

BEFORE A HEARINGS PANEL OF THE GREATER WELLINGTON REGIONAL COUNCIL

UNDER the Resource Management Act 1991 (“the Act”)
IN THE MATTER OF Resource Consent Applications to Greater Wellington
Regional Council pursuant to section 88 of the Act to
discharge contaminants to land, air and water
BY South Wairarapa District Council
FOR the proposed staged upgrade and operation of the
Featherston Wastewater Treatment Plant

**BRIEF OF EVIDENCE OF MARK ALLINGHAM ON BEHALF OF SOUTH WAIRARAPA
DISTRICT COUNCIL**

STRATEGIC DIRECTION AND DISTRICT AFFORDABILITY

DATED 2 APRIL 2019

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**EVIDENCE OF MARK ALLAN ALLINGHAM ON BEHALF OF SOUTH WAIRARAPA
DISTRICT COUNCIL**

1. My full name is Mark Allingham the Group Manager of Infrastructure and Services (“GMIS”) for the South Wairarapa District council (“SWDC”).

RELEVANT EXPERIENCE

2. I have been the GMIS since May 2010 at which time the three waste water consents for SWDC were in development and this work was a part of my management brief to develop and implement. I have over 16 years of experience in the Local Government engineering and over 25 years in civil construction and maintenance in New Zealand and Australia. I hold an Honours Degree in Transport Logistics and a Diploma of Asset Management. I have significant experience in project management and infrastructure development gained on projects I have contributed to and managed throughout New Zealand and Australia and also gaining awards for logistics and procurement in local government. I have a thorough understanding of government procurement of infrastructure and its operations and asset management. I was awarded the Award Australia Procurement award for innovation in 2008 as well as The Caterpillar overseas study award for studying systems in the US where water was treated to potable standards.

CODE OF CONDUCT

3. I have read the Code of Conduct for Expert Witnesses in section 7 of the Environment Court’s Practice Note (2014). I agree to comply with that Code of Conduct. Except where I state that I am relying upon the specified evidence of another person, my evidence in this statement is within my area of expertise. I have not omitted to consider material facts known to me that might alter or detract from the opinions which I express.

MY ROLE IN THE PROJECT

4. The current resource consent application is to provide for the construction, operation and maintenance of the upgraded Featherston Wastewater Treatment Plant (“WWTP”) including land treatment. The application is necessary because the current consent expired 25 August 2012. The proposed I&I does not require consent but is an integral part of the proposal.
5. In my evidence I will provide a general background to the project and council’s wastewater strategy which was developed and consulted on prior to the lodgement of the three individual consent applications and which was reconfirmed by the new Council in 2016. I will also comment on the development and improvements resulting from the proposed Featherston upgrade.
6. I provided overall strategic direction for the consent application including assistance in providing evaluation of the financial impact on ratepayers within the district.

SCOPE OF EVIDENCE

7. My evidence will address the following:
 - a. Sewer infrastructure and activities in the context of all of Council’s assets and regulatory responsibilities across the entire district.
 - b. An overview of the wastewater strategy including a history of the Featherston Plant
 - c. 2012 High Rate Treatment application
 - d. 2017 Discharge to Land Application
 - e. Consultation involving the process which has been adopted by the Council in terms of making the decision it has regarding Featherston
 - f. A review of the Affordability issues and Rating Impact
 - g. Conclusion

BACKGROUND AND RELATIONSHIP TO GREYTOWN AND MARTINBOROUGH SCHEMES

8. This consent in context is one of three urban wastewater treatment plants for which consents are currently being sought. This consent, resultant capital improvement plan and long-term renewal and asset management plan sits in a framework of capital improvement and renewal programs for the SWDC.
9. Council must take a catchment based approach because:
 - a. **Environmental**
 - i. The Martinborough, Featherston, and Greytown wastewater discharges all ultimately terminate in the Ruamahanga catchment / Lake Wairarapa. Our forward program is designed to ensure that the best environmental outcomes are achieved for the dollars invested.
 - ii. The move the discharge to land is planned to ensure we are able to reduce the discharge to freshwater as quickly as possible, concentrating the effort on the most sensitive receiving environments while still balancing the requirements across the catchment.
 - b. **Financial (cost of servicing plants)**
 - i. In order to maximise the cost benefits of scale, our contracts are let across the four wastewater systems (including Lake Ferry).
 - ii. In approaching our wastewater operational and capital requirements across the entire network we maximise the pricing we are able to achieve as the contractor is able to cover their overheads and profits from a larger revenue base.
 - iii. Contracting each site individually would significantly increase the cost of servicing the plants and networks.
 - c. **Rating base consistency**
 - i. As we have one contract we charge all ratepayers connected to the wastewater system the same levy.

