



PRE-ELECTION REPORT 2022



WAIROA DISTRICT COUNCIL

Connected Communities | Desirable Lifestyles | Treasured Environments | Thriving Economy
Hapori Tūhono | Āhua Noho Tōrere | Taiao Piki Kōtuku | Ōhanga Taurikura

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INTRODUCTION TO THE PRE-ELECTION REPORT

The preparation and issue of this report is a legislated requirement of the Local Government Act 2002, as part of the triennial election cycle. This report has been prepared by the Chief Executive and has not had any input from elected members.

The purpose of the report is to provide information about the local authority in the lead up to the local government election on 8 October 2022. This is not a standalone document. It restates the forecasts contained within the 2018-28 Long-Term Plan, as well as a summary of performance over the last three years.

The financial information contained in this Pre-Election Report has been compiled from the following sources:

- The financial information for the years 2019/20 and 2020/21 has been extracted from the Annual Reports for these years.
- The financial information for the 2021/22 year and onwards has been extracted from the 2021-2031 Long Term Plan along with our latest estimates for 2021/22. These reports and plans can be accessed at: <https://www.wairoadc.govt.nz/documents-and-forms/>

The information in this document has not been separately audited. However, all components of the financial information presented in the following pages have been separately audited by the Auditor General, through its agent Ernst and Young, either as part of the Annual Report audits or the 2021-2031 Long-Term Plan audit.

This includes the 2022/23 Annual Plan information, which was audited as Year One of the 2021-2031 Long-Term Plan. Any changes to these audited documents have been disclosed directly underneath the changed report.

As the district has less than 20,000 residents, Wairoa District Council (WDC) is eligible for reporting concessions that have been applied in the preparation of this document. Primarily this concession is that WDC is able to utilise the information for the 2021/22 financial year annual plan (or budget) for this report and is not required to prepare a forecast of actual costs for the financial year.

However, in the interests of transparency we have decided to include this information. Unaudited monthly reporting is now prepared that details variance to budget and also includes limited forecasting. These reports are available as they are received by Council.

The Values of the Wairoa District Council

*Hold fast to the values of **Connectedness, Creativity, Leadership** and **Compassion**, for the **Inclusive Wellbeing** of our community.*

*Kia mau tonu ki ngā whai hua ō te **Whanaungatanga, Auahatanga, Rangatiratanga** me te **Aroha**, hei **Oranga** mō te **Iwi Whānui**.*

FROM THE CHIEF EXECUTIVE



PURPOSE

The requirement to prepare a pre-election report was introduced by Section 99A of the Local Government Act 2002.

This politically independent report, prepared by the Chief Executive, provides information to promote discussion leading up to the 2022 local election about the issues facing the local authority. The content of the report, which focuses on key financial parameters from the past three years and projections for the next three years, as specified in the Act. This report is prepared and published to meet the requirements of the Act.

BASIS OF PREPARATION

This report is being released in the pre-election period. Special care has been taken to ensure it is politically neutral. It is presented as an apolitical document, and is not a manifesto, either whole or in part, for any candidate or political grouping taking part in the election campaign.

While this report has not been audited, much of the information presented has been sourced from audited reports. For example, the first two years' retrospective financial data have been audited as it has been taken directly from the respective annual reports.

REPORT

Every three years, citizens have the right to elect their district leaders – the mayor and councillors. The process gives us the chance to think about how we want the district to be governed. I am pleased to present Wairoa District Council's Pre-Election Report ahead of the 2022 triennial elections.

This report is designed to draw the public's attention to the key issues over the coming years, and to the current Council's performance against the adopted Financial Strategy as well as the forecast financial position for the incoming Council.

This report assesses Council's present and future needs for our community and the recent progress and future planned programme of work to meet these challenges. Council's role, as outlined within its Long-Term Plan 2021-31 (LTP), is to deliver core infrastructure and maintaining current levels of service, as well as ensuring our communities can meet future challenges and plan effectively for the future in an affordable and appropriate way.

The LTP lays out a plan for maintaining current levels of service as well as looking for new and creative solutions to see Wairoa prosper.

Economic development will remain a key priority for the Wairoa District Council (WDC). Our goal will be to partner with others, including central Government, to further develop a Council environment which assists businesses and innovative individuals to bring about real change for the district of Wairoa.

This Pre-Election Report also outlines significant infrastructure and environmental projects for the district including the Wairoa Wastewater upgrade and roading impacts (including Te Reinga Bridge) following the March/April storms. Other major issues and projects outlined in this report include: 3 waters reform, RMA reform, the Future of Local Government reform, CBD enhancement and economic development.

As a Council we are facing increasing central Government imposed legislative requirements that we must conform to, and are working in a rapidly changing environment. We continue to work hard to increase efficiencies within Council's operations to ensure we are operating in an affordable way while still meeting our necessary obligations. We also continue to focus on our community outcomes of economic, social, cultural and environmental wellbeing.

This is not a standalone document. Residents interested in reading more about the information contained in this report should look at the WDC Long-Term Plan 2021-2031 and Annual Plan 2022/2023. Additional information on past performance is contained in the Annual Reports. All of these documents are readily available from our website or can be accessed by calling into Council's office and requesting a copy.

I am committed to leading an organisation that delivers core levels of service to the community in an affordable and appropriate way. This report is part of that commitment. An informed community is, after all, part of a healthy democracy. It aims to add to the public discussion in the lead up to elections that close on Saturday 8 October 2022.

Kitea Tipuna

A handwritten signature in black ink, appearing to read 'K. Tipuna', written in a cursive style.

Chief Executive

15 July 2022

REFORMS

There are three significant reform and review processes currently in train that will have an impact on local government - Three Waters, Resource Management and the Future for Local Government. They collectively and individually represent the largest reforms to local government and local governance since the abolition of the provinces in 1877.

