



**SOUTH WAIRARAPA
DISTRICT COUNCIL**

Kia Reretahi Tātau

Annual Report Summary

For the year ended 30 June 2019

Pūrongo-ā-Tau Whakarāpopototanga 2018/19

**Approved for issue by the Mayor and Chief Executive
30 October 2019**

South Wairarapa District Council

P.O. Box 6

MARTINBOROUGH

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Directory Te Pukapuka Taki

<u>COUNCIL</u>	<u>OFFICE LOCATIONS</u>	<u>SENIOR STAFF</u>
<p>HIS WORSHIP THE MAYOR Alex Beijen</p> <p><u>COUNCILLORS</u> Cr Pam Colenso Cr Garrick Emms Cr Rebecca Fox Cr Leigh Hay Cr Brian Jephson Cr Pip Maynard Cr Alistair Plimmer Cr Ross Vickery Cr Brenda West</p> <p><u>COMMUNITY BOARDS</u></p> <p><u>FEATHERSTON</u> Claire Bleakley Indigo Freya Mark Shepherd Cr Garrick Emms Cr Ross Vickery</p> <p><u>GREYTOWN</u> Graeme Gray Ann Rainford Shelley Symes Cr Rebecca Fox Cr Alistair Plimmer</p> <p><u>MARTINBOROUGH</u> Aidan Ellims Nathan Fenwick Michael Honey Mel Maynard Cr Pam Colenso Cr Pip Maynard</p>	<p><u>MARTINBOROUGH</u> 19 Kitchener Street P O Box 6 Martinborough Phone 306 9611 Fax 306 9373 e-mail enquiries@swdc.govt.nz</p> <p><u>FEATHERSTON SERVICE CENTRE</u> The Library Fitzherbert Street Featherston Phone 308 9030 e-mail featherston@swdc.govt.nz</p> <p><u>GREYTOWN SERVICE CENTRE</u> Greytown Town Centre Main Street Greytown Phone 304 9061 e-mail greytown@swdc.govt.nz</p>	<p>Chief Executive Officer Harry Wilson</p> <p>Group Manager Infrastructure and Services Mark Allingham (until October 2019)</p> <p>Group Manager Planning and Environment Russell O'Leary</p> <p>Group Manager Corporate Support Jennie Mitchell</p> <p><u>AUDITORS</u> Audit New Zealand On behalf of the Auditor-General John Whittal</p> <p><u>BANKERS</u> Bank of New Zealand Johan Otto</p> <p><u>KEY LENDER</u> Local Government Funding Agency</p> <p><u>INSURANCE BROKERS</u> Jardine Lloyd Thompson Ltd Wellington</p> <p><u>SOLICITORS</u> Gawith Burridge Masterton Debbie Van Zyl - Partner</p>

Mayor and Chief Executive's Report

Te Pūrongo o te Mea me te Timuaki

The 2018/19 financial year has been a busy one for South Wairarapa District Council, with exciting changes and projects coming to fruition, as well as some challenges to overcome. We farewelled outgoing Chief Executive Paul Crimp after five years in the role and welcomed in new Chief Executive Harry Wilson.

Water has been the subject of many Council decisions this past year. We made significant progress towards achieving our goal to restore the health of our waterways so they can be a prized natural resource for future generations. Two separate boil water notices issued in Martinborough provided Council with some valuable lessons learned and prompted moves to adopt a robust multi-barrier treatment process to safeguard the town's water from contamination.

South Wairarapa continues to be a sought-after destination for both tourists and day visitors, with the District attracting young families and retirees to settle in for the lifestyle and close-knit communities. This is great to see and with ratepayer's input, we have begun developing a spatial plan that will help us manage this growth. To address our increasingly ageing population, we worked with the other two Wairarapa Councils during the year to develop a regionwide Positive Ageing Strategy.

Financially, Council is in a strong position, with our surplus higher than forecast.

Significant events

Chief Executive welcomed

Paul Crimp stepped down as Chief Executive in March 2019, leaving Council in a stronger financial position than when he started in the role five years earlier. We welcomed Harry Wilson onboard in June 2019. Harry brought with him extensive chief executive and executive leadership experience, having previously held multiple high-level roles with the New Zealand Transport Agency and having been Chief Executive for Waikato Regional Council for five years. We're very fortunate to have Harry, who is loving his new home district and all it has to offer.

Martinborough boil water notices

Council was put to the test earlier this year when routine sampling detected E.coli in Martinborough's water supply network. This led to SWDC issuing two separate boil water notices, on 1 February and 9 April. SWDC worked closely with Wellington Water and Regional Public Health to take measures to avoid incidents of illness by ensuring all residents and visitors were promptly and widely informed of the boil water notices and that safe potable water was supplied to the town, especially to vulnerable residents. Investigations into the source of contamination were conducted and the operations of the Martinborough water plant and network were scrutinised. Temporary chlorination was required in order for the boil water notice to be lifted. Following the recommendations post the Havelock North water incident, we have been moving towards a multi-barrier approach in the delivery of safe water for Martinborough, with plans to install a manganese extraction plant to enable permanent water chlorination to be fast tracked. Fortunately, there were no reports of illness thought to be associated with the boil water events.

Waihinga Centre opening

On 10 December 2018 we celebrated the opening of the Waihinga Centre. The opening marked the culmination of a six-year project to save the old Town Hall and build a modern multi-purpose community hub. It was a joint partnership between the Council and the Waihinga Charitable Trust. The earthquake-prone Town Hall was strengthened and refurbished. The adjoining new extension houses the Martinborough i-SITE visitor centre,

library, toy library, Plunket, Knucklebone Coffee Bar, and meeting rooms. The project's total budget was \$5.332 million (including \$200K contingency), with Council contributing \$2.8 million and the remaining funds raised by the Trust through community donations and grants. The Trust is now fundraising for Phase 2 of the project, developing a children's playground.

Councillor appointments

Featherston ward Councillor Ross Vickery was sworn onto Council in August 2018, following a by-election in the wake of Dayle Harwood's resignation. Paora Ammunson, a Greytown ward Councillor, resigned from SWDC in December 2018. As this came within a year of the next local council elections, a by-election was not permitted and Mike Gray, the highest polling unsuccessful candidate in the previous triennial election, was appointed to fill the vacancy in March 2019.

Joining Wellington Water

Council began consultation on its proposal to join Wellington Water in February 2019. On April 17, Council voted to become a shareholder in the limited company. Wellington Water will be contracted to provide management services for SWDC's water, wastewater and stormwater networks, and water races. This shareholding (effective from 1 October 2019) will provide access to the expertise of additional specialists and strengthen the resilience of the District's three waters.

