

2019/2020 Annual Plan



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Introduction



Welcome to the Annual Plan 2019/20

Welcome to the Annual Plan for 2019/2020. This plan sets out the services and projects that are to be delivered by Council for the 2019/2020 financial year and how they will be funded.

This Annual Plan is Year two (2) of the Long Term Plan 2018-2038. The Long Term Plan is one of Council's key strategic documents. It outlines the services we will provide, the projects we will undertake, and how much we believe this will all cost over the 20 year period between 2018 and 2038.

While we are largely doing what we had planned to do in 2019/2020 as part of the Long Term Plan there are some projects that were planned for 2018/2019 that are yet to be completed and therefore they have been carried forward to 2019/2020. This has meant that some other projects that were planned to occur in 2019/2020 have been moved to later years to better reflect likely implementation timeframes. Levels of service will not be affected.

We are doing some exciting projects this coming year and we will touch on some of these in this Section. Refer to the Activity Statement Section for more comprehensive project lists.

Our District is Growing

Population growth is a key challenge and opportunity for the Horowhenua. We estimate that approximately an extra 587 people per year called the Horowhenua home between 2013 and 2018, and we anticipate that similar growth in population will continue for our District every year for the near future. Many of the projects outlined in this document reflect Council's desire to ensure that growth is appropriately planned for and managed, so that it contributes positively to our District.

We're Improving Horowhenua as a Destination

We are promoting and improving the reputation of the Horowhenua as a great place to live in, work in and visit. Council currently provides some information and basic destination marketing such as pamphlets for visitors or signs welcoming people to the District.

Council has invested in infrastructure, such as Te Takeretanga o Kura-hau-pō and Te Awahou Nieuwe Stroom, and we are working with our partners to increase visitor experiences, tourism ventures, recreation options and cultural experiences through these fantastic facilities.

Going forward we want to develop an overarching 'destination management strategy' for the District. This will also look at how we can shape and create an identity for each settlement and what they have to offer visitors or people interested in moving here. This will provide a blueprint to guide Council's future decision making around growing the District's visitor sector including developing cost-efficient visitor and community infrastructure.

Overview of consultation on the 2019/2020 Annual Plan

As part of the development of the Annual Plan 2019/2020, Council sought feedback from the community on the key projects planned for 2019/2020. The period for written submissions opened on 8 March 2019 and closed on 8 April 2019. Council received 42 written submissions, with 22 submitters speaking to their submission at the Hearing of Submissions. Council deliberated on submissions on 29 May 2019 and considered further advice from management on 12 June 2019. Changes approved as part of the deliberations have been incorporated into this Annual Plan.

What's coming up in 2019/2020

Council will continue to provide core services and seek to improve delivery in a cost effective way. These are activities such as maintenance of the road network, the water supply network, stormwater disposal network and wastewater disposal network; provision of regulatory services such as animal control, building control, food safety, and planning; community development programmes, including grants; and community leadership activities such as setting the strategic direction of Council.

In addition to these core services, Council is also undertaking a number of key projects in 2019/2020, some of which are outlined below.

Development of Master Plans

Master Plans are documents that help guide and shape the future development of an area. Master Plans are being prepared for the growth areas for Gladstone Green (which is located on the east side of Levin); Foxton Beach; and the eastern area of Waitārere Beach. Master Plans help ensure that new development in an area is well designed, connects with adjacent existing urban areas, and provides for a variety of different markets/needs. Master Plans guide future development and can include the location of new schools, shops, street design, property sizes and housing types.

Working with communities to develop Community Plans

Council will work closely with local communities to develop Community Plans. A Community Plan will set out the vision and key goals of that community as well as a list of actions that contribute to reaching these.

The development of Community Plans has already begun for Levin South-East, Manakau, Ōhau and Waitārere Beach. Community Plans will also be prepared for Foxton, Foxton Beach, Tokomaru/Opiki, other parts of Levin, Waikawa Beach, and Hōkio Beach; the exact timeframe for the development of these Plans is yet to be confirmed.

Levin Town Centre Development

Begin implementation of Transforming Taitoko/Levin – Town Centre Strategy by working on the following short term projects:

- Laneway/Town Square development.
- Redevelopment of Levin Memorial Hall.
- Oxford Street Cosmetic Project.
- Placemaking.

Foxton Wastewater Treatment Plant – Moving to Land-based Discharge

Start implementing the upgrades required to move the discharge of treated wastewater from the Manawatū River to land. This project has taken some time to get to this point but is now possible following a recent decision by the Environment Court approving Council's proposal. The upgrade of this treatment plant has positive environmental effects including improving water quality.

Transport Planning

Council will be developing an Integrated Transport Strategy, which will include:

- Investigating the District's roading network and transport needs.
- Setting a vision and principles for the future operation of the transport network.
- Development of Transport Action Plans for each mode of transport – public transport, walking and cycling, and rail.
- Consideration of changes to Council's transportation network that will result from the Ōtaki to North of Levin Highway.

Changes to Recycling (1 July 2019)

Council will be implementing changes to the kerbside recycling service from 1 July 2019. The changes include:

- Fortnightly collection of recycling.
- A wheelie bin for cardboard, plastic and tins.
- The existing green crate for glass.

Water and Wastewater Feasibility Studies

Council will be undertaking feasibility studies for:

- Ōhau – water and wastewater.
- Waitārere Beach – water.

These communities have been chosen because they do not currently have these services and said they were interested in having them in the future as part of consultation for the Long Term Plan 2018-2038.

Shannon Community Centre Feasibility Study

Council will be undertaking a feasibility study for the potential development of a Shannon Community Centre. Key aspects of the feasibility study will include:

- Community demand.
- Potential use.

- Consideration of whether Shannon Memorial Hall could be an appropriate building/site.
- Further engagement with the Shannon community, including Iwi and Hapu to understand its needs and aspirations.

What's Council's Financial Strategy?

Council's Financial Strategy included in the Long Term Plan 2018-38. The Financial Strategy focuses on Council's wider goal of managing growth while living within its means. A higher than inflation rate increase was identified for the first five years of the Long Term Plan to achieve Council's financial goals of:

- Rate funding asset renewals – *this means that the renewal of assets is funded through rates collected, rather than by relying on loans.*
- Find alternative sources of income to fund growth projects – *this means sources of income that are not rates (e.g. development contributions could be an option).*
- Maintaining a balanced operating budget – *this means Council's revenue is equal to or exceeds operating expenditures so there is no budget deficit.*

Asset Sales

Council is investing in selling some of its non-core property assets to strengthen its balance sheet and provide capacity to respond to growth opportunities.

Debt

By 30 June 2020 Council expects to have 'net debt' of \$110m, compared to the Long Term Plan 2018-2038 prediction on \$105m. The increase in projected debt is due to a number of factors including; increase in funding required for growth response planning and increased levels of service in a targeted effort to minimise waste and encourage reuse and recycling. Council's net debt is expected to peak at \$146m in 2031. Debt limits are set at 195% of operating income, which is substantially less than the 250% of operating income limit set by the LGFA (the agency Council sources the bulk of its loan funding from), and leaves adequate room for borrowing in the event of a natural disaster.

Rates

The proposed rates income increase for 2019/2020 will be 4.6%; this is 1.38% less than the increase of 5.98% projected in the Long Term Plan 2018-2038. The decrease in the rates income increase is largely as a result of revising the capital works programme; decreasing the interest rate assumption; increasing non-rate revenue; decreasing employee benefit expenditure; and increasing consistency of the overhead model for allocation of staff time for capital works.

Please note that properties may receive a lower or higher increase to their rates than the rate income increase. Refer to page 88 of this document to view the indicative rates table.

Council Activity Statements



Water Supply

The Water Supply Activity aims to provide a safe and reliable supply of water to urban (residential, industrial and commercial) and agreed rural properties, which adjoin urban areas.

What Water Supply involves:

- Providing drinking water to defined urban and rural areas for Levin, Foxton Beach, Foxton, Shannon, Mangaore and Tokomaru.
- Management and maintenance of river intakes, groundwater bores, water treatment plants and storage facilities, pump stations, underground pipe networks and associated infrastructure.
- Implementing water demand management using tools such as the SCADA system and PRVs (pressure reducing valves).
- Investigating improvements and extensions to Council's water supply network.
- Providing water for firefighting capability in areas where a Council reticulated water supply is provided and ensuring compliance with firefighting requirements in areas not reticulated.
- Ensuring compliance with relevant legislation:
 - Meeting resource consent requirements for water takes and assets
 - Meeting the Drinking Water Standards for New Zealand 2005
- Respond to and resolve (if possible) complaints relating to the Water Supply Activity.

Key Projects

Replacement of existing assets

- District-wide improvements – renewals (to replace existing assets) – continuous condition surveys via CCTV and pressure testing analysis, programming replacement in line with road and footpath upgrades, assets that have become impaired and replacement of aged assets in the water network and at the water treatment plants.
- Water Demand Management – This project involves Council working to reduce leaks in the water supply network. This will include education, working with the community to identify and reduce leaks, as well as technical solutions.

Projects resulting from growth

- Levin – growth area (to meet additional demand). Upgrade of existing network in North East, East and South East of Levin to ensure network has sufficient capacity for anticipated growth in Levin.
- Ōhau and Waitārere Beach – feasibility study of the future supply of water services. Currently, neither Ōhau nor Waitārere Beach have a reticulated water supply. This limits the size of new residential sections as residents are required to provide their own water supply on-site (or a developer provides a reticulated water supply network just for that development). The feasibility study will examine the requirements and costs of providing a reticulated water supply network and the potential source of the supply for this community.
- Water Working Party – consideration of requirements to ensure the District has a viable and sustainable water supply system to meet current and future needs.

How we will measure our performance

Service	How we will measure our performance	Target 2019/20	What does this tell me?
Safe water supply*	<p>Council's drinking water supply complies with:</p> <p>(a) part 4 of the Drinking Water Standards (bacteria compliance criteria) in</p> <p>Levin Shannon Foxton Foxton Beach Tokomaru</p> <p>(b) part 5 of the Drinking Water Standards (protozoa compliance criteria) in:</p> <p>Levin** Shannon Foxton Foxton Beach Tokomaru</p> <p><i>** This measure previously has not been met but after extensive upgrades to the Levin treatment plant this target is expected to be met.</i></p>	<p>Achieve</p> <p>Achieve</p> <p>Achieve</p> <p>Achieve</p> <p>Achieve</p> <p>Achieve</p> <p>Achieve</p> <p>Achieve</p> <p>Achieve</p> <p>Achieve</p>	<p>This measure informs ratepayers and consumers on whether the water supplied is safe to drink. The New Zealand Drinking Water Standards, monitored by the Ministry of Health, provide a recognised standard for public safety.</p>
Drinking water that tastes and looks satisfactory*	<p>The total number of complaints received about any of the following (expressed per 1000 connections):</p> <p>Drinking water clarity; Drinking water taste; Drinking water odour; Drinking water pressure or flow; Continuity of supply; and Council's response to any of these issues.</p> <p>Total: *</p>	<p>1</p> <p>1</p> <p>1</p> <p>1</p> <p>1</p> <p>1</p> <p>≤ 6</p>	<p>The number of complaints provides an indication of the quality of the service provided. This measure also provides information on problems requiring attention, such as the need for maintenance, repair, upgrading or new infrastructure.</p>
Response to faults*	<p>The median time from the time that Council received notification, to the time that service personnel:</p> <p>Reach the site for urgent call-outs;[^] Confirm resolution of the fault or interruption of urgent call-outs;[^]</p>	<p>< 1 hour</p> <p>< 8 hours</p>	<p>Households and businesses rely heavily on water, so it's important that we provide a timely response when something goes wrong. An urgent call-out is one when no water is being delivered. A non-urgent call-out is where there is still a supply of water.</p>

Service	How we will measure our performance	Target 2019/20	What does this tell me?
	Reach the site for non-urgent call-outs; and*^ Confirm resolution of the fault or interruption of no-urgent call-outs.*^	< 3 days < 3 days	
Firefighting needs are met	Percentage of sampled network where firefighting flows in urban residential areas meet the NZ Fire Service firefighting water supplies Code of Practice SZ 4509:2008.	> 80%	The fire service requires a minimum pressure from a water network to effectively control fires. This measure indicates the adequacy of our water network for firefighting.
Water supply has adequate flow and pressure	Network supply pressure at the property boundary is not less than 250kPa for on demand connections and 150kPa for restricted flow connections.	Achieve	The water in the supply network is maintained at positive pressure to ensure that water reaches all parts of the network, that a sufficient flow is available at every take-off point and to ensure that untreated water in the ground cannot enter the network. This measure is used to ensure that these objectives are met.
Water supply is sustainable*	Average consumption of drinking water per person per day (lpcd) within the water supply areas (target based on Horizons One Plan - Section 5.4.3.1). <i>lpcd – litres per capita per day.</i>	< 350 lpcd	Careful water management ensures demand does not exceed capacity, that water is allocated efficiently, and that productivity is maximised. A system that treats and transfers less water maximises the value of existing infrastructure. It costs less to construct and maintain, uses fewer chemicals, and less energy. Where there is increasing demand for water, managing demand provides a means for a Community to defer investment in new water infrastructure through more efficient use of existing resources.
Minimal water losses*	Percentage of real water loss from the network as measured by the standard World Bank Institute Band for Leakage.*	Band “B”	Water lost from leaking pipes is a key indicator of the performance of our water network. High levels of water loss can show that the network is in poor condition or that it is being operated inefficiently. To reduce the amount of water lost from the network, we will continue with our programme to find and fix leaks. We use the World Bank Institute Band for leakage to calculate how much water is lost from

Service	How we will measure our performance	Target 2019/20	What does this tell me?
			the network. This uses a grading system ranked from Band "A to D". Specifically Council's target is Band "B" and represents potential for marked improvements; consider pressure management, better active leakage control practices, and better network maintenance.
Sustainable water supply management	The number of: Abatement Notices; Infringement Notices; Enforcement Orders; and Convictions received by Council in relation to Horizons Regional Council resource consents.*	0 0 0 0	This measure indicates how well Council is managing the environmental impacts of the water network. Not complying with consent conditions may indicate that Council is not managing its processes adequately or that the infrastructure is no longer adequate.
Customer Satisfaction	Percentage of customers not dissatisfied with the service, based on the Annual Customer Satisfaction Survey.	> 84%	The percentage of satisfied customers gives us an indication of the quality of service we are providing.

* These performance measurements are provided by the Department of Internal Affairs and they are mandatory.

How much it will cost

Capital Expenditure Programme for Water Supply

Annual Report 2017/18		LTP Forecast 2018/19	LTP Forecast 2019/20	Annual Plan Forecast 2019/20	Variance 2019/20
\$000		\$000	\$000	\$000	\$000
	Renewals portion of project				
-	Foxton reticulation - Renewals	87	85	88	3
61	Foxton water treatment plant - Renewals	446	42	256	214
-	Foxton Beach reticulation - Renewals	156	160	164	4
25	Foxton Beach consents - Renewal	-	-	-	-
-	Foxton Beach Flagstaff bore - Renewals	-	105	107	2
25	Foxton Beach treatment plant - Renewals	56	52	65	13
83	Foxton Beach Edingburg Terrace Bore- RENEWAL	-	-	-	-
354	Foxton Beach Green Sand Filters	-	-	-	-
2,186	Levin reticulation - Renewals	1,342	1,424	724	(700)
249	Reactive renewals - District wide	152	140	143	3
36	Levin treatment plant - Renewals	253	198	279	81
-	Condition assessment for renewals	51	52	53	1
48	Shannon Treatment Plant - Renewals	76	37	92	55
-	Shannon - Mangaore reticulation - Renewals	44	45	46	1
18	Shannon - Mangaore Consents - Renewal	-	-	-	-
293	Tokomaru treatment plant - Renewals	10	10	29	19
3,378	Total renewals	2,672	2,350	2,045	(305)
	Level of service portion of project				
-	Foxton concrete reservoir and raw water tanks	75	-	-	-
9	Foxton Beach new water connections	-	-	-	-
4	Foxton new water connections	-	-	-	-
59	Loggers and PRV Control Systems	-	-	-	-
4	Shannon new water connections	-	-	-	-
185	Foxton water new reservoir	-	-	-	-
-	Drone	-	-	28	28
-	Hydraulic Modelling	20	24	21	(3)
91	Levin clarifier installation	30	-	-	-
-	Levin Tararua Industrial Development	30	-	-	-
354	Levin treatment plant upgrade	201	-	-	-
-	Levin reticulation - Demand management	251	-	174	174
88	Levin new water connections	-	-	-	-
-	Tokomaru treatment plant - LOS	150	-	118	118
1	Tokomaru new water connections	-	-	-	-
795	Total level of service	758	24	341	317
	Growth portion of project				
2	Foxton Beach development plan	183	111	112	1
-	Levin growth area	204	975	108	(867)
-	Ōhau future supply of water services	26	26	56	30
-	Waitāreere Beach future supply of water services	26	26	56	30
2	Total growth	439	1,138	333	(805)

Annual Report 2017/18		LTP Forecast 2018/19	LTP Forecast 2019/20	Annual Plan Forecast 2019/20	Variance 2019/20
\$000		\$000	\$000	\$000	\$000
	Make up of above projects by type				
2	Growth	439	1,138	333	(805)
795	Level of service	758	24	341	317
3,378	Renewals	2,672	2,350	2,045	(305)
4,175	Total	3,869	3,512	2,719	(793)

Funding Impact Statement for Water Supply

Annual Report 2017/18		LTP Forecast 2018/19	LTP Forecast 2019/20	Annual Plan Forecast 2019/20	Variance 2019/20
\$000		\$000	\$000	\$000	\$000
	Sources of Operating Funding				
-	General rates, uniform annual general charges, rates penalties	-	-	-	-
5,779	Targeted rates	6,561	6,748	6,784	36
-	Subsidies and grants for operating purposes	-	-	-	-
142	Fees and charges	123	126	126	-
123	Local authorities fuel tax, fines, infringement fees, and other receipts	136	122	61	(61)
-	Internal charges and overheads recovered	-	-	-	-
6,044	Total Operating Funding (A)	6,820	6,996	6,971	(25)
	Applications of Operating Funding				
3,094	Payments to staff and suppliers	2,999	3,093	3,008	(85)
557	Finance costs	640	674	696	22
782	Internal charges and overheads applied	479	497	493	(4)
-	Other operating funding applications	-	-	-	-
4,433	Total applications of operating funding (B)	4,118	4,264	4,197	(67)
1,611	Surplus (deficit) of operating funding (A-B)	2,702	2,732	2,774	42
	Sources of capital funding				
-	Subsidies and grants for capital expenditure	-	-	-	-
16	Development and financial contributions	-	-	-	-
277	Increase (decrease) in debt	685	625	75	(550)
-	Gross proceeds from sale of assets	-	-	-	-
-	Lump sum contributions	-	-	-	-
-	Other dedicated capital funding	-	-	-	-
293	Total sources of capital funding (C)	685	625	75	(550)
	Applications of capital funding				
	Capital expenditure				
2	- to meet additional demand	439	1,138	333	(805)
795	- to improve the level of service	758	24	341	317
3,378	- to replace existing assets	2,672	2,350	2,045	(305)
(2,271)	Increase (decrease) in reserves	(482)	(155)	130	285
-	Increase (decrease) of investments	-	-	-	-
1,904	Total applications of capital funding (D)	3,387	3,357	2,849	(508)
(1,611)	Surplus (deficit) of capital funding (C-D)	(2,702)	(2,732)	(2,774)	(42)
-	Funding Balance ((A-B)+(C-D))	-	-	-	-
2,558	Depreciation	2,566	2,611	2,712	101

Activity Expenditure for Water Supply

Annual Report 2017/18		LTP Forecast 2018/19	LTP Forecast 2019/20	Annual Plan Forecast 2019/20	Variance 2019/20
\$000		\$000	\$000	\$000	\$000
3,847	Levin Water Supply	3,625	3,714	3,843	129
750	Foxton Beach Water Supply	823	841	821	(20)
1,211	Foxton Water Supply	1,059	1,094	1,063	(31)
380	Tokomaru Water Supply	426	456	454	(2)
803	Shannon Water Supply	750	767	729	(38)
-	Ōhau Water Supply	-	2	-	(2)
-	Waitārere Beach Water Supply	-	2	-	(2)
6,991	Total Expenditure	6,683	6,876	6,910	34

Loans for Water Supply

	External	Internal	Total
	\$000	\$000	\$000
Anticipated loan balances at 1/7/2019	16,200	184	16,384
Raised during the year	500	233	733
Repaid during the year	(600)	(58)	(658)
Anticipated loan balances 30/06/2020	16,100	358	16,458
Budgeted interest expense	653	43	696

Wastewater Disposal

The Wastewater Disposal Activity aims to protect human health by removing human effluent and trade waste from urban properties and treating it before discharging it back into the environment.

What Wastewater Disposal involves:

- The collection, transportation, treatment and discharge of treated effluent and trade waste from residential, commercial and industrial properties in Levin, Foxton, Foxton Beach, Shannon, Mangaore, Tokomaru and Waitārere Beach¹.
- Maintenance and extension to Council's wastewater systems including; pipes, pumping stations, wastewater treatment plants and discharge facilities. Monitoring and control of Council's wastewater system using the SCADA system.
- Seeking new and renewing resource consents when required.
- Meeting resource consent conditions for the discharge of treated wastewater or for the construction or upgrade of assets.
- Responding to and resolving (if possible) customer complaints relating to the Wastewater Disposal Activity.

Key Projects for 2019/2020

Replacement of existing assets

- District-wide improvements – renewals (to replace existing assets) – continuous condition surveys and replacement of aged assets in the wastewater network and at the wastewater treatment plants.
- Waitārere Beach – wastewater treatment plant upgrade.

Additions to Levels of Service

- Foxton – wastewater treatment plant strategic upgrade – this project will entail the completion of de-sludging, upgrading the ponds to allow for more storage, constructing an irrigation to land system, new storage pond for final effluent (holding tank) and installing a screen.
- Levin – wastewater treatment plant and POT strategic upgrade
- Tokomaru – wastewater treatment plant upgrades and wastewater to land project – the project will focus on technical assessments of the site chosen for land-based disposal.

Projects resulting from growth

- Levin – upgrades to wastewater network and pump stations. With the anticipated growth expected in Levin, the capacity of the existing wastewater networks under current conditions, and with the increased demand from new developments were analysed. Parts of the network across Levin that needed to be upgraded were identified, are being planned for and have been programmed to be upgraded over multiple years.

¹ Council does not provide a wastewater disposal service for Waikawa Beach, Hokio Beach, Manakau and Ōhau (although it accepts septic waste from these areas at the Levin treatment plant)

- Ōhau – feasibility study of a Council owned and managed reticulated wastewater system. Currently Ōhau does not have a reticulated wastewater system. This limits the size of new residential sections as residents are required to provide their own wastewater system on-site (or a developer provide a reticulated wastewater system just for that development).

How we will measure our performance

Service	How we will measure our performance	Target 2019/20	What does this tell me?
Reliable wastewater collection and disposal*	The number of dry weather wastewater overflows from the wastewater system per 1000 connections.*	< 2	This measure provides information on whether the wastewater system is designed to an adequate standard and is being maintained in a way that minimises harm to the Community. Overflows are when wastewater escapes the wastewater system and enters the environment.
Council provides a good response to wastewater system faults reported*	The median time (hrs) from the time that Council receives a notification, to the time that services personnel reach the site in responding to an overflow resulting from a wastewater blockage or other fault.*	< 1 hour	This measure shows how quickly we respond when there is a problem with the sewerage system, and how quickly the problem is resolved.
	The median time (hrs) from the time that Council receives a notification, to the time that services personnel confirm a resolution of a blockage or other fault within the wastewater system causing the overflow.*	< 12 hours	
The service is satisfactory*	The total number of complaints received (expressed per 1000 connections to the wastewater system) regarding:		The number of complaints provides an indication of the quality of the service provided. This measure also provides information on problems requiring attention, such as the need for maintenance, renewals, upgrades, or new infrastructure.
	Wastewater odour;	<4	
	Wastewater systems faults;	<6	
	Wastewater system blockages; and	<8	
	Council's response to issues with its wastewater system.	<4	
Total number of complaints received about any of the above.*	<22		

Service	How we will measure our performance	Target 2019/20	What does this tell me?
	Percentage of customers not dissatisfied with the service, based on the Annual Customer Satisfaction Survey.	>84%	
Safe disposal of wastewater*	The number of Abatement Notices; Infringement Notices; Enforcement Orders; and Convictions received by Council in relation to Horizons Regional Council resource consents for discharge from its wastewater system.*	0 0 0 0	This measure indicates how well we are managing the environmental impacts of the District's wastewater system. It only includes formal actions taken, as they represent incidents that may have the greatest adverse impact on the environment.

* These performance measurements are provided by the Department of Internal Affairs and they are mandatory.

How much it will cost

Capital Expenditure Programme for Wastewater Disposal

Note: Part of the budget for capital projects was not spent in 2018/19 and is being carried-forward to 2019/2020. These carry-forward amounts have been included in the 'Annual Plan Forecast 2019/2020'. This means the variance shown is not as a result of additional budgeting requirements.

