



**Horowhenua**   
DISTRICT COUNCIL

# Annual Plan 2022-2023

**Gr@wing**  
our future  
**Together**



# Contents

## Introduction

Mayor's message.....	2
A message from the CE .....	3
The year ahead.....	4
Our financial approach .....	6
Working out this year's rates .....	8

## Council Activity Statements

Water Supply .....	12
Wastewater Treatment .....	20
Stormwater .....	27
Land Transport .....	33
Solid Waste.....	39
Community Facilities and Services.....	45
Property .....	54
Community Infrastructure .....	59
Representation and Community Leadership .....	67
Community Support.....	73
Regulatory Services .....	87

## Council Financial Statements

Funding Impact Statement .....	104
Financial Statements .....	112
Reserve Funds .....	118
Benchmarks Disclosure Statement .....	121
Accounting Policies .....	123
Indicative Rates on Selected Properties .....	139
Significant Forecasting Assumptions.....	140

## Definitions and Interpretations

Definitions and Interpretations .....	144
---------------------------------------	-----



# Introduction



## Mayor's message

Welcome to the Annual Plan for the 2022/2023 financial year. The purpose of the Annual Plan is to identify the services and projects that Council has planned to provide throughout the 2022/2023 financial year and how these services and projects will be funded.

The Long Term Plan 2021-2041 set the Council's strategic direction and budget for the next 20 years. This Annual Plan is Year 2 of the Long Term Plan, and we're following the plan we agreed then. We heard your voices and listened to your feedback during development of the Long Term Plan.

We heard that delivering high quality infrastructure should be our most important focus. You said that a reliable, high-quality drinking water supply is important to you. You asked us to look at different ways we can fund infrastructure for our growing population that are fair to everyone. You want awa and moana that are healthy for future generations. You've also said you need a modern, versatile transport network that makes it easy to get around whether you prefer driving, cycling, walking, or a mobility device.

Your feedback influenced the final shape of the Long Term Plan. In Year 2, as our unprecedented growth continues, our focus is on delivery and one of our key priorities remains investing in the core infrastructure of our district – whether that is building it new, upgrading, or improving the maintenance of what we already have.

There have been changes to our project timelines due to Covid's impact on our workforce and supply chain issues, but we are focusing on doing the mahi and delivering on the projects we promised.

However, while we do this, we do want to signal that what we're thinking right now is that we'll be needing to do a Long Term Plan amendment next year to ensure the budget accurately reflects any further delays to spending. We will engage and consult with you throughout that process, because as we did when we developed this Long Term Plan, we want to hear from you.

This year we have a number of exciting projects planned. Some of these projects are highlighted below and there is a more comprehensive project list in the Council Activity Statement chapter (page 12).

We look forward to delivering these for our Horowhenua community.



*Benjie Wanda*

## A message from the CE

I have the pleasure of presenting you with the Horowhenua District Council's Annual Plan for the 2022/2023 financial year. The last few years have provided new and unprecedented challenges for Council. Despite these challenges we are committed to delivering on our promises we made to our residents and ratepayers in the Long Term Plan 2021-2041.

Since starting my role as Chief Executive in May, I have been working closely with the Mayor, Councillors and Council Officers to balance delivering new infrastructure projects with continuing to maintain our business as usual activities and keeping rates affordable. We know that many people are facing financial stress due to these challenging times. To do our best to respond to the current state of affairs we have worked hard to reduce the rates increase that was forecast in the 2021-2041 Long Term Plan for this financial year.

As Council we heard your voice throughout the process of creating the Long Term Plan. Despite the challenges we have experienced we are committed to providing quality services to all residents. This financial year HDC's focus is to do the mahi and deliver results in this dynamic and changing environment.

While Covid-19 slowly loosens its hold on our communities, its effects are still felt strongly across the district by all our residents. Council is also not immune to the effects of the current pandemic. We have been strongly impacted by staff and material shortages our contractors are experiencing which has contributed to the challenge of completing projects and maintenance as scheduled. To reflect these challenges we have committed to completing a Long Term Plan amendment for the 2023/2024 financial year. This will allow us to adjust our project timelines to better reflect our ability to deliver projects in these times while also reducing the financial impact on ratepayers. Throughout the Long Term Plan amendment process the community will have an opportunity to voice their priorities for Council over the next 18 months.

Council is also prioritising projects to provide for growth within our communities without compromising the feel and values of our current residents. The adoption of the Horowhenua Growth Strategy 2040 and the Horowhenua 2040 Blueprint in May 2022 set out the groundwork to guide future development for the best possible outcome for our community. Officers continue to actively work towards improving infrastructure and optimising development opportunities across the district.

My commitment to you is to work hard to ensure we are providing exemplary services to our ratepayers and residents in the year ahead of us.



*Davidson*

# The year ahead

We are excited about the year ahead and making progress in our planned projects to deliver quality services to our community. We will need to balance matters we control with those we don't. Supply chain issues are likely to continue for some time, due to ongoing impacts of COVID19 and the war in the Ukraine. There are labour shortages across many businesses and industries and the market is tight. Like many employers, Council faces challenges finding the staff we need. However, international travel is opening up and with it, the ability for workers to relocate. This is a great opportunity to attract workers to our district's lifestyle and jobs.

Central government reforms of three waters, resource management and the future for local government will continue this year, giving us both opportunities and uncertainty in the near future. A key opportunity is having the first tranche, \$4.99m, of the Government's Better Off funding available from the Three Waters programme available this year. Decisions about how this is spent don't need to be rushed to be included in an Annual Plan but we will consult our community about options before any decisions are made.

Our district's population continues to grow at an unprecedented rate. 2021/22 was a strong year and saw the district track slightly ahead of the projected growth. Our focus will remain on accommodating that growth by enabling more homes to be built, delivering robust infrastructure, a high-quality drinking water supply, and building strong communities. We assure you we will be doing our best to deliver our key projects and day-to-day work, managing those external constraints as best we can.

In delivering for the district we remain committed to delivering on the community outcomes agreed in the LTP 2021-2041: Strong Communities, Partnership with Tangata Whenua, Fit for Purpose Infrastructure, an Outstanding Environment; and a vibrant Economy.

## Key projects for 2022/23

### Refreshed Growth Strategy

In the LTP 2021-2041 we highlight how growth comes with opportunities and challenges. In May 2022 Council adopted an update to the Growth Strategy 2040 because the 2018 version of the Strategy was already out of date, due to the rate of growth. 2018 projections were that 5,377 more houses would be needed by 2040, but by 2021 this had jumped to 11,209 houses as 26,008 more people are expected to be living within the district by then. An average of 434 dwellings per year need to be built between 2021 and 2031, and 686 dwellings will need to be built per year between 2031 and 2040.

The updated Growth Strategy identifies the growth areas we will rezone land for development through District Plan Changes and categorises them into 10 year, or longer timeframes.

### Horowhenua 2040 Blueprint

Alongside the Growth Strategy Refresh the Council also adopted the Horowhenua 2040 Blueprint (the Blueprint). The Blueprint is largely an implementation strategy for the Horowhenua 2040 Strategy and many of the Council's other strategies and plans. It encompasses housing, development, roading infrastructure, supporting and enabling iwi aspirations, education and workforce development, community development and wellbeing.

The next step is to develop an action plan to ensure delivery of these projects over the next 10 or so years.

### Tara-Ika Growth Area

The Growth Strategy 2040 identified Tara-Ika (formerly known as Gladstone Green) as a growth area. This meant the area was identified as potentially suitable to be rezoned from Greenbelt Residential to a residential/urban zoning. This allows for residential development and associated non-residential development (e.g. supportive commercial activities). Council prepared a Master Plan for the area in collaboration with a number of landowners within Tara-Ika. The master plan will guide future growth to ensure that the area develops in a cohesive, connected way with provision for infrastructure and social amenities. This is important given the size of Tara-Ika and the number of landowners involved. The Government has recognised the importance of this growth area and has provided funding to enable lead infrastructure to be provided to support this area being developed.

After several years of work and an extensive submissions process, the Tara-Ika Master plan is set to be implemented through the decision on the Plan Change.

## Gladstone Road Realignment

Gladstone Road has experienced frequent, short term road closures since 2017. These road closures have been caused by active landslips. A second landslip in June 2021 resulted in Council permanently closing the road due to safety concerns. A new road has been fast tracked to provide more reliable access for Gladstone Road residents. The current fragility of access and importance of making progress was highlighted again in May when the temporary access way was washed out in heavy rain. When completed, this road will be 1.5km long with two bridges over the Makahika Stream.