Better Communications

SWDC created the new position of Communications Manager to increase transparency and build on its communication with South Wairarapa communities. Amy Wharram stepped into this role in October 2018. In the short time since then, this appointment has had a positive impact on the council and ratepayer relationship, with increased engagement with the community.

Wairarapa Regional Economic Development Strategy

The Wairarapa Regional Economic Development Strategy was launched by the three Wairarapa Councils in November 2018 as a comprehensive economic development strategy and action plan focusing on maintaining momentum in the region's economy and planning for a future which allows for growth. It was released at a time to take advantage of the Government's Provincial Growth Fund (PGF). SWDC's CE represents the district on the Steering Group and the Mayor is on the governance group and is chairing and championing the Visitor and Tourism Portfolio. Within the 2018/19 financial year, the Wairarapa Region achieved nearly \$2 million in successful applications to the PGF. Of particular significance to South Wairarapa was the request for funding from the Martinborough Dark Sky Society, which aims to create the world's newest and potentially largest International Dark Sky Reserve. This application was subsequently approved with \$100,000 being awarded to the Society to develop an economic growth plan, bringing this goal one step closer to reality.

Council Projects

Council carried out many projects during the year. Here are some of the highlights.

Spatial Planning

The Spatial Plan will provide a blueprint for the next thirty years and will help us balance the environmental, social, economic, and quality of life factors affecting our communities, as well as guiding allocation of resources, such as land use and construction of capital works. We began this project with stakeholder workshops in early 2019 to identify what our communities should look like, where growth should occur, and how much growth is desired. A Discussion Document was then developed, with Council approving its release for public consultation in May 2019.

Diverting wastewater from waterways

Cleaning up the district's waterways is a top priority, with the upgrade of wastewater treatment in all three towns one of Council's largest ongoing projects. A milestone was achieved in June, when we began irrigating treated wastewater to land in Greytown. We have been irrigating treated wastewater to land in Martinborough since November 2017, and we continue to work through the Resource Management Consent process to be able to do the same in Featherston. Further technical assessment work focusing on pathogens and groundwater effects for the Featherston consent have been progressing, with a hearing expected to be completed by 29 May 2020. Moving to irrigate wastewater to land is environmentally sustainable and ensures cleaner waterways for future generations.

Manganese extraction plant

Plans are progressing to install a manganese extraction plant in an important step towards providing clean, clear, safe and secure drinking water for Martinborough, for the long term. The decision to install the plant was made following consultation as part of the 2018/28 Long Term Plan. On 20 February 2019, after the town's first boil water notice was issued, Council made the decision to prioritise and fast-track the plant's installation (initially planned for 2021) to occur in Summer 2019/20.

Wheelie bins for recycling

Following consultation in 2018, it was decided that the three Councils would jointly introduce wheelie bins to make it easier for households to recycle. In preparation for the new service, SWDC collaborated with Masterton and Carterton councils to educate Wairarapa communities about the coming changes and the importance of recycling. In addition, South Wairarapa residents have been able to dispose of e-waste at Martinborough Transfer Station since October 2018, in an effort to reduce e-waste going to landfill and to enable electronic materials to be recycled.

Council Rebrand and New Logo

A modern bilingual council logo was officially launched in February 2019. Council worked closely with the Māori Standing Committee on this project. The new logo, developed by locally-based agency Satellite Design, was chosen following a ratepayer survey and replaced the outdated, mono-cultural logo that was introduced in 1989.

Wairarapa Positive Ageing Strategy development

The three Wairarapa district councils joined forces to develop the Wairarapa Positive Ageing Strategy to prepare for the region's ageing community. With input from the community including Māori and iwi, a draft Strategy was developed for community consultation and subsequently adopted by the three Wairarapa councils in May 2019. The Strategy outlines the way in which the councils will work together to improve and integrate their work for our older people.

Annual Plan Consultation

Almost 180 ratepayers contributed feedback on SWDC's Annual Plan for 2019/20, which Council adopted on 26 June 2019. New initiatives adopted under the Plan included a 12-month trial in reducing library charges, a trial of extended swimming pool hours, additional footpath maintenance, and increased funding to build a new dog pound. The Plan also included increased funding for the Māori Standing Committee, bringing forward the budget for the manganese extraction plant for Martinborough, and a change in funding of SWDC's housing for seniors.

Financial performance

The financial results for the year are covered on pages 9 and 10 of this Summary Annual Report.

The statement of financial performance on page 9 shows a total operating surplus of \$3.15million for the year ended 30 June 2019. Almost all of this surplus is required to fund capital expenditure e.g. grants and donations for Waihinga Centre construction \$0.4million, New Zealand Transport Agency subsidy for roading capital expenditure \$0.9 million, vested assets \$1.2 million and development contributions transferred to reserves \$1.5 million.

Non-financial performance

We have a total of 102 non-financial measures that we report on through the Annual Report. We've achieved or substantially achieved a high proportion of these targets. Full details of all performance indicator targets and actual results can be found in the relevant section of the full Annual Report for the 2019 financial year. The results overall are very similar to the results from the previous year. The detail is included for each significant activity in the relevant section of the full Annual Report from pages 56 to 120.

Councillors and staff are looking forward to delivering on the projects agreed in the 2018/28 Long Term Plan and look forward to working with our communities to continue to make South Wairarapa a great place to live.



Alex Beijen

Mayor



Harry Wilson

Chief Executive Officer

A handwritten signature in black ink, appearing to be 'A. Beijen'.

A handwritten signature in black ink, appearing to be 'H. Wilson'.

Independent Auditor's Report

Te Pūrongo o te Kaitātari Kaute

Independent Auditor's Report

To the readers of South Wairarapa District Council's summary of the annual report for the year ended 30 June 2019

The summary of the annual report was derived from the annual report of South Wairarapa District Council (the District Council) for the year ended 30 June 2019.

The summary of the annual report comprises the following summary statements on pages 8 to 9, 11 to 13, and 17 to 19:

- the summary statement of financial position as at 30 June 2019;
- the summaries of the statement of comprehensive income, statement of changes in net assets/equity and statement of cash flows for the year ended 30 June 2019;
- the notes to the summary financial statements that include accounting policies and other explanatory information; and
- the summary statement of service performance.

Opinion

In our opinion:

- the summary of the annual report represents, fairly and consistently, the information regarding the major matters dealt with in the annual report; and
- the summary statements comply with PBE FRS-43: Summary Financial Statements.