- ii. To differentiate between schemes would be difficult as it is nearly impossible to apportion costs to any one scheme with 100% accuracy, as this approach requires making financial assumptions.
 - iii. By taking this district wide approach, cost fluctuations in one scheme are smoothed out and rates in one area do not have large increases and decreases.
- d. Affordability, spreading costs as wide as possible:**
- i. The best way to manage costs is to spread the burden as evenly and widely as practicable
 - ii. SWDC has chosen to recover the cost of the collection, treatment and discharge of wastewater only to those connected or able to be connected to the wastewater system.
 - iii. While there are options to widen the collection base, this is not currently on the agenda, as the rural ratepayers outside the wastewater system often have their own environmental issues to manage and pay for.
10. While our Strategy is still referred to as draft, the document set out Council's intention and direction and this has not altered. This strategy included incorporating the planned expenditure for this project into the Long term plan (10 years) and the Infrastructure strategy (30 years) as part of the prudent management of the future demand.
11. The subsequent long-term expenditure plan for the Featherston WWTP has been scheduled firstly amongst the other two waste water expenditure plans and then taking into consideration the costs of the potable water renewal and upgrades. This was taken into consideration due to the accumulated effect on the water rate and the affordability of the works on urban households.
12. South Wairarapa District Council has proven its commitment to achieving its waste water goals by obtaining consents for and commissioning a 100% discharge to land system for Martinborough and Featherston. The irrigation at Greytown is due to start in April 2019, accelerated 3 years ahead of the consented date of 2022. The irrigation at Martinborough has commenced already.

13. The combined costs of the Martinborough and Greytown upgrades including consenting and land purchases is estimated at \$20 million.
14. The estimated capital costs of the Featherston upgrade including, I&I, consenting and land purchases is estimated to be \$14 to \$17 million.
15. With all up costs of over \$35 million it is important to spread that expenditure so far as that is consistent with achieving environmental improvements. With that in mind, the final stage of all three proposals (which in each case is the stage with least benefit to cost) was designed to be within 20 years of commencement. Despite opposition from the Regional Council officers to that time frame the Commissioners for the Martinborough and Greytown applications agreed that the suggested timeframes were appropriate.
16. In the present case the proposal is similar, with the most benefits coming from stages 1B and 2A and 2B providing modest additional benefit at a significant cost. As discussed above the overall costs of the current proposal are significantly higher than for each of the Martinborough and Greytown proposals. For that reason, SWDC adopted the same approach as for the other proposals of seeking to defer stages 2A and 2B. However, in the light of the further ecological work that was done last year, the Council has decided to advance both of the latter stages by 5 and 7 years respectively. The reasons for this was that the Council was advised that it was important to advance at least stage 2A to address the residual adverse effects during stage 1B. The duration of those residual effects will now be halved. These changes were in part intended to address the issues the officers had around section 107. (10 years was not seen as “temporary”). Unfortunately, their position on that matter has not changed despite the reduction to 5 years. (I note that the officers report does not seek any further changes to staging but instead seeks that consent be declined.)
17. The financial effect of these changes to the proposal is that expenditure of stage 2A and 2B will be brought forward by 5 years and 7 years respectively. That will have a flow on impact on rates. It also means that the final stages of all three treatment schemes will be occurring within a few years of each other.

FEATHERSTON WASTEWATER TREATMENT PLANT

18. The plant was constructed in 1975, as an upgrade from the large holding tank on Donald Street which had served the town until then. This incorporated the entire town.
19. The consent for the original treatment plant expired in 1997 and there was an application lodged the same year. This was finally granted in 2009 as a 5 year consent expiring in 2012.
20. I note in the consenting officer's report it states that 'discharge to land' or effluent re-use (presumably as fertiliser to land) was a stated preference by the Regional Council for the long term. One of the reasons given was the section 107 issues, particularly clarity and a lack of assimilative capacity in Donalds Creek.
21. As noted in the wastewater strategy, the consents for the three main wastewater consents expired at similar times and SWDC decided to adopt a co-ordinated approach to planning and re-consenting. This included a number of trials of different treatment options that were performed at the Featherston WWTP, including trickling filter, floating wetlands and UV disinfection.
22. A consent variation (S127 RMA) was granted for these trials, and to allow the installation of the UV disinfection upgrade, which improved the biological contaminants discharged.