## Other key projects funded in the Annual Plan 2022/23 include



### Strong communities

- Foxton Pool Redevelopment
- Jubilee Park Splash Pad
- Youth space Renovation at Te Takere
- Investigate refurbishment of the dog pound
- Levin Adventure Park Renewals
- Playford Park Improvements
- Cycle lanes, racks, kerb crossings on Queen Street West
- Road safety improvements around schools

### Growth and Fit for Purpose Infrastructure

#### Tara Ika

- Investigate alternative water supply
- New drinking water pipes & reticulation network
- Replace wastewater infrastructure
- Upgrade wastewater pipes
- Cambridge - Liverpool Intersection planning and investigation

#### District Plan changes

- Intensification, rural re-zoning

### Levin East Structure Plan

#### STORMWATER

- Foxton Beach and Levin Global Resource Consents
- Foxton East Drainage Scheme

#### DRINKING WATER

- Pipes renewals and upgrades
- Treatment plants - Minor replacement works

#### WASTEWATER

- Levin NE Growth Wastewater reticulation
- Strategic upgrade of the POT to enable growth in Levin
- Strategic upgrade Levin wastewater treatment plant
- Renewals & upgrades
- Treatment plant renewals

#### SOLID WASTE

- Foxton Transfer Station improvements
- Levin Landfill Capping
- Old Levin Landfill Leachate remedial projects

#### ROADING

- Ō2NL Subsidised Roading improvements

# Our financial approach

Council's financial goal, agreed in the LTP 2021-2041, is to manage growth while remaining within our financial limits. The main challenge Council currently faces is maintaining current infrastructure assets and providing new infrastructure assets to support growth, while keeping rates affordable. Several components underpin our approach:

## We're managing our finances carefully and making good decisions about spending

Our district is full of opportunity but we come from a constrained position. Managing our finances really well and spending where it counts, is our number one focus - because everything else the community needs us to do, depends on us getting that right.

Our focus is on getting our finances on a sound footing so we have what we need to progress the development people want to see in our district and to ensure that we have the infrastructure needed to provide for our growing population – and do this in a way that considers the future needs of the community and works for everyone.

It is important that we manage our finances carefully so that we can afford what we need to pay for in the future and ensure that rates are as affordable as they can be for our community.

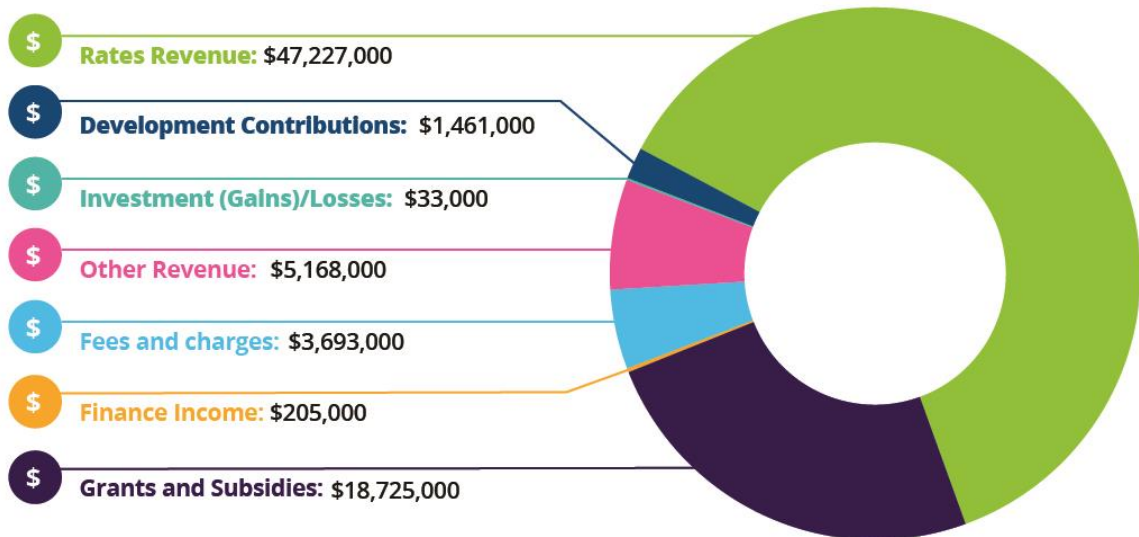
## We're delivering value for money and continuing to improve services

We are a service organisation and we're mindful that we're here to manage our district's infrastructure and facilities – \$750 million in assets – on behalf of the community. We're also mindful that most of the Council's annual budget to provide services in the community is paid for through your rates.

## Others have confirmed Council's efficiency

Our focus is on operating as efficiently as possible, and we're pleased to demonstrate our efficiency with the fourth lowest operating spending per ratepayer amongst all New Zealand councils.<sup>1</sup> Operating spending includes all our day-to-day costs for providing services and all maintenance.

### What are our revenue sources?



<sup>1</sup> 2021 Ratepayers Report, New Zealand Taxpayers Union



### **We're reliant on rates income**

Rates help us provide facilities and services making Horowhenua a great place to call home. Your rubbish collection, libraries, pools, water, road improvements, walkways, parks and reserves are all funded by rates.

Horowhenua has many natural advantages, but we don't have the income-generating assets that other local authorities draw on to help keep rates increases lower. For example, some Councils have ports or funds set up from the sale of local power suppliers and, therefore they have more substantial income streams. We don't have such means and so we must rely heavily on our rates. This means we can't keep rates as low as we would like and still be able to provide the services needed.

It means we are focused on how we manage our money and where and when we invest in new initiatives. We have to be very efficient. The advantage of this is it puts us in a good position for the challenge of planning a sustainable long term future for our district.

We've worked to reduce the rates increase this year. We are not investing in any new initiatives that weren't agreed in the LTP 2021-2041, and with several other factors combined, the average rates increase this year is 7.0%, lower than we forecast in the LTP. The detail about this is in the section below.

Council has also committed to review how rates are shared to ensure it is as equitable as it can be.

The Revenue and Financing Policy guides the way Council funds activities. Part of this policy sets out who pays for these activities. During a review of this policy we've found that Council is not compliant with this policy in relation to how the rates and user charges are split. We'll address this issue by completing a detailed review during 2022/2023 to make this split as fair as possible while making sure we are compliant with the policy.

### **We're using debt as a tool**

Balancing affordability and delivery of services means we need to use more tools rather than relying solely on rates.

#### *Our debt – our borrowings*

While our operating costs per household are relatively low, our level of debt is relatively high compared to other Councils. Taking on more debt allows Council to finance large projects and their continued maintenance while ensuring future generations pay for their portion of the costs associated with the new assets.

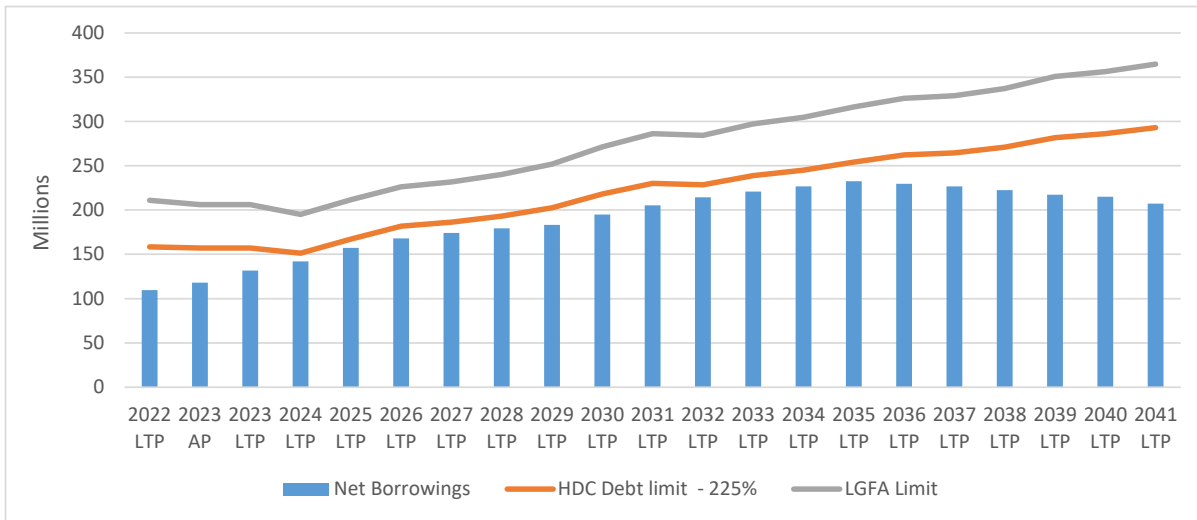
Our capital spending is largely funded through debt/borrowing. In the past this has enabled significant investments to be made for the community to deliver facilities as well as upgrading and renewing our infrastructure assets.

Although Council has planned to take on more debt in the 2022/2023 financial year, we remain under the debt limit set within the LTP 2021-2041. By 30 June 2023 Council will have a net debt of \$113m.

While you'll see a capital programme of \$45.9m outlined within our activity areas, we've chosen to limit the funding for this to a \$35m programme. This is more in line with what we are normally able to complete.

#### *Repaying our debt*

We have not funded the level of depreciation (asset replacement) through rates which has led to our borrowings being significantly higher than if we had.