Summary of the annual report

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

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

The full annual report and our audit report thereon

We expressed an unmodified audit opinion on the information we audited in the full annual report for the year ended 30 June 2019 in our auditor's report dated 30 October 2019.

Council's responsibility for the summary of the annual report

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

Auditor's responsibility

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

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

In addition to our capacity as auditor, we performed a limited assurance engagement related to the District Council's Debenture Trust Deed which is compatible with those independence requirements. Other than this engagement, we have no relationship with, or interests in, the District Council.



John Whittal
Audit New Zealand
On behalf of the Auditor-General
Wellington, New Zealand
30 October 2019

Summary Statement of Comprehensive Revenue and Expense

Table 1 provides a summary of the comparative financial performance for the Council for the 2018/19 and 2017/18 financial years.

TABLE 1	ACTUAL 2019 \$'000	BUDGET 2019 \$'000	ACTUAL 2018 \$'000
Operating revenue	22,818	20,797	25,351
Operating expenditure *	20,331	19,704	18,613
Other gains/(losses)	665	-	690
Net surplus/(deficit)	3,152	1,093	7,428
Increase/(decrease) in revaluation reserves	2,656	-	50,983
Total other comprehensive revenue and expense	2,656	-	50,983
Total comprehensive revenue and expense	5,809	1,093	58,411
*Operating expenditure includes Finance costs of:	618	719	579

Summary Statement of Changes in Net Assets/Equity

Table 2 details public equity, and the components of total equity.

TABLE 2	ACTUAL 2019 \$'000	BUDGET 2019 \$'000	ACTUAL 2018 \$'000
Equity at start of year	444,261	403,580	385,851
Total comprehensive revenue and expense	5,809	3,485	58,411
Equity at end of year	450,070	407,065	444,262
<i>Represented by:</i>			
Public equity	151,443	145,466	149,298
Restricted reserves and trust funds	25,517	23,829	24,510
Other Reserves	-	3	2
Asset revaluation reserve	273,109	237,211	270,451

Summary Statement of Financial Position

Table 3 provides a summary for the Council's financial position as at 30 June 2019 compared with the financial position as at 30 June 2018.

TABLE 3	ACTUAL 2019 \$'000	BUDGET 2019 \$'000	ACTUAL 2018 \$'000
Current assets	17,120	16,484	17,558
Non-current assets	456,590	416,183	449,393
Total assets	473,710	432,667	466,951
Current liabilities	8,316	3,321	8,756
Non-current liabilities	15,324	20,265	13,934
Equity	450,070	409,080	444,261
Liabilities and equity	473,710	432,667	466,951

Summary Statement of Cash Flows

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

TABLE 4	ACTUAL 2019 \$'000	BUDGET 2019 \$'000	ACTUAL 2018 \$'000
Net cash flow from operating activities	5,405	5,292	9,766
Net cash flow from investing activities	(7,551)	(7,712)	(12,079)
Net cash flow from financing activities	2,400	1,591	-
Net cash flow for the year	254	829	(2,313)

Functional and Presentation Currency

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

Interpretation of Summary Financial Statements

This Summary Report, which has been extracted from our 2018/19 Annual Report cannot be expected to provide as complete an understanding of the Council as provided by the full Annual Report.

Copies of the 2018/19 Annual Report are available at the Council Offices, 19 Kitchener St, Martinborough, or at Council libraries in Featherston, Greytown and Martinborough, or at www.swdc.govt.nz.

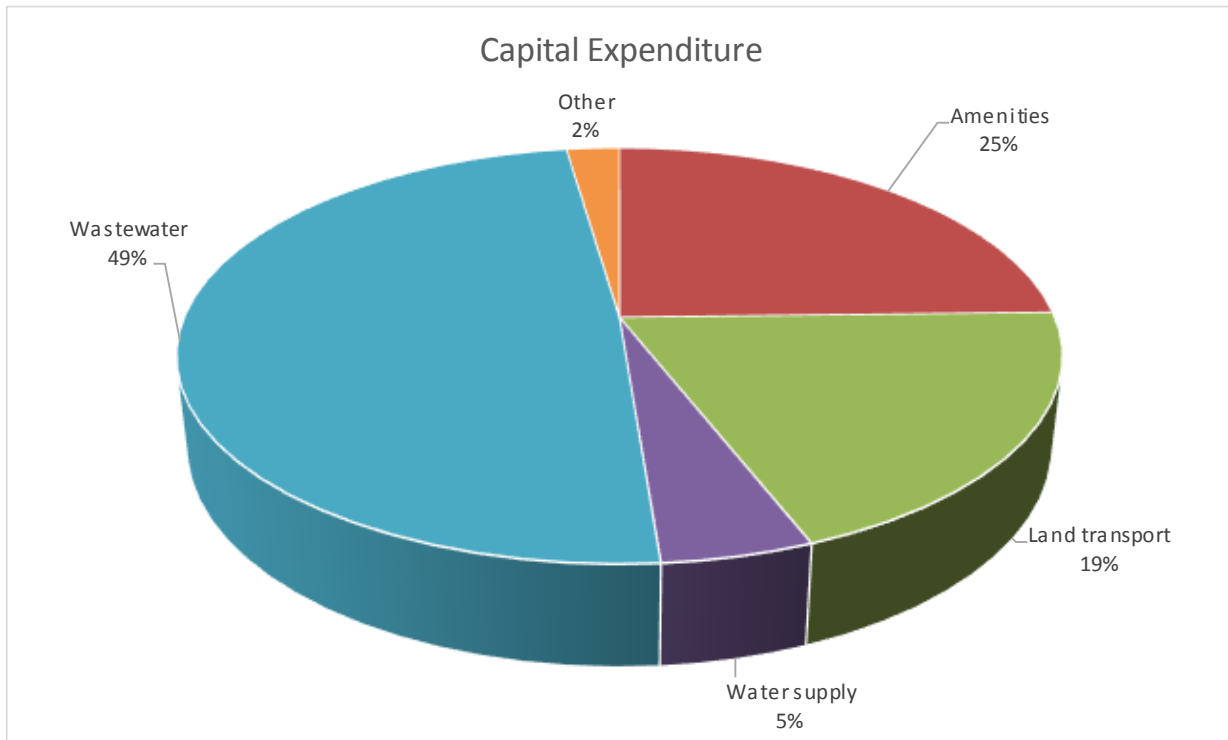
The full Annual Report was authorised for issue on 30 October 2019, Audit New Zealand issued their unmodified audit opinion on that date.