WASTEWATER STRATEGY

23. Since mid the 2000s it has become apparent that discharges of wastewater directly to freshwater were becoming unacceptable for social cultural and ecological reasons. This is also reflected in the RPS and Freshwater Plan and in the Masterton and Carterton consent processes and in the 2009 Featherston consent.
24. As a result of this changing policy environment, South Wairarapa District Council developed a stated goal: *"To collect, treat and dispose of wastewater from the urban areas of Featherston, Greytown, Martinborough and Lake*

Ferry so as to provide public health protection with minimal effects on the environment.”

25. Following on from the above, and just before my arrival the Council in 2008 set up a working group to ascertain the way forward in relation to South Wairarapa’s four wastewater schemes. I was fully involved with this working Group consisting of the Mayor and all Councillors, which considered input from various advisors in the wastewater field. The work culminated in a report dated 15 December 2010 outlining the Wastewater Strategy.
26. Since 2010 SWDC began looking at options to progressively remove or largely remove direct wastewater discharges from all of its plants. Since that time The Mayor and Councillors have been kept informed of developments and been involved in direction and decision making.
27. Part of the development was the Wastewater Steering Group. This group included Councillors, Community Board members, Maori standing committee members, officers, farmers and other members of the public. The working group identified that to achieve the best environmental outcomes, a catchment-based approach should be taken and agreed to regular meetings until the end of 2013.
28. Wider consultation was undertaken on the Wastewater Strategy from 2008 until early 2011 including mail outs to all ratepayers, local public meetings, meetings with Council’s Maori Standing Committee, and offers of one on one meetings with other people that may be affected.
29. Following confirmation of the Wastewater Strategy, attention turned to the WWTP Upgrade Projects required for the consents. Regular updates on the project, feedback on progress, and requests for input were made to the Maori Standing Committee, the SWDC Wastewater Combined Steering Committee. The Steering Committee Members included communications with:
 - a. Tangata Whenua
 - b. The Maori Standing Committee
 - c. Wellington Regional Council
 - d. Fish and Game
 - e. Department of Conservation

- f. Wairarapa Public Health
- g. Sustainable Wairarapa
- h. Adjacent landowners
- i. Federated Farmers
- j. SWDC Councillors
- k. Featherston, Greytown, and Martinborough Community Boards

THE MARTINBOUROUGH AND GREYTOWN APPLICATIONS

- 30. The Council purchased land for the land treatment at Greytown in 2013. The land at Martinborough was already owned by Council. Applications for long-term upgrades and discharge to land at both of Greytown and Martinborough plants were lodged in 2014.
- 31. Both of these applications were heard by the same independent commissioners. In both cases the officers recommended short term of no more than 25 Years for the consents. Both applications were granted for terms of 35 years. The officers also had concerns around the proposed timing of the final stages of these upgrades (storage ponds as proposed here). The Commissioners disagreed and upheld the proposed staging.
- 32. The Martinborough consent allows 19 years for the council to develop the full treatment and disposal to land. The Greytown consent allows 24 years to develop the full treatment and disposal to land.
- 33. In the case of the Greytown and Martinborough applications, the officers also maintained that the discharge to land would be in breach of section 107 and could only be granted as a shorter term consent. The Commissioners did not accept that view point and adopted a more pragmatic approach and granted a long term consent.

Greytown decision report (pg 8 February 2016), "We understand that Ms Arnesen's [sic] view was based on the fact that the WWTP discharge has an adverse effect on the macroinvertebrate community in the Papawai Stream. We discuss that particular issue in some detail section 8.2.1 of this decision

report, but suffice to say that we do not find that militates against the grant of consents and nor does it provide a basis for a shorter consent duration.”