Annual Report 2017/18		LTP Forecast 2018/19	LTP Forecast 2019/20	Annual Plan Forecast 2019/20	Variance 2019/20
\$000		\$000	\$000	\$000	\$000
	Renewals portion of project				
-	Foxton wastewater treatment plant - Planned renewals	17	18	18	-
106	Foxton wastewater treatment plant - Pond desludge	736	-	373	373
10	Foxton wastewater treatment plant - Unplanned renewals	18	18	18	-
-	Foxton - Reticulation renewals	183	158	158	-
6	Foxton Beach wastewater treatment plant - Strategic upgrade	169	-	141	141
-	Foxton Beach wastewater treatment plant - Planned renewals	188	46	187	141
-	Foxton Beach wastewater treatment plant - Unplanned renewals	17	17	17	-
-	Foxton Beach - Reticulation renewals	14	-	-	-
40	District-wide - Reticulation unplanned renewals	173	171	171	-
-	Condition assessment for renewals	61	63	97	34
892	Levin - Reticulation renewals	1,104	715	716	1
258	Levin wastewater treatment plant - Planned renewals	1,730	121	1,276	1,155
-	Levin wastewater treatment plant - POT	504	524	540	16
39	Levin wastewater treatment plant - Unplanned renewals	89	93	93	-
230	Ministry Trial of Native Ecosystem Planting	-	-	-	-
29	Forestry at the POT	-	-	-	-
-	Shannon wastewater treatment plant - Planned renewals	164	171	274	103
41	Shannon wastewater treatment plant - Unplanned renewals	24	25	25	-
-	Tokomaru wastewater treatment plant - Planned renewals	22	22	22	-
1	Tokomaru wastewater treatment plant - Unplanned renewals	6	6	6	-
58	Tokomaru wastewater treatment plant - Consent renewal	19	-	-	-
2	Waitārere Beach wastewater treatment plant - Strategic upgrade	52	-	44	44
103	Waitārere Beach wastewater treatment plant - Planned renewals	89	92	92	-
9	Waitārere Beach wastewater treatment plant - Unplanned renewals	9	9	9	-
1,824	Total renewals	5,389	2,270	4,279	2,009

Annual Report 2017/18		LTP Forecast 2018/19	LTP Forecast 2019/20	Annual Plan Forecast 2019/20	Variance 2019/20
\$000		\$000	\$000	\$000	\$000
	Level of service portion of project				
27	Foxton wastewater treatment plant - Pond desludge	81	-	42	42
264	Foxton wastewater treatment plant - Strategic upgrade	2,534	2,045	3,649	1,604
138	Foxton Beach wastewater treatment plant - Strategic upgrade	202	-	164	164
11	District reticulation - Planned pump renewals	25	30	56	26
493	Levin wastewater treatment plant - Strategic upgrade	313	167	484	317
-	Hydraulic Modelling	30	32	62	30
-	Levin wastewater treatment plant - Strategic upgrade POT	505	521	615	94
-	Levin pump stations - Strategic upgrade	253	-	254	254
88	Levin New Sewer Connections	-	-	-	-
4	Foxton New Sewer Connections	-	-	-	-
15	Foxton Beach New Sewer Connections	-	-	-	-
79	Purchase - 28 Harbour Street, Foxton	-	-	-	-
7	Shannon new sewer connections	-	-	-	-
35	Shannon WW disposal system	-	-	-	-
(2)	Telemetry System	-	-	-	-
1	Tokomaru new sewer connections	-	-	-	-
6	Waitāreere new sewer connections	-	-	-	-
-	Shannon pump stations - Strategic upgrade	90	-	86	86
-	Tokomaru waste treatment plant upgrade	-	521	521	-
70	Tokomaru wastewater to land project	632	47	47	-
17	Waitāreere Beach wastewater treatment plant - Strategic upgrade	471	-	389	389
-	Waitāreere Beach pump stations - Strategic upgrade	101	-	-	-
1,253	Total level of service	5,237	3,363	6,368	3,005
	Growth portion of project				
-	Levin - Network upgrades - Pump stations	760	-	106	106
-	Levin - Network upgrades	-	1,397	744	(653)
-	Levin growth area - wastewater	654	725	239	(486)
8	Development Planning Foxton Beach	132	-	-	-
-	Levin Tararua Industrial Development	89	-	-	-
413	Development Work - North East Levin	-	-	-	-
-	Development Planning Waitāreere Beach	162	-	-	-
-	Ōhau future supply of wastewater services	26	27	51	24
421	Total growth	1,823	2,149	1,140	(1,009)
	Make up of above projects by type				
421	Growth	1,823	2,149	1,140	(1,009)
1,253	Level of service	5,237	3,363	6,368	3,005
1,824	Renewals	5,389	2,270	4,279	2,009
3,498	Total	12,449	7,782	11,787	4,005

Funding Impact Statement for Wastewater Disposal

Annual Report 2017/18		LTP Forecast 2018/19	LTP Forecast 2019/20	Annual Plan Forecast 2019/20	Variance 2019/20
\$000		\$000	\$000	\$000	\$000
	Sources of Operating Funding				
-	General rates, uniform annual general charges, rates penalties	-	-	-	-
6,414	Targeted rates	6,890	7,734	7,271	(463)
-	Subsidies and grants for operating purposes	-	-	-	-
1,280	Fees and charges	1,058	1,085	1,085	-
137	Local authorities fuel tax, fines, infringement fees, and other receipts	177	178	162	(16)
-	Internal charges and overheads recovered	-	-	-	-
7,831	Total Operating Funding (A)	8,125	8,997	8,518	(479)
	Applications of Operating Funding				
2,155	Payments to staff and suppliers	2,411	2,546	2,588	42
923	Finance costs	1,072	1,474	1,007	(467)
745	Internal charges and overheads applied	435	449	486	37
-	Other operating funding applications	-	-	-	-
3,823	Total applications of operating funding (B)	3,918	4,469	4,081	(388)
4,008	Surplus (deficit) of operating funding (A-B)	4,207	4,528	4,437	(91)
	Sources of capital funding				
-	Subsidies and grants for capital expenditure	304	-	22	22
73	Development and financial contributions	-	-	-	-
765	Increase (decrease) in debt	8,030	3,777	7,465	3,688
-	Gross proceeds from sale of assets	-	-	-	-
-	Lump sum contributions	-	-	-	-
-	Other dedicated capital funding	-	-	-	-
838	Total sources of capital funding (C)	8,334	3,777	7,487	3,710
	Applications of capital funding				
	Capital expenditure				
421	- to meet additional demand	1,823	2,149	1,140	(1,009)
1,253	- to improve the level of service	5,237	3,363	6,368	3,005
1,824	- to replace existing assets	5,389	2,270	4,279	2,009
1,348	Increase (decrease) in reserves	92	523	137	(386)
-	Increase (decrease) of investments	-	-	-	-
4,846	Total applications of capital funding (D)	12,541	8,305	11,924	3,619
(4,008)	Surplus (deficit) of capital funding (C-D)	(4,207)	(4,528)	(4,437)	91
-	Funding Balance ((A-B)+(C-D))	-	-	-	-
3,119	Depreciation	3,118	3,349	3,341	(8)

Activity Expenditure for Wastewater Disposal

Annual Report 2017/18		LTP Forecast 2018/19	LTP Forecast 2019/20	Annual Plan Forecast 2019/20	Variance 2019/20
\$000		\$000	\$000	\$000	\$000
385	Waitārere Beach Wastewater	439	524	477	(47)
3,959	Levin Wastewater	3,936	4,257	4,127	(130)
536	Foxton Beach Wastewater	617	674	660	(14)
635	Foxton Wastewater	661	917	737	(180)
184	Tokomaru Wastewater	210	253	270	17
1,243	Shannon Wastewater	1,175	1,191	1,151	(40)
-	Ōhau Wastewater	-	2	-	(2)
6,942	Total Expenditure	7,038	7,818	7,422	(396)

Loans for Wastewater Disposal

	External	Internal	Total
	\$000	\$000	\$000
Anticipated loan balances at 1/7/2019	23,400	301	23,701
Raised during the year	8,300	218	8,518
Repaid during the year	(900)	(153)	(1,053)
Anticipated loan balances 30/06/2020	30,800	366	31,166
Budgeted interest expense	943	64	1,007

Stormwater

As part of the Stormwater Activity Council provides and maintains a stormwater system that aims to remove water from the roading corridor, and in some case residential and commercial properties, to reduce the occurrence of flooding during rainfall events.

What Stormwater involves:

- Providing and maintaining drainage systems (including pipes, open culverts, pump stations, soak pits, discharge outlets and detention areas) in settlements² across the District to remove stormwater from the road corridor and some residential and commercial properties.
- Investigating improvements and extensions to the stormwater network.
- Meeting resource consent requirements for stormwater drainage systems.
- Responding to and resolving (if possible) customer complaints relating to the Stormwater Activity.

Key Projects for 2019/2020

Replacement of existing assets

- District-wide improvements – renewals (to replace existing assets). Continuous condition surveys and replacement of aged assets.

Additions to Levels of Service

- District-wide improvements - to improve current levels of service and to meet additional demand. A key project is the detailed planning of the channel in Kings Drive, Levin, which is being completed in collaboration with Horizons Regional Council.
- Waitārere Beach - development planning to improve current levels of service and to meet additional demand. A wider plan for stormwater at Waitārere Beach is being created. In conjunction with this plan, upgrades of the stormwater network are being undertaken to ensure stormwater run-off from existing and new developments are addressed.

Projects resulting from growth

- Lake Horowhenua - water quality improvement project. Monitoring the discharge as it enters the lake to understand the quality and determine the improvements needed.
- Levin - Queen Street - stormwater discharge and resource consent. Ongoing monitoring throughout the year will take place at identified points along drains in Levin after each major rain event as part of the resource consent. Resource consent application has been lodged (December 2018) and accepted by Regional Council.
- North-East Levin – complete resource consent process required due to an increase and change in stormwater that will occur from residential development in the area.

² Levin, Foxton, Foxton Beach, Hokio Beach, Shannon, Mangaore, Tokomaru, Manakau, Ōhau, Waikawa Beach and Waitārere Beach.

How we will measure our performance

Service	How we will measure our performance	Target 2019/20	What does this tell me?
An adequate stormwater system*	<p>Number of flooding events each year that occur in the District.*</p> <p>For each flooding event, the number of habitable floors affected. (Expressed per 1000 connections to Council's stormwater networks).*</p>	<p>< 5 per year</p> <p>2 or less</p>	<p>It is important that our stormwater system is reliable and that the scale of any flooding event is minimised. This performance measure provides information on how effective our stormwater system is in providing an appropriate level of protection and how well it is being managed. In other words, whether it has been designed to an adequate standard and is being operated in a way that minimises harm to the Community.</p> <p>A flooding event means an overflow of stormwater from Council's stormwater system that enters a habitable floor. A habitable floor refers to a floor of a building (including a basement) but does not include ancillary structures such as standalone garden sheds or garages.</p>
Response to faults*	The median response time to attend a flooding event, measured from the time that Council receives notification to the time that service personnel reach the site.*	< 1 hour	This measure shows how quickly we respond when there is a problem with the stormwater system. It measures situations where water from the stormwater system enters a habitable floor of a building. It is important that we are able to respond quickly to flooding events to reduce the impact they have on buildings and the welfare of the inhabitants of those buildings.
Customer satisfaction*	<p>The number of complaints received by Council about the performance of its stormwater system expressed per 1000 properties connected to the system.*</p> <p>Percentage of customers satisfied with the stormwater service. As per the Annual Customer Satisfaction Survey.</p>	<p><10 per year</p> <p>>80%</p>	The number of complaints received gives us an indication of the quality of service we are providing. It also gives us information about issues with the stormwater system and tells us how satisfied customers are with the stormwater network.
A sustainable stormwater service	The number of:		This measure indicates how well Council is managing the environmental impacts of the stormwater system. Not complying with consent conditions may indicate that Council is not managing its processes adequately or that the
	Abatement Notices;	0	
	Infringement Notices;	0	
	Enforcement Orders; and Convictions	0 0	

Service	How we will measure our performance	Target 2019/20	What does this tell me?
	received by Council in relation to Horizons Regional Council resource consents* for discharge from its stormwater system.**		infrastructure is no longer adequate.

** These performance measurements are provided by the Department of Internal Affairs and they are mandatory.*

*** Currently there is no discharge consent for Levin's stormwater.*

How much it will cost

Capital Expenditure Programme for Stormwater

Note: Part of the budget for capital projects was not spent in 2018/19 and is being carried-forward to 2019/2020. These carry-forward amounts have been included in the 'Annual Plan Forecast 2019/2020'. This means the variance shown is not as a result of additional budgeting requirements.

Annual Report 2017/18		LTP Forecast 2018/19	LTP Forecast 2019/20	Annual Plan Forecast 2019/20	Variance 2019/20
\$000		\$000	\$000	\$000	\$000
	Renewals portion of project				
14	District-wide reticulation - Unplanned renewals	51	53	54	1
-	District-wide pump stations - Planned renewals	-	7	7	-
-	District-wide Reticulation Renewals	20	-	-	-
-	Condition assessment for renewals	15	15	24	9
14	Total renewals	86	75	86	11
	Level of service portion of project				
347	District-wide improvement works	1,329	544	1,411	867
1	District-wide CAPEX New	-	-	-	-
6	Levin Queen Street	145	-	92	92
5	Levin catchment management plan	34	-	35	35
30	Foxton Catchment Management Plan	-	-	-	-
-	Tokomaru catchment management plan	56	-	-	-
-	Ōhau catchment management plan	56	-	-	-
-	Hokio Beach catchment management plan	56	-	-	-
-	Waikawa Beach catchment management plan	56	-	-	-
5	New Stormwater Connections	-	-	-	-
33	Stormwater Telemetry	-	-	-	-
-	Development planning Foxton Beach	8	-	1	1
74	Improvements NE Levin	47	-	5	5
10	124 Fairfield Levin	-	-	-	-
-	Waitāre Beach - Development planning	-	8	8	-
-	Ōhau - Development planning	8	-	-	-
-	Lake Horowhenua water quality improvement project	147	341	341	-
-	Queen St discharge & resource consent	81	105	105	-
-	Hydraulic modelling	50	52	72	20
511	Total level of service	2,073	1,050	2,070	1,020

Annual Report 2017/18		LTP Forecast 2018/19	LTP Forecast 2019/20	Annual Plan Forecast 2019/20	Variance 2019/20
\$000		\$000	\$000	\$000	\$000
	Growth portion of project				
18	District-wide improvement works	50	29	65	36
-	Levin catchment management plan	2	-	2	2
2	Foxton Catchment Management Plan	-	-	-	-
-	Tokomaru catchment management plan	3	-	-	-
-	Ōhau catchment management plan	3	-	-	-
-	Hokio Beach catchment management plan	3	-	-	-
-	Waikawa Beach catchment management plan	3	-	-	-
-	Development planning Foxton Beach	144	-	28	28
5	Development Planning North East Levin	-	-	-	-
1,406	Improvements NE Levin	898	-	98	98
191	124 Fairfield Levin	-	-	-	-
-	Levin Tararua Industrial development	24	-	-	-
-	Waitāreere Beach - Development planning	-	150	151	1
-	Ōhau - Development planning	144	106	-	(106)
1,622	Total growth	1,274	285	345	60
	Make up of above projects by type				
1,622	Growth	1,274	285	345	60
511	Level of service	2,073	1,050	2,070	1,020
14	Renewals	86	75	86	11
2,147	Total	3,433	1,410	2,501	1,091

Funding Impact Statement for Stormwater

Annual Report 2017/18		LTP Forecast 2018/19	LTP Forecast 2019/20	Annual Plan Forecast 2019/20	Variance 2019/20
\$000		\$000	\$000	\$000	\$000
	Sources of Operating Funding				
-	General rates, uniform annual general charges, rates penalties	-	-	-	-
1,103	Targeted rates	1,051	1,331	1,254	(77)
-	Subsidies and grants for operating purposes	-	-	-	-
5	Fees and charges	-	-	-	-
68	Local authorities fuel tax, fines, infringement fees, and other receipts	89	92	70	(22)
-	Internal charges and overheads recovered	-	-	-	-
1,176	Total Operating Funding (A)	1,140	1,423	1,324	(99)
	Applications of Operating Funding				
333	Payments to staff and suppliers	410	421	423	2
207	Finance costs	254	412	321	(91)
122	Internal charges and overheads applied	94	98	97	(1)
-	Other operating funding applications	-	-	-	-
662	Total applications of operating funding (B)	758	931	841	(90)
514	Surplus (deficit) of operating funding (A-B)	382	492	483	(9)
	Sources of capital funding				
-	Subsidies and grants for capital expenditure	-	-	-	-
-	Development and financial contributions	-	-	-	-
1,945	Increase (decrease) in debt	3,143	1,006	2,114	1,108
-	Gross proceeds from sale of assets	-	-	-	-
-	Lump sum contributions	-	-	-	-
-	Other dedicated capital funding	-	-	-	-
1,945	Total sources of capital funding (C)	3,143	1,006	2,114	1,108
	Applications of capital funding				
	Capital expenditure				
1,622	- to meet additional demand	1,274	285	345	60
511	- to improve the level of service	2,073	1,050	2,070	1,020
14	- to replace existing assets	86	75	86	11
312	Increase (decrease) in reserves	92	88	96	8
-	Increase (decrease) of investments	-	-	-	-
2,459	Total applications of capital funding (D)	3,525	1,498	2,597	1,099
(514)	Surplus (deficit) of capital funding (C-D)	(382)	(492)	(483)	9
-	Funding Balance ((A-B)+(C-D))	-	-	-	-
620	Depreciation	562	657	679	22

Activity Expenditure for Stormwater

Annual Report 2017/18		LTP Forecast 2018/19	LTP Forecast 2019/20	Annual Plan Forecast 2019/20	Variance 2019/20
\$000		\$000	\$000	\$000	\$000
1,282	Stormwater	1,321	1,587	1,519	(68)
1,282	Total Expenditure	1,321	1,587	1,519	(68)

Loans for Stormwater

	External	Internal	Total
	\$000	\$000	\$000
Anticipated loan balances at 1/7/2019	7,500	43	7,543
Raised during the year	2,400	14	2,414
Repaid during the year	(300)	-	(300)
Anticipated loan balances 30/06/2020	9,600	57	9,657
Budgeted interest expense	302	19	321

Land Transport

The Land Transport Activity aims to provide and maintain roads, footpaths and shared pathways across the District that meet the community's needs.

What Land Transport involves:

- To provide safe, convenient and efficient transit of people and goods through, and within, the District in a way that meets national standards.
- Provides a network of roads, footpaths, bridges, car parks, signs and markers, street lights, and associated drainage systems in what is known as the 'Transport Corridor'.
- Maintains partnership with New Zealand Transport Agency (NZTA), which is Council's co-investment partner for roading and the 'Optimised Programme', which is approved on a three yearly cycle in the Regional Land Transport Plan.
- Operates, maintains and improves land transport assets.
- Meets requirements of relevant national legislation, strategies and plans.

Key Projects for 2019/2020

- Transport Planning - create an Integrated Transport Strategy by investigating the District's roading network and transport needs, and setting a vision and principles for the future operation of the transport network. A series of Transport Action Plans will also be developed to deliver specific improvements.

How we will measure our performance

Service	How we will measure our performance	Target 2019/20	What does this tell me?
A safe road network*.	The change from the previous financial years in the number of fatalities and serious injury crashes on the local road network.	0 change or less from previous year.	It is extremely important that our road network is safe for everyone to use. Road crashes can involve factors that are outside of Council's control (such as speed or driver behaviour). It is important that other factors within our control are carefully managed to improve road safety across our region and reduce the number of deaths or serious injuries each year. These include the condition of the road and footpaths, the location of pedestrian crossings, and traffic signals.
Roads in good condition*.	The average quality of a ride on a sealed local road network measured by Smooth Travel Exposure.	Minimum 85%	The roughness of roads can impact on the safety and comfort of road users. As well as on vehicle operating and maintenance costs. Smooth Travel Exposure (STE) is a system of measurement used to assess the quality of the ride on our District's roads. The higher the STE percentage, the smoother the network.

Service	How we will measure our performance	Target 2019/20	What does this tell me?
Roads that are maintained well*.	The percentage of the sealed local road network that is resurfaced annually.*	Minimum of 5% of total area	This measure provides information on how well we are maintaining our road network and meeting the targets for road resurfacing set in our Asset Management Plan.
Footpaths are in an acceptable condition*.	Target footpath condition rating (% compliant with Council's standards found in the Land Transport Activity Plan).	Minimum 30% in excellent condition Maximum 10% in poor condition	Footpaths are an important part of the District's infrastructure. Well maintained footpaths are important for pedestrian convenience and safety.
Good response to service requests*.	The percentage of customer service requests relating to roads and footpaths to which Council responds within 15 working days.	>95%	Interaction with the Community is a key aspect of our service and response time is a key method of measuring whether Council is listening to its customers.

** These performance measurements are provided by the Department of Internal Affairs and they are mandatory.*

What it will cost

Capital Expenditure Programme for Land Transport

Annual Report 2017/18		LTP Forecast 2018/19	LTP Forecast 2019/20	Annual Plan Forecast 2019/20	Variance 2019/20
\$000		\$000	\$000	\$000	\$000
	Renewals portion of project				
383	Footpath renewal	406	415	411	(4)
3,848	Subsidised Roding - Renewals	2,872	3,043	3,056	13
-	Subsidised Roding - Bridge renewals	506	-	419	419
4,231	Total renewals	3,784	3,458	3,886	428
	Level of service portion of project				
108	New footpaths	304	310	449	139
2,359	Subsidised Roding - Road improvements	822	788	955	167
-	Shared Pathways - Cycle facilities	406	415	412	(3)
-	Subsidised Roding - Road improvements due to O2NL	507	778	515	(263)
-	Subsidised Roding - Seal extensions & minor improvements	1,187	1,036	1,417	381
913	Foxton Townscape Main Street Upgrade	-	-	-	-
-	Shared pathways - Carry over from 2017-18	88	-	-	-
204	Shared pathways	254	260	350	90
-	Subsidised Roding - Road improvements for rail crossings	494	622	502	(120)
3,584	Total level of service	4,062	4,209	4,599	390
	Growth portion of project				
-	Total growth	-	-	-	-
	Make up of above projects by type				
-	Growth	-	-	-	-
3,584	Level of service	4,062	4,209	4,599	390
4,231	Renewals	3,784	3,458	3,886	428
7,815	Total	7,846	7,667	8,485	818

Funding Impact Statement for Land Transport

Annual Report 2017/18		LTP Forecast 2018/19	LTP Forecast 2019/20	Annual Plan Forecast 2019/20	Variance 2019/20
\$000		\$000	\$000	\$000	\$000
	Sources of Operating Funding				
-	General rates, uniform annual general charges, rates penalties	-	-	-	-
4,098	Targeted rates	4,110	3,486	3,882	396
1,333	Subsidies and grants for operating purposes	1,647	1,436	1,731	295
-	Fees and charges	-	-	-	-
338	Local authorities fuel tax, fines, infringement fees, and other receipts	340	359	358	(1)
-	Internal charges and overheads recovered	-	-	-	-
5,769	Total Operating Funding (A)	6,097	5,281	5,971	690
	Applications of Operating Funding				
2,707	Payments to staff and suppliers	2,949	2,593	3,095	502
19	Finance costs	91	185	106	(79)
599	Internal charges and overheads applied	1,001	961	1,431	470
-	Other operating funding applications	-	-	-	-
3,325	Total applications of operating funding (B)	4,041	3,739	4,632	893
2,444	Surplus (deficit) of operating funding (A-B)	2,056	1,542	1,339	(203)
	Sources of capital funding				
3,571	Subsidies and grants for capital expenditure	4,368	4,308	4,666	358
67	Development and financial contributions	-	-	-	-
747	Increase (decrease) in debt	1,891	1,835	2,314	479
-	Gross proceeds from sale of assets	-	-	-	-
-	Lump sum contributions	-	-	-	-
-	Other dedicated capital funding	-	-	-	-
4,385	Total sources of capital funding (C)	6,259	6,143	6,980	837
	Applications of capital funding				
	Capital expenditure				
-	- to meet additional demand	-	-	-	-
3,584	- to improve the level of service	4,062	4,209	4,599	390
4,231	- to replace existing assets	3,784	3,458	3,886	428
(986)	Increase (decrease) in reserves	469	18	(166)	(184)
-	Increase (decrease) of investments	-	-	-	-
6,829	Total applications of capital funding (D)	8,315	7,685	8,319	634
(2,444)	Surplus (deficit) of capital funding (C-D)	(2,056)	(1,542)	(1,339)	203
-	Funding Balance ((A-B)+(C-D))	-	-	-	-
4,998	Depreciation	4,993	5,143	5,140	(3)

Activity Expenditure for Land Transport

Annual Report 2017/18		LTP Forecast 2018/19	LTP Forecast 2019/20	Annual Plan Forecast 2019/20	Variance 2019/20
\$000		\$000	\$000	\$000	\$000
7,134	Subsidised Roothing	7,700	7,482	8,448	966
993	Footpaths	1,051	1,076	1,037	(39)
195	Unsubsidised Roothing	283	288	247	(41)
-	Shared Pathways	-	38	41	3
8,322	Total Expenditure	9,034	8,884	9,773	889

Loans for Land Transport

	External	Internal	Total
	\$000	\$000	\$000
Anticipated loan balances at 1/7/2019	2,300	191	2,491
Raised during the year	2,300	44	2,344
Repaid during the year	-	(29)	(29)
Anticipated loan balances 30/06/2020	4,600	205	4,805
Budgeted interest expense	93	13	106

Solid Waste

The Solid Waste Activity aims to collect and safely dispose of residential and commercial rubbish, which assists with waste minimisation. It also aims to deliver continued waste reduction.

What Solid Waste involves:

- Educating the Community on waste minimisation.
- Providing kerbside recycling, recycling stations, refuse bag collection, operation of waste transfer stations, Levin landfill, and monitoring closed landfills.
- Ensuring that the necessary resource consents for the Activity are obtained and that any conditions are complied with.
- Operating within other legislative requirements (e.g. the Health Act 1956 and the Waste Minimisation Act 2008).

Key Projects for 2019/2020

- Stage capping – as the land is gradually filled in, stages/areas at the correct level get capped with materials such as clay.
- Landfill stage development – Prepare next stage of leachate capture and liner protection technologies to minimise environmental effects.
- Kerbside services – Upgrade to kerbside recycling with an improved service of 240L wheelie bin for mixed recycling and 55L green crate for glass only collected fortnightly*.

* Note properties eligible/entitled to the current service will receive the 240L wheelie bin prior to 1 July 2019. Rubbish collection services will remain unchanged.