South Wairarapa District Council (SWDC) is a public benefit entity for financial reporting purposes. The full financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice (GAAP) and comply with Tier 2 Public Benefit Entity (PBE) accounting standards, as appropriate for public benefit entities.

This summary report has been prepared in accordance with PBE FRS – 43. This summary report covers the period 1 July 2018 to 30 June 2019.

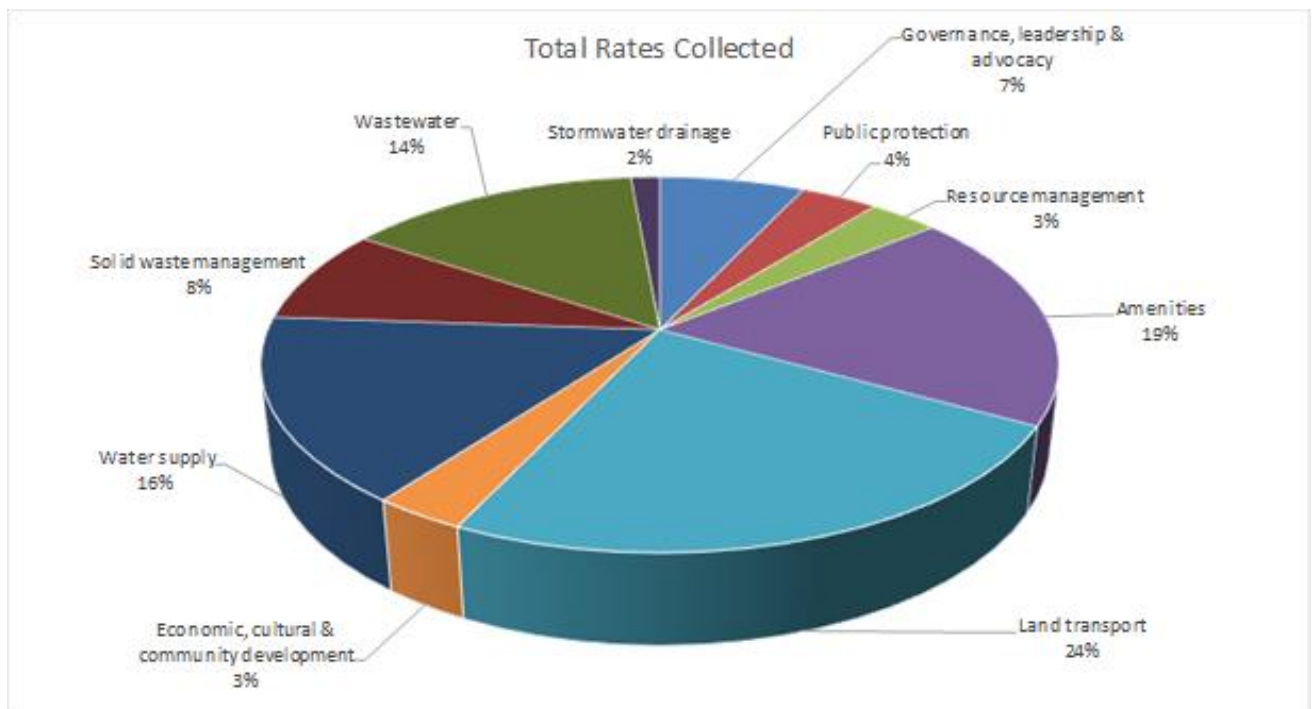
Capital Expenditure

Total capital expenditure for the 2018/19 year was \$10,747,000. Breakdown per activity is as displayed in the following graph:



Total Rates Collected

The total rates collected for the 2018/19 year was \$14,229,000. Breakdown per activity is as displayed in the following graph:



Statement of Contingencies

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

Council has also been named as a party to the Carter Holt Harvey representative claim regarding an alleged defective product "Shadowclad". The quantum regarding this claim has not been disclosed by the claimant.

Contingent liability for 2019 is \$Nil (2018: \$Nil).

There are no contingent assets for 2019 (2018: \$Nil).

No contingent rents have been recognised during the period.

There are no unfulfilled conditions and other contingencies attached to New Zealand Transport Agency subsidies recognised.

Local Government Funding Agency (LGFA)

The Council is a guarantor of LGFA. The LGFA was incorporated in December 2011 with the purpose of providing debt funding to local authorities in New Zealand. It has a current credit rating from Standard and Poor's of AA+.

As at 30 June 2019, the Council is one of several local authority borrowers and guarantors of the LGFA. The LGFA's loans to local authorities are \$9.8 billion (2018: \$8.6 billion), of which the Council have borrowed \$0.025 billion (2018: \$0.017 billion). As a result, the council's cross guarantee on LGFA's loans to other local authorities is \$9.8 billion (2018: Nil).

PBE Accounting Standards require the Council to recognise the guarantee liability at fair value. However, the Council have been unable to determine a sufficiently reliable fair value for the guarantee, and therefore has not recognised a liability. The Council consider the risk of the LGFA defaulting on repayment of interest or capital to be very low on the basis that:

- the council is not aware of any local authority debt default events in New Zealand; and,
- Local government legislation would enable local authorities to levy a rate to recover sufficient funds to meet any debt obligations if further funds were required.

Related Party Transactions

During the year councillors and key management, as part of a normal customer relationship, were involved in minor transactions with Council (such as payment of rates and purchase of rubbish bags etc.).

All payments were made on a cash basis and no payments were delayed. No interest was charged and there are no outstanding balances as at 30 June 2019 (2018: Nil).

No provision has been required, nor any expense recognised for impairment of receivables for any loans or other receivables to related parties (2018: Nil).

Below is a summary of remuneration to councillors and key personnel:

	30 JUNE 2019 \$	30 JUNE 2018 \$
Councillors		
Remuneration	250,334	236,943
Full-time equivalent members	10	10
Senior Management Team, including Chief Executive		
Remuneration	666,530	640,588
Full-time equivalent	4	4
Total key management personnel compensation	916,865	877,531

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

Key management personnel include the Mayor, councillors, Chief Executive, and the Senior Leadership Team.

Events After Balance Date

There have been two significant events after balance date. On 1st July 2019 South Wairarapa District Council in partnership with Carterton District Council entered into a contract with Fulton Hogan to provide roading solutions for the two councils in line with NZTA requirements and funding. The contract is for a period of 5 years with further rights of renewal.

On 1st October 2019 SWDC became shareholders of Wellington Water Limited (WWL). While ownership of all water assets remains with SWDC, WWL will be responsible for delivering operational and capital works across our three waters infrastructure.