34. One of the live issues for both Greytown and Martinborough was the timing of the staging of upgrades. The consents as granted contained the following timing:

WWTP	Stage 1B	Stage 2A	Stage 2B
Martinborough	Nov 2017 (complete)	Dec 2030	Dec 2035
Greytown	Jan 2021 (due Apr 2019)	Nov 2030	Jan 2039

35. The Council is on track to commencing land treatment and reducing discharge to the stream at both plants earlier than required by the consents. However, that is in part dependent upon the outcome of the current application. If the current application is declined and/or additional components required then that may divert resources from Greytown and Martinborough.
36. The Council adopted a catchment based approach and worked to find a managed way to remove the discharge to treated wastewater from water. Different consultants were used in the development of the different options for each WWTP.

THE DEVELOPMENT OF THE PROPOSAL FOR FEATHERSTON

37. The current application is part of a wider body of work taking into account wastewater discharges for Featherston, Greytown, and Martinborough. All wastewater consents were expiring in quick succession, Greytown in 2008, Featherston in 2012, and Martinborough in 2012. The Council decided to adopt a combined strategy for all three plants. I have set out a timeline below with key steps in the process.

1975 Featherston WWTP commissioned to replace primary settlement tank adjacent to Donald Street

1997	Original Consent expired
1997	Application lodged in 1997
2008	Wastewater Steering Group set up
2009	3 year consent granted on a non-notified basis
2011	SWDC Wastewater strategy confirmed
2011	Work commenced on the 2012 Featherston application
2012	Application for Featherston upgraded based upon High Rate disposal
August 2014	Further information provided and application publicly notified with 17 submissions received
2014	Application put on hold while SWDC investigated land to purchase
2014	The Hodder farm was purchased
2013-2014	Further consideration of alternatives and development of the current proposal
2017	Current application lodged
2017-2018	Further information provided
May 2018	Application notified
Nov 2017	Regional Council officers raise the s 107 issues
March 2018	Further work commissioned by both Councils from Dr Ausseil (Report dated 8 April)
May 2018	Regional Council officers suggest that the activity is a non-complying activity. Subsequent debate around the basis for that suggestion.
July 2018	Further work program agreed with GW including aquatic ecology groundwater
Nov 2018	Hearing deferred initially until March 2019 and then to May 2019 to allow for further work and increase the possibility that PNRP decisions will be available before the decisions on the current application are made.

2012 HIGH RATE TREATMENT APPLICATION

38. As part of its overall Wastewater strategy approved in 2010 the Council decided to proceed with an application for high rate land discharge at Featherston with a wet weather bypass. That application was lodged in 2012. In accordance with condition 36 of the 2009 consent and in response to a further information request, discharge to land reports were produced by LEI in 2012 and 2013. At the time, the council only owned 8ha in close proximity. The land options considered were using adjacent farming properties and the golf course, against an estimate on the area that would be required. The Hodder farm was not considered due to the fact that it was a dairy farm and Fonterra had restrictions around effluent reuse.
39. The application involved an investigation, design and construction period of 10 years for a High Rate Treatment Plant with continued discharge to water. This was intended to enable further monitoring of the discharge and further consultation to be undertaken to finalise the design. There was some reduction of the inflow and infiltration (I&I) flow (24%) included in the application. The High Rate Treatment Plant with modest I &I reduction was thought to be the best practicable option (BPO). I note that the AWT study suggested that land treatment (as now proposed) would be the BPO if I&I could achieve a reduction in inflows of 35% or more.
40. The application was publicly notified on 6 August 2014. There were subsequent discussions with GW officers and management. It became clear that the application would not be supported by the GW officers and would be a relatively high-risk strategy. This was because the original GW officers report stated a clear preference for discharge to land and this proposal would have involved significant continued discharge to the stream. There was strong opposition and policy to the continued discharge to water for the long term (35 years). The scheme was also at odds with the SWDC statement supporting the Wairarapa Moana.
41. The Regional Council officers encouraged SWDC to look at other land-based options and agreed to put the application on hold to allow that to occur. SWDC agreed to that approach.