How we will measure our performance

Service	How we will measure our performance	Target 2019/20	What does this tell me?
Provision of landfill but minimising the amount that is sent there.	Quantity of waste going to the landfill per person per year.	< 400 kg per person	The provision of a landfill and encouraging recycling helps reduce waste and minimise its negative environmental effects.
Recycling is encouraged	Level of recycling at: Kerbside	> 40% of total waste	
	Transfer stations	> 50% of total waste	

Service	How we will measure our performance	Target 2019/20	What does this tell me?
Waste transfer and recycling stations have a minimal impact on the immediate and surrounding environment.	Number of odour complaints and minimal reports of solid waste in or around:	<4	The number of complaints provides an indication of the quality of the service provided. This measure also provides data that highlights problems requiring attention, such as the need for maintenance, repair, upgrading, or new infrastructure.
	Waste transfer stations; and recycling stations per month.	<4	
Response to service requests regarding Council's Solid Waste Activities is timely.	Time all requests are responded to.	Within 3 working days	This measure shows how quickly we respond when there is a problem regarding solid waste.
Recycling and refuse is collected on time and in a sanitary manner.	Number of complaints per-month about non collection of:		The number of complaints provides an indication of the quality of the service provided. This measure also provides information on problems requiring attention.
	Kerbside recycling	<6	
	Kerbside refuse	<6	
Recycling stations are available and accessible in urban centres in summer.	Recycling stations are available at the agreed locations on the agreed days and times outlined on Council's website.	Achieve	Available collection points stop rubbish and recycling becoming a health risk.
Customers are content with Council's transfer stations, recycling collection, and refuse collection services offered.	Percentage of customers satisfied with their solid waste services:		The percentage of satisfied customers gives us an indication of the quality of service we are providing.
	Kerbside recycling	> 80%	
	Kerbside refuse	> 80%	

Service	How we will measure our performance	Target 2019/20	What does this tell me?
Customers are educated on waste minimisation practices.	Number of school aged students waste education is provided to each year	> 300 students	Waste minimisation is important because it helps protect the environment and it makes good business sense. Today's environmentally savvy children are tomorrow's environmentally responsible adults. This measure shows that Council is doing its part in protecting the environment.
	Number of events Council attends to promote ways to minimise waste	> 5	
Sustainable solid waste management.	The number of: Abatement Notices; Infringement Notices; Enforcement Orders; and Convictions received by Council in relation to Horizons Regional Council resource consents.	0 0 0 0	This measure indicates how well Council is managing the environmental impacts of its Solid Waste Activities. Not complying with consent conditions may indicate that Council is not managing its processes adequately or that the infrastructure is no longer adequate.

What it will cost

Capital Expenditure Programme for Solid Waste

Annual Report 2017/18		LTP Forecast 2018/19	LTP Forecast 2019/20	Annual Plan Forecast 2019/20	Variance 2019/20
\$000		\$000	\$000	\$000	\$000
	Renewals portion of project				
-	Opiki recycling renewal	6	-	-	-
50	Cap Shape Correction	12	-	386	386
3	Landfill Plant & Equipment Replacement	-	-	-	-
-	Shannon recycling renewal	-	5	5	-
53	Total renewals	18	5	391	386
	Level of service portion of project				
-	Landfill Stage Development	1,108	19	-	(19)
-	Landfill Development	-	-	246	246
-	Stage Capping	-	394	-	(394)
-	Wheelie bins	-	-	837	837
-	Rehabilitation of borrow area	45	-	-	-
-	Total level of service	1,153	413	1,083	670
	Growth portion of project				
80	Landfill Development	-	-	-	-
80	Total growth	-	-	-	-
	Make up of above projects by type				
80	Growth	-	-	-	-
-	Level of service	1,153	413	1,083	670
53	Renewals	18	5	391	386
133	Total	1,171	418	1,474	1,056

Funding Impact Statement for Solid Waste

Annual Report 2017/18		LTP Forecast 2018/19	LTP Forecast 2019/20	Annual Plan Forecast 2019/20	Variance 2019/20
\$000		\$000	\$000	\$000	\$000
	Sources of Operating Funding				
-	General rates, uniform annual general charges, rates penalties	-	-	-	-
329	Targeted rates	315	350	445	95
-	Subsidies and grants for operating purposes	-	-	-	-
1,835	Fees and charges	2,142	2,187	1,859	(328)
13	Local authorities fuel tax, fines, infringement fees, and other receipts	10	22	17	(5)
-	Internal charges and overheads recovered	-	-	-	-
2,177	Total Operating Funding (A)	2,467	2,559	2,321	(238)
	Applications of Operating Funding				
1,859	Payments to staff and suppliers	1,521	1,551	3,085	1,534
216	Finance costs	238	286	197	(89)
153	Internal charges and overheads applied	83	85	340	255
-	Other operating funding applications	-	-	-	-
2,228	Total applications of operating funding (B)	1,842	1,922	3,622	1,700
(51)	Surplus (deficit) of operating funding (A-B)	625	637	(1,301)	(1,938)
	Sources of capital funding				
-	Subsidies and grants for capital expenditure	-	-	-	-
-	Development and financial contributions	-	-	-	-
(117)	Increase (decrease) in debt	964	185	2,252	2,067
-	Gross proceeds from sale of assets	-	-	-	-
-	Lump sum contributions	-	-	-	-
-	Other dedicated capital funding	-	-	-	-
(117)	Total sources of capital funding (C)	964	185	2,252	2,067
	Applications of capital funding				
	Capital expenditure				
80	- to meet additional demand	-	-	-	-
-	- to improve the level of service	1,153	413	1,083	670
53	- to replace existing assets	18	5	391	386
(301)	Increase (decrease) in reserves	418	404	(523)	(927)
-	Increase (decrease) of investments	-	-	-	-
(168)	Total applications of capital funding (D)	1,589	822	951	129
51	Surplus (deficit) of capital funding (C-D)	(625)	(637)	1,301	1,938
-	Funding Balance ((A-B)+(C-D))	-	-	-	-
310	Depreciation	286	325	314	(11)

Activity Expenditure for Solid Waste

Annual Report 2017/18		LTP Forecast 2018/19	LTP Forecast 2019/20	Annual Plan Forecast 2019/20	Variance 2019/20
\$000		\$000	\$000	\$000	\$000
1,375	Landfill	978	1,074	1,552	478
251	Waste Transfer Stations	315	321	323	2
773	Recycling	643	656	1,805	1,149
138	Roadside Collection	192	196	259	63
2,537	Total Expenditure	2,128	2,247	3,939	1,692

Loans for Solid Waste

	External	Internal	Total
	\$000	\$000	\$000
Anticipated loan balances at 1/7/2019	4,600	39	4,639
Raised during the year	2,400	65	2,465
Repaid during the year	(200)	(13)	(213)
Anticipated loan balances 30/06/2020	6,800	91	6,891
Budgeted interest expense	185	12	197

Community Facilities and Services

The Community Facilities and Services Group of Activities is made up of a number of sub-activities which aim to provide passive and active amenities for the Community to utilise.

The Community Facilities and Services Group of Activities includes the following activities:

- Reserves and Beautification, Public Halls, Sports Grounds and Cemeteries
- Aquatic Centres and Recreation
- Community Centres and Libraries

Reserves and Beautification, Public Halls, Sports Grounds and Cemeteries

This Activity aims to provide management of reserves, sports grounds public halls and cemeteries as well as the provision of street beautification within the District.

What Reserves and Beautification, Public Halls, Sports Grounds and Cemeteries involves:

- Maintenance of neighbourhood reserves, riverside and lakeside picnic areas, public gardens, and sports grounds.
- Providing Reserve Management Plans for Council reserves.
- Maintaining public halls in Levin, Foxton and Shannon.
- Establishment and maintenance of public toilets for the purpose of tourism and public health.
- Establishment and maintenance of cemeteries under the Burial and Cremation Act 1964.

Key Projects for 2019/2020

- Levin - Donnelly Park Strategic Plan and Design - this project will look at the future development of Donnelly Park including how it can be transformed into an important regional facility
- Levin - Donnelly Park improve cricket facilities – this project sees the upgrade of Donnelly Park so that it can accommodate first-class cricket.
- Waitārere Beach - Domain Improvement Plan – this project represents an ongoing investment to the Domain to improve its performance as an area for recreational and leisure pursuits for both local residents and visitors.
- Manakau - Driscoll Reserve Improvement Plan – Manakau has a limited number of reserves this project sees the upgrade and improvement of the site to facilitate.
- Levin - Avenue Cemetery – a planning exercise for the cemetery and development of additional burial plots and road infrastructure.
- Shannon - Hyde Park – upgrades to park including installation of toilet block, shade and BBQ.
- Holben Reserve – begin improvements.

How we will measure our performance

Service	How we will measure our performance	Target 2019/20	What does this tell me?
Reserves are available for Community use.	Residential dwellings in urban areas are within 400 metres to local reserves, either Council or privately provided.	> 80%	Reserves allow a diverse range of pursuits important to the enjoyment of healthy lifestyles. This measure shows Council that its reserves are located in areas where they are accessible to the public.
	Residential dwellings in urban areas are within 800 metres of playgrounds or destination reserves.	> 80%	
Reserves meet local needs.	Percentage of customers satisfied with the service, based on the Annual Customer Satisfaction Survey.	> 80%	The percentage of satisfied customers gives us an indication of the quality of service we are providing.
Sports grounds are available for Community use.	Percent of time that sport grounds are available for use during their opening hours.	95%	Sports grounds cater for both organised and casual sports. This measure shows Council has grounds available all year round.
Sports grounds meet local needs.	Number of Customer Request Management complaints reporting of ground conditions per annum	< 5	The number of complaints gives us an indication of the quality of service we are providing.
Playgrounds are safe for users.	Playground facilities comply with relevant National Playground standards.	Achieve	It is extremely important to Council our playgrounds are safe for everyone to use.
Community Halls are available for public use.	Number of uses per fortnight for Community Halls.	10	Halls provide public spaces for local Communities to come together and participate in sport, social or other Community events. This measure is used to ensure the Halls are being utilised.

Aquatic Centres and Recreation

The Aquatic Centres and Recreation Activity aims to provide public access to swimming pools, fitness, rehabilitation, and swimming programmes to enhance wellbeing through providing healthy recreational and social opportunities.

What Aquatic Centres and Recreation involves:

- Providing swimming pools for general use including assisting clubs and organisations to host and run events on and off-site.
- Providing a certified Swim School Programme in Levin and Foxton.
- Providing land and water based fitness and rehabilitation classes both on and off-site.
- Managing Shannon School Swimming Pool during the summer school holidays.

Key Projects for 2019/2020

There are no key projects planned for the Aquatic Centres and Recreation Activity for 2019/2020.

How we will measure our performance

Service	How we will measure our performance	Target 2019/20	What does this tell me?
Safe aquatic facilities are operating in the District.	Compliance with relevant standards including Pool Safe Accreditation.	Achieve	This measure is to ensure the safety and enjoyment of aquatic centres for all customers.
Aquatics centres meet customer needs.	Percent of customers satisfied, based on the Annual Customer Satisfaction Survey.	> 90%	The percentage of satisfied customers gives us an indication of the quality of service we are providing.
A high quality Swim School operates at the Levin and Foxton Aquatic Centres.	Number of participants in Learn to Swim classes.	> 400 per term	Our pools offer curriculum based water safety and aquatic education programmes to local schools that do not have their own pools. We also offer swimming lessons for people of all ages and abilities to improve their swimming technique and overall skill level.
Local clubs are supported to deliver their own events.	Number of events per year held by clubs- clubs growing and taking ownership of their own events and future	> 5 per year	Council makes available its facilities for local aquatic clubs and organisations to deliver their own events.
Growing existing events and developing new ones for the following areas; children, general public, and retirees.	Number of events per year for: Children; General public; and Retirees.	> 3 > 3 > 3	Council supports local sports/recreation clubs and organisations to host and run events on and off site.

Community Centres and Libraries

This Activity aims to provide a location where people can visit, spend time, and positively engage in activities and opportunities, whether that be through social interaction, personal development or recreation and leisure.

What Community Centres and Libraries involves:

- Delivery of the library services including online services.
- Delivering programmes that foster and enhance literacy and the love of reading for all ages
- Providing events, exhibitions, and performances for all ages.
- Arranging room hire for meetings, functions and conventions.
- Providing social and community spaces including a café.
- Delivering IT resources including internet on demand and free wifi
- Providing visitor information through two sites
- Providing a space for youth in Te Takeretanga o Kura-hau-pō and holding events and activities for this age group
- Delivery of certain Council services (e.g. payment of rates) in Foxton and Shannon.
- Providing AA services
- Providing a space for Horowhenua Heritage resources and collections both online and in-house.

Key Projects for 2019/2020

There are no key projects planned for the Community Centres and Libraries Activity for 2019/2020.

How we will measure our performance

Service	How we will measure our performance	Target 2019/20	What does this tell me?
Council provides community facilities for residents, ratepayers, and visitors to access Community services including library services.	Communities with library and community facilities providing an integrated and District wide service.	Levin, Foxton, and Shannon	Council recognises the importance of libraries as social hubs for learning and literacy in the Community. Council sets out to provide a relevant library service and community facilities that people can enjoy throughout the District.
Libraries and community facilities meet the public's needs.	Percent of residents and non-residents satisfied with library and Community services based on the Annual Customer Satisfaction Survey.	> 90%	The percentage of satisfied customers gives us an indication of the quality of service we are providing.
Community facilities are available for public use.	Number of booking counts for community facilities.	≥ 1,200	This measure is used to ensure the community facilities are being utilised.

Service	How we will measure our performance	Target 2019/20	What does this tell me?
Customers have access to a range of current information in both print and digital format.	Number of items loaned from the libraries across the District, including books, magazines etc.	≥ 320,000	Council sets out to provide a modern and relevant library service. The number of loaned items would indicate the range of loanable items is current and relevant. The growing use of the library website indicates Council provides a modern library service that people use and enjoy.
	Percent of increase in use of website.	+>1%	
Customers have access to programmes and initiatives that enhance the wellbeing of the District.	Number of programmes delivered in:		Council sets out to provide a relevant library service that people can enjoy throughout the District.
	Levin	≥ 60	
	Foxton	≥ 30	
	Shannon	≥ 10	

How much it will cost

Capital Expenditure Programme for Community Centres and Libraries

Annual Report 2017/18		LTP Forecast 2018/19	LTP Forecast 2019/20	Annual Plan Forecast 2019/20	Variance 2019/20
\$000		\$000	\$000	\$000	\$000
	Renewals portion of project				
-	Vehicles - Replacing HQN114	-	29	30	1
-	Levin - Chemical controller renewal	-	36	37	1
1	Levin Reseal rear car park	10	-	-	-
7	Levin Aquatic Centre Plan Renewals	14	-	-	-
156	Foxton Aquatic Centre Plan Renewals	28	-	-	-
5	Levin Aquatic - Pool vacuum	1	-	-	-
-	Levin Aquatic - Pool sound system	2	-	-	-
9	Levin Aquatic - Pool ladders	1	-	-	-
2	Foxton Aquatic - Pool vacuum	2	-	-	-
-	Levin Aquatic - Replace the Hydro slide	123	-	100	100
(24)	2017-18 Aquatics projects	-	-	-	-
-	Pollard management Oxford Street	26	-	27	27
29	Beautification South bound carriageway SH1	-	-	-	-
-	Halls renewals	-	460	58	(402)
-	District halls & pavilions reactive renewals	52	26	60	34
-	Public toilets - Minor renewals	46	47	65	18
-	Public toilets - Major renewals	-	206	211	5
38	2017-18 Public toilets projects	-	-	-	-
24	District Play Equipment Bark mulch	14	-	-	-
-	Waitāreare Dune management Dune management - flatten re-contour	105	-	-	-
43	Reserves Renewals	134	898	454	(444)
-	Levin Adventure Park Oak Tree maintenance and renewal	15	-	15	15
-	Holben Sound Shell & Repainting buildings	5	-	-	-
43	District play equipment	77	78	79	1
-	Levin Adventure Park playground renewals	161	103	184	81
327	Foxton Beach Reserves (FHA)	97	95	197	102
-	Park lighting upgrade	-	83	85	2
-	Waikawa Beach Pedestrian Bridge	41	257	52	(205)
173	2017-18 Reserves projects	-	-	-	-
-	Sports grounds renewals	154	702	258	(444)
-	Levin Domain pathways resurface	303	-	-	-
-	Levin Domain replace boundary fencing	22	-	-	-
9	Net Ball Courts - replace posts Shannon Domain	10	-	-	-
21	2017-18 Sports grounds projects	-	-	-	-
-	Te Takeretanga o Kura-hau-pō - Furniture replacement	-	20	21	1
-	Music studio equipment replacement	-	8	8	-
-	Shannon Library refurbishment	-	26	27	1

Annual Report 2017/18		LTP Forecast 2018/19	LTP Forecast 2019/20	Annual Plan Forecast 2019/20	Variance 2019/20
\$000		\$000	\$000	\$000	\$000
-	Te Takeretanga o Kura-hau-pō audio & visual equipment replacement	26	-	-	-
-	Community hubs meeting rooms audio & visual equipment replacement	-	41	42	1
-	Community hubs - Digital equipment replacement	5	5	5	-
-	Community hubs - Security surveillance replacement	36	-	37	37
-	Te Takeretanga o Kura-hau-pō - Redevelopment of Te Ao Maori space	5	-	5	5
-	Te Takeretanga o Kura-hau-po - Display cabinets replacement	10	-	-	-
1,329	2017-18 Community Centres projects	-	-	-	-
191	Library books	225	227	232	5
12	DVD's	15	15	15	-
7	Audio books	8	8	8	-
-	Shannon - Library shelving units	-	26	27	1
-	Service trolleys	5	-	-	-
-	Te Takeretanga o Kura-hau-pō - Display units	5	-	-	-
-	Shannon - Display units	2	-	-	-
-	RFID equipment replacement	10	154	158	4
-	Vehicles - Replacing GAL191	26	-	-	-
22	Te Takeretanga o Kura-hau-pō - Couches and round seats across facility (x 50) in blue, yellow and black	26	-	-	-
-	Te Takeretanga o Kura-hau-pō - Urgent replacement couches and seats broken, missing feet	6	-	-	-
-	Te Takeretanga o Kura-hau-pō - IT urgent IT capital replacement including frameless TV Shannon, HPElite One, public computers	31	-	-	-
2	Te Takeretanga o Kura-hau-pō - additional tables across facility; repair and replace	2	-	-	-
5	Te Takeretanga o Kura-hau-pō - Office furniture, main desk, Vin	5	-	-	-
-	Te Takeretanga o Kura-hau-pō - Exhibition Cabinets replace broken and damaged ones	3	-	-	-
3	Te Takeretanga o Kura-hau-pō - Recover squab seats along NW wall	2	-	-	-
1	Te Takeretanga o Kura-hau-pō - Medium Term. Restock Children's Team equipment with foam and leather cushions	2	-	-	-
-	Te Takeretanga o Kura-hau-pō - Replace boiler in Te Takeretanga o Kura-hau-pō	26	-	-	-
2,435	Total renewals	1,925	3,551	2,498	(1,053)

Annual Report 2017/18		LTP Forecast 2018/19	LTP Forecast 2019/20	Annual Plan Forecast 2019/20	Variance 2019/20
\$000		\$000	\$000	\$000	\$000
	Level of service portion of project				
-	Levin - Supply and extract fans	4	-	-	-
-	Levin - Coils	2	-	-	-
-	Levin - Pumps	5	5	5	-
-	Levin - Plant room miscellaneous	1	1	1	-
-	Foxton - Plant room miscellaneous	2	5	5	-
-	Levin - Disabled change facilities	-	26	26	-
-	Levin Aquatic - Hydrotherapy pool cover	2	-	-	-
-	Levin UV disinfection investigation, and installation	44	-	-	-
-	Levin - UV treatment	119	-	-	-
-	Equipment - General	2	2	2	-
-	Inflatables - Unit wide usage	15	-	-	-
-	Foxton - Improved disabled access	15	-	15	15
-	Foxton - Poolside furniture	-	10	10	-
80	2017-18 Aquatics projects	-	-	-	-
22	Cemetery - Foxton ashes area	24	-	-	-
-	Cemetery - Avenue - Redevelop front entrance and update information signage	60	-	61	61
-	Cemetery - Avenue Land Development	9	-	-	-
-	Cemetery - Avenue Rd - Upgrade	191	-	151	151
-	Cemetery - Avenue - Extend burial and cremation sites	10	-	9	9
-	Cemetery - Shannon Burial beams	10	-	-	-
230	2017-18 Cemeteries projects	-	-	-	-
30	District fencing contingency	27	41	32	(9)
-	Waitārere Domain improvement plan	20	68	69	1
-	Donnelly Park strategic plan and design	-	153	156	3
-	Driscoll Reserve improvement plan	40	51	52	1
-	Stream management plan	30	31	42	11
(4)	Foxton River Loop walkway, viewing and recreation activities	11	-	11	11
-	Ihakara Gardens Landscaping	12	-	12	12
-	Solway Park Pump Track	50	-	-	-
-	Benches in high pedestrian use areas	10	10	10	-
-	Reduce sand dune high at Foxton Beach car-park	80	-	-	-
-	Hyde Park and Te Maire Park improvements	124	-	-	-
164	2017-18 Reserves projects	-	-	-	-
-	Donnelly Park improve cricket facilities	67	68	110	42
-	Levin Domain improve access from Salisbury Street	15	-	-	-
-	Playford Park improvements	-	342	51	(291)
18	2017-18 Sports grounds projects	-	-	-	-
-	Community & Youth space storage area	20	-	20	20
1,675	2017-18 Community Centres projects	-	-	-	-
-	Te Takeretanga o Kura-hau-pō - Install sound system for functions and address H and S issues	10	-	-	-

Annual Report 2017/18		LTP Forecast 2018/19	LTP Forecast 2019/20	Annual Plan Forecast 2019/20	Variance 2019/20
\$000		\$000	\$000	\$000	\$000
-	Authority and Trim licenses for new staff from Libraries And Community Centre	5	-	-	-
2	Te Takeretanga o Kura-hau-pō - Cupboard upgrade to improve tidiness provide storage	5	-	-	-
-	Te Awahou Nieuwe Stroom - 2 self-issue machines	10	10	-	(10)
-	Te Takeretanga o Kura-hau-pō - 4 self-issue machines	20	20	-	(20)
-	Shannon - Kiosk machine	10	-	-	-
-	Laptop dispenser with 18 laptops	5	-	-	-
60	2017-18 Library services projects	-	-	-	-
2,277	Total level of service	1,086	843	852	9
	Growth portion of project				
-	Levin - Feasibility study - Future needs (*below denotes relationship to outcome)	106	-	16	16
2	Cemetery - Foxton ashes area	3	-	-	-
-	Cemetery - Shannon Burial beams	1	-	-	-
-	Cemetery - Avenue Land Development	1	-	-	-
5	2017-18 Cemeteries projects	-	-	-	-
223	2017-18 Community Centres projects	-	-	-	-
2	2017-18 Sports grounds projects	-	-	-	-
-	Innovative technology projects	-	5	5	-
-	Library services vehicle	-	21	20	(1)
232	Total growth	111	26	42	16
	Make up of above projects by type				
232	Growth	111	26	42	16
2,277	Level of service	1,086	843	852	9
2,435	Renewals	1,925	3,551	2,498	(1,053)
4,944	Total	3,122	4,420	3,392	(1,028)

Funding Impact Statement for Community Facilities and Services

Annual Report 2017/18		LTP Forecast 2018/19	LTP Forecast 2019/20	Annual Plan Forecast 2019/20	Variance 2019/20
\$000		\$000	\$000	\$000	\$000
	Sources of Operating Funding				
4,860	General rates, uniform annual general charges, rates penalties	4,900	5,163	5,198	35
5,981	Targeted rates	6,396	7,094	6,451	(643)
76	Subsidies and grants for operating purposes	14	14	14	-
1,239	Fees and charges	1,604	1,665	1,673	8
150	Local authorities fuel tax, fines, infringement fees, and other receipts	229	214	215	1
-	Internal charges and overheads recovered	-	-	-	-
12,306	Total Operating Funding (A)	13,143	14,150	13,551	(599)
	Applications of Operating Funding				
7,648	Payments to staff and suppliers	8,598	9,403	8,867	(536)
802	Finance costs	960	1,037	859	(178)
2,311	Internal charges and overheads applied	2,243	2,326	2,443	117
-	Other operating funding applications	-	-	-	-
10,761	Total applications of operating funding (B)	11,801	12,766	12,169	(597)
1,545	Surplus (deficit) of operating funding (A-B)	1,342	1,384	1,382	(2)
	Sources of capital funding				
1,299	Subsidies and grants for capital expenditure	-	-	-	-
41	Development and financial contributions	-	-	-	-
1,257	Increase (decrease) in debt	1,547	3,091	1,914	(1,177)
-	Gross proceeds from sale of assets	-	-	-	-
-	Lump sum contributions	-	-	-	-
-	Other dedicated capital funding	-	-	-	-
2,597	Total sources of capital funding (C)	1,547	3,091	1,914	(1,177)
	Applications of capital funding				
	Capital expenditure				
232	- to meet additional demand	111	26	42	16
2,277	- to improve the level of service	1,102	843	852	9
2,435	- to replace existing assets	1,910	3,551	2,498	(1,053)
(802)	Increase (decrease) in reserves	(234)	55	(96)	(151)
-	Increase (decrease) of investments	-	-	-	-
4,142	Total applications of capital funding (D)	2,889	4,475	3,296	(1,179)
(1,545)	Surplus (deficit) of capital funding (C-D)	(1,342)	(1,384)	(1,382)	2
-	Funding Balance ((A-B)+(C-D))	-	-	-	-
1,478	Depreciation	1,115	1,165	1,304	139

Activity Expenditure for Community Facilities and Services

Annual Report 2017/18		LTP Forecast 2018/19	LTP Forecast 2019/20	Annual Plan Forecast 2019/20	Variance 2019/20
\$000		\$000	\$000	\$000	\$000
411	Cemeteries	415	440	437	(3)
324	Public Toilets	338	347	350	3
710	Beautification	688	704	727	23
1,958	Reserves	1,948	2,143	2,138	(5)
1,223	Sports grounds	1,149	1,172	1,187	15
246	Halls	242	246	249	3
2,782	Aquatic Centres	2,897	2,993	2,958	(35)
354	Urban Cleansing	385	393	394	1
4,231	Library Services	2,697	3,143	3,250	107
	Community Centres	2,159	2,351	1,785	(566)
12,239	Total Expenditure	12,918	13,932	13,475	(457)

Loans for Community Facilities and Services

	External	Internal	Total
	\$000	\$000	\$000
Anticipated loan balances at 1/7/2019	19,800	420	20,220
Raised during the year	2,400	111	2,511
Repaid during the year	(500)	(97)	(597)
Anticipated loan balances 30/06/2020	21,700	434	22,134
Budgeted interest expense	798	61	859

Property

The Council owns a substantial number of properties throughout the Horowhenua District which support the delivery of Council’s activities. The Property Activity ensures that these assets are managed and maintained effectively.