Explanations of Major Variances against Budget

Explanations for major variations from South Wairarapa District Council's estimated figures in the 2018/19 Annual Plan are as follows.

Statement of Comprehensive Revenue and Expense

Overall revenue received is 9.7% higher than budgeted. This is due to several factors:

- Grants and donations relating to the Waihinga Centre were higher than budget, as they had been budgeted for in earlier years.
- There was no budget for vested assets, however a number of assets vested in council as a result of subdivisions during the period covered by these financial statements.
- Financial contribution revenue is ahead of budget due to the ongoing growth in developments in the district.
- All other revenue is close to budget for the year.

Expenditure is slightly above budget for the year.

The surplus is above budget, however a significant portion of the funds received over budget are used to cover capital expenditure or transferred to reserves for future use e.g. financial contributions based on subdivision activity.

Statement of Movements in Equity

Council undertook cyclical valuations of land, buildings, and investment properties and the increase in revaluations of these assets are reflected in equity. Asset revaluations are not taken into account when preparing the annual budget.

Statement of Financial Position




- Cash and cash equivalents are lower than budgeted due to timing of term deposits at year end, however is only slightly lower than previous year. Reduced end of year debtor balances reflect improving collection periods.
- The increase in non-current assets is a reflection of positive cyclical revaluation of assets, and increased capital expenditure.
- Public debt increased this financial year, and is slightly below budget.
- Overall, equity has increased. Special reserve balances are higher than budget, as is the asset revaluation reserve. Financial contributions which are transferred to reserves were higher than expected. Other reserve funds are accumulating for repayment of interest only loans.

Statement of Cashflows

- Net cashflow from operating activities is slightly favourable to budget. The timing of the receipts of grants and donations is the main contributor to this.
- Net cashflow from investing activities is also slightly favourable to budget. This is due to the maturity term of deposits held at balance date partially offset by increased capital expenditure, being expenditure on capital projects budgeted in previous years.
- Net cashflow from financing activities reflects a higher than budgeted debt level.




Update on Key Issues from the Long Term Plan

The following comments report back on progress during the past year with the key issues that were identified in the Council's Long Term Plan (LTP) which was adopted in June 2018.

Activity	Key Issue	Progress
Land Transport 	Roothing in the district is vital, not only for car traffic which is the predominant means of transport for most residents and visitors, but also commercial traffic which is essential to service major industrial enterprises, particularly farming, horticulture and the wine industry.	The roading programme was completed as planned. This programme is agreed with NZTA and is subject to significant oversight. NZTA need to be assured that their contribution is being well spent. The reseals programme is managed to ensure that only those sections of road that require sealing are sealed. This targeted approach is the most efficient method of ensuring the network is maintained to the highest standard affordable. A significant amount of work was carried out on the Cape Palliser "Special Purpose Road". As this section of our network abuts the sea, it is important to carry out as much preventative maintenance as possible.
Wastewater 	Council continues to work towards alternative wastewater disposal systems such as discharge to land for the wastewater systems in the three towns. Discharges need to meet GWRC's discharge standards.	The 2018/19 year has seen excellent progress with developing the new wastewater systems for Greytown and Martinborough after 35-year wastewater consents were obtained for both towns in the 2015/16 year. Treated wastewater has been distributed to land in both towns during the financial year. We are working with Wellington Regional Council responding to queries raised with regard to the resource consent application for Featherston wastewater. A 35-year consent has been requested. A hearing is likely to take place early in 2020.
Amenities 	Waihinga Centre	The Martinborough Town Hall strengthening and Waihinga Centre upgrade was approved in February 2016. The building consent was issued in April 2017 and building commenced in May 2017. Construction was completed and the centre opened in December 2018. The Waihinga centre has been well used since its opening and has been nominated for a number of architectural awards. Council would like to acknowledge the considerable contribution made by the community to this project. Council could not have funded this project without the generous donations of time and money from the community and other funders.

Significant Acquisitions or Replacements of Assets

The following comments report back on significant acquisitions or replacements of assets.

Project	Comment	2018/19 Budget \$'000	2018/19 Actual \$'000	2017/18 Actual \$'000
Amenities 	Waihinga Centre Development Work on the earthquake strengthening of the Martinborough Town Hall and the construction of the Waihinga Centre was completed during the year and opened in December 2018. Budget was carried forward from previous years. Donations and grants of \$410K were received this year to contribute towards this project.	\$0	\$1,588	\$3,600
Wastewater 	Alternative disposal to land Local Authorities are required to manage the treatment and disposal of wastewater to ensure the conditions of the resource consents are met. Through a series of consultative working groups in each town, we identified that discharge to land should be investigated. We were delighted to obtain 35 year consents for Martinborough and Greytown. The Featherston consent application was lodged during the 2017 financial year. We continued to work with GWRC to obtain a consent for Featherston. This work will continue into the 2020 financial year. During the year Council approved the purchase of additional land for the Featherston wastewater site. This was additional to the budget.	\$1,175	\$4,280	\$1,000
Land Transport 	Land transport capital expenditure includes road resealing, seal extensions, footpaths and other rehabilitations and renewals. Most of the land transport capital expenditure attracts a subsidy from NZTA. The total subsidy received to fund this Capital expenditure was \$880K for this financial year.	\$2,134	\$1,834	\$3,991

Opportunities for Māori to Contribute

South Wairarapa District Council's main Māori consultative group is the Māori Standing Committee. The role of this Council funded committee is to:

- Advise on tangata whenua and Māori interests in the Council's major areas of activity.
- Establish a method of consultation, which involves tangata whenua, on all matters relating to the district's resources, and involving the district's planning processes.
- Advise on consultation processes with Māori in the district and assist in the development of consultation networks throughout the district.
- Promote the development of processes within Council, which develop policy, processes and guidelines, based on the Treaty of Waitangi principles of participation, partnership and active protection.

Māori input has been sought on the current wastewater project, particularly on the impact of discharges to the Papawai stream.