We've made a start into paying back money borrowed and living within our means. The main way we have done this is by committing to fully funding the costs of depreciation (asset replacement). In the LTP 2021-2041 we committed to fully funding depreciation within the first five years of the plan, and to charge for development contributions which ensure that new developments are paying for the extra infrastructure costs to provide for growth. Council's financial position has improved as a result, and the benefits will increase as we continue to keep a tight rein on spending, reduce our debt and stick to the strategy. Infrastructure is the biggest category of Council spending and accounts for most of the capital spending (CAPEX) you see in our budgets.

## Working out this year's rates

We start by working out whether what was forecast in the LTP is the right number, taking into account cost changes, interest charges, work planned for the year, and the current total number of rateable properties in our district.


The LTP 2021-2041 forecast that the rates increase for 2022/23 would be 7.4%. The rates limit Council set was 7.5%.

### Our proposed rates increases over 20 years

	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031+
Rates Increase (after growth)	7.8%	7.4%	6.4%	4.7%	5.6%	3.7%	4.6%	3.1%	2.8%	3.0%	0.6% (Average)
Rates Limit (after growth)	8.0%	7.5%	6.5%	5.0%	5.8%	4.0%	5.0%	4.7%	4.7%	4.6%	4.4% (Average)

*Note: penalties and remissions are not included in the above. Individual household rates may be higher or lower than the above percentage increases.*

Source: LTP 2021-2041



### After growth

The amount needed from rates spread across the *current* number of rateable properties.

A key benefit of growth is it means that the rates income increase needed each year is spread over a greater number of ratepayers, reducing the cost to the community.

## What has changed?

### **Our ability to deliver – spent less, borrowed less**

Despite our best efforts, we were not able to deliver our full capital program in the 2021/2022 financial year. Like most businesses, Council has experienced challenges delivering projects due to ongoing impacts of Covid and we've experienced labour and material shortages during the past year. That obviously wasn't the plan, and it has meant that we spent less. We still need to do this work so need to carry that money over to the next year. As a short-term positive, it does mean we have saved \$668k in interest costs because we've borrowed less, which contributes to a lower overall rates increase for our ratepayers.

### **Subsidies and grants**

Council's revenue from subsidies and grants has increased by \$238k for 2022/23. This is mostly due to additional funding from Waka Kotahi New Zealand Transport Agency (below) and funding from the Foxton Freehold account for parks related work in Foxton Beach.

#### *Waka Kotahi New Zealand Transport Agency (WKNZTA) Rooding Budget*

WKNZTA has increased the subsidy for roading improvements from the level indicated in the LTP 2021-2041, but they have also reduced the subsidy for footpath improvements and cycle facilities. Overall, the subsidy from WKNZTA has increased by \$136k. This is shown in the Rooding budget.

### **Landfill income and expenditure**

After an extensive consultation process Council decided to defer the decision to close the landfill. Despite this the costs for operating the landfill will increase by \$1.9m which relates to lost revenue for waste no longer going into the landfill and additional transport costs for taking the waste to Bonny Glen. This increase will not impact ratepayers all in one go. We are asking for an additional \$450k this year and the remainder will be funded by debt.

### **Fees and charges**

Revenue from fees and charges is lower than what was projected in the LTP for the 2022/2023 financial year. The loss of \$1.4m of revenue from the landfill has resulted in a total decrease in fees and charges revenue. We are anticipating an increase of \$1m in building related income due to higher levels of building activity. Additional income is also coming from rental properties that Council has delayed selling.

### **Responding to growth**

The Horowhenua District is growing fast. Council wants to ensure that the growth is well planned and the opportunities that growth and development brings are optimised. To enable and support this growth, officers continue to deliver District Plan Changes, infrastructure renewals and growth planning. To keep up with the levels of growth and to deliver this work, the organisation has had to utilise a combination of internal and external technical experts.

### **Professional Services**

Costs that fall under professional services has increased by \$686k. These include \$54k for Building Consents to cover the competency assessments of new staff needed to support increased demand for this service, \$231k for additional planning consultants to complete more work, \$101k to bring forward planned district plan work, \$135k for infrastructure development due to increased costs and \$21k for security and monitoring for libraries and community centres. It's important to note that some of these costs such as those relating to consents can be passed on to the customer and therefore are offset by the revenue recovered from the service provided.

## What hasn't changed?

### Growth

Horowhenua's population has been growing in line with population projections used in the LTP. Growth has many benefits for our district, including calculating rates because it increases the number of rateable properties across the district to spread the costs over. In the last year, our district grew by 1.7%, (approximately 350 more rateable properties) helping to share the costs, reducing the total rates for each property.

## Where we've got to

Factoring in the cost increases and decreases above, Council's total rates increase would be 8.7% before growth is taken into account. However, once the 1.7% growth is taken into account and the rates increase is spread across more properties (i.e. including the approx. 350), the average rates increase for our district is 7.0% for 2022/23.

We've broken this down to show you what your rates are spent on, and to give an indication of what you might pay depending on your property type and where you live in the district.

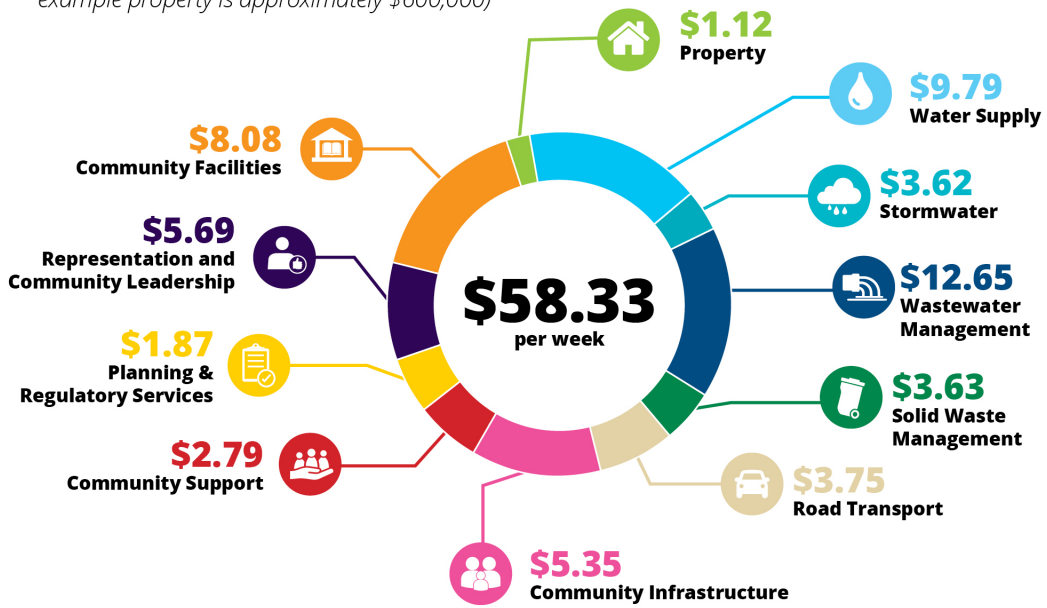
## What does it mean for you?

The rates system is complex. How much you pay depends on where you live, the services you receive and the value of your property. The following table shows an indicative rate for the average property values across the district.

Example Properties	Land Value \$	Capital Value \$	Rates 2021/22 Indicative Rates		\$ Dollar Change	% Percent Change
			\$	2022/23		
Hokio Bch	135,000	220,000	1,440	1,543	103	7.10%
Waikawa Bch	280,000	465,000	2,118	2,259	141	6.70%
Ohau	245,000	560,000	2,550	2,743	193	7.60%
Manakau	300,000	600,000	2,286	2,456	170	7.40%
Waitarere Bch	375,000	550,000	4,511	4,857	346	7.70%
Foxton Bch	230,000	330,000	2,790	2,996	206	7.40%
Tokomaru	140,000	365,000	2,641	2,866	225	8.50%
Rural Comm/Indust	650,000	2,000,000	3,718	3,958	240	6.50%
Rural	3,220,000	3,340,000	7,481	7,804	323	4.30%
Lifestyle	375,000	680,000	2,775	2,910	135	4.90%
Levin	180,000	530,000	2,902	3,157	255	8.80%
Levin - business	400,000	930,000	3,948	4,271	323	8.20%
Foxton	195,000	400,000	2,855	3,083	228	8.00%
Shannon	136,000	235,000	2,531	2,727	196	7.70%

## What your rates pay for

Based on a Land Value of \$180,000 and Capital Value of \$400,000 for a Levin Residential property  
(Please note that rates are charged based on the rateable value of your property. The market value for this example property is approximately \$600,000)





# 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.
- Managing and maintaining 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 (Supervisory Control and Data Acquisition) 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 under the new regulator Taumata Arowai. These came into effect in November 2021 and replace the Drinking Water Standards for New Zealand 2018
- Respond to and resolve (if possible) complaints relating to the Water Supply Activity.

## Key Projects for 2022/23

### Replacement of existing assets

- Drinking water supply network pipes – Renewals and upgrades of critical aging assets across the district to address leaky pipes and reduce the water leakage rate within the district.
- Water treatment plants - Minor replacement works of aging critical assets across the district.