42. While using neighbouring properties was considered and discussed, there was a risk for the long-term discharge to land. If the property changed hands or the owner wanted to change the farming type to be incompatible with the discharge of treated wastewater. This risk could only be mitigated with council ownership, which became available with the sale of the neighbouring 'Hodder Farm' in mid-2014 and SWDC made the decision to purchase it to allow it to be used for land treatment. Before doing so it obtained a preliminary report from LEI into the suitability of the land for that purpose.
43. SWDC decided to request the Regional Council to put the 2012 application on hold while it investigated the current proposal. Although the 2012 application has never been withdrawn SWDC no longer sees that proposal as being a viable option. This in particular when considered against the National Policy Statement for Freshwater Management, Proposed Natural Resources Plan 2015 (PNRP), and the recommendations from the Ruamahanga Whaitua Implementation plan and in light of the purchase of the Hodder land.

THE DEVELOPMENT OF THE CURRENT APPLICATION

44. During 2015-2016 the Council investigated the best use of the existing WWTP site and the newly purchased land to allow a progressive move away from discharge to the stream. SWDC continued to communicate with the submitters and the Council parties, including the Maori Standing Committee. The MSC supported removing the discharge from the stream and reducing the impact on Wairarapa Moana.
45. The Council advised the land purchase and change to discharge to land in the annual plan for 2016. The current application was lodged in February 2017. The Regional Council made a further information request and that information was provided in late 2017.
46. The Regional Council delayed public notification of the application and GW officers indicated in late 2017 that they thought that section 107 issues might present a barrier to granting consent. This was in part associated with the water clarity provision of the PNRP.
47. As a result, the two councils agreed to Dr Ausseil preparing a report on these issues. That report was finalised in April 2018 following the receipt of that

report SWDC sort further advice from its advisors and concluded that in the light of Dr Ausseil's report, the section 107 issues were not a barrier to the grant of consent. Accordingly, SWDC decided to proceed with the application. SWDC requested GWRC to notify the application. The application was publicly notified on 14 May 2018.

48. Subsequently in May 2018 the Regional Council officers advised that they considered that the application was for a non-complying activity rather than a discretionary activity as it had been advanced by the Council's planning consultants. This was based upon their view that the application was for a "new discharge" rather than an "existing discharge". This was based upon their interpretation of the proposed PNRP provisions.
49. This view was surprising to the SWDC since this issue had not been raised in any of the pre-notification discussions. Council officers and its advisors engaged in further discussions with Regional Council officers on this issue. In particular the Council provided a Memorandum from Mott MacDonald on 10 July 2018 and associated legal advice from Mr Milne indicating why it considered that the application could be considered as discretionary activity, or alternatively why it could be granted as a non-complying activity. Unfortunately, the points of difference have never been resolved.
50. There was some suggestion from Regional Council officers that it might be preferable to withdraw the application and relodge it once the PNRP issues had been resolved. SWDC considered that option but decided that it would be a waste of the effort and costs already invested in the current application. The Council was also very concerned that this approach would result in significant delays to the proposal. The Council decided that the most appropriate course of action was to proceed with the application but with the possibility of requesting the Panel to defer its final decision until the PNRP decisions are released. That remains the Council's preference.
51. As a result of the PNRP issues, the Council made further submissions and evidence to the Panel hearing the PNRP (copy attached). It also requested that Panel issue at least an interim decision on wastewater provision of the PNRP by late 2018 so as to make this Panel's task easier. Unfortunately, in August 2018 Regional Council Officers (not the Panel) granted a waiver of

- time pushing out the decision date for the PNRP until the middle of 2019. Although clearly affected, SWDC was not consulted on that waiver decision.
52. As part of its discussion with GW officer, SWDC agreed that it would be desirable for further joint work to be carried out in relation to fresh water ecology and groundwater. That was carried out in the second half of 2018.
 53. In 20 September 2018 SWDC sought a waiver to allow this hearing to be deferred until May 2019. That waiver was sought to allow the both Councils to complete further investigations into groundwater mounding, the potential for groundwater contamination and freshwater ecological effects. It was also hoped that deferment of this hearing might mean that PNRP decisions could be available before a final decision is made on the current application. SWDC indicated that it might if necessary, seek a further waiver of time to allow this Panel's final decision to be released after the PNRP decisions are released. Depending upon the consent application officers' final position on the PNRP issues that is likely to be what is requested by the Council.
 54. Within this context, I note that there is significant frustration at SWDC at the amount of time, energy cost and uncertainty which has been created by the PNRP definition of "new discharges". The officers report to the PNRP (drawing on comments from GWRC officer's to the Panel) has acknowledge the practical difficulties with the current provisions. We now end up in the situation of the same officer relying upon a literal interpretation of these provisions which is at odds with the changes which have been recommended to the PNRP Panel. That has become the primary basis for the recommendation to decline the consent. In my opinion that has little to do with achieving sustainable resource management.