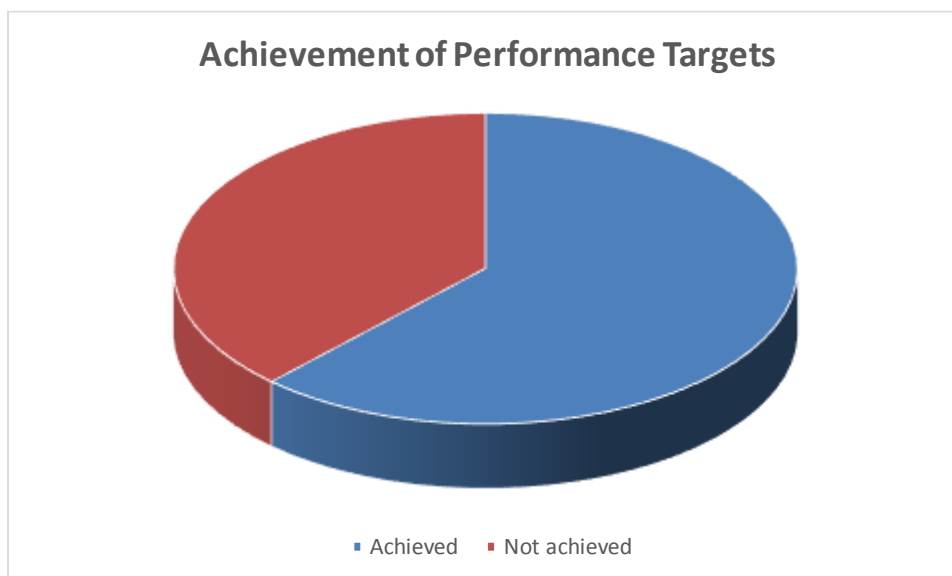
Public participation at Council and community board meetings is another forum whereby Māori can have input into matters Council is considering.

Summary Statement of Service Performance

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

We have a total of 102 non-financial measures that we report on through the Annual Report. We've achieved or substantially achieved a high proportion of these targets. Full details of all performance indicator targets and actual results can be found in the relevant section of the full Annual Report for the 2019 financial year. The results overall are very similar to the results from the previous year.

The graph below shows the proportion of performance targets achieved. In addition to the 62% of targets achieved, a further 7% were within 5% of achieving the target.



The non-financial measures include a number of ratepayer satisfaction measures for which we contract an external company to complete a survey on our behalf.

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

These performance indicators cover all areas of Council's work. Those targets we did not manage to achieve in the 2019 year give us an opportunity for renewed focus and improvement in the coming year.

Department of Internal Affairs (DIA) Performance Measures

Below is a summary of the results of the DIA performance measures for the year.

DEPARTMENT OF INTERNAL AFFAIRS PERFORMANCE MEASURES			
WATER SUPPLY MEASURES	TARGET	ACHIEVED	NOT ACHIEVED
Average consumption of drinking water per day per resident	<400Lt		487Lt
Compliance with resource consent conditions/water permit conditions	100%	100%	
Water supply systems comply with Ministry of Health Bacteriological Drinking Water Standards guidelines 2008	MBA: Yes GTN: Yes FTN: Yes		MBA: No GTN: No FTN: No
Water supply systems comply with Ministry of Health Protozoal Drinking Water Standards guidelines 2008	MBA: Yes GTN: Yes FTN: Yes		MBA: No GTN: No FTN: No
Fire hydrants tested annually that meet NZ Fire Service Code of Practice	20%	20%	
The % of real water loss from the local authority's networked reticulation system identified by establishing and measuring night flow	<30%	MBA: 13% FTN: 9%	GTN: 39%
The total number of complaints received by the local authority about drinking water taste per 1000 connections	<15	0	
The total number of complaints received by the local authority about drinking water odour per 1000 connections	<15	0	
The total number of complaints received by the local authority about drinking water pressure or flow per 1000 connections	<15	5.66	
The total number of complaints received by the local authority about continuity of supply per 1000 connections	<15	6.65	
The total number of complaints received by the local authority about drinking water clarity per 1000 connections	<15	5.66	
Total of all water complaints per 1,000 connections	<75	17.97	
Attendance for urgent call-outs: from the time that the local authority receives notification to the time that service personnel reach the site in < 1 hour	75%	77% Median time 0.25 hrs	
Resolution of urgent call-outs: from the time that the local authority receives notification to the time that service personnel confirm resolution of the fault or interruption in < 8 hours	90%	88% Median time 1.6 hrs	
Attendance for non-urgent call-outs: from the time that the local authority receives notification to the time that service personnel reach the site in < 2 working days	75%	71% Median time 0.91 days	
Resolution of non-urgent call-outs: from the time that the local authority receives notification to the time that service personnel confirm in < 5 working days	85%	87% Median time 1.54 days	

DEPARTMENT OF INTERNAL AFFAIRS PERFORMANCE MEASURES			
WASTEWATER MEASURES	TARGET	ACHIEVED	NOT ACHIEVED
Number of blockages per 1000 connections	<10		10.69
Number of dry weather wastewater overflows per 1000 connections	<10	0	
Attendance time: from notification to arrival on site	70% < 1 Hr		40% Median time: 1.07 hrs
Resolution time: from notification to resolution of fault	75% < 4 Hrs		38% Median time: 10.3 hrs
% of resource consent conditions complied with to mainly complying or better*	90%	97%	
No. of abatement notices	<2	0	
No. of infringement notices	0	0	
No. of enforcement notices	0	0	
No. of convictions	0	0	
No. of complaints per 1000 connections received about sewage odour	< 15	0.95 (4)	
No. of complaints per 1000 connections received about sewage system faults	< 15	2.38 (10)	
No. of complaints per 1000 connections received about sewage system blockages	< 15	6.65 (28)	
No. of complaints per 1000 connections received about the response to issues with wastewater	< 15	0 (0)	
Proportion of urgent wastewater service requests responded to within 6 hours of notification	95%		69% (31/45)








DEPARTMENT OF INTERNAL AFFAIRS PERFORMANCE MEASURES			
STORMWATER MEASURES	TARGET	ACHIEVED	NOT ACHIEVED
% of urgent (any blockage causing extensive flooding of buildings or other serious flooding) requests for service responded to within 5 hours	95%	100%	
No. of flooding events	0	0	
No. of habitable floors affected per flooding event per 1000 properties connected	0	0	
No. of abatement notices	0	0	
No. of infringement notices	0	0	
No. of enforcement notices	0	0	
No. of convictions	0	0	
Median Response time to flooding events(Notification to personnel reaching site in hrs)	3	0	
No. of complaints about stormwater per 1000 properties connected	0	0	

DEPARTMENT OF INTERNAL AFFAIRS PERFORMANCE MEASURES			
ROAD SAFETY MEASURES	TARGET	ACHIEVED	NOT ACHIEVED
The change in the number of fatalities and serious injury crashes on the local road network	<7		Increased by 2
Using the RAMM measurement system, average smooth travel exposure on urban roads to be 85% and rural roads 95% with maximum variation of 5%	95%	97%	
5% of sealed roads are resealed each year subject to availability of NZTA subsidy	100%		92%
Footpath Condition rating 95% compliant with SWDC AMP Standard	95%	N/A	
The % of customer service requests relating to roads and footpaths responded to within 48 hours	80%	91%	

Projects for 2018/19






Governance, Leadership and Advocacy

The following table provides an update on projects undertaken for the 2018/19 year for Governance/Leadership/Advocacy.

