 for Wastewater. Note – these figures in the tables above are inclusive of GST and are estimates based on current modelling. The final figures will be determined following deliberations in May.*

Financial Contributions Policy

As further subdivision occurs and new activities are established in the Wairarapa, the existing infrastructure and amenities come under pressure. Financial contributions ensure that any adverse effects from subdivision and development on the environment or on community resources are minimised, including offsetting adverse effects with a contribution toward environmental improvements. Such contributions can be in the form of money, land, works or services and may include the provision of roads and services, the protection of an important historic or natural feature, the visual enhancement of a site through landscape treatment or the provision of access to a previously inaccessible river or stream.

The council utilises the Financial Contributions policies and rules contained in the Wairarapa Combined District Plan (WCDP) 2011. The contributions within the WCDP are no longer sufficient to meet the costs of growth and development in the district. The WCDP is being reviewed and there will be changes to the way we calculate financial contributions.

Financial contribution amounts will be adjusted to reflect the costs of growth and development in the district including, but not limited to, public roads, public water supplies and the disposal of wastewater and stormwater in our towns.

The Wairarapa Combined District Plan review is still underway. The amounts and timing of when the new charges will apply remains unconfirmed.

You can find the financial contribution amounts in the Draft Fees and Charges in our supporting information.

Fees and charges

Fees and charges play an important role in how we fund services. A key aspect in reviewing fees for this LTP is that those who use our facilities, or receive services, should pay an appropriate share of the costs involved. Should these costs not be recovered through fees and charges, they would need to be funded through rates.

In setting our fees and charges, we've made adjustments based on inflation to ensure that revenue keeps up with the rising costs of delivering our services. Check out our full list of proposed changes to fees and charges in our supporting documents.

Note - all fees and charges outlined below are inclusive of GST.

Food registration

We haven't increased our fees for food registration in over five years. During that time there have been cost increases for the council so we propose to recover some of these costs. There is also a new Domestic Food Business Levy from the Ministry of Primary Industries (MPI), that we need to take into consideration.

› Food Act registration – Renewal or amendment of food control plan (increase from $100.00 to $150.00)

› Food Act registration (new fee of $250.00)

› Domestic Food Business levy from MPI (new fees of $66.13 per food business and $12.65 administration fee)

› Bylaw Permit fee – Mobile cart or Food truck (increase from $156.00 to $200.00)

Building consents and PIMs

We are changing the way we charge some of our building consent fees.

The Customer Portal, Processing and Inspection software fee is currently $160.00. We are proposing to introduce a percentage value which means an increase in this fee if the estimated value of work is high.

› a fixed fee of $90 will be charged for projects with an estimated value of work between $1 and $124,999. For projects where the estimated value exceeds $124,999, the charge is a fee of 0.1% of the estimated value of work. That estimated value is capped at $2.50m.

We are also looking at updating the fee for exempt work under schedule 1 for injected wall insulation.

› Where the supplier has codemark certification, the fee will be reduced from $400 to $200.

Tauherenikau River, Featherston.
Credit @Roady

Other key documents we invite your input on

These important documents guide our day-to-day activities and help us to make decisions. They are being reviewed alongside the development of the LTP, and we welcome your feedback.

Other key documents we invite your feedback on:

- Draft Financial Strategy 2024
- Draft Infrastructure Strategy 2024
- Draft Revenue and Financing Policy
- Draft Rates Remission and Postponement Policy
- Draft Significance and Engagement Policy
- Draft Financial Contributions Policy
- Environmental Scan
- Draft Fees and Charges
- Significant Forecasting Assumptions

Visit haveyoursay.swdc.govt.nz/long-term-plan to find the full set of documents

Have your say
Tukuna mai ō whakaaro

We want to hear from you about which proposals you support (or don't), and we welcome comments on the other areas we are focusing on. Supporting information including the FAQs and draft policies can be found on our website.

How to provide your feedback

Online (preferred)

Visit haveyoursay.swdc.govt.nz/long-term-plan and complete the online survey.

