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*Cover Page: Hopper Construction machinery at work on the Urban Wastewater Upgrade at Homebush.  
Photograph by: Ian Steer*

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## ***Purpose of the Annual Plan***

The purpose of the Masterton District Council's Annual Plan is:

- a) to describe the Council's activities for 2011/12 and their associated costs and funding
- b) to link activities with the community outcomes of the Masterton District
- c) to provide integrated decision-making and co-ordination of the Council's resources
- d) to provide a basis for accountability of the Council to the community
- e) to provide an opportunity for participation by the public in decision-making processes on activities to be undertaken by the Council.

***This Annual Plan covers year three of the ten-year timeframe covered by the 2009-19 Long-Term Council Community Plan (LTCCP).***

***For more information, please refer to the 2009-2019 Long Term Council Community Plan.***

### ***Timeline***

- The Draft Plan was launched for public consultation on Friday 15 April 2011.
- Public Meetings will be held in the Frank Cody Lounge at the Council building on Thursday 5 May at 1.30 pm and 7.00 pm.
- Submissions on the Draft Plan will close on Wednesday 18 May 2011.
- The Council will hear submissions on the Draft Plan on Wednesday 30 and Tuesday 31 May and consider them on Wednesday 1 June 2011.
- The Council may amend the Plan in response to submissions and will adopt the Plan on Wednesday 29 June 2011.

## ***Introduction from Mayor and Chief Executive Officer***

Thank you for taking an interest in the Council's key planning document, the Draft Annual Plan for 2011/12. This Plan covers year three of our 2009/19 Long Term Council Community Plan (LTCCP). We have made significant progress through the first two years of the LTCCP and in this Plan we set out the Council's budgets and targets for the coming year. You have an opportunity to make submissions on any aspect of this consultation document.

The Masterton wastewater upgrade project has been in a planning mode for many years. In 2010/11 the Council reached a point where a tender for construction was let. Work is currently underway building new oxidation ponds at the Homebush site. 2011/12 will be a year in which the balance of the scheme will be built, including completing the oxidation ponds, decommissioning the old ponds and constructing 90 ha of land irrigation for the treated effluent.

As was signalled in the LTCCP, the biggest impact of this project on urban ratepayers will be seen in your rates accounts. Originally the rates increases were to be over two financial years, but the project timing will now see rates increases spread over three years (until 2012/13). This Plan proposes a 10.7% average rates increase for urban ratepayers (the LTCCP predicted 13.4%). With our local Wairarapa economy slowly heading out of the recession, it is recognised that the increase has come at a difficult time.

The Council has tried to hold other costs down and

be more prudent than ever to achieve value-for-money for the services provided to ratepayers.

The new sewerage scheme at Riversdale Beach is due to be operational early in the new financial year. This \$8.8 million project has not been without its challenges, but it is expected to be delivered on budget. The Council has reviewed the capital funding model for the scheme in light of the Riversdale Terraces subdivision wanting to join the community scheme. The degree to which the Council or the community pays for future capacity and the associated debt is key to the revised funding model.

Maintaining and improving the District's infrastructure remains the key focus for this Plan, but 2011/12 is also a big events year. The Wairarapa will play a part in the Rugby World Cup, we will host the World Shearing Championships and we will continue to support the many events and facilities that bring visitors to our region. Our budgets reflect that focus, with the second stage of the upgrade of Mawley Park Camping Ground and the funding support for events and facilities such as the Masterton Motorplex drag strip and a Stadium extension.

We trust you will find enough information about the Council's planned activities in the summary and full versions of the Draft Annual Plan for 2011/12. We welcome your feedback and ideas via the consultation process.



Garry Daniell  
MAYOR



Wes ten Hove  
CHIEF EXECUTIVE

## Highlights and Major Projects

In this section we have summarised the highlights and major projects that are planned for 2011/12. We are seeking your feedback on these items or any other aspects of the document.