What the reforms have in common are that they aim to achieve better outcomes for communities and the environment, efficiency improvements, and give effect to the principles of Te Tiriti of Waitangi. They are however progressing on different timelines and add to an increasingly complex and uncertain operating environment for local government now and post the 2022 elections. This environment also includes likely Government changes to building control, civil defence and emergency management, waste management, to name but a few.

Taken together the reviews and reforms provide considerable opportunity to further the purpose of local government and will fundamentally change the system that local government operates within, including how decisions are made and by whom, what local government does and how it does it, and who local government needs to work with to enable community wellbeing.

Three Waters Reform

Following the serious campylobacter outbreak in 2016 and the Government's Inquiry into Havelock North Drinking Water, central and local government have been considering the issues and opportunities facing regulation and management of the three waters (drinking water, wastewater, and stormwater).

The focus has been on how to ensure safe drinking water for all, improve the environmental performance and transparency of wastewater and stormwater network and deal with funding and affordability challenges, particularly for communities with small rating bases or high-growth areas that have reached their prudential borrowing limits. There is also a need to future-proof the assets and plan for the effects of climate change.



Both central and local government, including Wairoa District Council are committed to better outcomes for communities and the environment and there is widespread agreement that the status quo is not sustainable, despite the significant contribution, investment, and effort that local government and communities have made to date. There is also agreement on protection from privatisation of the three waters services and assets.

In 2021 the Government announced that it would proceed with proposals to change the way three waters are delivered. You can find a short video in which the Minister of Local Government explains the Government's reasons for the change at <https://www.youtube.com/watch?v=CN-IFClobuQ>

The proposal is that three waters assets would be removed from Councils and all the Council's three water assets and any liabilities related to three waters would transfer to a body corporate to be known as Entity C. As the proposed transfer is currently intended to happen on 1 July 2024, this would be within the term of the incoming Council.

Parliament is currently considering the Water Services Entities Bill that creates Entity C and three others around the country. Under the Bill these entities will manage the future delivery of three waters services across the country. The Bill also sets out how these entities will operate, and how the local community will be able to hold them accountable.

The government has stated that later in the year a second Bill will provide further details on the powers and duties of the entities. That Bill will also allow the Government to regulate the amount and the ways in which the entities charge for these services, and how they will demonstrate their services provide value for money. We understand this Bill will enter Parliament in or around September this year so the incoming Council will need to decide whether it wishes to submit on this Bill, and what it might say.

If you would like more information, please go to the three waters reform page on the Department of Internal Affairs website which is https://www.dia.govt.nz/diawebsite.NSF/wpg_URL/Resource-material-Our-Policy-Advice-Areas-Local-Government-Policy?OpenDocument#reform

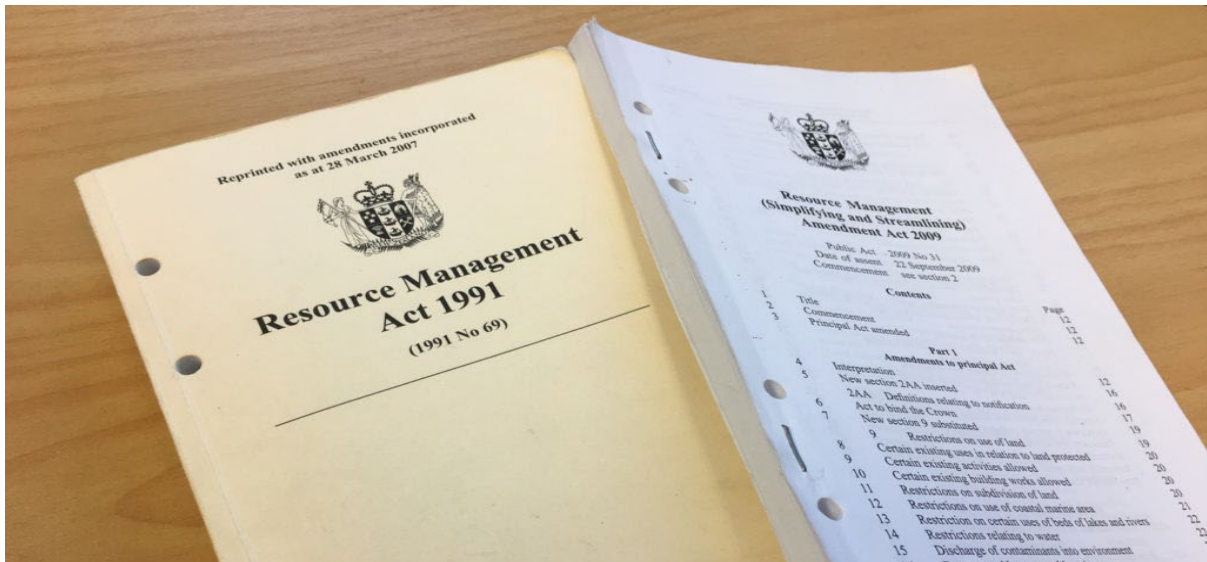
The next Council will need to work with Entity C to ensure Wairoa gets the services it needs now and in the future. In particular, Council will need to work closely with the Government as Entity C is set up to make sure our community is represented on or through the regional representative group. The Council will also need to work with the CEO as its sole employee to ensure Council staff are supported through an incredibly challenging period of change management, both for those transitioning to the new entity and for those that are not, as well delivering the Council's work programmes.

Resource Management Act Reforms

After many years of incremental changes, the Government is overhauling the resource management system¹ to:

- protect and restore the environment and provide for intergenerational wellbeing
- better enable development within environmental limits
- better recognise Te Tiriti o Waitangi principles, te ao Māori and mātauranga Māori
- better prepare for adapting to climate change and risks from natural hazards, as well as mitigating greenhouse gas emissions
- make the system less complex and more efficient while retaining local democratic input.

¹ based largely on the recommendations of the independent review of the resource management system – the Randerson Report (launched in 2019 and published in 2020).



