



Report **03.257**
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Committee **Rural Services and Wairarapa**
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Separate Scheme Rates and Balances

1. Purpose

To provide information on the proposed 2003/04 Separate Scheme Rates, to be collected by the Wairarapa Division for scheme operation and maintenance, and to inform members of current and projected scheme balances.

2. Background

- 2.1 Meetings have been held for seventeen river and catchment management schemes, to review progress and expenditure, and to confirm proposed activities and funding. The catchment schemes met in October/November 2002 and the river schemes in April/May 2003.
- 2.2 For each of the sixteen drainage schemes papers were circulated to ratepayers, and programmes and funding levels were subsequently confirmed with each scheme advisory committee chairman.
- 2.3 A summary of current and recommended rates, as well as current and projected scheme balances, are given in the attached spreadsheet (Attachment 1).

3. Discussion

The meetings have been positive and constructive, reflecting a good co-operative understanding between ratepayers, Councillors, and staff.

Particular matters for the Committee's information are:

3.1 Floods

This past year has seen no major floods. Rivers staff have been pleased to be able to consolidate the flood damage works from the previous year. Flood damage from June 2002 was incorporated into the river scheme annual works programmes.

3.2 Cost Construction Index (CCI)

This index is no longer being tabulated. Staff now use the Product Price Index. This index moved 2.06% between December 2001 and December 2002.

3.3 Reclassification of River Schemes

A start has been made on the Lower Wairarapa Valley Development Scheme Review with staff collating background information and a number of consultants preparing reports on specific issues. The composition of the Review Group has been decided with Mayor John Read and Ravi Mangar (District Engineer) being the additional South Wairarapa District Council representatives.

3.4 Waiohine-Mangatarere Scheme

This scheme suffered considered damage through the 1990's, but since the scheme review has improved significantly in physical and financial terms. The flood damage reserve is projected to be a deficit of \$6,420 at the end of this financial year. The projected reserves, subject to no major floods next financial year, is \$103,730.

3.5 Upper Ruamahanga Scheme

Good progress has occurred in the first year of the three new schemes. One disappointing aspect is damage to willows by cattle both in the Te Ore Ore and Gladstone sections. Offending landowners will be contacted.

Extensive areas were lopped and sprayed this year with more planned in next year's programme.

3.6 Lower Wairarapa Valley Scheme

This scheme has now paid off all its loans. It has a flood contingency fund reserve of \$1.3 million plus a major flood damage reserve of \$202,400.

3.7 Catchment Management Schemes

Meetings with advisory committees were held in November 2002, some six months ahead of the traditional time for such meetings. This permanent rescheduling of meetings will better integrate scheme budgets into the Annual Plan process. Most meetings were very well attended. However, a shift to night meetings may occur following discussions with chairpersons.

A feature of the meetings was a consistent level of strong support for the content of each annual programme, and the focus on scheme reserves. A number of the schemes have set targets for their reserves based on historical remedial expenditure resulting from past storm damage events.

Of the six schemes, four have linked their annual rate movements to increases in the Producer Price Index thereby ensuring that works programmes are not down-sized through the impacts of inflation.

3.8 Drainage Schemes

Following consultation with the following drainage scheme committees, they have agreed to change the rates proposed in the Annual Plan and increase their rates as follows:

- Longbush - total revenue \$2107.50 (excluding GST)
- Ahikouka - total revenue \$2182.00 (excluding GST)
- Onoke - total revenue \$3285.50 (excluding GST)

Increased works programmes are proposed in all three schemes. The increases have no impact on other regional council rates as the drainage schemes fund their work programmes 100%.

3.9 New Rating Legislation

The new rating legislation will require some changes in procedures. An example is the requirement to publish the proposed rates in the Annual Plan. Up to this year the proposed rates were always advertised in the newspaper in late June following completion of the annual river scheme meetings. These meetings have usually been held as late as possible in the year so that the most current information is placed in front of the Advisory Scheme Committees. The involvement of the committees in the “annual works programmes” is vital to maintaining the Council’s credibility in the schemes. I am sure that an appropriate process will be developed once the new legislation is bedded in.

The rates which the South Wairarapa District Council collect on GWRC’s behalf for the repayment of the Donalds Creek and Saywells Stopbank loans were omitted from the Proposed Annual Plan and will need to be added to the final Plan through the submission process.

Minimum charges where small rating amounts applied, are no longer allowed. This will reduce the rates revenue in some catchment schemes.

Rates remissions will be dealt with under the newly developed Council policy.

4. Acknowledgement

These meetings can be quite onerous to both members and staff, as they are concentrated within a tight timeframe. However, they continue to prove most rewarding and provide an excellent opportunity to consult with and obtain feedback from the rural community. The efforts of the Scheme Advisory Committees, Councillors Long and Buchanan, and staff in ensuring the success of these meetings are gratefully acknowledged.

5. Communication

The proposed scheme rates, as scheduled in Attachment 1, have been agreed to by the respective advisory committees.

6. Recommendation

That the report be received and its contents noted.

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