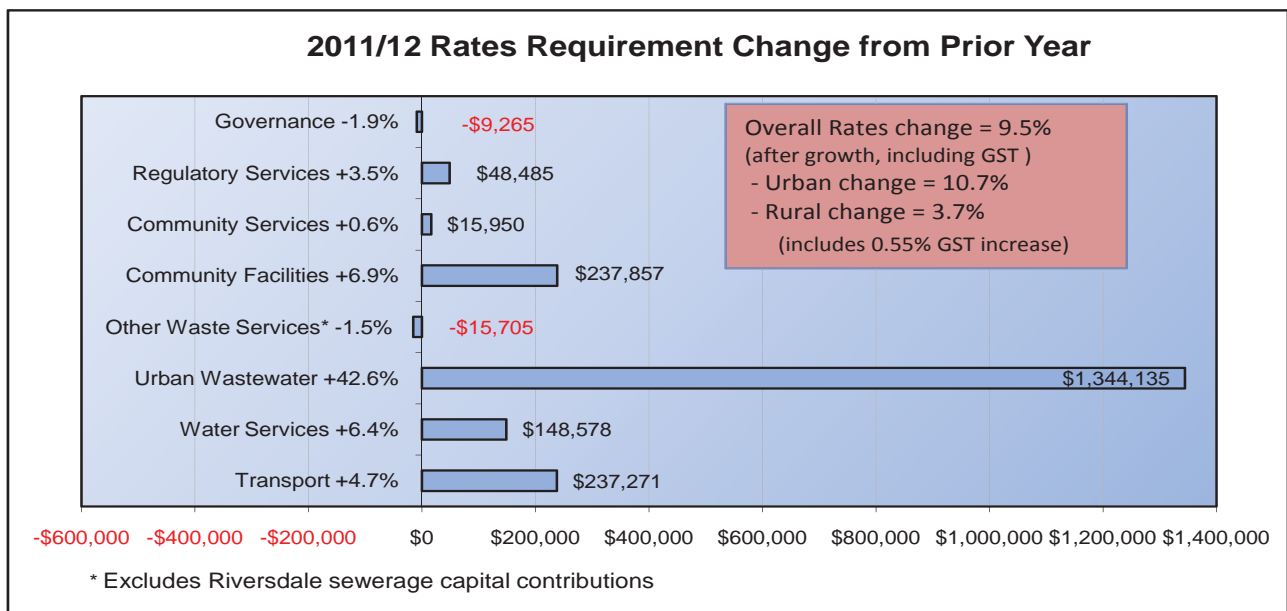
### Financial Impacts

The overall rates increase is forecast at 9.5% (after allowing for growth in the rating base). In the urban area the average is forecast to be 10.7%, while in the rural area the average change is forecast to be a 3.7% increase.

For the urban area the Long Term Plan in 2009 predicted a rates increase of 13.4% for 2011/12. This increase has been reduced through a number of factors, including holding cost increases where possible, taking account of continuing lower interest rates and the delayed start to the sewerage upgrade project resulting in a later draw-down of loan funding.

The Council acknowledges that, despite this rates increase being less than expected, it may create affordability issues for some within our community. However, the sewerage upgrade project has been worked on for more than 12 years and the Council remains fully committed to completing it in order to provide a long term, sustainable solution for the treatment and disposal of the town's waste water.

The graph below portrays the activity areas of the Council where changes to rates funding are planned.



Rates Change Indicators	Capital Value	2010/11 MDC rates	2011/12 draft MDC rates	\$ change	% change
Urban - low value	160,000	1,327	1,470	143	10.8%
Urban - average value	235,000	1,699	1,880	181	10.7%
Urban - high value	400,000	2,437	2,694	257	10.5%
Commercial example	450,000	4,629	5,111	482	10.4%
Rural - farm	4,000,000	6,744	7,011	267	4.0%
Rural - lifestyle	560,000	1,203	1,241	38	3.2%
Rural - bach (Cspt)	530,000	1,471	1,527	56	3.8%
Rural - bach (R/dale)*	490,000	1,345	1,626	281	20.9%

\*Note: Riversdale sewerage operating rates start from 2011/12

## Financial Impacts

Large capital expenditure items include:

- urban wastewater upgrade (\$16.8 million)
- urban sewerage reticulation renewals (\$1.9 million)
- roading renewals (\$3.5 million)
- Mawley Park refurbishment part 2 (\$600,000)
- water treatment plant filter refurbishment and water mains replacements (\$1.7 million)

Some \$2 million extra rates is required in 2011/12 to fund the services that the Council provides. Of that figure, \$1.3 million is needed to meet the increased costs of the urban sewerage activity.