Paper form

Fill in the paper form available at the back of this document, or collect one from:

- Council office at 19 Kitchener Street, Martinborough
- Any South Wairarapa library

The paper forms can be left at any of the above locations, or posted to PO BOX 6, Martinborough 5741

Community sessions

Come and chat face to face with our elected members at any of the drop in sessions, which are listed on the following page.

Email

haveyoursay@swdc.govt.nz, please include the subject line 'LTP feedback'

Present

You can present your feedback verbally at a hearing, with or without making a written submission first. Let us know in your submission form if you wish to do a verbal presentation in person or online.

Waihinga playground

Community sessions

Find the full list at haveyoursay.swdc.govt.nz/long-term-plan

Cuppa with a councillor

- 13 March Kitcheners Café, Martinborough, 9.30 - 11.00am
- 20 March The Offering, Greytown, 9.30 - 11.00am
- 21 March Everest Café, Featherston, 9.30 - 11.00am

Come and see us at your local market

- 15 March Greytown Crop Up, 9am - 12.00pm
- 22 March Featherston Market, 9am - 12.00pm

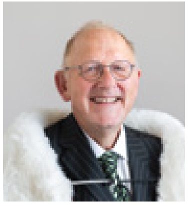
We will be at the train station bright and early

- 4 March Featherston Railway Station, 6 - 7.30am
- 11 March Woodside Railway station, 6 - 7.20am

Drop in and chat with a Councillor at your local Library

- 17 March Martinborough Library, 10am - 12.00pm
- 24 March Featherston Library, 10am - 12.00pm
- 25 March Greytown Library, 10am - 12.00pm

Contact your elected members



Mayor
Martin Connelly

themayor@swdc.govt.nz

Councillor
Martin Bosley
Greytown Ward

martin.bosley@swdc.govt.nz

Deputy Mayor and Councillor Melissa Sadler-Futter
Featherston Ward

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Councillor
Alistair Plimmer
Greytown Ward

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Councillor
Rebecca Gray
Featherston Ward

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Councillor
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Councillor
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Councillor
Aaron Woodcock
Greytown Ward

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Councillor
Aidan Ellims
Martinborough Ward

aidan.ellims@swdc.govt.nz

Auditor’s note

Te kōrero a te kaitātari kaute

Auditor’s note continued...

Te kōrero a te kaitātari kaute

Auditor’s note continued...
Te kōrero a te kaitātari kaute

Rates explainer
Whakamāramatanga rēti

Local government rates in New Zealand are taxes that property owners pay to their local councils. These rates fund services like water, roads, and parks.

Rates can be set in two ways:

› Uniform basis: Everyone pays the same fixed amount.
› Based on property values: The amount you pay depends on the value of your property.

General rates are used to fund services that benefit the whole community, such as libraries and cemeteries. The General Rate is based on per $ of Capital Value across all rating units in the district.

The **Uniform Annual General Charge** (UAGC) is a fixed rate that every property owner pays, regardless of the property value or location. This charge helps ensure that the cost of providing council services is spread more evenly across all properties. We charge the UAGC on every Separately Used or Inhabited Part (SUIP) of a property. This means if you have a property with multiple units, flats, or dwellings, or businesses each one will be charged the UAGC.

Targeted rates are used for specific services that benefit certain groups or properties. Some of these are charged per rating unit, and others are per SUIP. The current Targeted Rates are;

› Infrastructure Resilience (per rating unit, based on per $ of Capital Value)
› Refuse & Recycling (uniform charge per SUIP) Note: we're proposing to change this to per rating unit, see page 33)
› Footpaths (per rating unit in urban zones, based on per $ of Capital Value)
› Roading Rate (per rating unit, based on per $ of Capital Value)
› Roading Charge (uniform charge per rating unit)
› Water Supply (uniform charge per SUIP)
› Wastewater (uniform charge per SUIP)
› Stormwater (per rating unit in urban zones, based on per $ of Capital Value)
› Water races (per $ of Land Value for those that are serviced, or capable of being serviced by the Longwood or Moroa water race)

Find the complete South Wairarapa District Council Funding Impact Statement in the 2024/25 Enhanced Annual Plan.