What Property involves:

- Management, maintenance, purchase and disposal of Council owned property.
- Granting of permits and community and commercial leases and licences.
- Undertaking this activity in accordance with the Property Strategy 2015, which informs future decision-making on maintenance, investment and/or disposal of property.

Council owns a range of properties including:

- The Council administration building in Levin.
- Commercial properties which are leased to tenants.
- Endowment property - Council owns land in Foxton Beach that was formerly owned by the Foxton Harbour Board. Much of this land is subject to perpetual 21 year leases including a number of residential properties with rights of purchase.
- General Properties and land including - motor camps, historic and cultural buildings, depots, carparks, and residential and commercial land.

Key Projects for 2019/202

Improvements

- Forbes Road subdivision – a master plan is currently being created to subdivide this endowment land at Foxton Beach.
- Foxton Beach surf life-saving club – work will be undertaken to upgrade the toilets at this facility and improve access and egress into and from the facility.
- Power and lighting upgrade at Council building – this work will increase the generator capacity at the civic building and will see a switch to LED lighting.

How we will measure our performance

Service	How we will measure our performance	Target 2019/20	What does this tell me?
Council operated facilities are available for public hire	Facilities availability (hrs) and hire charges by annual review.	8 hrs per day and review annually	Halls provide public spaces for local Communities to come together and participate in sport, social or other Community events. This measure shows Council promotes the use of public space, the halls are available and hire charges are set to recover cost.

Service	How we will measure our performance	Target 2019/20	What does this tell me?
Council's properties will comply with relevant legislation	All buildings with compliance schedules will have current building WOF.	Achieve	It is extremely important to Council that our buildings are safe for everyone to use.

How much it will cost

Capital Expenditure Programme for Property

Annual Report 2017/18		LTP Forecast 2018/19	LTP Forecast 2019/20	Annual Plan Forecast 2019/20	Variance 2019/20
\$000		\$000	\$000	\$000	\$000
	Renewals portion of project				
-	Commercial property renewals	515	-	-	-
-	WINZ building renewals	-	32	-	(32)
12	Chip seal of driveway and repaint park lines Parsons Ave Kindergarten	-	-	-	-
-	Focal Point Cinema - Exterior renewal & paint	59	-	-	-
-	Civic building internal and external renewals & remedial painting	30	-	31	31
42	Community buildings programmed renewals	48	51	99	48
22	General property renewals	362	82	205	123
66	Jack Allen House removal and site tidy up	-	-	-	-
6	Pensioner residential property reactive renewals	-	-	-	-
-	Shannon railway station roof replacement	35	-	-	-
-	Foxton Depot deferred renewal work to buildings and re-roof	-	52	-	(52)
-	Levin Depot pole shed re-roof	-	84	-	(84)
-	Property renewals program	30	86	87	1
-	Municipal buildings power and lighting upgrade	252	47	186	139
148	Total renewals	1,331	434	608	174
	Level of service portion of project				
-	Focal Point Cinema - Toilets upgrade	60	-	-	-
-	Endowment Subdivision Forbes Rd extension	-	193	211	18
9	Pop-up container	-	-	-	-
611	Purchase 645 Hokio Beach Road	-	-	-	-
-	Levin Depot new sewer connection	-	263	-	(263)
620	Total level of service	60	455	211	(244)
	Growth portion of project				
2	Tararua Industrial Development	143	-	-	-
2	Total growth	143	-	-	-
	Make up of above projects by type				
2	Growth	143	-	-	-
620	Level of service	60	455	211	(244)
148	Renewals	1,331	434	608	174
770	Total	1,534	889	819	(70)

Funding Impact Statement for Property

Annual Report 2017/18		LTP Forecast 2018/19	LTP Forecast 2019/20	Annual Plan Forecast 2019/20	Variance 2019/20
\$000		\$000	\$000	\$000	\$000
	Sources of Operating Funding				
306	General rates, uniform annual general charges, rates penalties	702	1,083	997	(86)
-	Targeted rates	-	-	-	-
-	Subsidies and grants for operating purposes	-	-	-	-
1,088	Fees and charges	728	169	258	89
210	Local authorities fuel tax, fines, infringement fees, and other receipts	140	134	123	(11)
442	Internal charges and overheads recovered	459	467	441	(26)
2,046	Total Operating Funding (A)	2,029	1,853	1,819	(34)
	Applications of Operating Funding				
1,318	Payments to staff and suppliers	1,441	1,182	1,171	(11)
443	Finance costs	409	302	378	76
296	Internal charges and overheads applied	290	301	205	(96)
-	Other operating funding applications	-	-	-	-
2,057	Total applications of operating funding (B)	2,140	1,785	1,754	(31)
(11)	Surplus (deficit) of operating funding (A-B)	(111)	68	65	(3)
	Sources of capital funding				
-	Subsidies and grants for capital expenditure	-	-	-	-
-	Development and financial contributions	-	-	-	-
(4,815)	Increase (decrease) in debt	(5,537)	632	(2,242)	(2,874)
7,292	Gross proceeds from sale of assets	7,000	-	7,000	7,000
-	Lump sum contributions	-	-	-	-
-	Other dedicated capital funding	-	-	-	-
2,477	Total sources of capital funding (C)	1,463	632	4,758	4,126
	Applications of capital funding				
	Capital expenditure				
2	- to meet additional demand	143	1	-	(1)
620	- to improve the level of service	60	455	211	(244)
148	- to replace existing assets	1,331	434	608	174
1,696	Increase (decrease) in reserves	(182)	(190)	4,004	4,194
-	Increase (decrease) of investments	-	-	-	-
2,466	Total applications of capital funding (D)	1,352	700	4,823	4,123
11	Surplus (deficit) of capital funding (C-D)	111	(68)	(65)	3
-	Funding Balance ((A-B)+(C-D))	-	-	-	-
231	Depreciation	211	215	217	2

Activity Expenditure for Property

Annual Report 2017/18		LTP Forecast 2018/19	LTP Forecast 2019/20	Annual Plan Forecast 2019/20	Variance 2019/20
\$000		\$000	\$000	\$000	\$000
265	Council Building	307	313	296	(17)
601	General Property	709	722	814	92
375	Residential Housing	-	-	-	-
282	Endowment	555	375	370	(5)
316	Commercial Property	317	117	46	(71)
7	Camp Grounds	6	6	6	-
1,846	Total Expenditure	1,894	1,533	1,532	(1)

Loans for Property

	External	Internal	Total
	\$000	\$000	\$000
Anticipated loan balances at 1/7/2019	8,700	195	8,895
Raised during the year	200	-	200
Repaid during the year	(2,300)	(142)	(2,442)
Anticipated loan balances 30/06/2020	6,600	53	6,653
Budgeted interest expense	351	27	378

Representation and Community Leadership

This Activity comprises of how Council meets its responsibility to represent and provide leadership for the Community including how Council will involve the Community in its strategic planning and decision making.

What Representation and Community Leadership involves:

- Setting the strategic and policy direction of Council.
- Monitoring the performance of Council.
- Representing the interests of the District.
- Facilitation of solutions to local needs/issues.
- Employing the Chief Executive who is empowered to implement decisions of Council.
- Providing administration support to Council meetings.

Key Projects for 2019/2020

- Community Plans
 - Complete Community Plans - Ōhau, Manakau, Waitārere Beach, Levin South and Levin East.
 - Begin Community Plans - Foxton, Foxton Beach, Shannon, Tokomaru, Hokio Beach, Waikawa Beach.
- Master Plans
 - Waitārere Beach – complete Master Plan.
 - Foxton Beach ‘The Lakes’ – finalise Master Plan.
- District Plan Changes
 - Gladstone Green – complete plan change to incorporate the Gladstone Green Master Plan into the District Plan.
 - Foxton Beach ‘The Lakes’ - complete plan change to incorporate the Foxton Beach ‘The Lakes’ Master Plan into the District Plan.
 - Growth areas - complete the plan change to rezone land for residential development in growth areas throughout the District.
- Town Centre Development
 - Laneway/Town Square - to create a central ‘place’ in town and the opportunity for an evening economy to develop.
 - Levin Memorial Hall – investigate redeveloping Levin Memorial Hall as a ‘co-work’ space, with supporting café.
 - Oxford Street Cosmetic Project - improve the overall appearance of Oxford Street by improving the quality of existing buildings and verandahs and by reducing visual clutter caused by the extent and over-dominance of the current retail signage.
 - Placemaking - Activate space and get people thinking about using existing spaces in a new or different way, through a series of low-cost or temporary activities. Placemaking will be delivered by the community for the community, with Council support.
- Local body elections - assisting in the administration of the local body elections scheduled for 12 October 2019.

- Heritage Fund - facilitation of the heritage incentives grant for 2019/2020 which provides funding for heritage buildings or buildings with the Town Centre Heritage and Character Areas of Foxton and Shannon for work associated with those properties.
- Foxton Beach Freeholding Account Policy/Strategy – the Foxton Beach Freeholding Account Policy/Strategy will be reviewed.

Note: Consideration of boundary change for Tokomaru / Opiki - The Local Government Commission has agreed to assess an application seeking a change to the boundary between Horowhenua District and Palmerston North City. The application seeks to have the southern boundary of the city extended to include the township of Tokomaru and the surrounding area, and neighbouring Ōpiki. These communities currently fall within Horowhenua.

How we will measure our performance

Service	How we will measure our performance	Target 2019/20	What does this tell me?
Council provides open, accessible processes to local government.	Number of successful challenges to Council's decision making processes. LGOIMA requests responded to within 20 working days.	0 Achieve	Council seeks to strengthen democracy through facilitating Community input to decision-making processes. Also all requests for information are considered official. By law, Council must reply to official information requests within 20 working days.
Council supports residents and ratepayers to have their views heard and considered in Council decision making.	Percent of residential and non-residential ratepayers who are satisfied with the way Council involves the public in its decision making, based on the Annual Customer Satisfaction Survey	>50%	The percentage of satisfied people gives us an indication of the quality of public involvement in Council decision making. Through pre-engagement on significant decisions, Council is engaging with the Community beyond what is legally required.
Council supports residents and ratepayers to have their views heard and considered in Council decision making.	Council will pre-engage on all significant decisions as outlined in the Significance of Engagement Strategy found on Council's website.	Achieve	

Service	How we will measure our performance	Target 2019/20	What does this tell me?
Council's planning documents meet statutory requirements and have unqualified audit opinions.	The LTP is completed within the statutory timeframe, including a Financial and Infrastructure Strategy which meets the requirements of the Local Government Act.	Adopted before 30 June (every 3 years)	Council will meet its statutory requirements regarding planning and reporting documents.
	The Annual Plan will be adopted before 30 June annually.*	Achieve	
	The Annual Report will include an unqualified audit opinion.	Achieve	
The District Plan provides for a balanced regulatory framework that protects important community and environmental values.	Percent of non-complying resource consents approved as a proportion of all approved consents.	< 10%	Good planning supports sustainable growth and development. It protects natural and built environments and helps maintain quality of life for our residents. This measure shows whether the District Plan is performing effectively. Above 10% would suggest the District Plan needs to be updated to support substantial growth and development.

* Every third year a LTP is prepared in the place of the Annual Plan.

How much it will cost

Capital Expenditure Programme for Representation and Community Leadership

Annual Report 2017/18		LTP Forecast 2018/19	LTP Forecast 2019/20	Annual Plan Forecast 2019/20	Variance 2019/20
\$000		\$000	\$000	\$000	\$000
	Renewals portion of project				
-	Total renewals	-	-	-	-
	Level of service portion of project				
-	Total level of service	-	-	-	-
	Growth portion of project				
-	Levin Town Centre Projects - Phase 1	144	-	252	252
-	Total growth	144		252	252
	Make up of above projects by type				
-	Growth	144	-	252	252
-	Level of service	-	-	-	-
-	Renewals	-	-	-	-
-	Total	144	-	252	252

Funding Impact Statement for Representation and Community Leadership

Annual Report 2017/18		LTP Forecast 2018/19	LTP Forecast 2019/20	Annual Plan Forecast 2019/20	Variance 2019/20
\$000		\$000	\$000	\$000	\$000
	Sources of Operating Funding				
-	General rates, uniform annual general charges, rates penalties	431	505	163	(342)
3,607	Targeted rates	3,505	3,625	3,555	(70)
-	Subsidies and grants for operating purposes	-	-	-	-
-	Fees and charges	-	-	-	-
4	Local authorities fuel tax, fines, infringement fees, and other receipts	3	91	240	149
-	Internal charges and overheads recovered	-	-	-	-
3,611	Total Operating Funding (A)	3,939	4,221	3,958	(263)
	Applications of Operating Funding				
1,502	Payments to staff and suppliers	1,207	1,419	2,345	926
-	Finance costs	99	117	97	(20)
2,749	Internal charges and overheads applied	2,855	3,074	3,090	16
-	Other operating funding applications	-	-	-	-
4,251	Total applications of operating funding (B)	4,161	4,610	5,532	922
(640)	Surplus (deficit) of operating funding (A-B)	(222)	(389)	(1,574)	(1,185)
	Sources of capital funding				
-	Subsidies and grants for capital expenditure	-	-	-	-
-	Development and financial contributions	-	-	-	-
-	Increase (decrease) in debt	367	330	1,765	1,435
-	Gross proceeds from sale of assets	-	-	-	-
-	Lump sum contributions	-	-	-	-
-	Other dedicated capital funding	-	-	-	-
-	Total sources of capital funding (C)	367	330	1,765	1,435
	Applications of capital funding				
	Capital expenditure				
-	- to meet additional demand	144	1	251	250
-	- to improve the level of service	-	-	-	-
-	- to replace existing assets	-	-	-	-
(640)	Increase (decrease) in reserves	1	(60)	(60)	-
-	Increase (decrease) of investments	-	-	-	-
(640)	Total applications of capital funding (D)	145	(59)	191	250
640	Surplus (deficit) of capital funding (C-D)	222	389	1,574	1,185
-	Funding Balance ((A-B)+(C-D))	-	-	-	-
-	Depreciation	-	13	13	-

Activity Expenditure for Representation and Community Leadership

Annual Report 2017/18		LTP Forecast 2018/19	LTP Forecast 2019/20	Annual Plan Forecast 2019/20	Variance 2019/20
\$000		\$000	\$000	\$000	\$000
221	Community Board	211	213	217	4
7	Elections	3	154	169	15
2,549	Governance	1,874	1,981	1,920	(61)
1,473	LTP/Annual Plan/Annual Report	1,420	1,429	1,445	16
-	District Planning	654	847	994	147
-	Sustainable Growth Planning	-	-	800	800
4,250	Total Expenditure	4,162	4,624	5,545	921

Loans for Representation and Community Leadership

	External	Internal	Total
	\$000	\$000	\$000
Anticipated loan balances at 1/7/2019	2,200	92	2,292
Raised during the year	1,800	-	1,800
Repaid during the year	-	(35)	(35)
Anticipated loan balances 30/06/2020	4,000	57	4,057
Budgeted interest expense	89	-	97

Community Support

The Community Support Group of Activities is made up of a number of sub-activities which aim to provide for the Community's social and economic wellbeing.

These Activities are:

- Emergency Management
- Community Engagement
- Visitor Information
- Economic Development

Emergency Management

The Emergency Management Activity aims to ensure the Horowhenua District is ready for, and able to respond to emergencies or natural hazards that may cause loss of life, injury, or illness.

What Emergency Management involves:

- Facilitating community resilience and emergency preparedness planning with external agencies and community groups through the Manawatū-Whanganui Emergency Management Group and the Horowhenua Emergency Management Committee. This includes identifying hazards and developing and implementing measures to minimise impacts (**reduction**).
- Ensuring plans are in place and that the Community is aware of the 'hazardscape' and is prepared (**reduction**).
- Engaging with, and educating, our Community about 'Being Prepared' (**readiness**).
- Providing a fully functional Emergency Operating Centre (EOC) to co-ordinate response activities during an emergency. Ensuring critical services can be provided during and after an emergency (**response**).
- Co-ordination of recovery activities (**recovery**).
- Being an active member of the Manawatū-Whanganui Civil Defence Emergency Management Group.

Key Projects for 2019/2020

- Recovery Planning - Our existing Community Response Plans will be extended to include recovery planning. Recovery plans will provide for the recovery phase of individual Horowhenua communities that may be affected by an emergency.

How we will measure our performance:

Service	How we will measure our performance	Target 2019/20	What does this tell me?
Community awareness is promoted and encouraged	12 media messages promoting preparedness for an emergency will be made to residents and ratepayers annually*.	Achieve	Council is working with the Community to build greater resilience to emergencies and disaster events, and to help our District recover faster.

Service	How we will measure our performance	Target 2019/20	What does this tell me?
Council maintains a functional EOC and trained staff	Civil defence and emergency management assessment of readiness and capability.	100% of Council staff with EOC roles	Council will take the lead in a civil defence or emergency event and will have the capacity and capability to do so

** This measure will include increased emphasis on monitoring activity associated with individual, household, neighbourhood and community preparedness.*

Community Engagement

The Community Engagement Activity aims to enhance community wellbeing within the Horowhenua District and ensure the Community is informed of Council's activities. This Activity is made up of two sub-activities being Community Development and Communications.

What Community Engagement involves:

Community Development

- Support delivery on the Horowhenua Community Wellbeing Strategy.
- Implement the Action Plans for: Education; Youth; Access and Inclusion; Arts, Culture and Heritage; and Positive Ageing.
- Support community-led development within the Community to help the community respond to local needs.
- Advocate on behalf of the Community for better health, transport and social outcomes through the Community Wellbeing Committee.
- Facilitate a Community Capacity Building Programme: provide free or subsidised training to the not-for-profit sector with the aim to increase their governance and operational capability.
- Provide funding support for local Surf Life Saving, Waitārere and Foxton Beach Wardens, and Neighbourhood Support.
- Provide the following contestable grant schemes:
 - Community Development Grant
 - Community Consultation Grant
 - International Representation Grant
 - Rural Halls Grant
 - Vibrant Communities Fund
 - Horowhenua Events Grant
- Provide administrative support to externally funded contestable grant schemes:
 - Horowhenua Creative Communities Scheme
 - Shannon Community Development Trust

Communications

- Produce and distribute Council publications – (e.g. press releases, Community Connection, public notices, and strategies).
- Monitor and update social media.
- Maintain and update Council's website presence - www.horowhenua.govt.nz.
- Respond and provide information to media outlets.
- Undertake a yearly resident satisfaction survey.
- Provide a 24 hour, 7 day a week service to the public including an after hours' emergency telephone response service, and an afterhours Animal Control response function.

Key Projects for 2019/2020

There are no key projects planned for the Community Engagement Activity for 2019/2020.

How we will measure our performance:

Service	How we will measure our performance	Target 2019/20	What does this tell me?
Council provides effective leadership in advocating, coordinating and facilitating on behalf of community needs	Number of Community Wellbeing Committee meetings per year.	>5	The Community Wellbeing Committee is the platform for community engagement with Council facilitating and coordinating on behalf of the Community to assist Community groups or find solutions to respond to local needs.
Young people in the Horowhenua live in a safe and supportive environment, which empowers them to make positive life choices	Number of Youth Voice meetings per year.	>8	Council is engaging with youth and supporting programmes or projects with a youth focus.
	Number of programmes or projects implemented by Youth Voice.	>4	
	Number of Youth Network meetings per year.	>6	
Horowhenua residents are empowered to make choices enabling them to live a satisfying and healthy lifestyle	Number of Older Person Network meetings per year.	>10	Council is engaging with the older people and keeping them informed.
	Number of Elderberries magazine publications annually.	>4	
Horowhenua is a vibrant, creative and friendly Community with an abundance of art, rich cultures and a strong sense of heritage	Number of Creative Communities funding rounds per year.	>2	Council supports arts and culture in the District by providing administrative support to externally funded contestable grant schemes.
Horowhenua is New Zealand's foremost region in taking joint responsibility for the success of our Community through education.	Number of Education Horowhenua meetings per year.	>4	Council is leading the way in a collaborative approach to education in the District via the Education Horowhenua group.
Horowhenua is fully accessible to all people	Number of Access and Inclusion Leadership forums per year.	>4	Council supports United Nations Convention of Rights of Persons with Disabilities. The Convention guides on how to remove barriers and make sure disabled people have full and equal enjoyment of all human rights and fundamental freedoms.

Service	How we will measure our performance	Target 2019/20	What does this tell me?
Council promotes community group empowerment and provides opportunities for Community driven initiatives and projects, and to grow and develop	Percent of funds distributed through contestable Community Grants and Funding schemes that comply with grant criteria.	>100%	Council provides opportunities for Community driven initiatives and projects by distributing funds through a contestable grants and funding scheme.
	Number of Community Capacity and Capability Building Programme workshops or trainings offered.	>10	Council also promotes community group empowerment via the Capacity and Capability Building Programme where the percentage of satisfaction gives an indication of the quality of the programme provided.
	Percent of satisfaction with Capacity and Capability Building Programme workshops or training.	>85%	
	Number of individuals participating in Capacity and Capability Building Programme workshops or training over the year.	>150	
Council supports beach safety initiatives within Communities by providing financial support	Number of weeks Council funded surf lifesaving service is provided at Foxton and Waitārere Beaches.	>6	Public safety while enjoying the District's beaches is very important to Council. Council funds surf lifesaving services at two of the District's most popular beaches during peak season.
Council effectively communicates with its ratepayers and residents	Number of Council "Community Connections" newsletters published annually.	>10	Council used both traditional and social media such as Facebook and Twitter to communicate with the public.
	Number of media releases published annually.	>100	
Council provides a 24/7 telephone contact centre operation	Telephone contact is continually provided 24/7.	Achieve	Council can be contacted any time even out of normal business hours.

Visitor Information

The Visitor Information Activity manages the provision of visitor information services in Levin and Foxton.

What Visitor Information involves:

- Domestic travel bookings.
- Horowhenua attractions, activities and accommodation bookings.
- Local regional and national visitor information, travel maps and resources.
- Working partnerships with local tourism providers to promote local experiences.

Key Projects for 2019/2020

There are no key projects planned for the Visitor Information Activity for 2019/2020.

How we will measure our performance

Service	How we will measure our performance	Target 19/20	What does this tell me?
Council supports the promotion of Horowhenua as a tourism destination	i-Site accreditation is maintained at Te Awahou Nieuwe Stroom and Te Takeretanga o Kura-hau-pō facilities.	Achieve	i-Site is a visitor information network with over 80 visitor centres throughout New Zealand and offers an excellent platform for local operators and service providers to sell their businesses and for the District to promote local events and public amenities. The i-Site brand is managed by Tourism New Zealand and various standards must be met to maintain accreditation.
	Residents and visitors to the Horowhenua have access to current information and i-Site services through promotions and excursions offered.	12 annually	
	Annual number of visitor information enquiries conducted from Horowhenua i-Sites.	>10,000	

Economic Development

The purpose of the Economic Development Activity is to facilitate economic growth to support improved social and economic wellbeing in the Horowhenua District.

What Economic Development involves:

The District is poised for significant change and has the opportunity to considerably advance its economic wellbeing and prosperity. This will require quality leadership and decision making, as well as, co-ordinated action with businesses and the wider community to take advantage of available opportunities. During 2018, the Horowhenua New Zealand Trust was contracted to deliver economic development for the District. This arrangement is planned to continue in 2019/2020.

Key Projects for 2019/2020

There are no key projects planned for the Economic Development Activity for 2019/2020.

How we will measure our performance:

Service	How will we measure our performance	Target 19/20	What does this tell me?
Council advocates for and facilitates business development and new business investment in the Horowhenua District.	Percent of the District's Business Community that are satisfied or more than satisfied with Council's overall performance in the Economic Development Activity.	>75%	The percentage of satisfied customers gives us an indication of the quality of service we are providing.
Council provides opportunities for businesses to collaborate and network resulting in a stronger business sector.	Number of business networking meetings organised per year.	>10	Council is committed to collaborate and network with the local business sector. Below 10 would indicate Council is not fulfilling this commitment.
Council provides strategic leadership in coordinating Economic Development activities across the District.*	Number of Economic Development Board meetings organised per year.	>10	Council is committed to coordinating Economic Development meetings to keep encouraging initiatives and networking. Below 10 meetings would indicate that Council could do more with the Economic Development Board.