CONSULTATION

55. I have outlined earlier the process leading to the current wastewater strategy. In addition there has been consultation with key stakeholders in respect of the Featherston proposal.
56. Workshops were held for Councillors, Wastewater Steering Committee, and with Wellington Regional Council. Individual meetings were held with

Tangata Whenua and others where requested, with information provided and concerns taken into account for the strategy.

57. SWDC has engaged with known stakeholders. SWDC relied on the public notification of the application to ensure that any other potentially affected persons can participate in the process.
58. The general preferred option of the 100% discharge to land was adopted 9 years ago, and has had constant exposure in Annual and Long Term Plans.
59. The consent application in 2012 (currently on hold) for the proposed high rate treatment plant, only received 17 submissions. The majority of which were against due to the continuing discharge to freshwater and impact on the Wairarapa Moana.
60. Following the purchase of the land in 2014, which was advertised with a press release and article in the paper, SWDC maintained communications with these submitters and nearby adjoining property owners. Given the lack of response to the high rate treatment application, SWDC thought that we were communicating with most affected parties. SWDC was regularly corresponding with 38 different parties during the preparation of the Featherston application.
61. Lawrence Stephenson outlines the meeting that were undertaken following the lodging of the staged discharge to land application and during the submission process.

AFFORDABILITY

62. This application and overall strategy is based around the need to ensure sustainable outcomes whilst at the same time ensuring that ratepayers are able to afford the proposed solutions. As discussed earlier, the full costs of the wastewater schemes will be borne by the urban community. The urban rating base is relatively small.
63. Affordability is achieved in this case by spreading the project over a reasonable length of time. This consent, resultant capital improvement plan and long-term renewal and asset management plan sits in a framework of capital improvement and renewal programs for the SWDC. As discussed earlier, the subsequent long-term expenditure plan for the Featherston plant has been

scheduled firstly amongst the other two wastewater expenditure plans and then taken into consideration that of the potable water renewal and upgrades. This is taken into consideration due to the accumulated effect on the water rate and the affordability of the works on urban households.

64. Affordability also needs to take into account the forecast increases across Council's infrastructure and service delivery obligations due to:
 - a. Changes in road funding and level of service standards;
 - b. Increases in capital costs for head works for water races and meeting consent requirements;
 - c. Civil defense costs post the Christchurch earthquake; and
 - d. Increase costs in building with council amenities due to earthquake strengthening.
65. The Featherston Wastewater project cannot be treated in isolation of the Martinborough and Greytown projects because SWDC's funding policy is based on a catchment approach. The combined management contract is significantly more cost effective than having four individual management contracts. Capital spend is also balanced to ensure incremental environmental benefits are made at each site, not benefiting one site over another.
66. South Wairarapa District is in the unenviable position of three significant wastewater upgrades to manage and fund over similar periods of time, with a small contributor base. South Wairarapa District as a whole is deemed to be "less socio-economically deprived" than the national average, however this is a generalisation and the large rural sector lifts the averages. The report also states that "*the poorest people are most likely to live in Featherston judged to be decile 9*".¹

¹ Salmond C, Crampton P, Atkinson J, *NZDep 2013 Index of Deprivation*. The NZDep2013 index of deprivation was created from data from the 2006 Census of Population and Dwellings. The index describes the deprivation experienced by groups of people in small areas. Nine deprivation variables were used in the construction of the index, reflecting eight dimensions of deprivation. The variables used were the proportions of people: aged 18-64 receiving a means-tested benefit; living in households with income below an income threshold adjusted for household size; not living in own home; aged less than 65 living in a single-parent family; aged 18-64 unemployed; aged 18-64 without any qualifications; living in households below a bedroom occupancy threshold adjusted for household size; with no access to a telephone; and with no access to a car.