### Projects resulting from growth

- Alternative water supply (growth and resilience) – Investigating an option for a raw water lake reservoir to provide for growth and improve resilience by addressing drinking water supply issues associated with heavy rain events, dry periods, and climate change impacts while enabling growth.
- Tara-Ika – New drinking water pipes and a reticulation network will be installed in this growth area to the east of Levin.

## How we measure our performance

Service	Community Outcomes	How will we measure our performance	Target 2022/23
Safe water supply*	Strong communities	<p>Council's drinking water supply complies with**:</p> <p>(a) MAV Table 1<sup>1</sup> of the Drinking Water Standards (bacteria compliance criteria) in</p> <p>Levin</p> <p>Shannon</p> <p>Foxton</p> <p>Foxton Beach</p> <p>Tokomaru</p> <p>(b) MAV Table 1<sup>1</sup> of the Drinking Water Standards (protozoa compliance criteria) in:</p> <p>Levin</p> <p>Shannon</p> <p>Foxton</p> <p>Foxton Beach</p> <p>Tokomaru</p>	<p>1</p> <p>1</p> <p>1</p> <p>1</p> <p>1</p> <p>1</p> <p>1</p> <p>1</p> <p>1</p> <p>1</p> <p>1</p>
<p><b>What does this tell me?</b></p> <p>This measure informs ratepayers and consumers about whether the water supplied is safe to drink. These new Drinking Water Standards fall under the new regulator, Taumata Arowai.</p>			
Drinking water that tastes and looks satisfactory*	Strong communities	<p>The total number of complaints received about any of the following (expressed per 1000 connections):</p> <p>Drinking water clarity</p> <p>Drinking water taste</p> <p>Drinking water odour</p> <p>Drinking water pressure or flow</p> <p>Continuity of supply 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><b>What does this tell me?</b></p> <p>The number of complaints provides an indication of the quality of the service provided. This measure also provides information about problems requiring attention, such as the need for maintenance, repairs, upgrades or new infrastructure.</p>			
Response to faults*	<p>Strong communities</p> <p>Fit for purpose Infrastructure</p>	<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;^</p> <p>Confirm resolution of the fault or interruption of urgent call-outs;^</p>	<p>&lt; 1 hour</p> <p>&lt; 8 hours</p>



		Reach the site for non-urgent callouts; and* <sup>^</sup> Confirm resolution of the fault or interruption of no-urgent call-outs.* <sup>^</sup>	< 3 days  < 3 days
<p><b>What does this tell me?</b></p> <p>Households and businesses rely heavily on water so it's important that we provide a timely response when something goes wrong. An <b>urgent</b> call-out is defined as a complete loss of service to the water supply. A <b>non-urgent</b> call-out is where there is still a supply of water.</p>			
Firefighting needs are met	Strong communities  Fit for purpose Infrastructure	Percentage of sampled network where firefighting flows in urban residential areas meet the FENZ Code of Practice SZ 4509:2008.	≥ 80%
<p><b>What does this tell me?</b></p> <p>Fire and Emergency NZ requires a minimum pressure from a water network to effectively control fires. This measure indicates the adequacy of our water network for firefighting.</p>			
Water supply has adequate flow and pressure	Strong communities  Fit for purpose Infrastructure	Network supply pressure at the property boundary is not less than 250kPa for on demand connections and 150kPa for restricted flow connections.	Achieve
<p><b>What does this tell me?</b></p> <p>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.</p>			
Water supply is sustainable*	Strong communities  Outstanding environment	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>	≤ 300 lpcd
<p><b>What does this tell me?</b></p> <p>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.</p>			
Minimal water losses*	Outstanding environment	Percentage of real water loss from the network as measured by the standard World Bank Institute Band for Leakage.*	Band "B"
<p><b>What does this tell me?</b></p> <p>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</p>			

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 the network. This uses a grading system ranked from Bands A (highest) to D (lowest). Council's target is Band B and represents potential for marked improvements; consider pressure management, better active leakage control practices, and better network maintenance.

The Infrastructure Leakage Index (ILI) is used to categorise operational performance in real loss management into one of 4 Bands, which (for Developed Countries) are as shown in below:

<b>Band</b>	<b>ILI Range</b>	<b>Guideline Description of Real Loss Management Performance Categories for Developed Countries</b>
A	< 2.0	Further loss reduction may be uneconomic unless there are shortages; careful analysis needed to identify cost-effective leakage management
B	2.0 to < 4.0	Possibilities for further improvement; consider pressure management, better active leakage control, better maintenance
C	4.0 to < 8.0	Poor leakage management, tolerable only if plentiful cheap resources; even then, analyse level and nature of leakage, intensify reduction efforts
D	8.0 or more	Very inefficient use of resources, indicative of poor maintenance and system condition in general, leakage reduction programs imperative and high priority

Higher the 'Band' the better the performance from a water leakage point of view in water supply reticulation system. Band B is a resource consent condition requirement.

Sustainable water supply management	Outstanding environment	The number of:	
	Strong communities		<ul style="list-style-type: none"> <li>• Abatement Notices</li> <li>• Infringement Notices</li> <li>• Enforcement Orders</li> <li>• Convictions received by Council in relation to Horizons Regional Council resource consents.*</li> </ul>
			0
			0
			0
			0

**What does this tell me?**

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	Strong communities	Percentage of customers not dissatisfied with the service, based on the Annual Customer Satisfaction Survey.	≥ 84%
-----------------------	--------------------	--	-------

**What does this tell me?**

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.

\*\*These targets differ from the targets within the LTP 2021-2041. The changes were made to ensure compliance with the change in regulation initiated by Central Government.

<sup>1</sup> Table 1: Maximum Allowable Value for Microbiological Determinands. New Drinking Water Standards under new water regulator, Taumata Arowai

## Challenges Council faces for Water Supply

Sourcing water supply is a major challenge across the district. This issue is particularly apparent in Levin.

Aging water supply infrastructure assets negatively affect reliability, maintenance costs, and overall performance. Council's response to ageing infrastructure is to increase renewal through investigations, collecting data and develop targeted renewal programmes for the water supply networks and treatment plants.

Achieving compliance with New Zealand Drinking Water Standards and the Horizons Regional Council's One Plan is a major driver in capital expenditure. Council is required to increase some Levels of Service and to obtain, and be compliant with, 20 resource consents.

An additional challenge for the district is water sustainability. It's critical that all communities in the district have access to sufficient and safe drinking water. There are quantity issues that need addressing to ensure Council can secure water supply to existing and future communities.

## Significant negative effects associated with Water Supply

A significant negative effect associated with the Water Supply activity is the impact of water abstraction (or take) from rivers, streams and underground aquifers. If over abstraction occurs it affects the rivers ecological habitat. This is mitigated by continued monitoring and compliance with Council's resource consents and their conditions, reinforced through the Water Demand Management Plan.

## Key Risks and Assumptions associated with Water supply

Risks associated with the Water Supply Group of Activities include service failures/disruption, inconsistent strategic planning and poor business/continuity planning.

## How much it will cost

### Capital Expenditure Program for Water Supply

Annual Report 2020/21 \$000	Capital Expenditure for Water Supply	LTP Forecast 2021/22 \$000	LTP Forecast 2022/23 \$000	Annual Plan Forecast 2022/23 \$000	Variance 2022/23 \$000
	<b>Primary Type - to replace existing assets</b>				
272	Ballance Street Shannon	-	-	-	-
49	Condition assessment for renewals	-	-	-	-
-	Firefighting reservoir capacity increase - tanks (Waitāreere Beach/Waikawa/Hōkio Beach)	125	-	-	-
226	Foxtton Beach reticulation - Renewals	252	263	450	187
43	Foxtton Beach treatment plant - Renewals	69	72	259	187
-	Foxtton reticulation - Renewals	450	424	424	0
172	Foxtton water treatment plant - Renewals	199	155	155	0
1,233	Levin reticulation - Renewals	1,272	1,139	1,139	(1)
150	Levin treatment plant - Renewals	-	-	-	-
187	Reactive renewals - District wide	120	114	114	(0)
14	Shannon - Mangaore Consents	-	-	-	-
-	Shannon resource consent renewal	199	-	-	-
91	Shannon Treatment Plant - Renewals	360	88	293	205
395	Shannon/Mangaore - reticulation - Renewals	1,302	311	1,202	891
1	Tokomaru Consents - RENEWAL	-	-	-	-
251	Tokomaru treatment plant - Renewals	100	31	100	69
-	Water Supply property renewals	14	15	15	0
<b>3,084</b>	<b>Total renewals</b>	<b>4,462</b>	<b>2,612</b>	<b>4,152</b>	<b>1,540</b>
	<b>Primary Type - to improve the level of service</b>				
-	Districtwide - Marae water treatment assessment & upgrade	259	-	-	-
(4)	dNet Loggers and oNet PRV Control System	-	-	-	-
5	Hydraulic Modelling	-	-	-	-
(76)	Levin Clarifier Installation	-	-	-	-
52	Levin reticulation - Demand management	-	-	-	-
1	New Water Connections Foxtton - Lateral	-	-	-	-
3	New Water Connections Foxtton Beach - Lateral	-	-	-	-
8	New Water Connections Levin - Lateral	-	-	-	-
(1)	New Water Connections Shannon - Lateral	-	-	-	-
1	Tokomaru treatment plant - LOS	-	-	-	-
<b>(11)</b>	<b>Total level of service</b>	<b>259</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>Primary Type - to meet additional demand</b>				
-	Alternative water source for Levin	200	-	-	-
55	Levin growth area	530	553	-	(553)
-	Levin WTP - resilience (secondary pipeline from River to WTP)	386	-	376	376
-	Tara-Ika - Water Reticulation	-	2,381	2,381	-
4	Tara-Ika - WS 300dia Central Trunk Main	-	-	-	-
(9)	Waitāreere Beach future supply of water	-	-	-	-
<b>50</b>	<b>Total growth</b>	<b>1,116</b>	<b>2,934</b>	<b>2,757</b>	<b>(177)</b>
	<b>Total Water Supply Projects by Type</b>				
3,084	Renewals	3,900	2,178	3,644	1,466
(11)	Level of service	517	-	188	188
50	Growth	1,420	3,368	3,077	(291)
<b>3,123</b>	<b>Total Water Supply Projects</b>	<b>5,837</b>	<b>5,546</b>	<b>6,909</b>	<b>1,363</b>