** Note: This is outdated as Council now contracts the Horowhenua New Zealand Trust to deliver economic development in the District*

How much it will cost

Capital Expenditure Community Support

Annual Report 2017/18		LTP Forecast 2018/19	LTP Forecast 2019/20	Annual Plan Forecast 2019/20	Variance 2019/20
\$000		\$000	\$000	\$000	\$000
	Renewals portion of project				
-	Upgrade of Santa statue	18	-	-	-
-	Total renewals	18	-	-	-
	Level of service portion of project				
-	Outdoor chairs for events	5	-	-	-
2	District signage	-	-	-	-
5	Security access for emergency management	-	-	-	-
7	Total level of service	5	-	-	-
	Growth portion of project				
-	Total growth	-	-	-	-
	Make up of above projects by type				
-	Growth	-	-	-	-
7	Level of service	5	-	-	-
-	Renewals	18	-	-	-
7	Total	23	-	-	-

Forecast Funding Impact Statement for Community Support

Annual Report 2017/18		LTP Forecast 2018/19	LTP Forecast 2019/20	Annual Plan Forecast 2019/20	Variance 2019/20
\$000		\$000	\$000	\$000	\$000
	Sources of Operating Funding				
2,516	General rates, uniform annual general charges, rates penalties	2,393	2,471	2,974	503
-	Targeted rates	-	-	-	-
39	Subsidies and grants for operating purposes	27	28	28	-
-	Fees and charges	-	-	-	-
47	Local authorities fuel tax, fines, infringement fees, and other receipts	130	134	105	(29)
-	Internal charges and overheads recovered	-	-	-	-
2,602	Total Operating Funding (A)	2,550	2,633	3,107	474
	Applications of Operating Funding				
1,016	Payments to staff and suppliers	1,201	1,248	1,680	432
-	Finance costs	-	1	-	(1)
1,343	Internal charges and overheads applied	1,337	1,370	1,414	44
-	Other operating funding applications	-	-	-	-
2,359	Total applications of operating funding (B)	2,538	2,619	3,094	475
243	Surplus (deficit) of operating funding (A-B)	12	14	13	(1)
	Sources of capital funding				
-	Subsidies and grants for capital expenditure	-	-	-	-
-	Development and financial contributions	-	-	-	-
-	Increase (decrease) in debt	23	(1)	(1)	-
-	Gross proceeds from sale of assets	-	-	-	-
-	Lump sum contributions	-	-	-	-
-	Other dedicated capital funding	-	-	-	-
-	Total sources of capital funding (C)	23	(1)	(1)	-
	Applications of capital funding				
	Capital expenditure				
-	- to meet additional demand	-	-	-	-
7	- to improve the level of service	5	-	-	-
-	- to replace existing assets	18	-	-	-
236	Increase (decrease) in reserves	12	13	12	(1)
-	Increase (decrease) of investments	-	-	-	-
243	Total applications of capital funding (D)	35	13	12	(1)
(243)	Surplus (deficit) of capital funding (C-D)	(12)	(14)	(13)	1
-	Funding Balance ((A-B)+(C-D))	-	-	-	-
15	Depreciation	12	13	13	-

Activity Expenditure for Community Support

Annual Report 2017/18		LTP Forecast 2018/19	LTP Forecast 2019/20	Annual Plan Forecast 2019/20	Variance 2019/20
\$000		\$000	\$000	\$000	\$000
348	Community Development	251	266	676	410
431	Emergency Management	481	494	432	(62)
266	District Communication & Marketing	319	331	512	181
340	Community Grants & Funding	394	405	516	111
827	Economic Development	953	974	717	(257)
163	Visitor Information	152	161	254	93
2,375	Total Expenditure	2,550	2,631	3,107	476

Loans for Community Support

	External	Internal	Total
	\$000	\$000	\$000
Anticipated loan balances at 1/7/2019	-	-	-
Raised during the year	-	-	-
Repaid during the year	-	-	-
Anticipated loan balances 30/06/2020	-	-	-
Budgeted interest expense	-	-	-

Regulatory Services

The Regulatory Services Group of Activities provides advice, consenting services, assessment, education, compliance and enforcement. This Group of Activities aims to protect the health and safety of our Community and the environment they live within.

The Regulatory Services Group of Activities includes the following Activities:

- Resource Consenting
- Building Consenting
- Environmental Health
- Alcohol Licencing
- Parking Enforcement
- Building Compliance
- Resource Management Compliance
- Animal Control
- General Regulatory Services

Resource Consenting

The Resource Consenting Activity is undertaken to ensure Council is meeting its obligations under the Resource Management Act (1991).

What Resource Consenting involves:

- Processing resource consents and other applications made under the Resource Management Act.
- Providing advice to the public on the District Plan and Resource Management Act.
- Processing section 223 and 224 applications to certify approved subdivision applications.
- Engagement with the planning industry to stay informed about best practice and relevant issues.
- Provision of planning information relating to building consent applications.

Key Projects for 2019/2020

There are no key projects for the Resource Consenting Activity for 2019/2020.

How we will measure our performance:

Service	How we will measure our performance	Target 2019/20	What does this tell me?
Processing of applications under the Resource Management Act (RMA) 1991	Applications under the RMA will be processed within statutory timeframes.	Achieve	This measure indicates whether we are meeting our statutory timeframes for processing resource consent applications

Building Consenting

The Building Consenting Activity aims to ensure that buildings are constructed and/or altered in a manner which means they are safe to use.

What Building Consenting involves:

- Processing building consent applications by assessing their compliance with the Building Code.
- Undertaking inspections of the consented building work to ensure compliance with the approved building consent.
- Providing advice to the public on building consent applications and the Building Act 2004.
- Maintaining accreditation requirements in accordance with the Building (Accreditation of Building Authorities) Regulations 2006.
- Engagement with the building industry to stay informed about best practice, relevant issues and changes to processes.
- Processing code compliance certificate applications and subsequent approval where Council is satisfied the building work complies with the Building Code.

Key Projects for 2019/2020

There are no key projects for the Building Consent Activity for 2019/2020.

How we will measure our performance:

Service	How we will measure our performance	Target 2019/20	What does this tell me?
Carry out Building Consent Authority functions including enforcement of legislation relating to construction of buildings and structures	Number of months in which all building consent applications are processed within 20 working days or less.	12	This measure indicates whether we are meeting our statutory timeframes for processing building consent applications. Council has to maintain its status as a Building Consent Authority in order to be able to issue building consents (that are not subject to a waiver or modification).
	Council will maintain its accredited status as a Building Consent Authority.	Achieve	

Environmental Health (Food Safety)

Environmental Health (Food Safety) ensures that food services used by the Community are healthy and safe.

What Environmental Health (Food Safety) involves:

- Registering and auditing food businesses in accordance with regulations and legislation, most significantly the Food Act 2014.

Key Projects for 2019/2020

There are no key projects for the Environmental Health (Food Safety) Activity for 2019/2020.

How we will measure our performance:

Service	How we will measure our performance	Target 2019/20	What does this tell me?
Food safety – Food businesses are monitored to ensure compliance with legislation	Food businesses operating under the Food Act 2014 are verified at the frequency determined by the Food Regulation 2015. Food premises operating under the Food Hygiene Regulations 1974 are inspected.	Achieve N/A	Local food businesses need to be routinely verified to check they are operating safely when providing food to the public.
Food Safety – Existing food businesses are provided with assistance to transition onto the requirements of the Food Act 2014	Food businesses are provided with written material about the Food Act 2014 and have opportunities to attend training sessions/seminars.	N/A	The Food Act 2014 came into force on 1 March 2016. This piece of legislation takes a new approach to managing food safety and to help businesses transition to the new requirements, Council is offering support.

Alcohol Licensing

The Alcohol Licensing Activity aims to ensure that the sale and supply of alcohol is conducted in a manner which complies with the Sale and Supply of Alcohol Act 2012. .

What Alcohol Licensing involves:

- Processing applications for licences and managers' certificates.
- Monitoring and inspection of all licensed premises to ensure compliance with both legislation and licence conditions.
- Undertaking 'Controlled Purchase Operations' with partner agencies.
- Providing information and advice to customers on licensing requirements.

Key Projects for 2019/2020

There are no key projects for the Alcohol Licensing Activity for 2019/2020.

How we will measure our performance:

Service	How we will measure our performance	Target 2019/20	What does this tell me?
Monitoring of licensed premises to ensure compliance with relevant* legislation	Premises are inspected annually to check for compliance with their licence conditions.	Achieve	The Sale and Supply of Alcohol Act sets out who can apply for a licence to sell alcohol, between what times and other requirements. This measure ensures premises, such as restaurants and bars, are providing alcohol to the public in a way that complies with legislation and their licence requirements.

* Relevant is defined as only required under the Sale of and Supply of Alcohol Act 2012

Parking Enforcement

The Parking Enforcement Activity aims to ensure that people can easily access car parks for on and off-street parking.

What Parking Enforcement involves:

- Enforcing the parking requirements for mobility car parks, metered parking, time restricted parking, and illegal parking, including issuing infringement notices for non-compliances.
- Monitoring and enforcement of expired vehicle registrations, certificates of fitness and warrants of fitness.
- Monitoring of unauthorised parking on taxi stands, loading zones, broken yellow lines, double parking, parking on the footpath, bus stops, or inconsiderate parking.
- Monitoring and enforcement of the parking control measures specified in Council's Land Transport Bylaw 2017 and relevant legislation.

Key Projects for 2019/2020

- Replacement or upgrade of specified parking meters.
- Replacement of body cameras to improve digital image storage capability.
- Replacement or upgrade of mobile ticketing device.

How we will measure our performance:

Service	How we will measure our performance	Target 2019/20	What does this tell me?
All parking restricted areas in Levin will be enforced under the provisions of Council's Bylaw and the Land Transport Regulations	Enforcement conducted each working day.	Achieve	This measure indicates the frequency at which we are enforcing our Land Transport Bylaw and other relevant legislation e.g. how many working days a year our parking wardens are undertaking their enforcement duties.

Building Compliance

The Building Compliance Activity aims to support the Building Consenting Activity and protect health and safety by ensuring the Community is complying with building requirements.

What Building Compliance involves:

- Responding to complaints relating to non-compliances with the Building Act 2004 and associated codes and regulations, and taking appropriate action when non-compliance is observed.
- Monitoring and enforcement of the Building (Pools) Amendment Act 2016, primarily, undertaking inspections of swimming pool fencing.
- Monitoring, enforcement and actions related to the Building (Earthquake-prone Buildings) Amendment Act 2016.
- Ensuring Building Warrants of Fitness (BWOs) are renewed and are accurate.

Key Projects for 2019/2020

There are no key projects for the Building Compliance Activity for 2019/2020.

How we will measure our performance:

Service	How we will measure our performance	Target 2019/20	What does this tell me?
Carry out territorial authority functions including enforcement of legislation	Reported cases of illegal building work will be responded to within five working days.	Achieve	This measure is all about ensuring buildings and structures, such as swimming pools, are or continue to be safe for use and do not cause harm or problems in the future.
	Percentage of private swimming pools on register inspected annually for compliance.	>33%	
Carry out territorial authority functions including enforcement of legislation	100% of BWOs are renewed or Notices to Fix are issued	Achieve	Council must ensure all buildings are compliant and safe.

Resource Management Compliance

The Resource Management Compliance Activity aims to support Council's Resource Consenting Activity and the sustainable management of the environment by ensuring compliance with the Resource Management Act 1991, the Operative District Plan and resource consent conditions.

What Resource Management Compliance involves:

- Responding to complaints and queries relating to the Resource Management Act 1991, Operative District Plan or conditions of resource consents, and taking appropriate action when a non-compliance is observed.
- Monitoring of compliance with resource consent conditions, and taking appropriate enforcement measures in respect of non-compliance.

Key Projects for 2019/2020

There are no key projects for the Resource Management Compliance Activity for 2019/2020.

How we will measure our performance:

Service	How we will measure our performance	Target 2019/20	What does this tell me?
Monitoring of District Plan requirements, resource consent compliance and complaints	Known and reported instances of non-compliances with the District Plan and any resource consents will be responded to within five working days.	Achieve	This measure indicates our response to any known or reported instances where a certain activity does not meet the requirements of the District Plan or a resource consent. Resource consents may be granted with conditions to help control any adverse effects the consent's activity may have. For those consents that are required to be monitored, Council must check they are complying with their conditions.
	All resource consents that are required to be monitored for the year are monitored for compliance with conditions.	Achieve	

Animal Control

The Animal Control Activity aims to implement, and enforce, legislation and Council bylaws related to dogs and animals to improve public safety by mitigating the risk of harm, injury, or nuisance in our Community.

What Animal Control involves:

- Maintaining a register of dogs in the District.
- Patrolling the District for animal nuisances.
- Responding to complaints about dogs and livestock.
- Providing impounding facilities for dogs and livestock.
- Educating the public on the responsibilities of dog ownership.
- Re-homing or euthanising unclaimed animals.
- Enforcement of Council's bylaws related to Animal Control - *Dog Control Bylaw 2015, Animal Nuisance and the Keeping of Pigs, Poultry and Bees Bylaw 2014 and Land Transport Bylaw 2017 (Part 2 – Stock Control and Movement)*.
- Enforcement of relevant legislation – *Dog Control Act 1996 and Impounding Act 1955*.

Key Projects for 2019/2020

- Extension to dog pound kennels.
- Replacement of video equipment.
- Sealing of pound driveway.

How we will measure our performance:

Service	How we will measure our performance	Target 2019/20	What does this tell me?
Reported instances of non-compliances and dog nuisances will be responded to	Percent of reported instances of non-compliances and dog nuisances will be responded to. An after-hours emergency response will be continuously provided.	100% Achieve	This measure will tell us how effective our response is to reports of non-compliances with bylaws, such as Council's Dog Control Bylaw, and dog nuisances. When responding to these reports, our aim is to ensure that animals are looked after and are not menacing or a nuisance to the public.
Registration and classification of all known dogs within the District	Percent of known dogs that will be registered or accounted for annually by 31 October.	100%	This measure indicates how much of the known dog population is accounted for on our register. For each dog, the register holds information on the dog itself, their owner and its microchip number (if it has one), so if it was ever lost or stolen there is the information to help the dog be reunited with its owner. The register also helps us keep track of dogs deemed to be menacing or dangerous.

General Regulatory Services

The General Regulatory Services Activity consists of a number of sub-activities undertaken as part of Council's general regulatory functions, with the aim of dealing with statutory nuisance-related matters, registration, permitting and inspection of appropriate activities.

What General Regulatory Services involves:

- Review, develop and/or input to and relevant bylaws and policies.
- Respond to general noise complaints and take appropriate action.
- Respond to complaints regarding vehicles reported as being abandoned in public places and take appropriate action.
- Permitting and inspection of amusement device.
- Respond to general bylaw complaints.
- Inspecting registered camping grounds, funeral directors, and hairdressing premises to ensure compliance with relevant regulations and legislation.
- Investigating health nuisance complaints and carrying out enforcement action when appropriate.

Key Projects for 2019/2020

There are no key projects for the General Regulatory Services Activity for 2019/2020.

How we will measure our performance:

Service	How we will measure our performance	Target 2019/20	What does this tell me?
Noise complaints response service will be provided	Noise complaints services are provided all year round and 90% of complaints will be responded to within 60 minutes.	Achieve	Excessive noise can cause a nuisance, especially if occurring within a quiet part of a neighbourhood. This measure indicates whether we are responding to any noise complaints efficiently and ensuring that the noise, if deemed excessive, is addressed.
Public safety bylaws and other legislation will be enforced	Percent of reported non-compliances and complaints that are responded to within five working days.	100%	Our public safety bylaws are in place to ensure our community feel safe in the environment they live within. Any non-compliance with the bylaws or other legislation that compromises public safety should be addressed efficiently, which is what this measure is looking at.

How much it will cost

Capital Expenditure for Regulatory Services

Annual Report 2017/18		LTP Forecast 2018/19	LTP Forecast 2019/20	Annual Plan Forecast 2019/20	Variance 2019/20
\$000		\$000	\$000	\$000	\$000
	Renewals portion of project				
-	Body worn video equipment	-	6	6	-
-	Vehicles - Replacing HPR874	-	36	37	1
-	Vehicles - Replacing HPK637	-	36	37	1
-	Mobile ticketing devices	23	-	-	-
-	Body worn video equipment	-	6	6	-
-	Parking mobile ticket device	-	22	23	1
-	Replacement or upgrade of parking meters	-	11	10	(1)
-	Total renewals	23	117	119	2
	Level of service portion of project				
-	Concreting extensions dog pound pup kennels	-	5	5	-
-	Pound - Driveway sealing	26	-	-	-
-	Total level of service	25	5	5	-
	Growth portion of project				
-		-	-	-	-
-	Total growth	-	-	-	-
	Make up of above projects by type				
-	Growth	-	-	-	-
-	Level of service	25	5	5	-
-	Renewals	23	117	119	2
-	Total	48	122	124	2

Funding Impact Statement for Regulatory Services

Annual Report 2017/18		LTP Forecast 2018/19	LTP Forecast 2019/20	Annual Plan Forecast 2019/20	Variance 2019/20
\$000		\$000	\$000	\$000	\$000
	Sources of Operating Funding				
1,937	General rates, uniform annual general charges, rates penalties	1,905	2,115	1,659	(456)
-	Targeted rates	-	-	-	-
-	Subsidies and grants for operating purposes	-	-	-	-
13	Fees and charges	9	9	9	-
2,471	Local authorities fuel tax, fines, infringement fees, and other receipts	2,849	2,760	2,988	228
-	Internal charges and overheads recovered	-	-	-	-
4,421	Total Operating Funding (A)	4,763	4,884	4,656	(228)
	Applications of Operating Funding				
367	Payments to staff and suppliers	449	434	504	70
88	Finance costs	-	2	-	(2)
4,303	Internal charges and overheads applied	4,235	4,368	4,073	(295)
-	Other operating funding applications	-	-	-	-
4,758	Total applications of operating funding (B)	4,684	4,804	4,577	(227)
(337)	Surplus (deficit) of operating funding (A-B)	79	80	79	(1)
	Sources of capital funding				
-	Subsidies and grants for capital expenditure	-	-	-	-
-	Development and financial contributions	-	-	-	-
(80)	Increase (decrease) in debt	(31)	42	45	3
-	Gross proceeds from sale of assets	-	-	-	-
-	Lump sum contributions	-	-	-	-
-	Other dedicated capital funding	-	-	-	-
(80)	Total sources of capital funding (C)	(31)	42	45	3
	Applications of capital funding				
	Capital expenditure				
-	- to meet additional demand	-	-	-	-
-	- to improve the level of service	25	5	5	-
-	- to replace existing assets	23	117	119	2
(417)	Increase (decrease) in reserves	-	-	-	-
-	Increase (decrease) of investments	-	-	-	-
(417)	Total applications of capital funding (D)	48	122	124	2
337	Surplus (deficit) of capital funding (C-D)	(79)	(80)	(79)	1
-	Funding Balance ((A-B)+(C-D))	-	-	-	-
75	Depreciation	79	79	79	-

Activity Expenditure for Regulatory Services

Annual Report 2017/18		LTP Forecast 2018/19	LTP Forecast 2019/20	Annual Plan Forecast 2019/20	Variance 2019/20
\$000		\$000	\$000	\$000	\$000
258	Animal Control	253	262	262	-
593	Dog Control	608	627	618	(9)
275	Building Policy	289	298	263	(35)
323	Environmental Health	278	285	391	106
44	Liquor Policy	60	63	41	(22)
488	Parking	577	583	495	(88)
542	Planning Policy	320	331	276	(55)
1,118	Building Consents	1,119	1,131	1,116	(15)
219	Safety Licencing	256	262	290	28
648	Resource Planning	687	712	594	(118)
239	Liquor Licences	224	232	233	1
87	Environmental Health Policy	91	95	79	(16)
4,834	Total Expenditure	4,762	4,881	4,658	(223)

Loans for Regulatory Services

	External	Internal	Total
	\$000	\$000	\$000
Anticipated loan balances at 1/7/2019	-	-	-
Raised during the year	-	-	-
Repaid during the year	-	-	-
Anticipated loan balances 30/06/2020	-	-	-
Budgeted interest expense	-	-	-

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Council Financial Statements



Funding Impact Statement

1. Revenue and Financing Sources Generally

The following revenue mechanisms will be used in 2019-2020:

- General rates;
- Targeted rates;
- Fees and charges;
- Interest and dividends; and
- Grants and subsidies.

2. Funding Mechanisms

The following funding mechanisms will be used in 2019-2020:

- Financial contributions;
- Borrowing;
- Proceeds from asset sales; and
- Reserves.

Refer to Council's Revenue and Financing Policy for further information on how these funding mechanisms will be used.

3. Definition of Separately Used or Inhabited Parts (SUIP)

Several of the rates listed in this Statement are assessed on the basis of the number of SUIPs there are in a rating unit.

SUIPs are listed in Schedule 3 of the Local Government (Rating) Act 2002 as one of the factors that may be used in calculating liability for Targeted rates. Section 15(1)(b) allows SUIPs to be used as the basis for Uniform Annual General Charges (UAGCs) as well.

Where rates are calculated on each SUIP of a rating unit, the following definitions will apply:

- A SUIP of a rating unit includes any portion inhabited or used by the owner/a person other than the owner, and who has the right to use or inhabit that portion by virtue of a tenancy, lease, licence, or other agreement.
- This definition includes separately used parts, whether or not actually occupied at any particular time, which are provided by the owner for rental (or other form of occupation) on an occasional or long-term basis by someone other than the owner.
- Any part/s of a rating unit that is used or occupied by the ratepayer for more than one single use.
- For the purpose of this definition, vacant land and vacant premises offered or intended for use or habitation by a person other than the owner and usually used as such are defined as 'used'.
- For the avoidance of doubt, a rating unit that has a single use or occupation is treated as having one separately used or inhabited part.

For clarity, Separately Used or Inhabited Parts include:

- a residential property, each separately habitable unit, flat, house or apartment.
- On a commercial property, each separate space intended to be used as a shop or other retail or wholesale outlet, other than that used by the owner.
- In an office block, each space intended to be used as offices that is or would be used by a different business from the owner.

A separately used habitable unit, flat, house, or apartment is defined as having a separate entrance, cooking facilities, living facilities, and toilet/bathroom facilities.

Council has recognised that there are certain instances where the above situations will occur, but in circumstances that do not give rise to separate uses or inhabitations. For clarity, SUIP do not include:

- A hotel room with or without kitchen facilities. A hotel room is defined as one or multiple rooms/units offered on an occasional basis for rental;
- A motel room with or without kitchen facilities. A motel room is defined as one or multiple rooms/units offered for on an occasional basis for rental; and
- A single residential unit in a non-residential property that is an integral part of the commercial operation and is used for the commercial operation, i.e. not separately tenanted (such as a single house in conjunction with a farm, a motel, or a dairy).

4. Rates for the Year Ending 30 June 2020

4.1 General Information

Rating period: The rates described in this section are for the financial year 1 July 2019 to 30 June 2020.

Goods and Services Tax (GST): The rates described below include Goods and Services Tax (GST). The revenues required are net of GST.

Rating information database: The information held to determine the liability for rates in 2019-2020 are available for inspection at Council's office at 126-148 Oxford Street, Levin during normal office hours. This information includes the rating valuations as at 1 August 2016 which form the basis of rating in 2017-2018 (and the subsequent first two years) and the categories and factors for the various relevant rates described below in respect of particular rating units.

4.2 General Rates

The General rates are assessed to fund all activities not funded from Targeted rates or other revenue sources or funding mechanisms. The Activities funded from the General rates include:

- Regulatory Services (liquor, health and safety licensing, building consents, resource consents, animal control, parking enforcement, and general regulatory services);
- Community Facilities and Services, except Library and Community Centres and Aquatic Centres (passive reserves, street beautification, sports grounds, cemeteries, halls and community buildings, and public toilets);

- Community Support (emergency management, community engagement, visitor information, and economic development);
- Governance and Community Leadership for the activities of Strategic Planning and District Plan development only;
- Property (commercial property, general property, Council buildings); and
- Treasury activities (investment and borrowing activities).

General rates are to be set on a differential rate in the dollar on the Land Value (LV) of the land. LVs are assessed every three years, and were last assessed in 2016. These values will form the basis of rating from 1 July 2019.

The General rates levied on LV are set differentially, so as to maintain the incidence of the rates between the categories of property. Council decided (as part of the Revenue and Financing Policy review for the 2009-2019 LTP) to dispense with all but the Rural Differential. However, in order to lessen the impact of such a change, Council agreed to phase out all other differentials over 10 years (2009/10 – 2018/19 incl.) This financial year 1 July 2019 to 30 June 2020 is the first year after the phased period.

Therefore in the year (2019/20);

- The Rural category are those rating units that are located in areas outside the Urban and Township category boundaries but not those rating units classified as Rural Residential. i.e. those rating units classified as Lifestyle and Residential (other than those rating units identified as “vacant” or “bare”). These properties will be identified in the District valuation roll DVR using the “Property Category” codes from Appendix F of the Valuation Rules 2008, promulgated by the Valuer General. These rating units will contribute 25.00% (25.00% 2017/18) of General rates.
- A District wide differential Urban, Township and rural Residential, i.e. all rating units other than those in the Rural category, will contribute 75% (in comparison to 66.88% in 2017/18). Urban and Township categories are rating units in Levin, Shannon, Foxton, Waikawa Beach, Manakau, Ōhau, Hōkio Beach, Waitārere Beach, Foxton Beach, and Tokomaru urban areas, as shown on the maps available defining those areas for rating purposes held at Council’s office in Levin.

Council is not setting a Uniform Annual General Charge (under Section 15 of the Local Government (Rating) Act 2002 (LG(R)A)), preferring instead to set Targeted rates as fixed amounts for Library Services and Community Centres, Representation and Community Leadership, Solid Waste, Aquatic Centres, Water Supply and Wastewater (refer below).

4.3 Targeted Rates for Roothing

This rate funds all Roothing (Land Transport) costs (maintenance, renewals and minor capital improvements of roads, streets, roadside signage, road marking, bridges, footpaths, roadside drainage) covered by the Land Transport Group of Activities.

The Roothing rate is to be set using Capital Value (CV) which is assessed every three years. These were last assessed in 2016, and it is those values that will form the basis of rating from 1 July 2019.

Therefore:

- The Business Differential will contribute 35% of the Roding rate and applies to those rating units identified as Arable, Commercial (including all rest homes/retirement villages other than those that have separate title for the individual units or houses), Dairy, Forestry (except protected forestry), Horticultural, Industrial, Mining, Pastoral, Specialist Livestock, and Utilities using the “Property Category” codes from Appendix F of the Rating Valuation Rules 2008, promulgated by the Valuer-General.
- A District wide Other Differential will contribute 65% of the Roding rate and applies to those rating units identified as Lifestyle, Residential (excluding all rest homes/retirement villages but including those that have separate title for the individual units or houses) and Other using the “Property Category” codes from Appendix F of the Rating Valuation Rules 2008, promulgated by the Valuer-General.