67. These statements are confirmed by an analysis of the number of rates accounts in arrears. These are predominantly urban based, and all three towns have at risk families. In June 2018 South Wairarapa had 6,971 rating units, 3086 rural and 3885 urban. Of these between 200 and 400 are in arrears at any one time. In the order of 60 are in a state where we have had to demand payment from the ratepayer mortgagees. This group has a continual financial struggle.
68. There are many residents who have no discretionary income, even small increases in rates cause stress. All households in the urban areas pay rates, regardless of whether the residents own or rent the property. If the property is rented, the landlord pays the rates.
69. SWDC acknowledges that wastewater charges will need to increase, projections based around the three schemes. Since we started the consenting process in 2010 the wastewater charge has increased from \$366 pa to \$545 pa, an increase of 48% in 5 years. The evaluation of the current projected capital spend shows an increase steadily throughout the consent period.
70. Overlay this annual increase on the examples from the budget service, and the evidence of ratepayers who are already struggling outlined above, and it is apparent that in a few years rates affordability will become even more of an issue for many families.
71. The current applications across Martinborough, Featherston, and Greytown are designed to take advantage of borrowing cycles.
 - a. For example, we have two wastewater loans reaching maturity in 2022, and the plan revolves around taking out new loans to cover works planned across the three consents.
 - b. Taking additional loans out prior to 2022 will result in an avoidable rates spike and will place additional burden on our ratepayers for a period of time.

LOCAL GOVERNMENT CONSTRAINTS

72. The purpose of local authorities was materially altered recently with the enactment of the Local Government Act Amendment Act 2012 whereby an obligation was placed on Territorial Local Authorities, and Regional Councils to:

*“meet the current and future needs of communities for good-quality local infrastructure, ...in a way that is **most cost-effective** for households and businesses”*. (Emphasis added).

73. The change in purpose was a clear signal by Government to Local and Regional Councils that a greater emphasis needed to be placed on rates affordability. Whilst *“most cost effective”* was not defined in the legislation, it is clear that consideration needs to be given to:
 - a. The options for delivery
 - b. The cost of that delivery
 - c. The affordability to individual ratepayers.
74. In addition to the change in the purpose of Local Government, **section 101 Financial management states**
“A local authority must manage its revenues, expenses, assets, liabilities, investments, and general financial dealings prudently and in a manner that promotes the current and future interests of the community”.
75. To achieve this prudence, SWDC has planned the consent program around gradual and predictable expenditures and therefore rates increases. This is a significant constraint on how Local Authorities plan their forward projects and it is clear the legislation is designed for exactly this purpose.
76. In addition to the change in the purpose of Local Government, **section 101 Financial Management states** *“A local authority must manage its revenues, expenses, assets, liabilities”*. In general terms, regardless of the option taken, the cost of meeting our goal and obligations is in the order of \$12M per town, some of which is already committed with the purchase of the land.
77. SWDC has determined that the most cost-effective option is the one generally outlined, across the timeframes incorporated in the application. This is generally consistent with the approach adopted for the other two schemes albeit that staging of this scheme has now been advanced.
78. The timeframes have been adjusted to reflect Regional Council officer concerns whilst still ensuring affordability. This is addressed in more detail in the memo (August 2018) by Lawrence Stephenson and in his and my evidence.

Potential enhancements

79. SWDC has already made significant improvements to the scheme by bringing forward the components which have the most benefit. The GW officers have not suggested any additional changes to the staging and I have explained the costs and affordability of further advancing stages. Mr Stephenson has explained the relationship between I&I and pond sizing.
80. The Council has brought forward stages 2A and 2B by 5 and 8 years respectively. The GW officers have not suggested any other enhancements to the scheme or additional mitigation measures, however I will briefly address some measures which are proposed and some which are potentially available.
81. ***Additional proposed mitigation***
- A. Provision of potable drinking water to shallow bore users at the Council's cost.
 - B. Riparian Planting along Donald Creek.
 - C. Instream monitoring of Donald Creek and Otairira Stream to measure the degree of improvement in water quality and aquatic health.
 - D. A mechanism to assess whether the addition of a DAF plant during stage 2A is appropriate.
82. ***Potential further mitigation***
- *Use of the Golf Club Land to further increase land treatment area and provide more lee-way to minimise discharge to the stream at times of low dilution and/or reduce the pond size at stage 2B.*
83. The option of piping the discharge to Lake Wairarapa was considered by the Council but was rejected for the following reasons:
- A. There is a significant cost of piping to the lake.
 - B. Within 5 years the discharge to the stream will be significantly reduced and the residual effects are likely to be minor or less.

- C. Discharge to the lake is likely to be controversial and does not address cultural concerns.