Glossary
Kuputaka

Capital expenditure
Sometimes referred to as capex, capital investment is money Council spends on new assets or upgrading existing assets. It includes critical infrastructure like roads, pump stations, and water pipes. It does not include operational expenditure.

Capital value
The total value of your property including all improvements such as buildings, vines, and fruit producing trees.

Cashflow analysis
A process to enable good financial management by looking at the cash that's available to pay bills and make purchases over a specific period. It informs decision making about opportunities for investment in assets and services, and the financial stability of the organisation.

Debt limit
A limit of how much debt Council can have, described as a percentage of Council's operational revenue. Our financial strategy must include a statement about the quantified limits on borrowing (Section 101A(3) (b)(i) of the Local Government Act (LGA)). Councils can choose what limits to set but it is common to set the limit at the same level as the Local Government Funding Agency, which is 175% of revenue for a Council without a credit rating and 280% of revenue for a Council with a credit rating.

Depreciation
Depreciation is an accepted accounting method of spreading the cost of assets over their useful life.

General Rate
General rates are used to fund services that benefit the whole community, like libraries and cemeteries. The General Rate is based on per $ of Capital Value across all rating units in the district.

Growth planning
The process for planning for future population and economic changes to ensure that Council decision making considers the housing, infrastructure, transport, and amenities needs of future communities in our district.

Inflation
Describes the rise of average prices across the economy meaning that money is losing its value, meaning that you can buy less with the same amount of money.

Infrastructure
Usually refers to major public assets like roads, bridges, water supplies, sewers, electrical supply, and telecommunications. Social infrastructure also includes assets to help improve people's lives and wellbeing, like community centres, libraries, parks, walking and cycling trails, and playgrounds.

Investigations
Locating the cause or causes of failures with a view to improve the performance or life of equipment or assets.

Land value
The value of your property excluding any improvements like buildings, vines, and fruit producing trees.

Low Cost Low Risk (LCLR) roading
Improvement programmes funded by New Zealand Transport Agency (NZTA) for local roads, state highways, regional or public transport. Projects must meet NZTA strategic objectives and funding rules.

Local Government Cost Index (LGCI)
The Local Government Cost Index is an alternate inflation factor for local government based on activities Councils undertake rather than the standard basket of household goods that is used for the Consumer Price Index (CPI).

Operating expenditure
Also called opex, is the money council spends on delivering the wide range of services to our communities like fixing potholes, repairing leaks, maintaining our buildings, and running our libraries. It also includes costs that may not be visible to the public like insurances, depreciation, and tax. It does not include capital expenditure.

Rating unit
A property or piece of land that is assessed for local government rates. Each rating unit is identified in the district valuation roll and is used to determine the amount of rates payable by the property owner.

Reactive maintenance
Responding to unplanned asset failures such as burst water mains, flooding and sewer overflows.

Separately Used Inhabitable Part (SUIP)
A SUIP is a Separately Used Inhabitable Part of a rating unit (such as a granny flat), that has a number of uniform rates applied to each one, instead of per rating unit. For example, one rating unit may have four SUIPs.

Special Purpose Road (SPR)
This is a local road or carriageway that for a number of years received very high funding assistance rates from the NZTA. Some special purpose roads are local roads that currently receive a higher funding assistance rate than other local roads managed by the council.

Targeted Rate
A specific rate charged to a group of ratepayers who receive a service e.g. water rates for those who can be connected to water services.

Total rates
When we calculate a proposed rates increase, we do so based on the total rates collected for the whole of the district. Therefore, if the total rates required to deliver all services across the district needs to increase from $30m to $33m, this would be a total rates increase of $3.0m or 10%. This does not mean that individual rates will increase by 10% across all types of properties. Your individual rates will depend on other factors, such as the type of property you own, whether you can be connected to water services, or have your rubbish collected by council. It gives one generic measure of rates increases.

Hau Ariki Marae solar panel installation

Photo credit @Roady's

Have your say
Tell us what matters most at
haveyoursay.swdc.govt.nz/long-term-plan

Phone 06 306 9611

enquiries@swdc.govt.nz

www.swdc.govt.nz

SOUTH WAIRARAPA
DISTRICT COUNCIL
Kia Reretahi Tātau