## Funding impact statement for water supply

Annual Report 2020/21 \$000		LTP Forecast 2021/22 \$000	LTP Forecast 2022/23 \$000	Annual Plan Forecast 2022/23 \$000	Variance 2022/23 \$000
	<b>Sources of Operating Funding</b>				
-	General rates, uniform annual general charges, rates penalties	-	-	-	-
6,254	Targeted rates	7,165	7,637	7,457	(180)
126	Subsidies and grants for operating purposes	-	-	-	-
41	Fees and charges	62	64	64	-
3	Local authorities fuel tax, fines, infringement fees, and other receipts	128	90	147	57
-	Internal charges and overheads recovered	-	-	-	-
<b>6,424</b>	<b>Total Operating Funding (A)</b>	<b>7,355</b>	<b>7,791</b>	<b>7,668</b>	<b>(123)</b>
	<b>Applications of Operating Funding</b>				
3,111	Payments to staff and suppliers	3,805	3,791	3,856	65
426	Finance costs	471	572	423	(149)
964	Internal charges and overheads applied	852	870	870	-
-	Other operating funding applications	-	-	-	-
<b>4,501</b>	<b>Total applications of operating funding (B)</b>	<b>5,128</b>	<b>5,233</b>	<b>5,149</b>	<b>(84)</b>
<b>1,923</b>	<b>Surplus (deficit) of operating funding (A-B)</b>	<b>2,227</b>	<b>2,558</b>	<b>2,519</b>	<b>(39)</b>
	<b>Sources of capital funding</b>				
-	Subsidies and grants for capital expenditure	1,254	1,587	1,769	182
-	Development and financial contributions	220	220	296	76
(570)	Increase (decrease) in debt	1,912	1,081	2,014	933
-	Gross proceeds from sale of assets	-	-	-	-
-	Lump sum contributions	-	-	-	-
-	Other dedicated capital funding	-	-	-	-
<b>(570)</b>	<b>Total sources of capital funding (C)</b>	<b>3,386</b>	<b>2,888</b>	<b>4,079</b>	<b>1,191</b>
	<b>Applications of capital funding</b>				
	Capital expenditure				
50	- to meet additional demand	1,420	3,367	3,077	(290)
(11)	- to improve the level of service	517	-	188	188
3,084	- to replace existing assets	3,899	2,179	3,644	1,465
(1,770)	Increase (decrease) in reserves	(223)	(100)	(311)	(211)
-	Increase (decrease) of investments	-	-	-	-
<b>1,353</b>	<b>Total applications of capital funding (D)</b>	<b>5,613</b>	<b>5,446</b>	<b>6,598</b>	<b>1,152</b>
<b>(1,923)</b>	<b>Surplus (deficit) of capital funding (C-D)</b>	<b>(2,227)</b>	<b>(2,558)</b>	<b>(2,519)</b>	<b>39</b>
<b>-</b>	<b>Funding Balance ((A-B)+(C-D))</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
3,476	Depreciation	3,338	3,385	4,035	650

## Activity expenditure for water supply

Annual Report 2020/21 \$000		LTP Forecast 2021/22 \$000	LTP Forecast 2022/23 \$000	Annual Plan Forecast 2022/23 \$000	Variance 2022/23 \$000
4,726	Levin Water Supply	4,693	4,706	5,082	376
817	Foxton Beach Water Supply	959	979	1,064	85
1,059	Foxton Water Supply	1,222	1,270	1,327	57
443	Tokomaru Water Supply	529	546	560	14
906	Shannon Water Supply	975	1,029	1,065	36
13	Ōhau Water Supply	67	68	68	-
13	Waitāreere Beach Water Supply	20	22	18	(4)
<b>7,977</b>	<b>Total Expenditure</b>	<b>8,465</b>	<b>8,620</b>	<b>9,184</b>	<b>564</b>

# Wastewater Treatment

*The Wastewater Treatment Activity aims to protect human health and the environment by treating wastewater from residential and industrial properties, and discharging treated water back into the environment.*

## What Wastewater Treatment 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 Waitāreere Beach<sup>2</sup>.
- Maintaining and improving Council's wastewater systems including: pipes, pumping stations, wastewater treatment plants and discharge facilities.
- Meeting resource consent requirements for the discharge of treated wastewater.
- Responding to and resolving (if possible) customer complaints relating to the Wastewater Treatment Activity.

## Key Projects for 2022/2023

### Replacement of existing assets

- Wastewater network pipes across the district – Renewals and upgrades of wastewater pipes to address aging and critical pipes.
- Levin Tara-Ika growth area – Provide new wastewater infrastructure.
- Levin wastewater treatment plant – Renewals of critical aging assets at the wastewater treatment plant.
- Wastewater treatment plants - Minor renewal works across the district.
- Levin Treated Effluent Discharge - Strategic upgrade of the POT entails renewal of aging assets and operational and environmental improvements.

### Projects resulting from growth

- Levin NE Growth Wastewater reticulation - Renewals and upgrade of wastewater pipes to address aging and critical pipes.
- Levin Tara-Ika growth area – upgrading wastewater pipes to enable Tara-Ika growth.
- Levin Treated Effluent Discharge - Strategic upgrade of the POT to enable growth in Levin.
- Levin wastewater treatment plant – Strategic upgrade of assets identified from the master planning phase.

---

<sup>2</sup> Council does not provide a wastewater disposal service for Waikawa Beach, Hōkio Beach, Manakau or Ōhau.

## How we will measure our performance

Service	Community Outcomes	How we will measure our performance	Target 2022/23
Reliable wastewater collection and disposal*	Outstanding environment  Fit for purpose infrastructure	The number of dry weather wastewater overflows from the wastewater system per 1000 connections.*	≤ 2
<b>What does this tell me?</b> This measure provides information about 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.*  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.*	< 1 hour          < 12 hours
<b>What does this tell me?</b> This measure shows how quickly we respond when there is a problem with the sewerage system, and how quickly the problem is resolved.			
The service is satisfactory*	Fit for purpose infrastructure	The total number of complaints received (expressed per 1000 connections to the wastewater system) regarding: <ul style="list-style-type: none"> <li>• Wastewater odour</li> <li>• Wastewater systems faults</li> <li>• Wastewater system blockages</li> <li>• Council's response to issues with its wastewater system (per 1000 connections).</li> </ul> Total number of complaints received about any of the above.*  Percentage of customers not dissatisfied with the service, based on the Annual Customer Satisfaction Survey	<4 <6  <8  <4    <22   ≥84%
<b>What does this tell me?</b> The number of complaints provides an indication of the quality of the service provided. This measure also provides information about problems requiring attention, such as the need for maintenance, renewals, upgrades, or new infrastructure			



Safe disposal of wastewater*	Outstanding environment	<ul style="list-style-type: none"> <li>• The number of: Abatement Notices</li> <li>• Infringement Notices</li> <li>• Enforcement Orders</li> <li>• Convictions</li> </ul> received by Council in relation to Horizons Regional Council resource consents for discharge from its wastewater system.*	0 0 0 0
<b>What does this tell me?</b> 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 are mandatory.

## Challenges Council faces for Wastewater Treatment

A major challenge facing Council regarding its Wastewater Activities is the increasing age of Council's wastewater assets, especially within Levin reticulation and treatment plant. Asset ageing affects the reliability of assets, increases maintenance costs, and reduced the overall performance of the asset. Groundwater infiltration is an issue that results from pipes within the Wastewater Treatment network being in poor condition. This adds unnecessary volume to the amount of wastewater collected during wet weather events. To respond to asset ageing, carefully targeted renewal programmes for the wastewater collection networks and treatment plants need to be improved.