Project		Progress
Advocacy 	Continue to advocate for Public Transport to meet community's needs.	SWDC continued to work closely with GWRC to ensure our public's needs were given due consideration and contributed to the Public Transport Working Group consisting of the three Wairarapa councils and GWRC. Council also lobbied central government to support funding requests from GWRC to improve the rail service between the Wairarapa and Wellington. Central Government announced significant funding to upgrade the railway lines from Wellington to the Wairarapa which will improve the commuting times for residents who live in the Wairarapa and work in Wellington which a significant number of South Wairarapa residents do.
Advocacy 	Continue to work with other interested parties to lobby NZTA for improvements to the Remutaka hill road.	Council is represented on the Remutaka Hill Road working party and continues to lobby through this and other communications with NZTA.
Governance 	Review community boards terms of reference and delegations.	This review has been completed.
Governance 	Complete a governance review.	This review was completed.
Governance 	Complete a representation review.	This review was completed.
Resource Management 	Commence review the Wairarapa Combined District Plan to enable public notification of the new plan by the due date of May 2021.	The Planning Team has commenced this review with officers from MDC and CDC. This work will take a couple years to complete and will be an important component of managing sustainable growth in the region for the future.
Amenities 	Commence installing bilingual signage for all SWDC signs in the district.	New signage has been installed in a number of locations as part of the roll out of the new logo. This project will continue into the 2019/20 year.







Public Protection

The following table provides an update on projects undertaken for the 2018/19 year for Public Protection.

Project		Progress
Safe and Sanitary Buildings 	Complete project to scan existing building consent files along with all new building consents.	The scanning of offsite stored files has been completed and we have begun scanning the onsite files while also scanning any new applications that come into Council.
Safe Food 	Set up and commence project to scan existing environmental services application and consent/permit records and all new applications.	This project has not been started.
Alcohol 	Commence development and establishment of electronic licence, permit and consent processing within Environmental Services.	This project has not been started.
Alcohol 	Implement the Local Alcohol Policy (LAP) in a manner that is consistent with MDC and CDC and monitor the performance of the DLC and Council processes in implementation of the Act and LAP.	This was implemented during the year and monitoring is ongoing.
Dogs and Animals 	Construct an updated pound facility in Featherston.	Council officers are working with officers from Carterton District Council to investigate the possibility of a joint pound shared by both Councils. It is planned for completion in the 2019/20 financial year.







Economic, Cultural and Community Development

The following table provides an update on projects undertaken for the 2018/19 year for Economic, Cultural and Community Development Projects.

Project		Progress
Community Development 	Start project to promote and enhance the district.	Actions taken this year include the Council rebrand and new logo and appointment of a new full-time Communications Manager, to strengthen and build on our communication with our communities. Council has also commenced the revamp of its website.
Economic Development 	Continued involvement with economic development both regionally and locally through the Wellington Regional Strategy, Wellington Regional Economic Development Agency, Destination Wairarapa and other agencies and local business groups.	Council is working with Masterton District Council (MDC) and Carterton District Council (CDC) on implementing Wairarapa Regional Economic Development Strategy. This Wairarapa-wide strategy was launched in December last year. The Council's CEO represents the District on the Steering Group and the Mayor is on the Governance Group and chairs the Visitor and Tourism Portfolio. Council continues to support Destination Wairarapa via an annual grant.
Water project 	Continued support for the Wairarapa Water project.	Funds were allocated in the 2018/19 financial year to continue to support this project.
Economic Development 	Develop an Economic Development Strategy.	This Wairarapa-wide strategy was prepared in conjunction with MDC, CDC and WREDA and launched in December 2018.
Cycling 	Promote cycle tourism by agreeing to maintain the portion of the proposed cycle trail from Featherston to Masterton that passes through our district.	Council agreed to provide this support to the proposed cycle trail and keeps a watching brief on the project via the joint cycling coordinator and Wairarapa Trails Advisory Group (WTAG).
Community Development 	Commence additional grant funding specifically targeted at the district's youth.	Starting in 2018/19, \$75,000 per year has been set aside to support youth training, development and recreational activities via grant funding.









Resource Management

The following table provides an update on projects undertaken for the 2018/19 year for Resource Management Projects.

Project		Progress
District Plan 	Continue to improve the functionality of the District Plan and undertake Council initiated Plan changes where necessary.	Work has continued during the year for a proposed plan change for the Martinborough South Growth Area to provide more residential housing to meet demand. Council has had two rounds of consultation with impacted landowners.
Resource Management 	Respond to changes to the Resource Management Act 1991 by government to ensure compliance with statutory requirements.	Changes that came into effect from RMA amendments have been reflected in our resource consent processes and application forms.
Water race 	Review residential water race maintenance.	Council engaged Eastern Consulting to undertake a water race review. This work was completed in the 2018/19 year.
District Plan 	Undertake State of Environment (SoE) and Plan Effectiveness Monitoring (PEM) to inform the review of the Wairarapa Combined District Plan (WCDP).	Plan effectiveness monitoring will be undertaken as part of review work for the WCDP.
Spatial Plan 	Commence spatial plan for South Wairarapa District.	A Spatial Plan Discussion Document was produced in July 2019 and Council is currently carrying out initial community engagement to get feedback on the discussion document. This feedback will help shape the content of the Draft Spatial Plan, and resultant South Wairarapa Spatial Plan.
Financial contributions 	Review current financial contributions system and prepare to implement development contributions.	Work has commenced on this and will continue in the 2019/20 year.

Amenities

The following table provides an update on projects undertaken for the 2018/19 year for Amenities Projects.