Of the 10.7% increase for urban rates 9.0% is due to the urban waste water upgrade while other costs account for the remaining 1.7%.

As a result of the delayed start to the urban sewerage upgrade some project costs will carry over into the 2012/13 year. The urban rates increase for that year will be more than anticipated in the LTCCP (it is estimated to be 8.5% rather than 3.5%).

## Wastewater

### Urban Wastewater Upgrade Project

After extensive consultation a resource consent was granted to build new ponds, disperse treated effluent to land via border strips and to discharge any surplus to the river in times of high flow. The Council is looking to make best use of treated wastewater through irrigation instead of discharging to the river.

Work on the new ponds began in 2010. Across the 2010 to 2013 years the project will cost in the order of \$29 million.

The planned cost has increased due to requirements to strengthen the walls of the ponds to mitigate against potential liquefaction. The cost of some other structural, mechanical and electrical items included in the design was underestimated. These costs have resulted in an increase of \$5 million over previous budgets. This matter is now subject to legal redress.

The project is expected to be completed in 2013. The capital costs are being funded from borrowing.

Upgrading the reticulation system is a priority to reduce the amount of infiltration into the system. An investment of \$1.9 million in sewer reticulation renewals is planned for 2011/12. Of this funding \$700,000 will come from depreciation reserves, the balance being borrowed.

Private owners are expected to undertake work on any faulty private laterals themselves or the Council will commission the work and recover the costs from private landowners.

### Riversdale Beach Sewerage Scheme

The scheme will be operational early 2011/12 and revised capital contributions have been calculated, depending on the payment option chosen. The nearly completed project has come in just under the forecast costs. The capital contribution for a residential equivalent (RE) has reduced by \$133 to \$14,756 plus GST.

The Council has agreed with the owners of the Riversdale Terraces subdivision that they can join the community sewerage scheme. The funding model has been updated with these changes and modified to reduce the share of funding allocated to future connections, which reduces the ongoing interest costs that the scheme incurs. A separate Riversdale Beach newsletter will provide greater detail for those ratepayers affected. The Council's Funding Impact Statement reflects collection of the balance of the capital contributions for the scheme and inclusion of a targeted operating rate.

## Urban Water Supply

The Council is working to maintain water quality, reduce water that is lost from the reticulation system and make sure there is enough water to go around.

The Council will continue to renew the water mains and connections. Refurbishing the water filter system has been carried forward from 2010/11 and this improvement to the water treatment plant will ensure the continued safety of the Masterton urban water supply.

Conservation measures during the summer and leak detection and repairs will keep the Council within its consent conditions and provide sufficient water for the community.

## Roading

Urban and rural roads are lasting longer and the New Zealand Transport Agency (NZTA) and the Council have agreed that there will be less roading replacement (renewal) work done this year with a \$500,000 reduction from what was planned in the Long Term Council Community Plan.

Roading is a major expenditure item for the Council and some 28.5% of the Council's total operating budget. We expect to maintain current levels of service with little increase in overall costs, although there is a shift in expenditure into the rural areas of the programme. The asset life changes noted above have resulted in more maintenance focused expenditure and less expenditure on renewals. A project item carried forward from 2010/11 is repair of the slump near the Tinui landfill.

Most work on the roads receives financial assistance of 55% from NZTA.

Management of the roading corridor throughout the District has been devolved to local authorities. This is to manage installation and operation of underground services such as pipes and wires more effectively. The Council has allowed an additional \$50,000 to undertake this task and other asset management functions.

## Stormwater

We are working to cope better with storm events in the urban area by allocating \$100,000 to improve the capacity of the system.