4.4 Targeted Rates for Stormwater

This rate funds all stormwater costs within the Stormwater Group of Activities.

This rate is to be set using CV of all urban rating units. Urban rating units are defined as those rating units within the towns of Levin, Foxton, Shannon, Tokomaru, Foxton Beach, Waitārere Beach, Hōkio Beach, Ōhau, Waikawa Beach, and Manakau as shown on the maps available defining those areas for rating purposes held at Council’s office in Levin.

4.5 Targeted Rates for Library Services and Community Centres

This rate is assessed as a fixed charge of a uniform amount on the basis of the number of SUIPs of each rating unit within the District.

4.6 Targeted Rates for Representation and Community Leadership

This is a Targeted rate to fund Representation and Community Leadership costs (Council and committees, consultation, advocacy, and elections).

This rate is assessed as a fixed charge of a uniform amount on the basis of the number of SUIPs of each rating unit within the District.

4.7 Targeted Rates for Aquatic Centres (Swimming Pools).

This is a Targeted rate to fund the cost of operating Council’s public Aquatic Centres (swimming pools).

This rate is assessed as a fixed charge of a uniform amount on the basis of the number of SUIPs of each rating unit within the District.

4.8 Targeted Rates for Solid Waste Disposal

This rate funds the Solid Waste Group of Activities including the provision of the Landfill, Waste Transfer Stations, waste minimisation initiatives, refuse/ recycling collection and recycling facilities.

This rate is set differentially as a fixed charge of a uniform amount on the basis of the number of SUIPs of each rating unit using the urban and rural differential categories.

Urban rating units pay a differential of 80% for the solid waste costs. Urban rating units are defined as those rating units within the towns of Levin, Foxton, Shannon, Tokomaru, Foxton Beach, Waitārere Beach, Hōkio Beach, Ōhau, Waikawa Beach and Manakau as shown on the maps available defining those areas for rating purposes held at Council's office in Levin.

Rural rating units pay a differential of 20% for the solid waste costs. Rural areas are defined as all areas within the District that are outside the defined "urban" differential described above.

4.9 Targeted Rates for Water Supply

This rate funds the cost of operating, maintaining and improving the supply of reticulated drinkable water to various Communities within the District.

This rate is set differentially as a fixed charge of a uniform amount. Council also charges for metered supplies.

Connected Differential

Council sets a fixed charge rate on all rating units for which connection to a reticulated drinkable water supply is available. This does not include Moutoa, Waikawa, or Kuku schemes, which are not drinkable supplies. A reticulated potable water supply is available to a rating unit if a lateral/s exists for the purpose of delivering water from the trunk main to the rating unit, and there is a connection from the land within the rating unit to that lateral/s or trunk main.

Liability for the rate will be assessed on whichever is the greater of:

- (a) each rating unit, or
- (b) the number of SUIPs of each rating unit, or
- (c) the number of connections of each rating unit.

The Foxton Beach charge is reduced by an allowance to account for the universal metering of Foxton Beach.

Availability Differential

A fixed charge rate on any rating unit not connected to, but within 100 metres of a trunk main for a reticulated drinkable water supply that is available to the rating unit. A reticulated drinkable water supply is available to a rating unit if a lateral/s exists for the purpose of delivering water from the trunk main to the rating unit or, if no lateral exists, if Council will allow the rating unit to be connected. This rate is set at 50% of the fixed charge for a connected rating unit.

Water by meter (Refer to page 366 of the Long Term Plan 2018-38 for water-by-meter rates per cubic meter)

In all schemes (except Foxton Beach), the additional fees for metered supplies are subject to an allowance of 91 cubic metres (m³) per quarter. A charge per m³ will be made for water consumed in excess of 91m³ per quarter on any rating unit connected to any water supply; except Foxton Beach where a meter is used to measure consumption on the network.

The charge per m³ of water consumed in excess of 91m³ per day on any rating unit connected to the Shannon untreated bore water supply, where a meter is used to measure consumption on the network during the period, will be half that charged for treated water.

Foxton Beach water supply will be charged by cubic metre (in addition to the fixed charge described above) using a three step system:

Step 1 – A charge per m³ for the first 50m³ of water consumed per quarter on any rating unit or SUIP of a rating unit connected to the Foxton Beach water supply network during the period.

Step 2 – A charge per m³ for the second 50m³ of water consumed per quarter in excess of 50 m³ on any rating unit or SUIP of a rating unit connected to the Foxton Beach water supply network. This will be set at 200% of the rate set in step 1.

Step 3 – A charge per m³ for the balance of water consumed per quarter in excess of 100m³ on any rating unit or SUIP of a rating unit connected to the Foxton Beach water supply network. This will be set at 300% of the rate set in step 1.

4.10 Targeted Rates for Wastewater Disposal

The Wastewater rate will fund the cost of providing reticulated wastewater disposal for various Communities in the District, according to whether a property is connected or serviceable.

This rate is set differentially as a fixed charge of a uniform amount.

Connected Differential

Council sets a fixed charge rate on all rating units across the District for which connection to a reticulated wastewater disposal system is available. A reticulated wastewater disposal system is available to a rating unit if a lateral/s exists for the purposes of accepting wastewater from the rating unit to the wastewater trunk main, where there is a connection from the land within the rating unit to that lateral/s or trunk main.

Liability for the fixed-sum rate will be assessed on whichever is greater:

- (a) each rating unit, or
- (b) the number of SUIPs of each rating unit, or
- (c) the number of connections of each rating unit.

Availability Differential

A fixed charge rate on any rating unit that is not connected to a reticulated wastewater disposal system, but is within 30m of a trunk main that is available to take waste from the rating unit. A reticulated wastewater disposal system is available to a rating unit if a lateral/s exists for the purpose of accepting wastewater from the rating unit to the wastewater trunk main or, if no lateral exists, if Council will allow the rating unit to be connected. This rate is set at 50% of the fixed charge for a connected rating unit.

Funding Impact Statement 2019/2020

Rating Mechanisms

Rating Mechanisms	Rating Basis	GST Inclusive	GST Exclusive		
		Rates in the \$ 2019/20	LTP Forecast 30 June 2019	LTP Forecast 30 June 2020	AP Forecast 30 June 2020
General Rate					
Rural Differential	Land value	0.00177526	2,388	2,564	2,619
Urban Differential	Land value	-		-	
Township Differential	Land value	-		-	
Rural Residential Differential	Land value	-		-	
District Wide Differential	Land value	0.00578827	7,165	7,692	7,857
Total General Rate			9,553	10,256	10,476
Roading Rate					
Business Use Differential	Capital Value	0.00063508	1,438	1,220	1,359
District Wide Other Differential	Capital Value	0.00070427	2,671	2,266	2,524
Total Rooding Rate			4,110	3,486	3,882
Stormwater Rate	Capital Value	0.00046350	1,051	1,331	1,254
Library and Community Centre Rate	SUIP	257.40	4,050	4,663	4,064
Representation and Community Leadership Rate	SUIP	225.30	3,505	3,625	3,556
Aquatic Centre Rate District Wide	SUIP	151.30	2,346	2,431	2,388
Solid Waste Rate					
Rural Differential	SUIP	21.40	63	70	89
Urban Differential	SUIP	30.70	252	280	356
Total Solid Waste Rate			315	350	445
Water Supply Rate					
Water Supply District Wide Connected (excl Foxton Beach)	Refer Note 1	480.40	4,738	4,829	4,901
Water Supply District Wide Availability	Rating Unit	240.20	66	67	68
Foxton Beach Connected	Refer Note 1	384.20	481	544	506
Total Water Supply Rate			5,284	5,440	5,476
Wastewater Rate					
Wastewater District Wide Connected	Refer Note 1	654.30	6,780	7,612	7,158
Wastewater District Wide Availability	Rating Unit	327.15	110	122	113
Total Wastewater Rate			6,890	7,734	7,271
Total Rates Required			37,105	39,316	38,811
Penalties			380	388	388
Rates Remissions			(400)	(408)	(408)
Water - by - meter rates			1,276	1,308	1,308
Total Rates income			38,362	40,604	40,099

Additional tables to Rating Mechanisms

Rating Base	LTP Forecast 30 June 2019	LTP Forecast 30 June 2020	AP Forecast 30 June 2020
Total Rates GST inclusive	42,671	45,213	44,633
Rateable Rating Units	17,961	18,206	17,669
Average rates	2,376	2,483	2,526
Total number of rating units LGA Schedule 10 Part 1 Clause 15A	18,075	18,320	18,054

Water by Meter rates			LTP Forecast 30 June 2019	LTP Forecast 30 June 2020	AP Forecast 30 June 2020
District wide except Foxton Beach	Cubic Meter	2.08	1,153	1,181	1,181
Foxton Beach	Cubic Meter	0.87	124	127	127
Total water by meter rates			1,276	1,308	1,308

Funding Impact Statement 2019/2020

Annual Report 2017/18		LTP Forecast 2018/19	LTP Forecast 2019/20	Annual Plan Forecast 2019/20	Variance 2019/20
\$000		\$000	\$000	\$000	\$000
	Sources of Operating Funding				
9,374	General rates, uniform annual general charges, rates penalties	9,533	10,235	10,456	221
27,006	Targeted rates	28,828	30,368	29,644	(724)
1,454	Subsidies and grants for operating purposes	1,688	1,478	1,773	295
5,601	Fees and charges	5,664	5,241	5,011	(230)
161	Interest and dividends from investments	205	209	209	-
3,209	Local authorities fuel tax, fines, infringement fees, and other receipts	3,660	3,674	4,026	352
46,805	Total Operating Funding (A)	49,578	51,205	51,119	(86)
	Applications of Operating Funding				
34,842	Payments to staff and suppliers	35,426	36,495	40,102	3,607
3,291	Finance costs	3,800	4,393	3,870	(523)
-	Other operating funding applications	-	-	-	-
38,133	Total applications of operating funding (B)	39,226	40,888	43,972	3,084
8,672	Surplus (deficit) of operating funding (A-B)	10,352	10,317	7,147	(3,170)
	Sources of capital funding				
4,870	Subsidies and grants for capital expenditure	4,672	4,308	4,689	381
197	Development and financial contributions	-	-	-	-
3,000	Increase (decrease) in debt	12,494	12,510	13,813	1,303
7,306	Gross proceeds from sale of assets	7,000	-	7,000	7,000
-	Lump sum contributions	-	-	-	-
-	Other dedicated capital funding	-	-	-	-
15,373	Total sources of capital funding (C)	24,166	16,818	25,502	8,684
	Applications of capital funding				
	Capital expenditure				
2,359	- to meet additional demand	3,933	3,600	2,112	(1,488)
9,318	- to improve the level of service	14,882	10,847	15,987	5,140
12,498	- to replace existing assets	15,703	12,688	14,550	1,862
(375)	Increase (decrease) in reserves	-	-	-	-
248	Increase (decrease) of investments	-	-	-	-
24,045	Total applications of capital funding (D)	34,518	27,135	32,649	5,514
(8,672)	Surplus (deficit) of capital funding (C-D)	(10,352)	(10,317)	(7,147)	3,170
-	Funding Balance ((A-B)+(C-D))	-	-	-	-
13,860	Depreciation	13,489	14,211	14,448	237

Financial Statements

The Financial Statements include:

- Forecast Statement of Comprehensive Revenue and Expense.
- Reconciliation between Forecast Cost of Service Statements and the Forecast Statement of Comprehensive Revenue and Expense.
- Forecast Statement of Financial Position.
- Forecast Statement of Changes in Net Assets/Equity.
- Forecast Cash Flow.

Forecast Statement of Comprehensive Revenue and Expense

Annual Report 2017/18		LTP Forecast 2018/19	LTP Forecast 2019/20	Annual Plan Forecast 2019/20	Variance 2019/20
\$000		\$000	\$000	\$000	\$000
	Revenue				
36,381	Rates Revenue	38,362	40,603	40,099	(504)
6,325	Grants & Subsidies	6,360	5,786	6,462	676
161	Finance Income	205	209	209	-
8,808	Other Revenue	9,324	8,915	9,036	121
356	Investment (Gains)/Losses	120	141	122	(19)
197	Development Contributions	-	-	-	-
203	Vested Assets	-	-	-	-
52,431	Total Revenue	54,371	55,654	55,928	274
	Expenditure				
13,369	Employee benefit Expenses	13,975	14,751	15,017	266
3,291	Finance Costs	3,800	4,393	3,870	(523)
13,860	Depreciation & Amortisation	13,489	14,211	14,448	237
24,061	Other Expenses	21,452	21,746	25,082	3,336
54,581	Total Expenditure	52,716	55,101	58,417	3,316
(2,150)	Net Surplus	1,655	553	(2,489)	(3,042)
	Other Comprehensive Income				
7,792	Revaluation of Assets	9,353	14,257	9,578	(4,679)
7,792	Total Other Comprehensive Income	9,353	14,257	9,578	(4,679)
5,642	Total Comprehensive Income	11,008	14,810	7,089	(7,721)

Reconciliation between Forecast Cost of Service Statements and the Forecast Statement of Comprehensive Revenue and Expense

Annual Report 2017/18		LTP Forecast 2018/19	LTP Forecast 2019/20	Annual Plan Forecast 2019/20	Variance 2019/20
\$000		\$000	\$000	\$000	\$000
	Revenue				
52,431	Prospective Statement of Comprehensive Revenue and Expense	54,371	55,654	55,928	274
	Summary Funding Impact Statement				
46,805	Total Operating Funding	49,578	51,205	51,119	(86)
	Add Sources of Capital Funding				
4,870	Sources of capital funding	4,673	4,308	4,687	379
197	Development Contributions	-	-	-	-
356	Investment (Gains)/Losses	120	141	122	(19)
203	Vested assets	-	-	-	-
52,431	Total Revenue	54,371	55,654	55,928	274
	Expenditure				
	Prospective Statement of Comprehensive Revenue and Expense				
54,581	Operating Expenditure	52,716	55,101	58,417	3,316
	Summary Funding Impact Statement				
38,133	Total applications of operating funding	39,227	40,890	43,969	3,079
184	Loss on derivative financial instruments	-	-	-	-
13,860	Depreciation and Amortisation Expense	13,489	14,211	14,448	237
2,262	Other losses	-	-	-	-
142	Increase in landfill provision	-	-	-	-
54,581	Total Expenditure	52,716	55,101	58,417	3,316

Forecast Statement of Financial Position

Annual Report 2017/18		LTP Forecast 2018/19	LTP Forecast 2019/20	Annual Plan Forecast 2019/20	Variance 2019/20
\$000		\$000	\$000	\$000	\$000
	Assets				
	Current Assets				
960	Cash & Cash Equivalents	11,024	11,039	10,571	(468)
5,567	Debtors & Other Receivables	6,172	6,306	5,566	(740)
5,375	Other financial assets	-	-	-	-
542	Non-current assets held for sale	-	-	542	542
12,444	Total Current Assets	17,196	17,345	16,679	(666)
	Non-Current Assets				
1,108	Biological Assets	1,575	1,611	1,131	(480)
1,756	Intangible Assets	1,784	1,852	1,818	(34)
-	Investment Property	-	-	5,979	5,979
1,589	Other Financial Assets	1,484	1,484	6,964	5,480
54,281	Operational Assets	53,713	56,816	49,081	(7,735)
441,611	Infrastructural Assets	462,103	481,058	471,158	(9,900)
1,756	Restricted Assets	48,951	54,110	49,055	(5,055)
551,370	Total Non-Current Assets	569,610	596,931	585,186	(11,745)
563,814	Total Assets	586,806	614,276	601,865	(12,411)
	Liabilities				
	Current Liabilities				
10,718	Creditors & Other Payables	9,962	10,110	10,718	608
723	Employee Benefit Liabilities	1,155	1,155	723	(432)
110	Provisions	1,129	1,129	110	(1,019)
20,000	Borrowings	5,000	19,000	9,000	(10,000)
31,551	Total Current Liabilities	17,246	31,394	20,551	(10,843)
	Non-Current Liabilities				
137	Employee Benefit Liabilities	166	166	137	(29)
3,433	Provisions	2,367	2,367	3,433	1,066
60,000	Borrowings	87,494	86,004	101,565	15,561
1,507	Other Financial Liabilities	1,499	1,499	1,506	7
65,077	Total Non-Current Liabilities	91,526	90,036	106,641	16,605
96,628	Total Liabilities	108,772	121,430	127,192	5,762
467,186	Net Assets	478,034	492,846	474,673	(18,173)
	Equity				
256,775	Rate Payers Equity	260,215	260,880	254,697	(6,183)
201,312	Revaluation Reserves	209,464	223,721	210,890	(12,831)
9,099	Special Funds	8,355	8,245	9,086	841
467,186	Total Equity	478,034	492,846	474,673	(18,173)

Forecast Statement of Changes in Net Assets/Equity

Annual Report 2017/18		LTP Forecast 2018/19	LTP Forecast 2019/20	Annual Plan Forecast 2019/20	Variance 2019/20
\$000		\$000	\$000	\$000	\$000
461,544	Equity balance at 1 July	467,026	478,036	467,584	(10,452)
5,642	Comprehensive income for year	11,008	14,810	7,089	(7,721)
467,186	Equity Balance 30 June	478,034	492,846	474,673	(18,173)
	Components of Equity				
263,895	Retained Earnings at 1 July	258,560	260,327	257,186	(3,141)
(7,120)	Net Surplus/(Deficit)	1,655	553	(2,489)	(3,042)
256,775	Retained earnings 30 June	260,215	260,880	254,697	(6,183)
189,230	Revaluation Reserves at 1 July	200,111	209,464	201,312	(8,152)
12,082	Revaluation Gains	9,353	14,257	9,578	(4,679)
201,312	Revaluation Reserves 30 June	209,464	223,721	210,890	(12,831)
8,419	Council Created Reserves at 1 July	8,355	8,245	9,086	841
680	Transfers to / (from) reserves	-	-	-	-
9,099	Council created Reserves 30 June	8,355	8,245	9,086	841
467,186	Equity at 30 June	478,034	492,846	474,673	(18,173)

Forecast Cash Flow

Annual Report 2017/18		LTP Forecast 2018/19	LTP Forecast 2019/20	Annual Plan Forecast 2019/20	Variance 2019/20
\$000		\$000	\$000	\$000	\$000
	Cashflow from Operating Activities				
	Cash was provided from:				
36,995	Rates Revenue	38,362	40,469	40,099	(370)
155	Finance Income	205	209	209	-
15,086	Other Revenue	15,684	14,702	15,498	796
52,236	Total Cash provided	54,251	55,380	55,806	426
	Cash was disbursed to:				
34,955	Payments Staff & Suppliers	35,428	36,348	40,099	3,751
3,230	Finance Costs	3,800	4,393	3,870	(523)
(15)	Net GST movement				
38,170	Total Cash disbursed	39,228	40,741	43,969	3,228
14,066	Net Cashflow from Operating Activity	15,023	14,639	11,837	(2,802)
	Cashflow from Investing Activities				
	Cash was provided from				
-	Proceeds from Investments	-	-	-	-
7,488	Proceeds Sale of Assets	7,000	-	7,000	7,000
7,488	Total Cash provided	7,000	-	7,000	7,000
	Cash was disbursed to:				
5,248	Purchase of Investments	-	-	-	-
23,420	Purchase of Assets	34,517	27,134	32,650	5,516
28,668	Total Cash disbursed	34,517	27,134	32,650	5,516
(21,180)	Net Cashflow from Investing Activity	(27,517)	(27,134)	(25,650)	1,484
	Cashflow from Financing Activities				
	Cash was provided from:				
35,000	Loans Raised	26,494	17,510	28,813	11,303
35,000	Total Cash provided	26,494	17,510	28,813	11,303
	Cash was disbursed to:				
32,000	Loan Repayments	14,000	5,000	15,000	10,000
32,000	Total Cash disbursed	14,000	5,000	15,000	10,000
3,000	Net Cashflow from Financing Activity	12,494	12,510	13,813	1,303
(4,114)	Net Increase (Decrease) in Cash Held	-	15	-	(15)
5,074	Add Opening Cash bought forward	11,024	11,024	10,571	(453)
960	Closing Cash Balance	11,024	11,039	10,571	(468)
960	Closing Balance made up of Cash and Cash Equivalents	11,024	11,039	10,571	(468)

Reserve Funds

Reserves are held to ensure that funds received for a particular purpose are used for that purpose and any surplus created is managed in accordance with the reason for which the reserve was established.

Surpluses held in reserves are credited with interest. Council holds 14 reserves, with four being restricted reserves. Restricted reserves are reserves that have rules set by legal obligation that restrict the use that Council may put the funds towards. The remaining Council created reserves are discretionary reserves which the Council has established for the fair and transparent use of monies. Reserve balances are not separately held in cash and the funds are managed as part of the Council's treasury management.

Below is a list of current reserves outlining the purpose for holding each reserve and the Council activity to which each reserve relates, together with summary financial information across the Annual Plan:

	Activity	LTP Forecast Closing Balance 30 June 2018 \$000	LTP Forecast Closing Balance 30 June 2019 \$000	AP Forecast Opening Balance 1 July 2019 \$000	Deposits for the period of the AP \$000	Withdraw als for the period of the AP \$000	Forecast Closing Balance 30 June 2020 \$000
Restricted Reserves – Purpose of the Fund							
Foxton Beach Freeholding Fund Accumulated cash reserves from the Foxton Beach Endowment land sales under the separate Act gifting the land for the benefit of Foxton and Foxton Beach community projects.	Endowment Property	4,571	4,388	5,181	337	396	5,122

	Activity	LTP Forecast Closing Balance 30 June 2018	LTP Forecast Closing Balance 30 June 2019	AP Forecast Opening Balance 1 July 2019	Deposits for the period of the AP	Withdraw als for the period of the AP	Forecast Closing Balance 30 June 2020
		\$000	\$000	\$000	\$000	\$000	\$000
<p>Reserve Land Reserve</p> <p>To hold funds derived from the sale of surplus reserve land to be spent on the future development of reserves under the Reserve Act.</p>	Community Facilities and Services Activity	182	188	187	4	-	191
<p>Wairarawa Stream Walkway</p> <p>To hold funding derived for the purpose of upgrading the walkway to be spent on the upgrade.</p>	Community Facilities and Services Activity	54	55	55	1	0	56
<p>Road Upgrade Reserve</p> <p>To fund transport network improvements as approved by the Council, from the accumulated funds of the former Horowhenua County Council subdivision contributions to roading.</p>	Land Transport/ Roads and Footpaths Activity	773	796	791	18	-	809

Activity	LTP Forecast Closing Balance 30 June 2018	LTP Forecast Closing Balance 30 June 2019	AP Forecast Opening Balance 1 July 2019	Deposits for the period of the AP	Withdraw als for the period of the AP	Forecast Closing Balance 30 June 2020	
	\$000	\$000	\$000	\$000	\$000	\$000	
Council created Reserves – Purpose of the Fund							
Financial and Capital contributions for Roding To fund transport network improvements, from the accumulated funds from financial and capital contributions under the District Plan prior to Development Contributions regime.	Land Transport/Roads and Footpaths Activity	84	87	87	2	-	89
Financial and Capital contributions for Water Supplies To fund water supply improvement projects, from the accumulated funds from financial and capital contributions under the District Plan prior to Development Contributions regime.	Water Supply Activity	562	578	575	13	-	588

Activity	LTP Forecast Closing Balance 30 June 2018	LTP Forecast Closing Balance 30 June 2019	AP Forecast Opening Balance 1 July 2019	Deposits for the period of the AP	Withdrawals for the period of the AP	Forecast Closing Balance 30 June 2020	
	\$000	\$000	\$000	\$000	\$000	\$000	
<p>Financial and Capital contributions for Wastewater Schemes</p> <p>To fund Wastewater Scheme improvement projects, from the accumulated funds from financial and capital contributions under the District Plan prior to Development Contributions regime.</p>	Wastewater Activity	139	143	142	3	-	145
<p>Financial and Capital contributions for Parks and Reserves</p> <p>To fund Parks and Reserves improvement projects, from the accumulated funds from financial and capital contributions under the District Plan prior to Development Contributions regime.</p>	Community Facilities and Services Activity	648	667	663	15	-	678

	Activity	LTP Forecast Closing Balance 30 June 2018	LTP Forecast Closing Balance 30 June 2019	AP Forecast Opening Balance 1 July 2019	Deposits for the period of the AP	Withdraw als for the period of the AP	Forecast Closing Balance 30 June 2020
		\$000	\$000	\$000	\$000	\$000	\$000
Election Fund To smooth the rating impact of election costs and fund any by-election	Representation and Governance Activity	116	117	117	3	62	56
Hockey Turf Replacement Fund To fund the replacement of the water turf at Donnelly Park on behalf of the Turf Trust.	Community Facilities and Services Activity	256	289	256	31	-	287
Shannon Rail Station Set aside from grants to preserve the historic Shannon Railway Station.	Properties Activity	25	26	26	1	-	27
Esplanade Fund To provide a fund to construct or provide for possible public access ways to esplanade reserves created under the Resource Management Act.	Community Facilities and Services Activity	131	135	134	3	-	137

	Activity	LTP Forecast Closing Balance 30 June 2018	LTP Forecast Closing Balance 30 June 2019	AP Forecast Opening Balance 1 July 2019	Deposits for the period of the AP	Withdraw als for the period of the AP	Forecast Closing Balance 30 June 2020
		\$000	\$000	\$000	\$000	\$000	\$000
Capital Projects Fund To provide funds for strategic capital projects with the last \$250,000 as a disaster relief working capital fund.	All Activities	856	882	877	20	-	897
Foxton Citizens Fund To provide a fund for awards in recognition of community service in Foxton.	Community Support Activity	4	4	4	0	-	4
Total		8,401	8,355	9,095	450	459	9,086

Benchmarks Disclosure Statement

Annual plan disclosure statement for the year ending 30 June 2020

What is the purpose of this statement?