OVERVIEW

- 84. SWDC has adopted a district wide policy of reducing and largely removing wastewater discharge from streams. That is consistent with community aspirations, Regional Planning documents and its relationship with kaitiakitanga.
- 85. It is in the process of achieving those objectives with the Martinborough and Greytown schemes. The granting of long term (35 year) consents with staged movement to land disposal, for those schemes gave the Council the certainty it required.
- 86. The Featherston Application (including staging, conditions and adaptive management) has to a large extent been modelled on those prior consents.
- 87. SWDC has taken a catchment management approach to balance the outcomes of its three main wastewater plants. SWDC has proposed a solution for all three plants that will result in all wastewater treated to a high standard and discharged to land (for further treatment) to minimise impacts on mana whenua values, environment and public health and safety.
- 88. SWDC is obligated under the Local Government Act 2002 to provide the most cost effective solution. Given the limited number of options available, the key factor in ascertaining “cost effective” is time.
- 89. South Wairarapa ratepayers would struggle to meet the increased rates burden if the timeframes for implementation across the catchment are reduced. SWDC has investigated a number of options, the solution proposed is the preferred option and in its view is the BPO.

90. To meet its obligations under the Local Government Act 2002, and taking into account its obligations in the rest of the District, Council needs to implement the proposed solution in the timeframes outlined in this application.
91. It is acknowledged that the 13 years proposed to achieve almost full land treatment is longer than some may wish. However, the staged approach is necessary in order to ensure affordability and to ensure that pond sizing for stage 2B is soundly based. The 13 years compares to 20 years originally proposed and the 25 and 19 years approved by the Regional Council for the same stage for Martinborough and Greytown consents.
92. The Council has significantly advanced the staging of the scheme from what was proposed in the application as notified. That will come at a cost to ratepayers.
93. The option which has been recommended by GW officers (decline consent and start again) is in my view neither sustainable nor sensible. That option would leave the Council without a consent. This would lead to another lengthy process which would simply delay the outcome. One of the main objectives of the PNRP is to avoid or minimise direct discharges to freshwater.

CONCLUSION

94. Regional Council officers have recommended that the consent be declined. They have not suggested any change to conditions or staging. They have not suggested any changes to the proposal but instead seem to suggest that there is a more sustainable option available. They provide no indication of what that might be. They also express “disappointment” because there is no additional treatment proposed. This ignores the fundamental element of the proposal which is to provide additional treatment by way of land treatment as per the Regional Councils own policies.

95. If this consent is granted and not appealed, there will be a substantial reduction in discharge to Donalds Creek by the end of 2021 and a further substantial reduction by the end of 2024. (Most of the instream benefits come with these two stages).
96. If the consent is declined and if that was not appealed to the Environment Court, that decision would likely delay these improvements by another 3 to 7 years. An Environment Court Appeal (which is likely) would add a further year to that.
- 1 year for further consideration of alternatives
 - 2 years for additional land acquisition (if that is required) and design
 - 1 to 2 years for the consent process.
 - 1-2 years for implementation of the first stage of land disposal
97. Removal of the discharge to freshwater, necessarily involves discharge to land. The only land currently available to the Council is the proposed site and the Golf Club land. The latter does not provide sufficient capacity for full scale land disposal. It follows that if the land disposal component is declined (and if that was upheld by the Environment Court) the Council would be forced to acquire additional land. There is no such land readily available. It may many take years to acquire further land.
98. In summary, a decision to decline consent would lead to further significant delays in achieving the desirable outcome for minimising discharge to the stream thereby minimising the current effects of the discharge on the stream and the lake. Such a decision would also lead to uncertainty, and significant costs to ratepayers.
99. I do not understand the basis for the GW officers' recommendation. It seems to completely ignore the significant benefits to the environment which will be achieved within 2 to 5 years under this proposal. It seems to be based upon an unrealistic comparison of the effects of the discharge in comparison to a no-discharge scenario. The reality however is that if consent is declined

the discharge will continue unabated until an alternative is in place. The significant benefits of the scheme will be delayed and the net outcome within the next 5 to 10 years will be significantly negative as compared to what is proposed.

Signed:

A handwritten signature in blue ink, appearing to read 'Mark Allan Allingham', written over a horizontal line.

NAME Mark Allan Allingham

DATE 02/04/2019