Investigation into ways to minimise flows from Opaki into the urban area has resulted in a provision to install a retention system for northern catchment stormwater.

***Do you consider that the Council is managing its water, wastewater, roading and stormwater infrastructure prudently both now and for the future?***

## Sustainability

The Council has developed a draft sustainability strategy for consulting with the community. It considers environmental, economic and social sustainability. Key environmental issues are ecological footprints, carbon neutrality, biodiversity losses and climate change.

A key issue is resilience - the ability to adjust and cope with change. The strategy examines how we maintain our society and way of life while adapting to more sustainable practices that help to protect our environment and our future. It would prepare the community to take advantage of new opportunities and would anticipate and plan for an uncertain future.

A copy of the Draft Sustainability Strategy is available on the website or in hard copy from the Council.

***The Council is interested in your views on the Sustainability Strategy. Do you think it addresses the key issues for the Masterton District? Will the proposed actions achieve sustainable outcomes?***

## Solid Waste Management

The Council has put in place new contracts for the delivery of solid waste services with clear aims to reduce costs while reducing waste to landfill. No increases in user pays gate fees or refuse bag charges are planned for 2011/12. Operating savings have been translated into reducing the rates funding needed for this activity.

Recycling and composting remain significant aspects of the Council's waste management strategy, with an increasing focus on education to change the way we, as a community, generate and dispose of our waste.

The Council continues to build up funds to fully cap the landfill at Nursery Road in 2014/15, in line with the recently obtained resource consent.

The Council still plans to review its solid waste services to the rural areas and to date has surveyed a sample of rural property owners on how they dispose of their solid waste.

All rural ratepayers contribute to rural solid waste disposal through a uniform charge, but many of them use Nursery Road Transfer Station to dispose of solid waste and do not access the services at Mauriceville, Castlepoint and Riversdale or the weekly collection at Tinui.

Further consultation will occur in 2011/12 on whether rural waste services costs should be recovered from users through a targeted rate or other charges, rather than from all rural ratepayers.

The Regional Waste Management and Minimisation Plan is being consulted on in conjunction with the Annual Plan. This is available on the website or a hard copy can be obtained from the Council. The overall objective is to provide residents and ratepayers with highly effective, efficient and safe waste management and minimisation services in order to protect the environment from harm and provide environmental, social, economic and cultural benefits.

This will be achieved by:

- waste minimisation through reduction, reuse, recycling and recovery
- effective and efficient waste management
- using resources more efficiently
- protecting public health
- having clean streets and public areas
- public education

It includes specific actions for the Wairarapa. In addition to what is already happening the plan proposes increasing information to individual households on the best ways to minimise waste and to increase recycling.

***Tell us what you think about the waste management and minimisation proposals.***

## **Parks**

### Mawley Park

Mawley Park is in need of an upgrade if we are to attract new and returning visitors. A business case, reviewed by experienced campground operators, advised that upgrading the facilities and cabins to Qualmark 4-star standard would provide the best return on investment. A plan to undertake this was costed at \$1.8 million.

Work undertaken to date has included upgrading the manager's house, fencing, refurbishing cabins and upgrading communal facilities.

The Council started on this work in 2010 and has allowed a further \$600,000 for work planned in 2011/12. An increased rates input is needed to service loans and meet an operating shortfall.

The planned works include ground-works to improve paths, roadways and hard stand areas for campervans, as well as landscaping of entrances, gardens and open spaces.

***What do you think of continuing to upgrade Mawley Park to improve the service to visitors to the district?***

### Queen Elizabeth Park

A sum of \$150,000 has been set aside from parks reserve funds (from contributions from subdivisions) to continue work to upgrade Queen Elizabeth Park in the section adjacent to the cemetery including the aviaries. An updated concept plan for the next steps of the project is available for public consultation to help us determine priorities for expenditure of the funds.

### Henley Lake

Further work is planned on Henley Lake, including replacement of the outlet valve to improve control of flow through the lake. Work on lake edge protection is also planned.

A project to progress the ideas of Lakeview School, to create a wetland diversion for the inlet stream that runs through the school, is allowed for in this Plan.