The Government has said it will introduce three new pieces of legislation to achieve its objectives. The:

- Natural and Built Environments Act - the primary replacement for the Resource Management Act 1991. It will require outcomes-based planning and development within environmental limits and targets, give effect to the principles of Te Tiriti, create a single regional plan, overseen by a single regional committee, supported by a National Planning Framework.
- Strategic Planning Act – introduces mandatory 30-year regional spatial strategies that will set out, at high level, how regions and communities will develop integrating land use, major infrastructure and investment. It too is guided by the National Planning Framework and will be overseen by a regional committee.
- Climate Adaptation Act – this will deal with the complex policy, economic and legal issues around adapting to the effects of climate change, including managed retreat.

The Natural and Built Environments and Strategic Planning Bills will be introduced into Parliament around or shortly after the election period. The incoming Council will need to consider whether and how it wishes to respond to these Bills very soon after it takes office. The Climate Adaption Bill is likely to be introduced next year.

The reform of the resource management system will have a significant impact on Council including future governance arrangements, functions, structure, decision making, operations, and investment priorities. The resource requirements and costs of transition cannot be overestimated, particularly as we transition to the new system while fulfilling essential requirements under the current one.

The resource management sector is currently under significant strain and facing capacity issues, including sourcing and retaining appropriately skilled people. There is currently a shortage of skilled planners and spatial planning will draw on the skills and expertise of a wide range of specialists and expertise from across the Council and beyond. There are also constraints on mana whenua and their capacity to fully participate in the current, let alone, future system.

The success of the new resource management system and Council's part in it will depend in large extent on how well the transition to and implementation of the new system is planned for, managed and resourced and impact of inter-related reforms in water and the future of local government.

More details about the reform of resource management can be found on the Ministry for the Environment website at <https://environment.govt.nz/what-government-is-doing/key-initiatives/resource-management-system-reform/overview/>

Future for Local Government

On 24 April 2021 the Minister of Local Government announced that she had established a Ministerial Inquiry into the Future for Local Government. The overall purpose of the review is to *“identify how our system of local democracy needs to evolve over the next 30 years, to improve the well-being of New Zealand communities and the environment, and actively embody the treaty partnership.”*

In September last year the review panel released an interim report that set out the engagement it had done up to that time, and the lines of inquiry it would follow. The full report, *Ārewa te ake Kaupapa: Raising the Platform* can be found at https://www.futureforlocalgovernment.govt.nz/assets/Uploads/DIA_16724_Te-Arotake-Future-of-Local-Government_Interim-report_22.pdf

Ārewa te ake Kaupapa poses five key questions:

1. How should the system of local governance be reshaped so it can adapt to future challenges and enable communities to thrive?
2. What are the future functions, roles and essential features of New Zealand’s system of local government?
3. How might a system of local governance embody authentic partnership under Te Tiriti o Waitangi, creating conditions for shared prosperity and wellbeing?
4. What needs to change so local government and its leaders can best reflect and respond to the communities they serve?
5. What should change in local governance funding and financing to ensure viability and sustainability, fairness and equity, and maximum wellbeing?

The review panel has met with every local authority as part of its engagement, including a meeting earlier this year.

At that meeting the review panel explored the following five big shifts and how our local context might influence them:

1. Strengthened Local Democracy
2. Stronger Focus on Wellbeing
3. Authentic Relationship with Hapū/Iwi/Māori
4. Genuine Partnership between Central Government and Local Government
5. More Equitable Funding.

A draft report and recommendations for public consultation will be released by the review panel after the local government elections. The final report will be presented to the Government by 30 April 2023. With Parliamentary elections likely in late 2023 the Government may take some time to decide what, if any, of the review panel’s recommendations it wishes to take up.

However, many of the other reforms underway are already shaping the future for local government and we are already working in ways that are consistent with the review panel’s direction of travel i.e. Community Partnerships, Prototype Localities, COVID-19 Pandemic Planning.

The new Council will need to respond to the review panel’s recommendations soon after being elected, and then consider the review panel’s recommendations to Parliament. In the future, Government decisions may change Council’s role, functions and structure.

Climate Change

Climate change effects and weather events will impact on our infrastructure and affect Council's ability to deliver levels of service. More frequent and intense weather events will increase risk of damage to Council's infrastructure and activities. This was evidenced in the extreme and extended rainfall events at the end of March 2022. Council has gathered information on the damage to infrastructure, including the Te Reinga Bridge.

Our planning helps us identify key risk areas, recognise impacts in asset and financial modelling and prioritise funding for resilience. We will identify critical components of our networks and prioritise renewals so the network can continue to operate. We continue to monitor local trends in weather, identify at risk assets, monitoring flooding, slips and erosion.