Meeting demand resulting from growth is a challenge that is at the forefront of a significant number of Councils projects. Anticipated growth is leading to increased residential, commercial and industrial demand.

The resource consent process and complying with consent conditions are another challenge Council faces. This process can be expensive, particularly with increased expectations from the public and stakeholder groups.

## Significant negative effects associated with Wastewater Treatment

A significant negative effect associated with Wastewater Treatment Activities is the long term effect of discharge of treated wastewater to the receiving environments, including land and watercourses throughout the district. This effect is mitigated by meeting the standards of treatment required by Horizons Regional Council. As these standards increase in the future, Council will need to obtain further significant capital expenditure.

Another significant negative effect of Council's Wastewater Treatment Activities is unintentional overflows of untreated wastewater from the collection system to private property, public land, or watercourses during heavy rain events. This is mitigated by a regime of inspections and maintenance of pipes and pumps. We also plan to increase resilience and data monitoring for pump stations, especially for critical pump stations.

## Key Risks and Assumptions associated with Wastewater Treatment

Risks associated with Wastewater Treatment Activities include

Service failures or disruption to services, inconsistent strategic and poor business/continuity planning.

The Government's Three Waters reform programme.

Assumptions which may affect this Group of Activities include the population projection.

## How much it will cost

### Capital expenditure program for wastewater disposal

Annual Report 2020/21 \$000	Capital Expenditure for Wastewater Treatment	LTP Forecast 2021/22 \$000	LTP Forecast 2022/23 \$000	Annual Plan Forecast 2022/23 \$000	Variance 2022/23 \$000
	<b>Primary Type - to replace existing assets</b>				
26	Condition assessment for renewals	-	-	45	45
103	Districtwide - Reticulation unplanned renewals	160	164	164	(0)
12	Forestry at The Pot	-	-	-	-
-	Foxton Beach - Reticulation renewals	330	114	450	336
-	Foxton Beach wastewater treatment plant - Planned renewals	66	70	60	(10)
20	Foxton Beach wastewater treatment plant - Unplanned renewals	-	-	-	-
-	Foxton Reticulation Renewals	330	310	311	1
-	Foxton wastewater treatment plant - Planned renewals	46	52	52	(0)
54	Foxton wastewater treatment plant - Unplanned renewals	-	-	-	-
108	Levin - Reticulation renewals	1,956	1,553	1,553	(1)
979	Levin wastewater treatment plant - Renewals	1,750	1,449	1,449	-
145	Levin wastewater treatment plant - Unplanned renewals	-	-	-	-
459	Roslyn Road Update - Wastewater	-	-	-	-
-	Shannon reticulation – Infiltration & Inflow	150	-	-	-
-	Shannon wastewater treatment plant - Planned renewals	205	47	175	128
47	Shannon wastewater treatment plant - Unplanned renewals	-	-	-	-
-	Tokomaru reticulation – Infiltration & Inflow	150	-	-	-
104	Tokomaru wastewater - treated effluent disposal options & consents	120	518	697	179
38	Tokomaru wastewater treatment plant - Planned renewals	36	36	36	0
2	Tokomaru wastewater treatment plant - Unplanned renewals	-	-	-	-
43	Waitāreere Beach wastewater treatment plant - Planned renewals	90	103	104	1
1	Waitāreere Beach wastewater treatment plant - Unplanned renewals	-	-	-	-
-	Wastewater property renewals	4	-	5	5
<b>2,141</b>	<b>Total renewals</b>	<b>5,393</b>	<b>4,416</b>	<b>5,099</b>	<b>683</b>
	<b>Primary Type - to improve the level of service</b>				
-	Districtwide - Marae wastewater assessment & upgrade	259	-	-	-
-	Districtwide - WTP & WWTP structural improvements	300	-	250	250
9	Districtwide pump stations - improvement & resilience	100	160	160	0
98	Foxton Beach Wastewater treatment plant - Strategic upgrade	-	-	-	-
1,486	Foxton wastewater treatment plant - Strategic upgrade	1,300	-	-	-
703	Foxton Wastewater Treatment Plant - Strategic Upgrade - Irrigation Stage 2-3	-	-	-	-
2,081	Foxton Wastewater Treatment Plant - Strategic Upgrade - Phase 2	-	-	-	-
-	Levin Treated Eff. Discharge - Strategic upgrade POT	1,750	6,262	1,500	(4,762)
(136)	Levin Wastewater Treatment Plant - Strategic Upgrade	-	-	-	-
300	Levin wastewater treatment plant - Strategic upgrade POT	-	-	-	-
2	New WW Connections Foxton Beach - Lateral	-	-	-	-
1	New WW Connections Waitāreere	-	-	-	-
1	POT Development	-	-	-	-
91	POT Mitigation	-	-	-	-
(1)	Shannon WW Disposal System	-	-	-	-
20	Tokomaru wastewater treatment plant upgrade	-	-	-	-
<b>4,655</b>	<b>Total level of service</b>	<b>3,709</b>	<b>6,422</b>	<b>1,910</b>	<b>(4,512)</b>
	<b>Primary Type - to meet additional demand</b>				
7	Flaxhaven Development	-	-	-	-
504	Foxton wastewater treatment plant - Pond de-sludge	-	-	-	-

Annual Report 2020/21 \$000	Capital Expenditure for Wastewater Treatment	LTP Forecast 2021/22 \$000	LTP Forecast 2022/23 \$000	Annual Plan Forecast 2022/23 \$000	Variance 2022/23 \$000
70	Levin - Network upgrades - Pump stations	-	-	-	-
-	Levin NE Growth Wastewater reticulation	166	1,553	1,553	(1)
-	Levin reticulation upgrade - growth	2,004	828	1,327	499
-	Levin Tara-Ika growth area - wastewater	3,900	3,623	500	(3,123)
(28)	Ōhau future supply of wastewater service	-	-	-	-
9	Tara-Ika - Wastewater - New 200dia Liverpool Street Main	-	-	1,400	1,400
899	Tara-Ika - Wastewater - New 225dia Queen	-	-	-	-
61	Tara-Ika - Wastewater - New 225dia Tararua Road Main (East Roe St)	-	-	1,237	1,237
9	Tara-Ika - Wastewater - Upgrade Tararua Road to 225dia Main (West Roe St)	-	-	454	454
1,182	Tara-Ika - Wastewater - Upgrade to 225dia Queen St Main (West SH57)	-	-	-	-
197	Waitāreere Beach wastewater treatment plant - Strategic upgrade	90	-	45	45
56	Waitāreere Wastewater Network Development	-	-	-	-
<b>2,966</b>	<b>Total growth</b>	<b>6,160</b>	<b>6,004</b>	<b>6,516</b>	<b>512</b>
	<b>Total Wastewater Treatment Projects by Type</b>				
2,556	Renewals	5,491	4,189	4,242	53
4,941	Level of service	2,465	4,090	1,592	(2,498)
2,265	Growth	7,306	8,563	7,691	(872)
<b>9,762</b>	<b>Total Wastewater Treatment Projects</b>	<b>15,262</b>	<b>16,842</b>	<b>13,525</b>	<b>(3,317)</b>

## Funding Impact statement for Wastewater Disposal

Annual Report 2020/21 \$000		LTP Forecast 2021/22 \$000	LTP Forecast 2022/23 \$000	Annual Plan Forecast 2022/23 \$000	Variance 2022/23 \$000
	<b>Sources of Operating Funding</b>				
-	General rates, uniform annual general charges, rates penalties	-	-	-	-
6,327	Targeted rates	6,854	7,616	7,737	121
51	Subsidies and grants for operating purposes	-	-	-	-
1,156	Fees and charges	1,191	1,233	1,233	-
53	Local authorities fuel tax, fines, infringement fees, and other receipts	112	93	134	41
-	Internal charges and overheads recovered	-	-	-	-
<b>7,587</b>	<b>Total Operating Funding (A)</b>	<b>8,157</b>	<b>8,942</b>	<b>9,104</b>	<b>162</b>
	<b>Applications of Operating Funding</b>				
3,129	Payments to staff and suppliers	3,903	3,824	3,988	164
768	Finance costs	921	1,280	1,260	(20)
901	Internal charges and overheads applied	869	887	875	(12)
-	Other operating funding applications	-	-	-	-
<b>4,798</b>	<b>Total applications of operating funding (B)</b>	<b>5,693</b>	<b>5,991</b>	<b>6,123</b>	<b>132</b>
<b>2,789</b>	<b>Surplus (deficit) of operating funding (A-B)</b>	<b>2,464</b>	<b>2,951</b>	<b>2,981</b>	<b>30</b>
	<b>Sources of capital funding</b>				
2,641	Subsidies and grants for capital expenditure	2,693	2,415	7,814	5,399
-	Development and financial contributions	1,523	1,523	712	(811)
4,291	Increase (decrease) in debt	8,682	10,288	8,090	(2,198)
-	Gross proceeds from sale of assets	-	-	-	-
-	Lump sum contributions	-	-	-	-
-	Other dedicated capital funding	-	-	-	-
<b>6,932</b>	<b>Total sources of capital funding (C)</b>	<b>12,898</b>	<b>14,226</b>	<b>16,616</b>	<b>2,390</b>
	<b>Applications of capital funding</b>				
	Capital expenditure				
2,265	- to meet additional demand	7,306	8,561	7,691	(870)
4,941	- to improve the level of service	2,465	4,090	1,592	(2,498)
2,555	- to replace existing assets	5,491	4,189	4,242	53
(40)	Increase (decrease) in reserves	100	337	6,072	5,735
-	Increase (decrease) of investments	-	-	-	-
<b>9,721</b>	<b>Total applications of capital funding (D)</b>	<b>15,362</b>	<b>17,177</b>	<b>19,597</b>	<b>2,420</b>
<b>(2,789)</b>	<b>Surplus (deficit) of capital funding (C-D)</b>	<b>(2,464)</b>	<b>(2,951)</b>	<b>(2,981)</b>	<b>(30)</b>
<b>-</b>	<b>Funding Balance ((A-B)+(C-D))</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
3,849	Depreciation	3,797	3,975	4,811	836