***What are your views on how we are maintaining and developing our parks?***

## **Housing for the Elderly**

The Council has been approached to sell or contract out the management of its Housing for the Elderly. Panama complex operates under the terms of a will and cannot be sold but there are three other complexes close to the CBD. Housing for the Elderly is designed for people over 60 on a low income with very limited assets. It is expected to be self-funding and so no rates funding is provided for.

The units were built in the 60's and are due for major refurbishment and there is currently government funding for community organisations to build new housing stock.

The funds generated by selling some units could be used to upgrade existing units or be held in reserve funds for other purposes.

***Do you think the Council should contract out management of its Housing for the Elderly or sell some of its units to a charitable organisation or continue to operate the service itself?***

### **Hood Aerodrome Development**

A provision of \$390,000 has been allowed in the Plan to reseal the runway. As the runway is still in good condition, a decision will be made after winter on whether to defer the work for a further year.

The investment by the Council and others in the aerodrome over recent years has seen operating costs increase and, in the short term, the aerodrome will need an increased rates provision. Thirty percent of operating costs will be covered by rates funding. A review of landing fees has taken place.

***Do you believe that Hood Aerodrome should be self funding or that there should be a rates contribution in recognition of the value of the facility to the community?***

### Upgrade to the War Memorial Stadium

The World Shearing Championships are being held in Masterton in March 2012. This event is expected to attract entrants from 25 countries and additional overseas visitors. Golden Shears has requested provision of tiered retractable seating, a mezzanine floor for upstairs viewing and functions above the Hall of Memories to cater for additional spectators. Initial estimates are for a cost of \$1.2 million.

The upgrade will improve the facility for other uses.

The Council has made provision for up to \$400,000 from reserve funds to enable the group to attract other funding. This funding will be made available if the balance of the funding can be raised externally and the project meets financial criteria.

There is no direct rating impact, but there will be a loss of up to \$20,000 per year in interest earnings and increased operating costs in future years.

### **Broadband**

The Council has set aside \$25,000 to facilitate expansion of Broadband services to the Masterton District. Broadband has economic benefits to both the rural and business community in particular, due to faster and more efficient access to the internet.

### **Rural Fire**

Changes to how the rural fire activities are governed are proposed from 1 July 2011. The Wairarapa Rural Fire District will take over the equipment and operational aspects of the five rural parties in Masterton District. The Wairarapa Rural Fire District has advised the Council of its funding needs and a 25% increase in rates funding (from rural rates) has been allowed to largely meet their funding expectations.

### **Grants for Community and Capital Projects**

#### Masterton Motorplex

The Council has committed \$165,000 to assist Masterton Motorplex set up a national standard facility for its drag races.

This funding recognises the economic benefit generated by visitors to the event.

The airport runway is no longer available for their meetings. Having their own facility will enable more meets to be held. The drag strip would be the only one built to the national standard in the lower North Island.

The grant depends on the group getting the rest of its funding together and Masterton Motorplex has been encouraged to continue their fundraising efforts.

#### Artificial Surface for Athletics Track

Funding of \$300,000 from reserve funds was set aside for this project in the 2009 Long Term Plan but the Wairarapa Regional All Weather Track Trust is still seeking funding to commence the project. They hope to be able to start in December 2011. The track would be owned and depreciated by the Council and looked after by the Trust.

The all weather track will enable athletes to train locally and provide a training facility for other sportspeople as well.

Provision for \$300,000 has been included in this plan, with the balance of the funding expected to be sourced externally.

### Community Centre

In 2009 the Council set aside \$100,000 to assist the relocation of the Community Centre from its current site in Dixon Street. The current building does not meet requirements for a public building.

The group is still identifying suitable premises and the grant funding has been carried forward to the 2011/12 plan.

### **Grants for Events**

The Council has set aside \$97,000 for events which includes funding from Masterton Trust Lands Trust. In the past this funding has been invested in Wings Over Wairarapa, the Summer Concerts, Balloons Over Wairarapa, Cycle Tour, Golden Shears, Waitangi Day Origins Festival, Americarna and others.