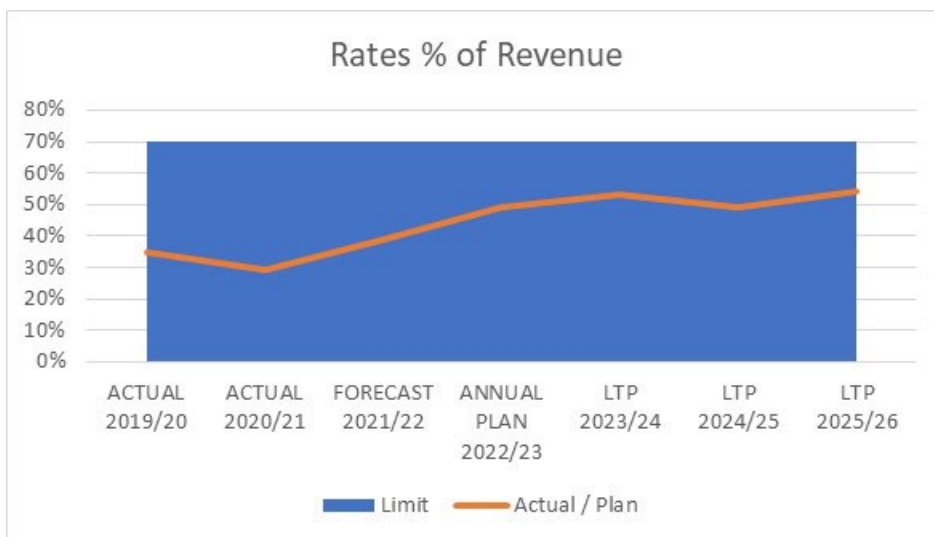


FINANCIAL POLICIES

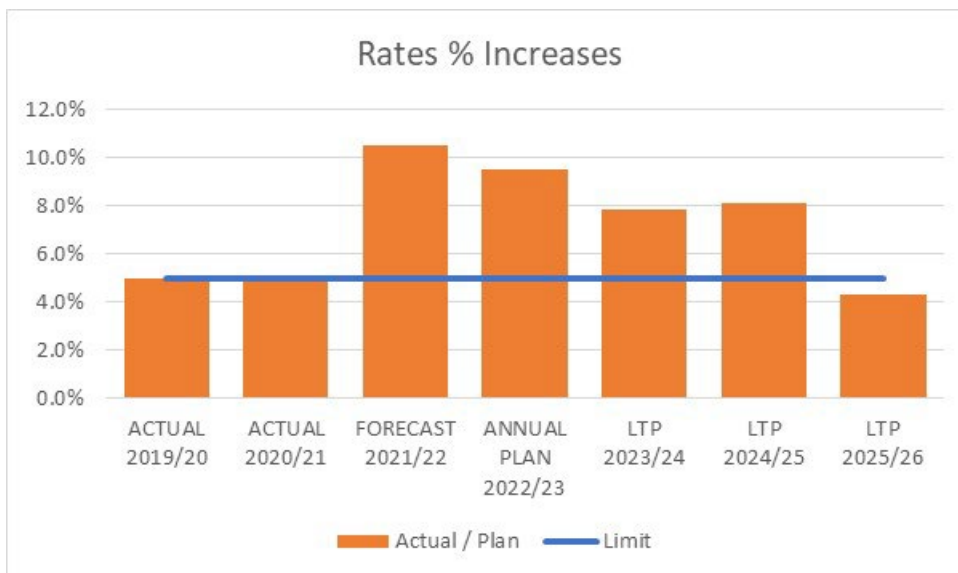
Financial Thresholds

Council’s Financial Strategy prescribes several limits to ensure that it delivers services to the community within a prudent financial framework. These are stated below, with historical and expected performance against these depicted:

1. A maximum of 70% of all income can be raised from rates.

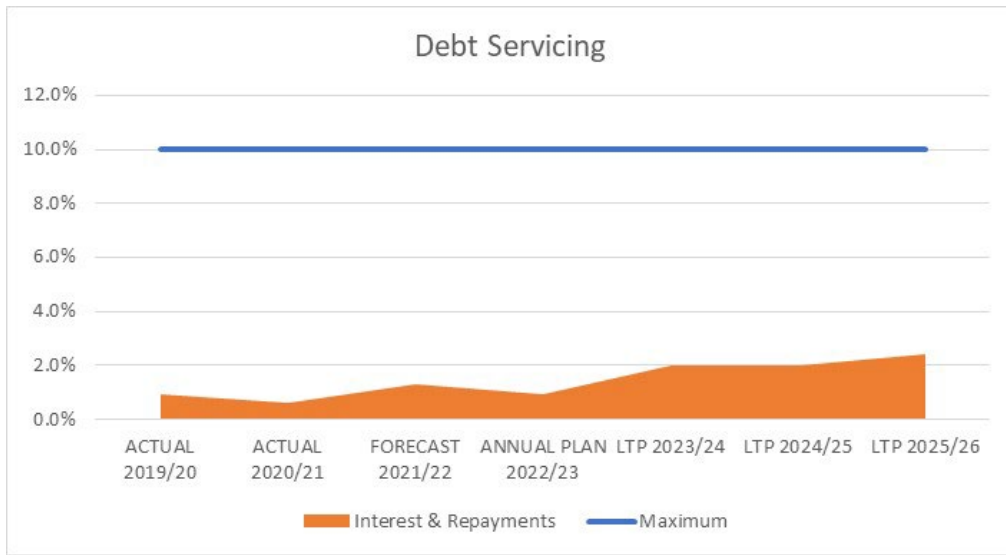


2. The annual rates increase will be limited to 5%.



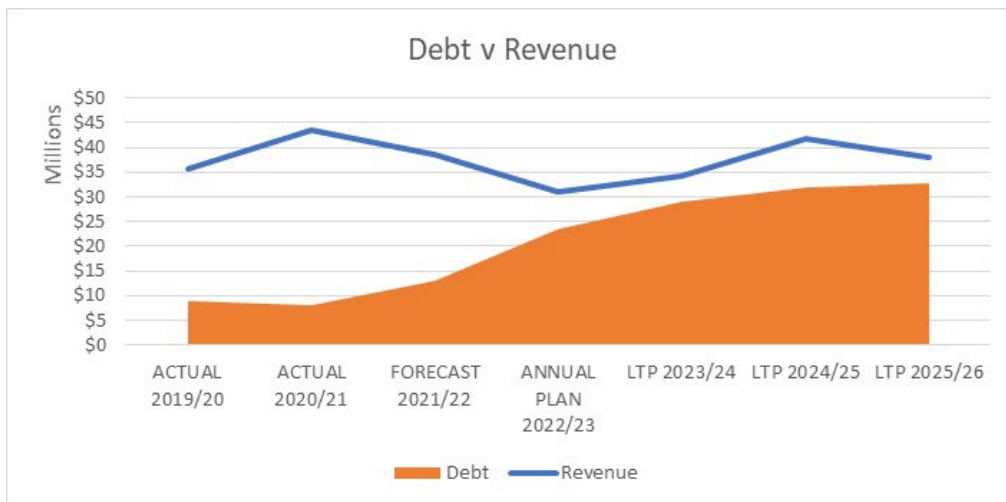
In 2019/20 and 2020/21 Council was able to maintain rates increases at within its prescribed limit of 5% by taking short term austerity measures around funding that could not be sustained in the long term. This approach was signalled in the last pre-election report; and it was an important part of our consultation on the Long-term Plan 2021/31. The objective is to get back to under 5%, but we needed a reset.