## Activity Expenditure for Wastewater Disposal

Annual Report 2020/21 \$000		LTP Forecast 2021/22 \$000	LTP Forecast 2022/23 \$000	Annual Plan Forecast 2022/23 \$000	Variance 2022/23 \$000
828	Foxton Wastewater	1,139	1,149	1,371	222
729	Foxton Beach Wastewater	819	838	951	113
5,163	Levin Wastewater	5,412	5,792	6,220	428
1,153	Shannon Wastewater	1,183	1,217	1,310	93
245	Tokomaru Wastewater	336	339	354	15
516	Waitāreere Beach Wastewater	565	592	693	101
13	Ōhau Wastewater	37	37	36	(1)
<b>8,647</b>	<b>Total Expenditure</b>	<b>9,491</b>	<b>9,964</b>	<b>10,935</b>	<b>971</b>

# Stormwater

*As part of the Stormwater Activity, Council provides and maintains the stormwater system. This system aims to remove water from the roading corridor, and in some cases 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 settlements across the district<sup>3</sup> 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 Stormwater Activity.

## Key Projects for 2022/2023

### Replacement of existing assets

- Stormwater network improvements – Minor renewals and improvements across the district to address surface flooding issues.

### Additions to Levels of Service

- Stormwater water quality improvements – Installation of in-network stormwater treatment devices to improve the quality of stormwater that enters Lake Horowhenua.
- Foxton Beach and Levin Resource Consents – Global stormwater discharge resource consent applications for Foxton Beach and Levin.
- Foxton East Drainage Scheme – Council is working closely with Horizons Regional Council to address and implement solutions to flooding problems. This project is being led by Horizons Regional Council in collaboration with Council.
- Stormwater Management Bylaw.

### Projects resulting from growth

- Tara-Ika growth area.

---

<sup>3</sup> Levin, Foxton, Foxton Beach, Hōkio Beach, Shannon, Mangaore, Tokomaru, Manakau, Ōhau, Waikawa Beach and Waitāre Beach.

## How we will measure our performance

Service	Community Outcomes	How we will measure our performance	Target 2022/23
An adequate stormwater system*	Outstanding environment	Number of flooding events each year that occur in the District.*	< 5 per year
	Fit for purpose infrastructure	For each flooding event, the number of habitable floors affected. (Expressed per 1000 connections to Council's stormwater networks).*	2 or less
	Strong communities		
<b>What does this tell me?</b> It is important that our stormwater system is reliable and that the scale of any flooding event is minimised. This performance measure provides information about 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. 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.			
Response to faults*	Outstanding environment  Strong communities	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
<b>What does this tell me?</b> 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*	Strong communities	The number of complaints received by Council about the performance of its stormwater system expressed per 1000 properties connected to the system.*  Percentage of customers satisfied with the stormwater service. As per the Annual Customer Satisfaction Survey.	<10 per year  ≥80%
<b>What does this tell me?</b> 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	Outstanding environment  Strong communities  Fit for purpose infrastructure	The number of: <ul style="list-style-type: none"> <li>• Abatement Notices</li> <li>• Infringement Notices</li> <li>• Enforcement Orders</li> <li>• Convictions</li> </ul> received by Council in relation to Horizons Regional Council resource consents* for discharge from its stormwater system.	0  0  0  0
<b>What does this tell me?</b> This measure indicates how well Council is managing the environmental impacts of the stormwater.			

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

## Challenges Council faces for Stormwater

Climate change is a challenge facing Council for its stormwater activities as it is expected that, over time, there will be a gradual change in the weather patterns, including more frequent heavy rainfall events. Stormwater catchment management plans incorporate climate change effects into stormwater models as well as including historical flooding information so that asset renewals are done appropriately and fit-for purpose.

Customer expectations are continually increasing and this presents a challenge for the future provision of stormwater activities as peoples' expectations are higher, but Council can only provide so much.

Another challenge faced by Council is that the quality of freshwater in streams, river systems, and water catchments in general is affected by water runoff, erosion, and contaminants (whether chemical or solid waste) which can be present in stormwater. These contaminants largely originate from sources outside of Council's control and yet they are still ultimately transported to natural systems by Council's stormwater drainage system. The National Policy Statement for Freshwater Management 2020 (NPS-FM) is the key instrument for controlling this contamination and will impact on Council's stormwater services in the future.

## Significant negative effects associated with Stormwater

Stormwater systems are essentially a means of transporting surface water across urban landscapes to protect private and public property from flooding. A negative effect associated with this Group of Activities is that stormwater runoff can pick up contaminants (including rubbish and chemicals) and then discharge these contaminants into receiving natural systems such as rivers, lakes, and the sea.

## Key Risks and Assumptions associated with Stormwater

The significant risk associated with stormwater activities is the lack of knowledge around both the built system and the complexities of the total catchments covering each urban area. This risk has been identified through Stormwater Catchment Management Plans. We plan to implement actions from Stormwater Catchment Management Plans as part of continuous improvement.

Assumptions which may have a significant effect on this Group of Activities are the quality of asset data and information, the rate and nature of population and business growth, and the rate and nature of changes of weather patterns from climate change.

Council has applied to Horizons for resource consents for Levin and Foxton Beach. The investigation phase has been undertaken and communicated with relative stakeholders. It is expected that the investigations will continue to improve monitoring data which are required by Horizons One Plan. It is anticipated that the discharge consent will be granted for these two communities during this LTP period.



## How much it will cost

### Capital Expenditure Program for Stormwater

Annual Report 2020/21 \$000	<b>Capital Expenditure for Stormwater</b>	LTP Forecast 2021/22 \$000	LTP Forecast 2022/23 \$000	Annual Plan Forecast 2022/23 \$000	Variance 2022/23 \$000
	<b>Primary Type - to replace existing assets</b>				
-	Districtwide pump stations - Planned renewals	49	46	81	35
33	Districtwide reticulation - Unplanned renewals	-	-	-	-
4	Districtwide reticulation renewals	150	165	275	110
<b>37</b>	<b>Total renewals</b>	<b>199</b>	<b>211</b>	<b>356</b>	<b>145</b>
	<b>Primary Type - to improve the level of service</b>				
-	Actions from Catchment Management Plans	132	136	137	1
347	Districtwide improvement works	360	372	553	181
1	Foxton East Drainage Scheme	504	-	-	-
-	Lake Horowhenua Stormwater	500	1,035	-	(1,035)
-	Lake Horowhenua water quality improvement project - wetland/riparian planting (Levin & Foxton)	300	155	-	(155)
1	Levin Queen Street	-	-	-	-
120	Queen St discharge & resource consent	348	-	218	218
-	Hōkio Cut Remediation	-	-	40	40
1,196	Roslyn Road Update - Stormwater	-	-	-	-
<b>1,665</b>	<b>Total level of service</b>	<b>2,144</b>	<b>1,698</b>	<b>947</b>	<b>(751)</b>
	<b>Primary Type - to meet additional demand</b>				
35	Development planning and resource consenting Foxton Beach	130	52	100	48
2	Improvements NE Levin	-	-	-	-
-	Levin North East Stormwater drainage	2,804	155	1,797	1,642
12	Tara-Ika - Liverpool St Stage 2 Stormwater (Pre-O2NL) - Regional Attenuation and Treatment	-	-	-	-
263	Tara-Ika - Queen St Stage 1 Stormwater	-	-	1,507	1,507
-	Tara-Ika growth area	-	2,070	-	(2,070)
<b>312</b>	<b>Total growth</b>	<b>2,934</b>	<b>2,277</b>	<b>3,404</b>	<b>1,127</b>
	<b>Total Stormwater Projects by Type</b>				
37	Renewals	155	163	257	94
1,687	Level of service	3,115	1,565	1,426	(139)
290	Growth	2,007	2,458	3,024	566
<b>2,014</b>	<b>Total Stormwater Projects</b>	<b>5,277</b>	<b>4,186</b>	<b>4,707</b>	<b>521</b>