The purpose of this statement is to disclose the council's planned financial performance in relation to various benchmarks to enable the assessment of whether the council is prudently managing its revenues, expenses, assets, liabilities, and general financial dealings.

The council is required to include this statement in its Annual Plan in accordance with the Local Government (Financial Reporting and Prudence) Regulations 2014 (the regulations). Refer to the regulations for more information, including definitions of some of the terms used in the statement.

Benchmark	Limit	Planned	Met
Rates affordability benchmark			
-income	\$39,688m	\$38,812m	Yes
-increases	6.96%	4.60%	Yes
Debt affordability benchmark			
-net debt to operating revenue	195%	179%	Yes
-net interest to operating revenue	20%	7%	Yes
-net interest to rates revenue	25%	9%	Yes
Balanced budget benchmark	100%	96%	No
Essential services benchmark	100%	215%	Yes
Debt servicing benchmark	10%	7%	Yes

Notes

(1) Rates affordability benchmark

- (2) For this benchmark,—
- the Council's planned rates income for the year is compared with quantified limits on rates contained in the Financial Strategy included in the Council's Long Term Plan; and
 - the Council's planned rates increases for the year are compared with quantified limits on rates increases for the year contained in the Financial Strategy included in the Council's Long Term Plan.
- (3) The Council meets the rates affordability benchmark if—
- its planned rates income for the year equals or is less than each quantified limit on rates; and
 - its planned rates increases for the year equal or are less than each quantified limit on rates increases.

(2) Debt affordability benchmark

- For this benchmark, the Council's planned borrowing is compared with quantified limits on borrowing contained in the Financial Strategy included in the Council's Long Term Plan.
- The Council meets the debt affordability benchmark if its planned borrowing is within each quantified limit on borrowing.

(3) Balanced budget benchmark

- (1) For this benchmark, the Council's planned revenue (excluding development contributions, vested assets, financial contributions, gains on derivative financial instruments, and revaluations of property, plant or equipment) is presented as a proportion of its planned operating expenses (excluding losses on derivative financial instruments and revaluations of property, plant or equipment).
- (2) The Council meets the balanced budget benchmark if its revenue equals or is greater than its operating expenses.

(4) Essential services benchmark

- (1) For this benchmark, the Council's planned capital expenditure on network services is presented as a proportion of expected depreciation on network services.
- (2) The Council meets the essential services benchmark if its planned capital expenditure on network services equals or is greater than expected depreciation on network services.

(5) Debt servicing benchmark

- (1) For this benchmark, the Council's planned borrowing costs are presented as a proportion of planned revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant or equipment).
- (2) Because Statistics New Zealand projects that the Council's population will grow slower than the national population growth rate, it meets the debt servicing benchmark if its planned borrowing costs equal or are less than 10% of its planned revenue.

Accounting Policies

1. Reporting Entity

The prospective financial statements of the Horowhenua District Council are for the year ended 30 June 2020.

The Horowhenua District Council is a territorial Local Authority governed by the provisions of the Local Government Act 2002 and is domiciled in New Zealand

The Horowhenua District Council group (HDC) consists of Horowhenua District Council and Shannon Community Development Trust, both incorporated in New Zealand

The primary objective of HDC is to provide goods and services for the community for social benefit rather than making a financial return. Accordingly, Council have designated themselves as PBE for financial reporting purposes.

The prospective financial statements contained in the Annual Plan are in full compliance with FRS 42 Prospective Financial Statements.

The operations of HDC have been divided into the following activities:

- Land Transport (Roads and Footpaths)
- Stormwater
- Water Supply
- Wastewater Disposal
- Solid Waste
- Regulatory Services
- Community Facilities and Services
- Property
- Community Support

HDC also advise caution that the information in these statement may not be appropriate for purposes other than those described.

The prospective financial statements were authorised by issue by Council on 26 June 2019. The Council authorises the issue of the prospective financial statements. HDC are responsible for the prospective financial statements presented, including the appropriateness of the assumptions underlying the prospective financial statements and all other required disclosures. The actual results achieved for the period covered by this plan are likely to vary from the information presented in this document, and these variances may be material.

Measurement Base

The measurement base adopted is that of historical cost, modified by the revaluation of certain assets.

Accounting Policies

The following accounting policies which materially affect the measurement of results and financial position have been applied consistently to all years presented from 1 July 2019 unless otherwise stated.

2. Basis of Preparation

The prospective financial statements have been prepared in accordance with the requirements of the Local Government Act 2002: Part 6, Sec 93 and Part 1 of Schedule 10, which includes the requirements to comply with New Zealand accepted accounting practice (NZ GAAP).

These financial statements have been prepared in accordance with NZ GAAP. They comply with NZ PBE IPSAS, and other applicable financial reporting standards, as appropriate for public benefit entities. HDC is a tier 1 reporting entity using the public sector Public Benefit Entity Accounting Standards, as it has expenses greater than \$30m, and is not publicly accountable.

Basis of Consolidation

The consolidated financial statements are prepared by adding together the items as assets, liabilities, equity, revenue, and expenses of entities in the group on a line-by-line bases. All intragroup balances, transactions, revenues and expenses are eliminated on consolidation.

The Financial Statements are presented in New Zealand Dollars. The functional currency of HDC is New Zealand Dollars. All values are rounded to the nearest one thousand dollars.

Comparative Information

The Long Term Plan 2018-38 adopted by the Council on 27 June 2018 has been provided as a comparator for these consolidated prospective financial statements. The closing balance in this comparative differs from the opening position used to prepare these consolidated prospective financial statements which is based on the most up-to-date forecast information.

Budget Figures

The budget figures have been prepared in accordance with NZ GAAP and comply with NZ PBE IPSAS, and other applicable financial reporting standards, using accounting policies that are consistent with those adopted in preparing these financial statements. Then as a tier 1 reporting entity HDC uses the public sector Public Benefit Accounting Standards.

HDC has not presented group prospective financial statements because it believes that the parent financial statements are more relevant to users. The main purpose of prospective financial statements is to provide users with information about the core services that the HDC intends to provide ratepayers, the expected cost of those services and as a consequence how much HDC requires by way of rates to fund the intended levels of service. The level of rates funding required is not affected by subsidiaries except to the extent that HDC obtains distribution from, or further invests in, those subsidiaries. Such effects are included in the prospective financial statement of HDC.

3. Revenue

Revenue is measured at the fair value of consideration received or receivable.

Rates Revenue

The following policies for rates have been applied:

- General rates, targeted rates (excluding water-by-meter), and uniform annual general charges are recognised at the start of the financial year to which the rates resolution relates. They are recognised at the amounts due. The Council considers the effect of payment of rates by instalments is not sufficient to require discounting of rates receivables and subsequent recognition of interest revenue.

- Rates arising from late payment penalties are recognised as revenue when rates become overdue.
- Revenue from water-by-meter rates is recognised on an accrual basis based on usage. Unbilled usage, as a result of unread meters at year end, is accrued on an average usage basis.
- Rate remissions are recognised as a reduction of rates revenue when the Council has received an application that satisfies its rates remission policy.

Infringement Fees Revenue

Revenue from infringement fees and fines mostly relate to traffic and parking infringements and are recognised when the infringement notice is issued. The Council recognises revenue at an amount based on the probability of collecting fines, which is estimated by considering the collection history of fines over the preceding 2 year period.

Subsidises Revenue

HDC receives revenue from New Zealand Transport Agency, which subsidises part of HDC's costs in maintaining the local roading infrastructure, is recognised as revenue upon entitlement as conditions pertaining to eligible expenditure have been fulfilled.

Grants Revenue

Revenue from other grants are recognised as revenue when they become receivable unless there is an obligation in substance to return the funds if conditions of the grant are not met. If there is such an obligation, the grants are initially recorded as grants received in advance and recognised as revenue when conditions of the grant are satisfied.

Rendering of Services Revenue

Revenue from the rendering of services is recognised by reference to the stage of completion of the transaction at balance date, based on the actual service provided, as a percentage of the total services to be provided.

Sale of Goods Revenue

Revenue from the sale of goods is recognised when a product is sold to the customer. Sales are usually in cash or by credit card. The recorded revenue is the gross amount of the sale, including credit card fees payable for the transaction. Such fees are included in other expenses.

Vesting of Assets Revenue

Revenue from vesting of physical assets is recognised for assets received for no or nominal consideration, the asset is recognised at its fair value when the Council obtains control of the asset. The fair value of the asset is recognised as revenue, unless there is a use or return condition attached to the asset. For long-lived assets that must be used for a specific use (e.g. land must be used as a recreation reserve), the Council immediately recognises the fair value of the asset as revenue. A liability is recognised only if the Council expects it will need to return or pass the asset to another party.

Commission Revenue

Revenue from acting as an agent for another party is recognised in the form of the commission or fee on the transaction.

Interest Revenue

Revenue from interest is recognised using the effective interest method. Revenue from dividends is recognised when the right to receive payment has been established.

Financial Contributions Revenue

Revenue from financial contributions is recognised as revenue when the Council provides, or is able to provide, the service for which the contribution was charged. Otherwise, development and financial contributions are recognised as liabilities until such time as the Council provides, or is able to provide, the service.

4. Borrowing Costs

All borrowing costs are recognised as an expense in the period in which they are incurred.

5. Income Tax

Income tax expense includes components relating to both current tax and deferred tax. Current tax is the amount of income tax payable based on the taxable profit for the current year, plus any adjustments to income tax payable in respect of prior years. Current tax is calculated using tax rates (and tax laws) that have been enacted or substantively enacted at balance date.

Deferred tax is the amount of income tax payable or recoverable in future periods in respect of temporary differences and unused tax losses. Temporary differences are differences between the carrying amount of assets and liabilities in the statement of financial position and the corresponding tax bases used in the computation of taxable profit.

Deferred tax is measured at the tax rates that are expected to apply when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at balance date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the entity expects to recover or settle the carrying amount of its assets and liabilities.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences or tax losses can be utilised.

Deferred tax is not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition of an asset or liability in a transaction that is not a business combination, and at the time of the transaction, affects neither accounting profit nor taxable profit.

Current and deferred tax is recognised against the surplus or deficit for the period, except to the extent that it relates to a business combination, or to transactions recognised in other comprehensive revenue and expense or directly in equity.

6. Grant Expenditure

Non-discretionary grants are those grants that are awarded if the grant application meets the specified criteria and are recognised as expenditure when an application that meets the specified criteria for the grant has been received.

Discretionary grants are those grants where HDC has no obligation to award on receipt of the grant application and are recognised as expenditure when a successful applicant has been notified of HDC's decision.

The Council's grants awarded have no substantive conditions attached.

7. Leases

Finance Leases

A finance lease is a lease that transfers to the lessee substantially all the risks and rewards incidental to ownership of an asset, whether or not title is eventually transferred.

At the commencement of the lease term, HDC recognises finance leases as assets and liabilities in the Statement of Financial Position at the lower of the fair value of the leased item or the present value of the minimum lease payments.

The finance charge is charged to the surplus or deficit over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability.

The amount recognised as an asset is depreciated over its useful life. If there is no certainty as to whether HDC will obtain ownership at the end of the lease term, the asset is fully depreciated over the shorter of the lease term and its useful life.

Operating Leases

An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset. Lease payments under an operating lease are recognised as an expense on a straight-line basis over the lease term.

Lease incentives received are recognised in the surplus or deficit as a reduction of rental expense over the lease term.

8. Cash and Cash Equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts.

Bank overdrafts are shown within borrowings in current liabilities in the Statement of Financial Position.

9. Trade and Other Receivables

Trade and other receivables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

A provision for impairment of receivables is established when there is objective evidence that HDC will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the estimated present value of the expected future cash flows, discounted using the effective interest method.

10. Financial Assets

HDC classifies its financial assets into four categories: financial assets at fair value through surplus or deficit, held-to-maturity investments, loans and receivables and financial assets at fair value through other comprehensive revenue and expenses. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial acquisition and re-evaluates this designation at every reporting date.

Financial assets are initially measured at fair value plus transaction costs unless they are carried at fair value through surplus or deficit, in which case the transaction costs are recognised in the surplus or deficit in which case transaction costs are recognised in the surplus or deficit.

Purchases and sales of financial assets are recognised on trade-date, the date on which HDC commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and HDC has transferred substantially all the risks and rewards of ownership.

The categories of financial assets are:

Financial Assets at Fair Value through Surplus or Deficit

Financial assets at fair value through surplus or deficit include financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short-term or it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of short-term profit-taking. Derivatives are also categorised as held for trading unless they are designated into a hedge accounting relationship for which hedge accounting is applied.

Financial assets acquired principally for the purpose of selling in the short-term or part of a portfolio classified as held for trading are classified as a current asset. The current/non-current classification of derivatives is explained in the derivatives accounting policy above.

After initial recognition, financial assets in this category are measured at their fair values with gains or losses on remeasurement recognised in the surplus or deficit.

Held-to-maturity Investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that HDC has the positive intention and ability to hold to maturity. They are included in current assets, except for maturities greater than 12 months after balance date, which are included in non-current assets.

After initial recognition they are measured at amortised cost using the effective interest method less impairment. Gains and losses when the asset is impaired or derecognised are recognised through surplus or deficit.

Loans and Receivables

These are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after balance date, which are included in non-current assets.

After initial recognition they are measured at amortised cost using the effective interest method less impairment. Gains and losses when the asset is impaired or derecognised are recognised through surplus or deficit. Loans and receivables are classified as "trade and other receivables" in the Statement of Financial Position.

Loans, including loans to community organisations made by HDC at nil, or below-market interest rates are initially recognised at the present value of their expected future cash flows, discounted at the current market rate of return for a similar asset or investment. They are subsequently measured at amortised cost using the effective interest method. The difference between the face value and the present value of expected future cash flows is recognised in the Statement of Comprehensive Income as a grant.

Financial Assets at Fair Value through Other Comprehensive Revenue and Expenses

Financial assets at fair value through other comprehensive revenue and expenses are those that are designated as fair value through other comprehensive revenue and expenses or are not classified in any of the other categories above. They are included in non-current assets, unless management intends to dispose of, or realise, the investment within 12 months of balance date. After initial recognition these investments are measured at their fair value.

Gains and losses are recognised directly in other comprehensive revenue and expenses except for impairment losses which are recognised in the surplus or deficit.

On de-recognition the cumulative gain or loss previously recognised in equity is recognised in the surplus or deficit.

Financial assets in this category include investments HDC intends to hold long-term but which may be realised before maturity and shareholdings that HDC holds for strategic purposes.

Impairment of financial assets

At each balance sheet date HDC assesses whether there is any objective evidence that a financial asset or group of financial assets is impaired. Any impairment losses are recognised in the surplus or deficit.

Loans and Other Receivables and Held-to-maturity Investments

Impairment is established when there is objective evidence that the Council and Group will not be able to collect amounts due according to the original terms of the debt. Significant financial difficulties of the debtor, probability that the debtor will enter into bankruptcy and default in payments are considered indicators that the asset is impaired. The amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted using the original effective interest rate. For debtors and other receivables, the carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in the surplus or deficit. When the receivable is uncollectible it is written off against the allowance account. Overdue receivables that have been renegotiated are reclassified as current (that is, not past due). Impairment in term deposits, local authority stock, Government bonds and community loans are recognised directly against the instrument's carrying amount.

Financial Assets at Fair Value through Other comprehensive revenue and expenses

For equity investments, a significant or prolonged decline in the fair value of the investment below its cost is considered objective evidence of impairment.

For debt investments, significant financial difficulties of the debtor, probability that the debtor will enter into bankruptcy and default in payments are considered objective indicators that the asset is impaired.

If impairment evidence exists for investments at fair value through other comprehensive revenue and expenses, the cumulative loss (measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in the surplus or deficit) recognised in other comprehensive revenue and expenses is reclassified from equity to the surplus or deficit.

Equity instrument impairment losses recognised in the surplus or deficit are not reversed through the surplus or deficit.

If in a subsequent period the fair value of a debt instrument increases and the increase can be objectively related to an event occurring after the impairment loss was recognised, the impairment loss is reversed through surplus or deficit.

11. Non-Current Assets Held For Sale

Non-current assets held for sale are classified as 'held for sale' if their carrying amount will be recovered principally through a sale transaction, not through continuing use. Non-current assets held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

Any impairment losses for write-downs of non-current assets held for sale are recognised through surplus or deficit.

Any increases in fair value (less costs to sell) are recognised up to the level of any impairment losses that have been previously recognised.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale.

12. Property, Plant and Equipment

Property, plant and equipment consist of:

Operational Assets - These include land, buildings, landfill post closure, library collections, plant and equipment and motor vehicles.

Restricted Assets - Restricted assets are parks and reserves owned by HDC which provide a benefit or service to the community and cannot be disposed of because of legal or other restrictions.

Infrastructure Assets - Infrastructure assets are the fixed utility systems owned by HDC. Each asset class includes all items that are required for the network to function, for example, sewer reticulation includes reticulation piping and sewer pump stations. Property, plant and equipment are shown at cost or valuation, less accumulated depreciation and impairment losses.

Additions

The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits or service potential associated with the item will flow to HDC and the cost of the item can be measured reliably.

In most instances, an item of property, plant and equipment is recognised at its cost. Where an asset is acquired at no cost, or for a nominal cost, it is recognised at fair value as at the date of acquisition.

Work in progress is recognised at cost less impairment and is not depreciated.

Disposals

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposals are included through the surplus or deficit.

When revalued assets are sold, the amounts included in asset revaluation reserves in respect of those assets are transferred to accumulated funds.

Subsequent Costs

Costs incurred subsequent to initial acquisition are capitalised only when it is probable that future economic benefits or service potential associated with the item will flow to HDC and the cost of the item can be measured reliably. The costs of day-to-day servicing of property, plant, and equipment are recognised in the surplus or deficit as they are incurred.

Depreciation

HDC's depreciation is provided on a straight-line basis on all property, plant and equipment (other than land) at rates that will write off the cost (or valuation) of the assets to their estimated residual values over their useful lives. The useful lives and associated depreciation rates of major classes of assets have been estimated as follows:

	Useful Life	Depreciation Rate
Operational assets		
Land	N/A	N/A
Buildings:		
Structure	20 to 100 years	1% to 5%
Roofing	40 years	2.5%
Electricals	40 years	2.5%
Plant, equipment and vehicles	4 to 25 years	4% to 25%
Library assets	10 years	10%
Solid waste management:		
Building structure	50 to 100 years	1% to 2%
Building roofing	40 years	2.5%
Roading	50 years	2%
Cell site works and earthworks	33 years	3%
Cell lining, drainage and irrigation	33 years	3%
Cell electricals	10 years	10%
Restricted assets		
Land	N/A	N/A
Buildings:		
Structure	20 to 100 years	1% to 5%
Roofing	40 years	2.5%
Electricals	40 years	2.5%
Infrastructural assets		
Roading: (average lives and depreciation rates of major components)		
Land	N/A	N/A
Formation	N/A	N/A
Berms	100 years	1%
Surface water channels	50 to 100 years	1% to 2%
Bridges and culverts	40 to 100 years	1% to 2.5%
Drainage	80 years	1.25%
Sealed pavement	78 years	1.29%
Basecourse	60 years	1.66%
Footpaths - concrete	60 years	1.66%
Footpaths - metal	100 years	1.0%
Footpaths – other	20 to 45 years	2.22% to 5%
Crossings	50 years	3.33%
Streetlights – poles	30 to 50 years	2% to 3.33%
Streetlights – lights	25 years	4%
Signage	12 years	8.33%
Surfacing	1 to 25 years	4% to 100%

Stormwater:		
Pump stations	100 years	1%
Manholes	80 years	1.25%
Sumps	60 years	1.67%
Pipes	20 to 100 years	1% to 5%
Pumps	15 years	6.67%
Water:		
Land	N/A	N/A
Buildings:		
Structure	50 to 100 years	1% to 2%
Roofing	40 years	2.5%
Electricals	40 years	2.5%
Treatment facilities	8 to 100 years	1% to 12.5%
Pipes	20 to 80 years	1.25% to 5%
Laterals	50 to 90 years	1.11% to 2%
Tobies	60 years	1.67%
Valves	60 years	1.67%
Hydrants	60 years	1.67%
Meters	20 years	5%
Sewer:		
Land	N/A	N/A
Buildings:		
Structure	25 to 70 years	1.43% to 4%
Roofing	40 years	2.5%
Electricals	40 years	2.5%
Treatment and disposal facilities	10 to 100 years	1% to 10%
Pipes	60 to 80 years	1.25% to 1.67%
Laterals	60 to 100 years	1% to 1.67%
Pump stations	50 to 60 years	1.67% to 2%
Manholes	80 years	1.25%
Pumps	10 to 25 years	4% to 10%

The residual value and useful life of an asset is reviewed, and adjusted if applicable, at each financial year-end.

Revaluation

Those asset classes that are revalued are valued on a three yearly valuation cycle except infrastructure assets which are annually and are on the basis described below. All other asset classes are carried at depreciated historical cost. The carrying values of revalued items are reviewed at each balance date to ensure that those values are not materially different to fair value.

Operational Land and Buildings

At “fair value” was determined from market-based evidence by an independent valuer. The most recent valuation was performed by B D Lavender (ANZIV, SNZPI) of Blackmore Associates and the valuation is effective as at 30 June 2017.

Restricted Land and Buildings: Parks, Cemeteries and Endowment Land

At “fair value” was determined from market-based evidence by an independent valuer. The most recent valuation was performed by B D Lavender (ANZIV, SNZPI) of Blackmore Associates and the valuation is effective as at 30 June 2017.

Infrastructural Asset Classes: Roads, Water Reticulation, Sewerage Reticulation and Stormwater Systems

At “fair value” was determined on a depreciated replacement cost basis by Council staff. At balance date HDC assesses the carrying values of its infrastructural assets to ensure that they do not differ materially from the assets' fair values.

Valuations completed by:

The roading infrastructure, wastewater assets, water supply assets and stormwater assets were valued as at 1 July 2016 using unit rates reviewed by Robert Berghuis (NZCE, REA) of Beca and Harrison Grierson. The valuation calculations were performed by Council. Land and buildings associated with the water supply and wastewater activities was valued by B D Lavender (ANZIV, SNZPI) of Blackmore Associates and the valuation is effective as at 30 June 2017.

Land under the roads is valued at deemed cost. The landfill infrastructure was valued in two parts, both as at 30 June 2017. The land and buildings were valued by B D Lavender (ANZIV, SNZPI) of Blackmore Associates. The remainder of the asset was valued by Phil Landmark (BScEng (Civil) CP Eng) of MWH New Zealand Ltd, and reviewed by Brian Smith (BCom (Acc & Eco.), CA) of MWH New Zealand Limited.

Accounting for Revaluations

Land and buildings (operational and restricted) and library books are revalued with sufficient regularity to ensure that their carrying amount does not differ materially from fair value and at least every three years. Infrastructural assets (except land under roads) are revalued annually.

The carrying values of revalued assets are assessed annually to ensure that they do not differ materially from the assets' fair values. If there is a material difference, then the off-cycle asset classes are revalued.

Revaluations of property, plant, and equipment are accounted for on a class-of-asset basis.

The net revaluation results are credited or debited to other comprehensive revenue and expense and are accumulated to an asset revaluation reserve in equity for that class-of-asset. Where this would result in a debit balance in the asset revaluation reserve, this balance is not recognised in other comprehensive revenue and expense but is recognised in the surplus or deficit. Any subsequent increase on revaluation that reverses a previous decrease in value recognised in the surplus or deficit will be recognised first in the surplus or deficit up to the amount previously expensed, and then recognised in other comprehensive revenue and expense.

13. Intangible Assets

Software Acquisition and Development

Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software.

Costs associated with maintaining computer software are recognised as an expense when incurred. Costs that are directly associated with the development of software for internal use by HDC are recognised as an intangible asset. Direct costs include the software development, employee costs and an appropriate portion of relevant overheads.

Easements

Easements are recognised at cost, being the costs directly attributable in bringing the asset to its intended use. Easements have an indefinite useful life and are not amortised, but are instead tested for impairment annually.

Amortisation

HDC's carrying value of an intangible asset with a finite life is amortised on a 'straight-line' basis over its useful life. Amortisation begins when the asset is available for use and ceases at the date that the asset is de-recognised. The amortisation charge for each period is recognised through the surplus or deficit.

The useful lives and associated amortisation rates of major classes of intangible assets have been estimated as follows:

Computer software: 10 years, 10%.

The useful lives and associated amortisation rates of major classes of intangible assets have been estimated as follows:

Kete software – 4 years, 60%

Koha software – 8 years, 30%

Other software – 60% diminishing value.

14. Forestry Assets

Forestry assets are independently revalued annually at fair value less estimated point of sale costs. Fair value is determined based on the present value of expected net cash flows discounted at a current market determined pre-tax rate. This calculation is based on existing sustainable felling plans and assessments regarding growth, timber prices, felling costs and silvicultural costs and takes into consideration environmental, operational and market restrictions.

Gains or losses arising on initial recognition of forestry assets at fair value less estimated point of sale costs and from a change in fair value less estimated point of sale costs are recognised through surplus or deficit.

The costs to maintain the forestry assets are included through surplus or deficit.

Emission Trading Scheme New Zealand Units (NZU's)

Council has been allocated and holds NZU's in respect of its forestry stands in the district. NZU's are initially recorded at cost and are subsequently measured at fair value each balance date. Any movement in fair value is recognised in surplus or deficit. Costs associated with maintaining NZU's are recognised as an expense when incurred.

15. Investment Property

Properties leased to third parties under operating leases are classified as investment property unless the property is held to meet service delivery objectives, rather than to earn rentals or for capital appreciation.

Investment property is measured initially at its cost, including transaction costs. After initial recognition, HDC measures all investment property at fair value as determined annually by an independent valuer.

Gains or losses arising from a change in the fair value of investment property are recognised through surplus or deficit.