- Loan interest and repayments will be no greater than 10% of rates.



There is considerable headroom for debt servicing.

- Net external debt must not be greater than 100% of total revenue.



Over the next several years Council will need to increase its borrowing to keep the district’s infrastructure fit for purpose and delivering prescribed service levels. These projections are based on the Long-term Plan which includes 3 waters.

Investments

Council's most important investment is in its Council Controlled Organisation (CCO), QRS. The company not only provides a financial return but has a strategic presence for the community, being a substantial employer, an habitual sponsor of community facilities and providing a local competitor for major regional tenders, including Council contracts.

In recent years QRS has consistently delivered returns to Council in the form of dividends and subvention payments at and above expectations, which are more than 20% of Council's original cost of investment.

Therefore, for additional transparency, the schedule below shows returns achieved on Council's entire portfolio and then with QRS excluded.

Performance of Investments	ACTUAL 2019/20	ACTUAL 2020/21	FORECAST 2021/22	ANNUAL PLAN 2022/23	LTP 2023/24	LTP 2024/25	LTP 2025/26
	(\$ 000)	(\$ 000)	(\$ 000)	(\$ 000)	(\$ 000)	(\$ 000)	(\$ 000)
Full Portfolio							
Interest and Dividends	905	552	410	348	349	354	350
Financial Assets	7,373	5,176	3,963	3,412	2,611	2,887	2,611
Return on Investment	12%	11%	10%	10%	13%	12%	13%
Interest on Borrowings	217	223	364	362	540	586	724
Borrowing	9,000	8,000	13,048	23,582	28,979	31,769	32,803
Average Cost of Borrowing	2%	3%	3%	2%	2%	2%	2%
Without QRS							
Interest from Investments	355	265	160	91	86	85	74
Financial Assets	6,123	3,926	2,713	2,162	1,361	1,637	1,361
Return on Investments	6%	7%	6%	4%	6%	5%	5%

Council's current financial strategy targets a rate of return for investments of at least .75% more than its cost of borrowing. We still hold a few bonds with high returns, but these will mature over the next couple of years.

Conversely, we have been able to secure low interest borrowing through our membership of the Local Government Funding Agency. Despite this the economic pressures of COVID-19 recovery and Government reforms are likely to push interest rates up over the next few years. This makes it ever more important that Council's activities and assets are funded sustainably.

FUNDING IMPACT STATEMENT

Wairoa District Council Funding Impact Statement	ACTUAL	ACTUAL	FORECAST	ANNUAL	LTP	LTP	LTP
For the year ending 30 June	2020	2021	2022	PLAN	2024	2025	2026
	(\$ 000)	(\$ 000)	(\$ 000)	2023	(\$ 000)	(\$ 000)	(\$ 000)
Sources of Operating Funding							
General rates, uniform annual general charges, rates penalties	3,590	3,528	10,951	12,042	12,726	13,729	14,519
Targeted rates (other than a targeted rate for water supply)	9,626	10,444	4,508	4,879	5,311	5,908	5,959
Subsidies and grants for operating purposes	6,707	8,972	6,241	5,580	6,030	6,670	6,831
Fees charges and targeted rates for water supply	2,066	2,228	2,436	2,247	2,441	2,532	2,564
Interest and Dividends from Investments	750	387	758	309	698	704	700
Local authorities fuel tax, fines, infringement fees, and other receipts	75	84	85	87	90	92	94
Total Operating Funding	22,814	25,643	24,979	25,144	27,296	29,635	30,667
Applications of Operating Funding							
Payments to staff and suppliers	24,820	25,435	22,132	22,629	23,551	24,519	24,889
Finance costs	475	581	646	716	1,436	1,658	1,910
Other operating funding applications	-	-	-	-	-	-	-
Total applications of operating funding	25,295	26,016	22,778	23,345	24,987	26,177	26,799
Surplus (Deficit) of operating funding	(2,481)	(373)	2,201	1,799	2,309	3,458	3,868
Sources of capital funding							
Subsidies and grants for capital expenditure	11,745	17,857	13,649	5,843	6,948	12,001	7,230
Development and financial contributions	-	-	-	-	-	-	-
Increase (decrease) in debt	2,898	5,197	3,149	1,306	(440)	2,071	122
Gross proceeds from sale of assets	1,157	15	61	-	47	107	28
Lump sum contributions	-	-	-	-	-	-	-
Other dedicated capital funding	-	98	-	-	-	-	-
Total sources of capital funding	15,800	23,167	16,859	7,149	6,555	14,179	7,380
Application of capital funding							
Capital expenditure							
- to meet additional demand	-	-	715	476	-	167	1,109
- to improve the level of service	7,103	15,555	6,175	3,066	3,898	3,123	3,733
- to replace existing assets	9,347	10,963	13,684	8,627	8,732	16,667	8,857
Increase (Decrease) in reserves	(3,131)	(3,724)	(1,514)	(3,221)	(3,766)	(2,320)	(2,451)
Increase (Decrease) of investments	-	-	-	-	-	-	-
Total application of capital funding	13,319	22,794	19,060	8,948	8,864	17,637	11,248
Surplus (Deficit) of capital funding	2,481	373	(2,201)	(1,799)	(2,309)	(3,458)	(3,868)
Funding Balance	-	-	-	-	-	-	-

The Local Government Act 2002 requires Council to prepare a Funding Impact Statement, the format of this is prescribed by the Local Government (Financial Reporting and Prudence) Regulations 2014. This statement provides a picture of what Council is spending money on and how this spending is funded. The statement does not contain depreciation because this is a non-cash item; instead the amount spent on fixed assets is included.

Council will need to carefully manage its revenue and expenditure in the next few years, particularly with escalating costs and supply chain challenges. In order to keep within its financial prudence thresholds there will be some important decisions to be made with regards to how it utilises limited reserves and resources in order to continue to deliver desired service levels.