If you are planning a major event in 2011/12 and require funding you should make a submission to the Annual Plan. The Council is reviewing its commitment to the summer concerts that have been plagued with poor weather in recent years. Currently around \$35,000 is invested in the two concerts.

Key events that are included for funding at this stage are:

#### Rugby World Cup

We want Masterton people and visitors to enjoy the Rugby World Cup experience.

The Rugby World Cup is expected to attract many international supporters to the region. Masterton will host the team from Georgia, who are expected to have around 1,000 supporters touring with them. Wellington is arranging tours into the Wairarapa for teams and supporters that are Wellington-based.

An extra \$50,000 for the Rugby World Cup will contribute to a local co-ordinator, assist with venue preparation and support hospitality, beautification and local events. We expect an economic benefit to our retailers and accommodation providers, as well as tourism promotion from word of mouth.

### Golden Shears World Championships

The Council will support this international event from its events budget. This event, which will include shearers from up to 25 countries, will attract worldwide television coverage. The funding will support the Golden Shears organisation, publicity and community based events.

***Do you support the proposed level of contribution from the Council for the community and capital projects?***

### **Deferred Work**

The following projects have been deferred at least one year:

#### Castlepoint Sewerage Upgrade

The Council is waiting to be notified of consent conditions which will determine whether upgrade work is necessary.

#### Capping of Nursery Road Landfill

The landfill is being progressively capped with cleanfill. Under the terms of the 2010 resource consent this work must be completed in 2014. Funds are being put aside each year for this project.

#### Upgrade of the Tinui Water Supply

The Ministry of Health timeframe for small community water supplies was extended three years. This project will comply with the new timeframe but will not be undertaken in 2011/12.

#### CBD Upgrades

This work is expected to align upgrading the footpath, replacement of parking meters and provision of ducting for Broadband.

This project will level out the Queen Street footpath on a section where the slope is most marked between Jackson and Perry Streets on the western side of the street. New parking meters will be installed at the same time, as the existing ones are obsolete and increasingly difficult to maintain. As rolling out of Broadband could be imminent the project is being delayed to avoid opening the footpath more than once.

### Extension to the Library

The library is too small to meet the needs of a modern library for a population of our size.

The Long Term Plan allowed for around \$1 million to extend the building in 2011/12. This would make better provision for public-use computers and for public programmes so that they would not disrupt other users of the library.

The work has been deferred for at least a year to reduce pressure on the rates.

### ***What are your views on deferring the library extension for at least one year?***

### **Opportunities for Closer Co-operation**

The councils in the Wellington region continue to look for options to share services to see if they can be more effective and efficient and reduce or hold costs. The shared valuation contract and joint licensing of the GIS software have resulted in savings.

In the Wairarapa savings on insurance have been achieved and further areas for joint co-operation and purchasing will be explored.

The library has joined Hutt City, Porirua, Kapiti Coast, Weltec and Whitireia in shared and managed services. As a result all the libraries' catalogues and issues are recorded in one central system. In 2011/12, it is expected that there will be one library card for all the libraries and that books can be borrowed and returned at any of the libraries. Increased co-operative planning has harnessed staff skills across the libraries.

### ***What ideas do you have for increasing co-operation among Wellington and Wairarapa councils?***

### **Planning**

This year will see the Council preparing the 2012-22 Long Term Plan to meet the requirements of the amended Local Government Act 2010.

The community outcomes will now describe what the Council will do to achieve economic, social, cultural and environmental wellbeing for its residents now and in the future.

During the year the Council will consult on what the community expects of it over the next ten years and what levels of service it expects from the Council's activities.

There will be higher expectations of our asset management planning with a particular focus on roads and footpaths, sewerage treatment and disposal, water supply, stormwater drainage, and flood protection and control.

We will be reviewing our funding policy during the year for inclusion in the Long Term Plan.

Ratepayers will then be able to have a say on how the rates burden is divided across the range of ratepayers and property types in our District.

Policies on rates remissions for certain types of property and charging of uniform charges on each separately used parcel of a property will be up for review as well. No change is proposed for these policies for the 2011/12 rating year.