16. Impairment of Non-Financial Assets

Non-financial assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that have a finite useful life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

Value in use is the depreciated replacement cost for an asset where the future economic benefits or service potential of the asset are not primarily dependent on the asset's ability to generate net cash inflows and where the entity would, if deprived of the asset, replace its remaining future economic benefits or service potential.

The value in use for cash-generating assets is the present value of expected future cash flows.

If an asset's carrying amount exceeds its recoverable amount, the asset is impaired and the carrying amount is written down to the recoverable amount. For revalued assets the impairment loss is recognised against the revaluation reserve for that class of asset. Where that results in a debit balance in the revaluation reserve, the balance is recognised through the surplus or deficit.

For assets not carried at a revalued amount, the total impairment loss is recognised through the surplus or deficit.

The reversal of an impairment loss on a revalued asset is credited to the revaluation reserve. However, to the extent that an impairment loss for that class of asset was previously recognised through the surplus or deficit a reversal of the impairment loss is also recognised through the surplus or deficit. For assets not carried at a revalued amount (other than goodwill) the reversal of an impairment loss is recognised through the surplus or deficit.

17. Employee Benefits

Short-term Benefits

Employee benefits that HDC expects to be settled within 12 months of balance date are measured at nominal values based on accrued entitlements at current rates of pay. These include salaries and wages accrued up to balance date, annual leave earned to, but not yet taken at balance date, retiring and long service leave entitlements expected to be settled within 12 months.

HDC recognises a liability and an expense for bonuses where contractually obliged or where there is a past practice that has created a constructive obligation.

Long-term Benefits

Entitlements that are payable beyond 12 months after the end of period in which the employee renders the related service, such as long service leave and retiring leave, have been calculated on an actuarial basis. The calculations are based on:

- the likely future entitlements accruing to staff (based on years of service), years to entitlement, the likelihood that staff will reach the point of entitlement and contractual entitlements information and;
- the present value of the estimated future cash flows.

Superannuation Schemes

Defined Contribution Schemes

Obligations for contributions to defined contribution superannuation schemes are recognised as an expense through surplus or deficit when incurred.

19. Creditors and Other Payables

Short-term creditors and other payables are recorded at their face value.

20. Provisions

HDC recognises a provision for future expenditure of uncertain amount or timing when there is a present obligation (either legal or constructive) as a result of a past event. It is probable that expenditures will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as an interest expense.

Financial Guarantee Contracts

A financial guarantee contract is a contract that requires HDC to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due.

Financial guarantee contracts are initially recognised at fair value. If a financial guarantee contract was issued in a stand-alone arm's length transaction to an unrelated party, its fair value at inception is equal to the consideration received. When no consideration is received, the fair value of the liability is initially measured using a valuation technique, such as considering the credit enhancement arising from the guarantee or the probability that HDC will be required to reimburse a holder for a loss incurred discounted to present value. If the fair value of a guarantee cannot be reliably determined, a liability is only recognised when it is probable there will be an outflow under the guarantee. The portion of the guarantee that remains unrecognised, prior to discounting to fair value, is disclosed as a contingent liability.

Financial guarantees are subsequently measured at the higher of:

- the estimated amount determined if it is probable there will be an outflow to settle the guarantee; and
- the amount initially recognised less, when appropriate, cumulative amortisation as revenue.

21. Borrowings

Borrowings are initially recognised at their fair value plus transaction costs incurred. After initial recognition, all borrowings are measured at amortised cost using the effective interest method.

Borrowings due to be settled within 12 months of balance date are treated as current liabilities. All other borrowing is classified as term liabilities.

22. Equity

Equity is the community's interest in HDC and is measured as the difference between total assets and total liabilities. Equity is disaggregated and classified into a number of reserves.

The components of equity are:

- Retained earnings
- Restricted reserves
- Asset revaluation reserves

Restricted reserves

Restricted reserves are a component of equity generally representing a particular use to which various parts of equity have been assigned. Reserves may be legally restricted or created by HDC.

Restricted reserves are those subject to specific conditions accepted as binding by HDC and which may not be revised by HDC without reference to the Courts or a third party. Transfers from these reserves may be made only for certain specified purposes or when certain specified conditions are met.

Also included in restricted reserves are reserves restricted by Council decision. The Council may alter them without references to any third party or the Courts. Transfers to and from these reserves are at the discretion of the Council.

Asset revaluation reserves

These reserves relates to the revaluation of property, plant and equipment to fair value.

23. Goods and Services Tax

All items in the financial statements are stated exclusive of GST, except for receivables and payables which are stated on a GST inclusive basis. Where GST is not recoverable as input tax then it is recognised as part of the related asset or expense.

The net amount of GST recoverable from, or payable to, the Inland Revenue Department (IRD) is included as part of receivables or payables in the Statement of Financial Position.

The net GST paid to or received from the IRD, including the GST relating to investing and financing activities, is classified as an operating cash flow in the Statement of Cash Flows.

Commitments and contingencies are disclosed exclusive of GST.

24. Cost Allocation

HDC has derived the cost of service for each significant activity of HDC using the cost allocation system outlined below.

Direct costs are those costs directly attributable to a significant activity. Indirect costs are those costs which cannot be identified in an economically feasible manner with a specific significant activity.

Direct costs are charged directly to significant activities. Indirect costs are charged to significant activities using appropriate cost drivers such as costs and revenues, actual usage, staff numbers and floor area.

25. Critical Accounting Estimates and Assumptions

In preparing these financial statements HDC has made estimates and assumptions concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations or future events that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Landfill Aftercare Provision

The Statement of Financial Position discloses the exposure of HDC in relation to the landfill aftercare provision.

Infrastructural Assets

There are a number of assumptions and estimates used when performing depreciated replacement cost (DRC) valuations over infrastructural assets. These include:

- The physical deterioration and condition of an asset, for example the Council could be carrying an asset at an amount that does not reflect its actual condition. This is particularly so for assets that are not visible, for example stormwater, wastewater and water supply pipes that are underground. This risk is minimised by Council performing a combination of physical inspections and condition modelling assessments of underground assets.
- Estimating any obsolescence or surplus capacity of an asset.
- Estimates are made when determining the remaining useful lives over which the asset will be depreciated. These estimates can be impacted by the local conditions, for example, weather patterns and traffic growth. If useful lives do not reflect the actual consumption of the benefits of the asset, then HDC could be over or under estimating the annual depreciation charge recognised as an expense through surplus or deficit. To minimise this risk HDC's infrastructural asset useful lives have been determined with reference to the NZ Infrastructural Asset Valuation and Depreciation Guidelines published by the National Asset Management Steering Group and have been adjusted for local conditions based on past experience. Asset inspections, deterioration and condition modelling are also carried out regularly as part of the HDC's asset management planning activities, which gives HDC further assurance over its useful life estimates.
- Experienced independent valuers perform the Council's infrastructural asset revaluations.

26. Implementation of New and Amended Standards

The six new standards, PBE IFRS 9, PBE IPSAS 34 Separate Financial Statements, PBE IPSAS 35 Consolidated Financial Statements, PBE IPSAS 36 Investment in Associates and Joint Ventures, PBE IPSAS 37 Joint Arrangements and PBE IPSAS 38 Disclosure of Interests in Other Entities, are effective from periods beginning on or after 1 January 2019. The Group and the Council are yet to assess the impact of these new standards, although the impact is unlikely to be material.

All other standards, interpretations and amendments approved but not yet effective in the current year are either not applicable to the Group and the Council or are not expected to have a material impact on the financial statements of the Group and the Council and, therefore, have not been disclosed. There are no standards, amendments, and interpretations that are not yet effective and have not been early adopted that are relevant to Council.

Indicative Rates on Selected Properties

GST Inclusive

Locality			2018/19	Indicative Rates 2019/20				
	Land Value	Capital Value	Total	General	Roading	Library	Rep & Gov	Pools
	\$	\$	\$	\$	\$	\$	\$	\$
Hokio Bch	55,000	89,000	1,052	318	63	257	225	151
Waikawa Bch	155,000	275,000	1,805	897	194	257	225	151
Waikawa Bch	200,000	315,000	2,092	1,158	222	257	225	151
Ōhau	146,000	405,000	2,377	845	285	257	225	151
Manakau	220,000	450,000	2,356	1,273	317	257	225	151
Waitarere Bch	82,000	195,000	1,948	475	137	257	225	151
Waitarere Bch	113,000	230,000	2,154	654	162	257	225	151
Waitarere Bch	295,000	400,000	4,608	1,708	282	514	450	302
Foxton Bch	70,000	155,000	2,207	405	109	257	225	151
Foxton Bch	99,000	180,000	2,392	573	127	257	225	151
Foxton Bch	310,000	555,000	3,958	1,794	391	257	225	151
Foxton Bch	75,000	215,000	2,304	434	151	257	225	151
Tokomaru	58,000	205,000	2,300	336	144	257	225	151
Tokomaru	70,000	245,000	2,411	405	173	257	225	151
Vacant lifestyle	102,000	107,000	894	181	75	257	225	151
Rural	760,000	1,300,000	2,745	1,349	826	257	225	151
Rural	6,650,000	7,660,000	18,447	11,805	4,865	1,028	900	604
Rural commercial	570,000	1,560,000	2,612	1,012	991	257	225	151
Rural	2,720,000	2,950,000	7,011	4,829	1,873	257	225	151
Rural	3,220,000	3,332,000	8,073	5,716	2,116	257	225	151
Rural	6,871,000	7,965,000	19,007	12,198	5,058	1,028	900	604
Lifestyle	147,000	285,000	1,653	851	201	257	225	151
Lifestyle	310,000	510,000	3,168	1,794	359	257	225	151
Lifestyle	155,000	750,000	2,523	897	528	257	225	151
Utility	-	19,950,000	14,009	-	12,670	257	225	151
Levin - business	32,000	92,000	2,020	185	58	257	225	151
Levin Vacant	97,000	100,000	1,839	561	70	257	225	151
Levin 2 Dwlg	63,000	215,000	4,089	365	151	514	450	302
Levin	87,000	220,000	2,472	504	155	257	225	151
Levin	94,000	195,000	2,481	544	137	257	225	151
Levin - business	230,000	800,000	3,834	1,331	508	257	225	151
Levin - business	240,000	620,000	3,695	1,389	394	257	225	151
Foxton	32,000	85,000	2,021	185	60	257	225	151
Foxton	44,000	220,000	2,242	255	155	257	225	151
Foxton	69,000	240,000	2,400	399	169	257	225	151
Shannon	38,000	123,000	2,098	220	87	257	225	151
Shannon	68,000	115,000	2,250	394	81	257	225	151
Shannon	55,000	160,000	2,231	318	113	257	225	151

Locality	Indicative Rates 2019/20 Increase					Increase	
	Solid Waste	Stormwater	Water	Sewer	Indicative Total	Total	Total
	\$	\$	\$	\$	\$	\$	%
Hokio Bch	31	41	-	-	1,086	34	3.2%
Waikawa Bch	31	127	-	-	1,882	78	4.3%
Waikawa Bch	31	146	-	-	2,190	98	4.7%
Ohau	31	188	480	-	2,462	84	3.6%
Manakau	31	209	-	-	2,463	106	4.5%
Waitarere Bch	31	90	-	654	2,020	72	3.7%
Waitarere Bch	31	107	-	654	2,241	87	4.0%
Waitarere Bch	62	185	-	1,308	4,811	203	4.4%
Foxtton Bch	31	72	384	654	2,288	80	3.6%
Foxtton Bch	31	83	384	654	2,485	93	3.9%
Foxtton Bch	31	257	384	654	4,144	187	4.7%
Foxtton Bch	31	100	384	654	2,387	83	3.6%
Tokomaru	31	95	480	654	2,373	73	3.2%
Tokomaru	31	114	480	654	2,490	79	3.3%
Vacant lifestyle	21	-	-	-	910	16	1.8%
Rural	21				2,829	84	3.1%
Rural	84	-	-	-	19,286	839	4.5%
Rural commercial	21				2,657	45	1.7%
Rural	21	-	-	-	7,356	345	4.9%
Rural	21	-	-	-	8,486	413	5.1%
Rural	84	-	-	-	19,872	865	4.6%
Lifestyle	21	-	-	-	1,706	53	3.2%
Lifestyle	21	-	480	-	3,287	119	3.8%
Lifestyle	21	-	480	-	2,559	36	1.4%
Utility	21	-			13,324	-685	-4.9%
Levin - business	31	43	480	654	2,084	63	3.1%
Levin Vacant	31	46	240	327	1,908	70	3.8%
Levin 2 Dwlg	62	100	960	1,308	4,212	123	3.0%
Levin	31	102	480	654	2,559	87	3.5%
Levin	31	90	480	654	2,569	88	3.6%
Levin - business	31	371	480	654	4,008	174	4.5%
Levin - business	31	287	480	654	3,868	173	4.7%
Foxtton	31	39	480	654	2,082	62	3.1%
Foxtton	31	102	480	654	2,310	68	3.0%
Foxtton	31	111	480	654	2,477	77	3.2%
Shannon	31	57	480	654	2,162	64	3.1%
Shannon	31	53	480	654	2,326	77	3.4%
Shannon	31	74	480	654	2,303	72	3.2%

Significant Forecasting Assumptions

The financial information in this Annual Plan is a forecast of Council's future expenditure and funding requirements. These forecasts are based on several assumptions about the future. Significant Forecasting Assumptions were identified as part of the development of the Long Term Plan 2018-38 (LTP).

This Plan covers Year 2 of the LTP. This section provides the assumptions Council has made in developing this Annual Plan, and the risk and level of uncertainty associated with each assumption.

Issue	Assumption	Risk
Population Growth	Population growth is assumed at a rate of 1.2% for this financial year (2019/2020). It is estimated that the population of the Horowhenua District will reach 33,596.	Population growth across the Horowhenua District occurs at a rate significantly different than assumed. Level of uncertainty: Moderate.
Demographics	It is assumed most of the growth in Horowhenua District's population will occur in the 40 to 64 years old range. <u>Forecast age demographics for 2019/20:</u> 0-14 years – 5,820 15-39 years – 8,763 40-64 years – 10,689 65 years + - 8,351	Population growth for different age groups is substantially different from what is anticipated e.g. there is less of an increase in the age range of 40 to 64 years old and a greater increase occurs in other age ranges. Level of uncertainty: Moderate.
Household Growth	The number of dwellings is assumed to increase by 311 to 16,492 in 2019/2020. The majority of growth is anticipated to occur in residential areas, particularly Levin.	The future growth in the number of dwellings and the location of the new dwellings varies substantially (i.e. is much higher/lower than assumed). Level of uncertainty: Low to Moderate.
Household Occupancy	The average number of occupants per dwelling will be 2.3.	That the future growth of the average number of occupants varies substantially (i.e. is much higher/lower) than the assumed rates. Level of uncertainty: Low to Moderate.
Legislative Changes	Changes in legislation will not result in a significant effect on Council's finances or Levels of Service	There is some uncertainty about what amendments to legislation may be made by the Government over the coming financial year, although it is anticipated that Council would be given sufficient time to implement any changes. Level of uncertainty: Low.
Climate Change	It is assumed that climate change will occur in line with the atmospheric projections based on simulations undertaken for the International Panel on Climate Change's (IPCC) 5 th Assessment. Climate change will affect	Climate change occurs at a different rate to what has been projected with greater or lesser implications for the Manawatu-Whanganui Region and the Horowhenua District.

	the Horowhenua District in a range of ways, including by an increase in temperature, change in annual precipitation patterns and rising sea level.	Level of uncertainty: Low to Moderate.
Natural Hazards – Response and Recovery	It is assumed that Council has the capacity to borrow any funds it may require to respond to, and recover from, natural hazard events should they occur during 2019/2020.	Some natural hazards are more likely to occur than others in the Horowhenua District. However, there is a relatively high level of uncertainty around when or what type of natural hazard event may occur. There is a risk that a natural hazard event, or series of events, could occur and that the cost of recovering from the damage caused would be greater than the funds that are available to Council if it was to stay within its current debt limit. Level of uncertainty: Low to Moderate.
Sources of Funds for Replacement of Significant Assets	This Annual Plan assumes that funding for the replacement of significant assets will be in accordance with Council's Revenue and Financing Policy and Financial and Infrastructure Strategies.	There are insufficient funds available for the replacement of significant assets. Level of uncertainty: Low.
Interest Costs	Interest costs will be: 2019 – 4.75% 2020 – 4.0%	Interest rates can vary subject to market conditions and could fluctuate beyond what is anticipated. However, 4.75% for 2018/19 is considered to be a conservative projection. Council has lowered the interest rate assumption for Year 2 2019/20 to 4.00% as the market has shown that lower interest rates are likely to prevail for most of this year. Level of uncertainty: Moderate.
Depreciation	It is assumed that depreciation will be adequate to fund asset renewal expenditure in the long-run by 2026.	The actual cost of renewals may be higher or lower than depreciation. Level of uncertainty: Moderate.
Local Government Funding Agency	The Local Government Funding Agency (LGFA) remains in existence and is Council's preferred source of debt funding. That the deed guarantee obligation on default of any Council under the deed will not occur.	The risk of defaulting is extremely low and highly unlikely given that all of the borrowings by a local authority from the LGFA are secured by rates. Level of uncertainty: Low.
Investment Revenue	That dividends will be zero (or immaterial) and that the rate of interest earned on all future investments for the 2019/2020 year will be between 3.25% and 4.5%.	There is potential for interest earned to be higher or lower than assumed. Level of uncertainty: Low to Moderate.
Inflation	Council assumes that annual increases in inflation will be in accordance with the inflation adjusters that have been provided by the Business and Economic Research Ltd	Council uses standard BERL adjustors, however, these are predictions and future rates of inflation are subject to a large number of variables which are beyond Council's control and are difficult to forecast.

	<p>(BERL) and endorsed for use by the Society of Local Government Managers.</p> <p>The increase in inflation for 2019/2020 is estimated to be:</p> <p>(% change on previous year)</p> <p>Planning and Regulation – 2.1%</p> <p>Roading -2.2%</p> <p>Transport – 2.0%</p> <p>Community Activities – 2.0%</p> <p>Water and Environmental – 2.5%</p>	<p>Level of uncertainty: Low to Moderate.</p>
Property	<p>Council assumes it will dispose of \$7 million of non-core property over the first two years of the LTP.</p> <p>Non-core is identified as properties contributing to non-traditional Council services (e.g. commercial buildings and residential housing).</p>	<p>Council disposes of more or less property than forecast. If Council does not receive the expected income from sales, debt levels will be higher or lower than forecast.</p> <p>Level of uncertainty: Moderate.</p>
NZTA Subsidy (Funding Assistance Rate)	<p>It is assumed that the roading subsidies (Funding Assistance Rates) that Council receives from the New Zealand Transport Agency (NZTA) will be 59%.</p>	<p>The subsidy rate is set for 2019/2020 so there is low risk of it changing.</p> <p>Level of uncertainty: Low.</p>
Asset Management Plans	<p>Council assumes that the underlying data for Council's Water, Wastewater, Stormwater, Land Transport (Roads and Footpaths), Solid Waste, and Parks and Property Asset Management Plans are up to date and reliable.</p>	<p>Council's information on the condition of its assets (particularly underground assets) is continually improving along with Council's understanding of what assets need to be renewed or replaced and when.</p> <p>Level of uncertainty: Moderate.</p>
Asset Revaluations	<p>That periodic revaluation of assets will be consistent with the assumed rates of inflation relevant to local government goods and services, and cost fluctuations relevant to each infrastructure sector.</p>	<p>Asset valuations could be higher or lower than assumed.</p> <p>Level of uncertainty: Moderate.</p>
Useful Lives of Assets	<p>Assets will last as long as estimated in Council's Asset Management Plans and Infrastructure Strategy which is reflected in the Accounting Policies.</p>	<p>There is a risk that assets could deteriorate at a faster or slower rate than anticipated. This could mean they may need to be replaced earlier or later than currently forecast.</p> <p>Level of uncertainty: Moderate.</p>
Resource Consent Requirements	<p>That Council will obtain any resource consents that are required to ensure that its Water, Wastewater, Stormwater and Solid Waste Activities (and any other activity) can continue to operate. That these consents are granted within required timeframes and within anticipated expenditure.</p>	<p>It may cost more than anticipated to obtain the required resource consents, or the conditions that are imposed on the consents may be more stringent than expected. The time taken to obtain a resource consent could be longer than anticipated and delay the implementation or construction of the project associated with the consent.</p> <p>Level of uncertainty: Moderate.</p>

<p>Earthquake-Prone Buildings</p>	<p>Council will meet its obligations as a property owner and Territorial Authority under the Building (Earthquake-prone Buildings) Amendment Act 2016.</p>	<p>Insufficient funding to meet obligations as a regulator (unknown costs of potential legal action).</p> <p>Level of uncertainty: Moderate.</p> <p>Shortage of professional expertise to carry out assessments.</p> <p>Level of uncertainty: Moderate.</p>
<p>Ōtaki to North of Levin Highway</p>	<p>The development of the Ōtaki to North of Levin Highway will occur.</p>	<p>The Ōtaki to North of Levin Highway may not occur within the timeframe of the LTP. It may cost more or less to maintain the existing state highway once it is revoked and vested in Council.</p> <p>Level of uncertainty: Low to Moderate.</p>

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Definitions and Interpretations



Definitions and Interpretations

Asset

An asset is an item of value owned by the Council on behalf of the people of Horowhenua. Examples include bank accounts, amounts owing by debtors, roads, land, buildings, vehicles, computers, and the water, wastewater and stormwater networks.

Asset Management Plan (AMP)

A plan developed for the management of one or more infrastructure assets that combines technical, financial and other techniques over the life of the asset to provide an agreed Level of Service to the Community at optimum cost.

Capital Expenditure

Money spent with effect on the long-term rather than the short-term. Examples include to buy or build a new asset or to improve the potential of an existing asset. Capital Expenditure is generally expected to lead to a higher level of service to the community.

Capital Value

This is the value of a piece of land plus any improvements that have been made to it such as the construction of a dwelling. For rating purposes, Council contracts Quotable Value New Zealand to assess the capital value of all properties every three years.

Community Outcomes

These are statements which set out the outcomes that Council is working to achieve in meeting the current and future needs of the community, for good quality local infrastructure, local public services and performance of regulatory functions.

Community Plan

A Community Plan is a “living document” that reflects the values, vision and direction of the Community in order to guide development towards a positive future. It provides a mechanism for collaboration between communities, Council and other agencies to implement improvements.

Depreciation

The allocation of the cost of an asset over its estimated useful life.

District Plan

The plan prepared by Council under the Resource Management Act 1991 that manages potential adverse environmental effects of subdivisions and land use on the environment through objectives, policies, and rules.

Feasibility Study

A feasibility study is an evaluation and analysis of a potential project. It aims to help determine whether a project is technically and/or financially feasible.

Financial Year

Council's financial year starts on 1 July in each year and ends on 30 June of the following year.

Funding Impact Statement

An explanation of how Council's funding requirements are planned to be met through various mechanisms such as rates.

Governance

The way that Council engages with the community, how it makes decisions and the way in which ratepayers and residents can influence these processes.

Infrastructure

Assets that form physical links between, or within, communities. Examples include the roading network, water supply systems, wastewater disposal systems and stormwater drainage systems.

Land Value

The value of land excluding any improvements (e.g. a dwelling). For rating purposes, Council contracts Quotable Value New Zealand to assess the land value of all properties every three years.

Level of Service (LoS)

The quality of service a Council Activity is committed to provide to the Community.

Liability

Financial debts to third parties. Current liabilities are those due for payment within one financial year, and non-current liabilities are those due in the longer-term.

Long Term Plan (LTP)

Council's key strategic planning document outlining the Council's financial situation as well as the Level of Service Council is committed to for the activities it undertakes and capital work programme for at least ten years.

Master Plan

A master plan is a dynamic long-term planning document that provides a conceptual layout to guide future growth and development. Master planning is about making the connection between buildings, social settings, and their surrounding environments. A master plan generally includes analysis, recommendations, and proposals for a site's population, economy, housing, transportation, community facilities, and land use.

Operating Costs

The costs of running Council in the short-term. Examples include the costs of maintaining assets, employing staff, and the interest costs of loans.

Performance Target

A measure that shows how well Council is doing in achieving the goals that it set for itself.

Projected Financial Statement

The 10 year plan for Council's revenue and expenditure, cash flows and borrowing.

Rates

Property taxes collected by Council which help fund the services that the Council provides to the community.

Renewal Expenditure

The cost of replacing components of existing assets to restore them to their original condition. For example the replacement of old water mains and the resealing of roads.

Revenue

Council's income e.g. rates, dog registration fees, building permit fees, subsidies, rental income and interest on investments.

Separately Used or Inhabited Part (SUIP)

Some of Council's targeted rates are set using SUIP's. Generally where there is more than one SUIP, each SUIP will attract a separate targeted rate set using fixed charges. Council's definition of a SUIP can be found in the Funding Impact Statement.

Significance

The degree of importance of an issue, proposal, decision, or matter under consideration, as assessed by Council in terms of its likely impact on and likely consequences for the current and future wellbeing of the community.

Stormwater

Surface water that runs off properties and roads.

Targeted Rates

Any rate (other than a general rate) targeted at users or beneficiaries of a particular service. Targeted rates are used for solid waste, water supply, swimming pools, libraries, and representation and community leadership.

Uniform Annual General Charge (UAGC)

A fixed-sum rate payable by all properties as part of their contribution to general rates. Council has chosen not to set a rate using a UAGC, instead opting to rate some targeted rates using Fixed Charges. There are statutory rules whereby the UAGC and Fixed Charges are set on contiguous properties – where two or more properties are next to each other, owned by the same ratepayer, used for a common purpose and provided they are vacant (i.e. do not contain a house defined under Council's definition of Separately Used or Inhabited Part of rating units). There is also a statutory limit of 30% of all rates on the use of UAGC's and Fixed Charges where they are set at the same amount across the District.

Wastewater

The liquid and solid waste (i.e. sewage, grey water and trade waste) carried away from a property by drains.