Council will continue to explore additional revenue and funding streams to complement ratepayer contributions.

STATEMENT OF FINANCIAL POSITION

This report shows what we own, what we owe to external parties and what the Council is worth as at the end of each financial period, or 30 June of each year.

STATEMENT OF FINANCIAL POSITION	ACTUAL	ACTUAL	FORECAST	ANNUAL PLAN	LTP	LTP	LTP
<i>As at 30 June</i>	2020	2021	2022	2023	2024	2025	2026
	(\$ 000)	(\$ 000)	(\$ 000)	(\$ 000)	(\$ 000)	(\$ 000)	(\$ 000)
CURRENT ASSETS							
Cash and cash equivalents	2,795	4,324	1,270	4,978	1,963	3,270	5,406
Inventories	78	70	78	88	85	92	101
Trade & other receivables from non-exchange transactions	7,305	5,942	3,902	4,283	3,217	4,435	3,307
Financial assets at fair value	2,072	1,029	1,831	370	-	276	-
Total Current Assets	12,250	11,365	7,081	9,719	5,265	8,073	8,814
LESS CURRENT LIABILITIES							
Trade & other payables	7,988	10,550	6,016	7,761	5,416	6,612	5,946
Term Liabilities - Current Portion	1,000	1,000	1,500	5,500	2,000	2,000	2,000
Total Current Liabilities	8,988	11,550	7,516	13,261	7,416	8,612	7,946
NON CURRENT ASSETS							
Property, Plant & Equipment	274,975	290,868	331,720	326,109	340,554	380,742	386,899
Work in progress	5,252	3,243	9,776	12,168	19,956	13,699	11,411
Investments in Subsidiary	1,250	1,250	1,250	1,250	1,250	1,250	1,250
Investment property	383	375	-	1,251	-	-	-
Biological asset - forestry	115	115	115	115	115	115	115
Available for sale financial assets	21	-	23	23	23	23	23
Intangible Assets	37	21	12	21	12	12	12
Financial assets held to maturity	148	-	-	-	-	-	-
Financial assets at fair value	3,882	2,897	859	769	338	338	338
	286,063	298,769	343,755	341,706	362,248	396,179	400,048
NON CURRENT LIABILITIES							
Trade and other payables	66	61	54	71	72	60	61
Landfill aftercare	1,197	1,306	1,366	1,317	1,378	1,408	1,439
Borrowings	8,000	7,000	11,548	18,082	26,979	29,769	30,803
	9,263	8,367	12,968	19,470	28,429	31,237	32,303
Net Assets	280,062	290,217	330,352	318,694	331,668	364,403	368,613
Represented by							
Equity	280,062	290,217	330,352	318,694	331,668	364,403	368,613

OUR PROJECTS

The following is a summary of some of the projects that are currently underway within the Council's operations, in addition to the significant issues mentioned earlier in this report.

Wastewater Treatment Plant Upgrade

Discharge to land by irrigation of local farms



Background (Note – this should be read alongside the potential impacts of the Three Waters Reform)
A goal of the Wairoa community is to improve the health of the Wairoa River. It is clear that the entire community would like to see wastewater taken out of the Wairoa River and irrigated to farmland. Irrigating treated effluent to land will remove some of the discharge from the river and satisfy cultural and community expectations. Feasibility is ongoing with investigation into the available land area and suitability for discharge.

Investigations are ongoing. Discussions with landowners regarding their requirements are ongoing with commitment given to irrigating several hectares of an adjacent property. A further landowner has agreed in principle to accept water for irrigation. The necessary investigations and approvals are needed.

Some options for implementation include: 1) Meeting compliance: While the irrigation of waste water to land is not granted yet, the proposed consent would be the least expensive option. 2) River discharge for 50 % days within 5 years: In addition to meeting compliance requirements, Council could look to only discharge to the river 50 % of the time. 3) River discharge for 50 % days within 15 years: A more affordable and realistic option to secure funds could see the option above implemented over a longer term of 15 years. 4) River removal: 100 % removal of the discharge from the river is an aspiration most of the community would like to see. This is the most significant and expensive option, should it actually be feasible.

Construction of an initial trial on neighbouring farmland is expected to start mid-2022, however this is dependent on progress made with the UV filtration project which is being completed at the same time. The wastewater discharge consent was granted in October 2021 and required 50Ha of irrigation to be commissioned prior to October 2026 (5 years).

UV Filtration

Background (Note – this should be read alongside the potential impacts of the Three Waters Reform) The new wastewater consent requires UV for the removal of pathogens and filtration treatment to achieve consent conditions. This will increase the treatment capacity from secondary to tertiary. Appropriate UV and filtration methods are currently being investigated.

There are delays with this project. Council is considering all options carefully to ensure the correct solution is implemented; one that is cost effective and suitable to service the community for years to come. Construction is expected to start mid-late 2022.

The design of this system requires confirmation of the targeted ranges of wastewater flow capacity and treatment performance. This will see common discharge facilities constructed from the new UV system's outlet, as budgets allow, for irrigation and the discharge to the river.

Primary treatment upgrade

Background (Note – this should be read alongside the potential impacts of the Three Waters Reform) This is included as part of the overall community goal to improve the health of the Wairoa River. This component of the wastewater treatment plant upgrade includes the installation of an inlet screen at the plant to remove debris before the treatment process. Desludging of the aerated pond is also included which involves removal of sludge to a lined dewatering area, to improve the efficiency of the pond.

The lined dewatering area has been installed. Desludging is 90% complete. A significant electrical upgrade is underway and due for completion in June 2022. A new inlet screen to remove solids from wastewater is currently being installed and will be commissioned in June 2022. Work may extend into 2022/2023 but is unlikely.

District Roothing Network - Emergency Works Funding (Waka Kotahi NZTA)

Background

Adverse weather events, such as the two at the end of March including Ex-Tropical Cyclone Fili in April, have severely impacted our community, with many people, particularly those residing in our rural areas affected by flooding and slip damage. The social and economic impact will continue into 2023 and beyond.