Project		Progress
Cemetery 	Continue the new cemetery development at Featherston.	Due to other priorities no work has been completed but planned this year 2019/2020.
Library and buildings 	Complete development of Waiinga Centre.	The Waiinga Centre was officially opened on 10 December 2018.
Swimming Pool 	Complete pool upgrades.	Shade covers installed on all pools, Featherston pipe work upgrade underway, all new pool covers supplied.
Parks and Reserves 	Development plan for Card Reserve.	A user group has been established and will meet in the first quarter of 2019/20.
Library and buildings 	Connect libraries to Ultra-Fast Broadband (UFB).	Crown Infrastructure advised in April 2019 UFB installations are ahead of original schedule. All three South Wairarapa towns are to have fibre installed for UFB with the Greytown installation underway and scheduled for completion by May 2020, Featherston by March 2021, and Martinborough by December 2021.
Public Toilets 	Provide additional infrastructure for visitors in the district.	Two extra coastal toilets installed at White Rock and North Tora. Water fountain installed in Featherston.
Library and buildings 	Complete feasibility study for extension of the Featherston library. Work with ANZAC Club to establish a development plan for the ANZAC hall.	A Memorandum of Understanding has been signed between SWDC and the ANZAC Club. The electrical upgrade is underway, Kiwi Hall toilet upgrade approved and in planning/design stage.
Sports Facility 	Contribute to the feasibility study for a sports hub proposed by Kuranui College Board of Trustees, Greytown Trustlands Trust and Greytown Sports and Leisure.	This contribution was made and the report was published in March 2019.

Sports Facility

Contribute to the renovation of the cricket wicket block at Soldiers Memorial Park.

This contribution was made and work completed.

Land Transport (Roading and Footpaths)

The following table provides an update on projects undertaken for the 2018/19 year for Land Transport Projects.

Project		Progress
Pavements (Roads) 	Complete an annual reseals programme and re-metaling programme.	Reseals completed under contract C1218 Reseal and Roadmarking. Remetalling completed under contract C1209 the Road maintenance contract.
Structures 	Complete the bridge inspection programme including review for new maximum allowable weight and dimension limits for heavy vehicles (effective December 2017).	Detailed inspections were carried out on 24 bridges, general inspections were carried out on 37 bridges. Maintenance works identified have been prioritised.
Structures 	Develop bridges works programme for 2019/20	This has been completed.
Footpaths 	Renew and extend footpaths as per programme.	Programme completed under joint SWDC CDC footpath contract.
Pavements (Roads) 	Work with NZTA regarding the proposed change in funding for the Special Purpose Road (proposed transition from 100% to 52% subsidy).	Case put forward to NZTA TO limit SWDC financial risk, awaiting outcome from NZTA.
Pavements (Roads) 	Complete approximately 1km seal extensions.	Western Lake Road completed 0.65km in line with budget.
Cycling	Develop a cycle strategy.	Delayed due to regional trail development being introduced





**Footpaths**

Apply to NZTA for footpath maintenance funding.

Completed and received in Regional Land Transport Programme 2018/2021


Water Supply







The following table provides an update on projects undertaken for the 2018/19 year for Water Supply Projects.

Project		Progress
Water Supply 	Refurbish storage tank for Featherston and Greytown water supply.	Partially completed, lining and cover to be completed before the end of 2019.
Water Supply 	Implement additional bore to supply Featherston and Greytown.	First bore site was dry, however alternative site successful. Headworks to be completed before the end of 2019.
Reduce Water Loss 	Implement leak detection and pipe replacements and renewals to reduce water loss from our water supply system.	Greytown completed in period, with 30% reduction in water losses.
Water conservation 	Implement programme to promote water conservation.	Engagement started to coincide with Martinborough Manganese Removal plant project ahead of summer peak demand period.

Solid Waste Management



The following table provides an update on projects undertaken for the 2018/19 year for Solid Waste Management Projects.

Project		Progress
Waste Management 	Work at a regional and sub-regional level towards the outcome of the Waste Management and Minimisation	Plan as required under the Waste Minimisation Act 2008. On-going work with Wairarapa councils with the Environment and Sustainability Advisor and regional waste planning.

<p>Waste Collections</p> 	<p>Provide at least two hard waste (inorganic non-recyclable items weighing less than 15kg and able to be lifted by one person) collections per year.</p>	<p>One hard waste collection was carried out: - 6-10 August 2018</p>
<p>Transfer Station</p> 	<p>Improve layout of transfer station.</p>	<p>Minor work was completed this year, but further work is planned in conjunction for the implementation of the resource consent.</p>
<p>Waste Management</p> 	<p>Carry out all actions listed for SWDC under the Regional Waste Management Plan.</p>	<p>The Wairarapa councils have continued to work together, including collaboration through a shared Environment and Sustainability Advisor. Changes in the service for waste minimisation included e-waste collection at the transfer station from October 2018 and wheelie bin recycling commencing September 2019.</p>
<p>E-waste</p> 	<p>Implement e-waste collections.</p>	<p>E-waste has been accepted at the transfer station since October 2018.</p>
<p>Recycling</p> 	<p>Implement use of 240 litre recycling bins to supplement current recycling bins.</p>	<p>Planning for the roll out of wheelie bins was completed during the year. Wheelie bin collections commenced in September 2019.</p>
<p>Waste Management</p> 	<p>Investigate ways to promote composting of food waste to reduce waste going to the landfill.</p>	<p>Combined communications for the district have been implemented.</p>

Wastewater (Sewerage)

The following table provides an update on projects undertaken for the 2018/19 year for Wastewater Projects.

Project	Progress	
<p>Wastewater</p> 	<p>Continued programme of wastewater reticulation repairs and renewals.</p>	<p>Plan as required under the Waste Minimisation Act 2008. On-going work with Wairarapa councils with the Environment and Sustainability Advisor and regional waste planning.</p>
<p>Wastewater</p> 	<p>Progress consent application lodged March 2017 for Featherston wastewater implementation,</p>	<p>Council is working with the Regional Council to progress the application, and has carried out public engagement on the proposed wastewater to land scheme. The hearing has been delayed to enable additional technical analysis to inform the consent process.</p>

including notifying the consent and public consultation followed by the consent hearing.

Installations



Install ultra-violet disinfection for the Greytown effluent discharge and apply for land irrigation consents by September 2018.

The UV installation started in September 2018 and discharge to land commenced for Greytown in May 2019.

Wastewater



Increase the capacity of the main to Greytown wastewater treatment plant (WWTP).

This project was delayed for redesign and will be retendered for completion in 2019/2020.

Installations




Install new gravity main in Featherston.

1800m of gravity main replaced in Featherston, with an early indication of reduction of infiltration in excess of 30%.

Storm water Drainage

The following table provides an update on projects undertaken for the 2018/19 year for Stormwater Drainage Projects.

Project	Progress
<p>Stormwater</p>  <p>Continue renewal and upgrading of stormwater drains.</p>	<p>A planned stormwater drain was due to be upgraded in conjunction with a building extension. Delays for this building extension have meant this work is now planned for 2019/20.</p>