In our towns, the damage is affecting our local schools, such as Frasertown School where the road outside the school continues to slip into the river creating a significant health and safety risk to tamariki and their whānau. In the case of the Ruakituri community, five weeks of extensive access issues due to structural damage forcing the closure of Te Reinga Bridge while a temporary repair solution was carried out.

The high-level cost of the damage, including potential replacement of Te Reinga Bridge, has been 'estimated' to be \$50 million (estimated at the time of writing this report). A bespoke application to Waka Kotahi for funding to repair much of the damage caused by the weather events has been submitted. We await notification of the result of this application.

Te Wairoa E Whanake

Background

Council identified the regeneration of the CBD as a top priority for investment in the district and approved \$250,000 in 2017-18 budget for CBD enhancement. Of this \$60, 000 was spent and the remaining \$180,000 was invested in March 2019 through the PGF process, and the main street initiative "Te Wairoa E Whanake" was developed to stimulate economic development and regenerate the town centre of Wairoa.

A \$4.8 million investment grant was approved in December 2019. Redeveloping the burnt-out building site (Gemmell's building) and purchasing the Winter's building were key aspects of the redevelopment and both sites were purchased by Council in January 2020.



The Gemmell's redevelopment is progressing well, which will see new retail space built. This will include a restaurant. Construction is expected to be completed prior to Easter 2023. The Winter's redevelopment has been impacted by cost-fluctuations and unexpected earthquake strengthening costs.

These factors have forced Council to rethink the development and consider a new build option which would meet the available budget and still satisfy PDF requirements, including relocating of the iSite. Preliminary options are currently being developed.

Regional Economic Development Agency (REDA)

Background

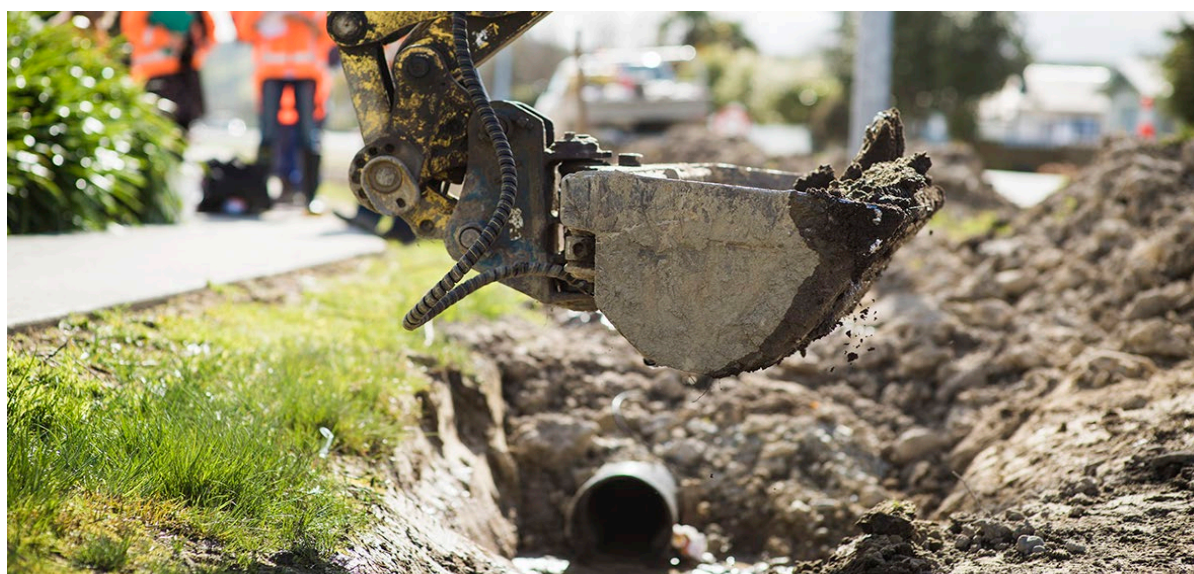
In August 2020, the five Hawke's Bay Councils commissioned a review of business and industry support across the region. The review presented a clear case for change, highlighting a range of inefficiencies and missed opportunities with current activities and services. Further investigations focussed on what priority activities should be funded and what the best option for delivering this would be.

Based on feedback from Councils, iwi/hapū and business, the Councils jointly supported the option of establishing an independent regional economic development agency. A funding split across the five Hawkes Bay Councils was confirmed, based on funding capacity, GDP and population. The increased investment to the economic development activity would be funded through rates.

Drainage Improvements (Roading)

Background

There is a need for culvert capacity upgrades due to the impacts of climate change and weather events. Piping open drains is a priority and will improve the stormwater network, roading network, and safety for road users. There is an increased focus on drainage during the 2021-24 period to improve network resilience and minimise the impact of storm events. This project should be completed by 2024.



Māhia Resilience Improvements (Roading)

Background

Māhia is considered a vital part of the district and it is under threat from coastal erosion. This is a continuation of a project linked to strengthening parts of Nuhaka-Ōpoutama, and Māhia East Coast Roads to ensure long-term access.

Multiple dropout repairs will be undertaken. The eastern end of Black's Beach (commonly known as the Blowhole) is a significant risk for Council and is a key project within the Regional Land Transport Plan. This project should be completed by 2023/24.

OUR LEVELS OF SERVICE

We provide a wide range of services and activities for our community. Delivering these services and activities helps us look after the social, economic, environmental and cultural wellbeing of our people and district. *Levels of service* refers to the standard or level at which these activities are provided to our community.

Water Supply

We produce 2.9 million litres of drinking water per day from our water supply systems in Wairoa, Frasertown, Tuai and Māhanga (pending outcomes of 3-Waters Reform). We maintain a compliant and efficient service that is safe for people and the environment.

Stormwater

We maintain networks of stormwater pipes, open drains and outlets in the Wairoa, Tuai and Māhia areas, ensuring a compliant and efficient system that is safe for people and the environment.

Wastewater

We operate and maintain wastewater systems in the Wairoa, Tuai, Māhia and Ōpoutama areas, aiming to ensure a compliant and efficient wastewater service that is safe for people and the environment.

Waste Management

We provide waste management facilities and ensure refuse can be disposed of in a controlled manner. We operate a large open landfill and recycling centre in Wairoa to the public for 4 days a week, 6 hours per day to take domestic and commercial refuse. We operate five closed landfills that has obligations for on-going compliance, manage litter and domestic refuse collection, and kerbside recycling.

Transport

Land Transport

We provide nearly 900km of roads, 175 bridges, and over 340 retaining structures. We maintain more than 40kms of footpaths, nearly 24,000m² of carparks, 3000 traffic signs and hundreds of streetlights. We manage the network in a sustainable and efficient manner that meets demand.

Airport

We fund the airport activity to maintain an operational facility which includes a 910m runway. The airport and its facilities are maintained for light aircraft and charter operations in a sustainable and efficient manner.

Community Facilities

Cemeteries

We provide and maintain public cemeteries at Wairoa, Nuhaka, Frasertown, Ruakituri and Morere in a reliable, accessible, safe and efficient manner that meets the community's current and future needs.

Parks and Reserves

We provide sports grounds, public gardens, neighbourhood parks and playgrounds, access along riverbank and foreshore reserves, and public toilets. In these parks, we also look after the vegetation, buildings, walkways, playground equipment, fences, lighting, tables, bins and memorials. We maintain

an efficient and responsive service that ensures parks, reserves and public toilets are safe and well maintained.

Library

We provide the Wairoa Library with over 25,000 books and digital resources, reading programmes and initiatives to over 32,000 visitors and 8,000 patrons a year. We provide lending, information and digital services and programmes five and a half days per week.

Community Support

(Community Centre, Museum, Gaiety Theatre)

We partner in and support the provision of recreational, health, cultural and heritage activities. We support community events, initiatives and facilities including the Community Centre and Wairoa Museum.

Planning & Regulatory

Resource Planning

We provide resource consent within timeframes and planning services to support the sustainable management of natural resources. We maintain the District Plan.

Environmental Health

We provide environmental health services to protect and improve public health with food premises, water quality, pollution, noise control, and fly dumping. We ensure community safety through the registration of food premises, hairdressers, funeral directors and camping grounds, and respond to complaints.

Building Control

We provide building control services to ensure that construction on new and existing buildings is compliant and controlled. We issue building consents within timeframes and monitor building WOFs, swimming pools and dangerous and unsanitary buildings.

Liquor Control

We provide liquor control and licensing services, issuing liquor licences within timeframes.

General Bylaw Compliance

We provide general bylaw enforcement and maintenance and respond to complaints over freedom camping, land transport, public safety, cemeteries and trade waste.

Dog Control

We provide dog control services in response to complaints about dogs and manage the pound. We maintain the National Dog Register, and respond to stray, barking and nuisance dogs.

Stock Control

We provide livestock control services for wandering animals, ensuring community safety through the removal of nuisance stock.

Leadership & Governance

Community Representation

(Long Term Planning, Elections, Governance)

We provide for district representation and governance, elections, community engagement, policies, annual reporting and planning, and long-term planning. We support and encourage community participation in democracy.

Māori Relationships

We develop relationships with tangata whenua, and promote and facilitate Māori participation in decision-making through the Māori Standing Committee, and by promoting the use of te reo Māori.

Economic Development

We provide district promotion, tourism services, and manage policy as it relates to our economy. We provide the Visitor Information Centre and implement the Economic Development Plan.

Corporate Functions

Corporate Services

We provide corporate services which include customer services, finance, administration, information technology, cybersecurity, geospatial and mapping systems, business support, human resources, records, archives, project support, rates services, legal compliance, policy development, and official information. We manage and deliver these services in an efficient and responsive manner.

Property

We provide property services for the camping ground, information centre, community halls, pensioner housing and commercial property, in an efficient and responsive manner that ensures our properties are safe and well-maintained.

Corporate & Funds Management

We hold investments that support the provision of sustainable infrastructure and services. This includes managing cash, debt, equity and property investments. We operate treasury services that provide low-cost funding for projects, immediate funds for emergencies and day-to-day funding.

Full levels of service details, activity outcomes, performance measures and targets are provided in Council's Long Term Plan Activity Management Plans and Asset Management Plans. For more information, please refer to <https://www.wairoadc.govt.nz/assets/Document-Library/Plans/Annual-Plans-and-Ten-Year-Plans/2021-2031-LTP/LONG-TERM-PLAN-2021-SINGLE-PAGES-SMALL.pdf>

OTHER INFORMATION

The district covers an area of 4,120 square kilometres with a population estimation of 9,040 based on Statistics NZ estimates (as at 30 June 2021).

Council is made up of the Mayor (elected at large) and six elected representatives (three from the General Ward and three from the Māori Ward). A Māori Ward was introduced at the 2019 Triennial Election. In addition to their duties as members of Council, the elected representatives serve on a number of sub-committees that oversee specific areas of Council's operations. The Council is also supported by the Māori Standing Committee.

Council Contact Information:

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KEY DATES FOR THE ELECTION

Nominations open	15 July 2022
Nominations close	12 August 2022
Voting papers delivered	16-21 September 2022
Special voting period	16 September 2022 -8 October 2022
Removal of election signs	7 October 2022
Voting closes	8 October 2022 at noon
Progress results available	As soon as practical after close of voting 8 October 2022
Official declaration	14-19 October 2022
Candidates' expenses deadline	9 December 2022

REFERENCES TO DATA PROVIDED IN THE REPORT

2019/20 Annual Report

2020/21 Annual Report

2021-31 Long-Term Plan

Asset Management Plans

Finance policies are detailed in the 2021/31 Long-Term Plan

Annual Plan 2022/23

These documents are available on Council's website: www.wairoadc.govt.nz