## Funding Impact Statement for Stormwater

Annual Report 2020/21 \$000		LTP Forecast 2021/22 \$000	LTP Forecast 2022/23 \$000	Annual Plan Forecast 2022/23 \$000	Variance 2022/23 \$000
	<b>Sources of Operating Funding</b>				
-	General rates, uniform annual general charges, rate penalties	-	-	-	-
1,389	Targeted rates	1,656	2,208	2,092	(116)
-	Subsidies and grants for operating purposes	-	-	-	-
-	Fees and charges	-	-	-	-
-	Local authorities fuel tax, fines, infringement fees, and other receipts	93	103	117	14
-	Internal charges and overheads recovered	-	-	-	-
<b>1,389</b>	<b>Total Operating Funding (A)</b>	<b>1,749</b>	<b>2,311</b>	<b>2,209</b>	<b>(102)</b>
	<b>Applications of Operating Funding</b>				
263	Payments to staff and suppliers	565	604	653	49
225	Finance costs	254	385	324	(61)
456	Internal charges and overheads applied	376	384	359	(25)
-	Other operating funding applications	-	-	-	-
<b>944</b>	<b>Total applications of operating funding (B)</b>	<b>1,195</b>	<b>1,373</b>	<b>1,336</b>	<b>(37)</b>
<b>445</b>	<b>Surplus (deficit) of operating funding (A-B)</b>	<b>554</b>	<b>938</b>	<b>873</b>	<b>(65)</b>
	<b>Sources of capital funding</b>				
1,303	Subsidies and grants for capital expenditure	1,300	587	960	373
-	Development and financial contributions	94	94	105	11
433	Increase (decrease) in debt	3,389	2,870	3,502	632
-	Gross proceeds from sale of assets	-	-	-	-
-	Lump sum contributions	-	-	-	-
-	Other dedicated capital funding	-	-	-	-
<b>1,736</b>	<b>Total sources of capital funding (C)</b>	<b>4,783</b>	<b>3,551</b>	<b>4,567</b>	<b>1,016</b>
	<b>Applications of capital funding</b>				
	Capital expenditure				
290	- to meet additional demand	2,006	2,459	3,024	565
1,687	- to improve the level of service	3,115	1,566	1,426	(140)
37	- to replace existing assets	156	164	257	93
167	Increase (decrease) in reserves	60	300	733	433
-	Increase (decrease) of investments	-	-	-	-
<b>2,181</b>	<b>Total applications of capital funding (D)</b>	<b>5,337</b>	<b>4,489</b>	<b>5,440</b>	<b>951</b>
<b>(445)</b>	<b>Surplus (deficit) of capital funding (C-D)</b>	<b>(554)</b>	<b>(938)</b>	<b>(873)</b>	<b>65</b>
<b>-</b>	<b>Funding Balance ((A-B)+(C-D))</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
741	Depreciation	716	796	856	60

## Activity Expenditure for Stormwater

Annual Report 2020/21 \$000		LTP Forecast 2021/22 \$000	LTP Forecast 2022/23 \$000	Annual Plan Forecast 2022/23 \$000	Variance 2022/23 \$000
1,686	Stormwater	1,911	2,169	2,192	23
<b>1,686</b>	<b>Total Expenditure</b>	<b>1,911</b>	<b>2,169</b>	<b>2,192</b>	<b>23</b>

# 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:

- Provides 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 a partnership with Waka Kotahi New Zealand Transport Agency (WKNZTA), 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 2022/23

### Replacement of existing assets

- Pavement Rehabilitation – to repair the surface and structure of the road. Safety improvements will be completed alongside these projects where required. Indicative locations include Hōkio Beach Road near Moutere Road, Koputoroa Road between Paiaka Road and State Highway 1, Kawiu Road near Tiro Tiro Road and Tane Road near State Highway 56.

### Additions to levels of service

- Cycle facilities – to install new or improved cycle lanes, bicycle racks, kerb crossings and other necessary design components such as signage, separators and markings. The current focus is to complete the route on Queen Street West. Other identified potential locations include extending the network to reach the schools on Weraroa Road and Tiro Tiro Road.
- Subsidised Roading improvements due to Ō2NL – Ongoing planning and investigation of required road interventions due to redistribution in travel behaviour.
- Safety Improvements – to mitigate potential harm by undertaking intersection improvements, traffic calming measures, improving corner alignments, guard rail installation and/or improved walking or cycling facilities. The current focus is on improving safety around schools. The indicative location for this work is the full length of Weraroa Road.

### Projects resulting from growth

- Subsidised Roading Road improvements due to Ō2NL – Ongoing planning and investigation of required road interventions due to redistribution in travel behaviour due to growth.
- Tara-Ika - Cambridge - Liverpool Intersection – Ongoing planning and investigation of required road interventions due to redistribution in travel behaviour due to growth.

## How we will measure our performance

Service	Community Outcomes	How we will measure our performance	Target 2022/23
A safe road network*	Strong communities  Fit for purpose infrastructure	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.
<b>What does this tell me?</b> It's 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's important that 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*	Strong Communities  Fit for purpose infrastructure	The average quality of a ride on a sealed local road network measured by Smooth Travel Exposure.	Minimum 85%
<b>What does this tell me?</b> The roughness of roads can impact on the safety and comfort of road users. It also has an impact 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.			
Roads that are maintained well*	Fit for purpose infrastructure  Strong communities	The percentage of the sealed local road network that is resurfaced annually.*	Minimum of 5% of total area
<b>What does this tell me?</b> This measure provides information about 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*	Fit for purpose infrastructure  Strong communities	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
<b>What does this tell me?</b> 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*	Strong communities  Fit for purpose infrastructure	The percentage of customer service requests relating to roads and footpaths to which Council responds within 15 working days.	>95%

**What does this tell me?**

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 are mandatory*

### Challenges Council faces for Land Transport

Changes in demand to the transport network, caused by growth and Ō2NL, is a significant challenge. Council is meeting the challenge with comprehensive planning processes to ensure targeted investment meets growth demands while still providing required levels of service for the current community.

### Significant negative effects associated with Land Transport

The district's roading network presents a risk to its users, with a significantly higher rate of crashes per vehicle kilometres travelled compared with the rest of the country and within our region. Council is addressing this problem through a programme of safety improvements.

Severe traffic congestion, while generally caused by State Highway use, can cause disruption for local road users. This notably occurs during public holiday periods and during severe rain events. As this congestion is normally related to State Highway use, Council has limited ability to resolve this issue as it is not the road controlling authority in this case.

### Key Risks and Assumptions associated with Land Transport

A key risk to this activity are constraints involving contractor and supplier availability, which can severely impact Council's ability to deliver its Land Transport Programme.

## What it will cost

### Capital Expenditure Program for Land Transport

Annual Report 2020/21 \$000	<b>Capital Expenditure for Land Transport</b>	LTP Forecast 2021/22 \$000	LTP Forecast 2022/23 \$000	Annual Plan Forecast 2022/23 \$000	Variance 2022/23 \$000
	<b>Primary Type - to replace existing assets</b>				
-	Bridge and structures renewals	-	30	30	-
261	Drainage Renewals	275	275	275	-
458	Footpath renewal	400	400	400	-
1,431	Sealed Roads Resurfacing	1,300	1,350	1,500	150
57	Structures Component Replacements	50	50	50	-
1,007	Subsidised Roding - Sealed Road Pavement Rehabilitation	1,200	1,200	1,200	-
422	Traffic Services	350	350	350	-
51	Unsealed Roads Metalling	45	45	45	-
<b>3,687</b>	<b>Total renewals</b>	<b>3,620</b>	<b>3,700</b>	<b>3,850</b>	<b>150</b>
	<b>Primary Type - to improve the level of service</b>				
605	Footpath Improvements	350	350	250	(100)
27	Gladstone Road Realignment (Capex - UNSU	-	-	-	-
1	Queen St Shared Path - to Kowhai Park	-	-	-	-
875	Queen St West Improvements (Oxford St to	-	-	-	-
742	Queen St/Tiro Tiro Roundabout	-	-	-	-
1	Seal Extensions - 2325	-	-	-	-
930	Shared pathways - Cycle facilities	850	950	250	(700)
-	Subsidised Roding - Gladstone Road Realignment	5,000	-	2,000	2,000
1,222	Subsidised Roding - Minor improvements	500	526	525	(1)
1,404	Subsidised Roding - Road improvements	1,000	900	900	-
<b>5,807</b>	<b>Total level of service</b>	<b>7,700</b>	<b>2,726</b>	<b>3,925</b>	<b>1,199</b>
	<b>Primary Type - to meet additional demand</b>				
21	Subsidised Roding - Road improvements due to O2NL	-	3,000	-	(3,000)
-	Tara-Ika - Cambridge - Liverpool Intersection	-	2,000	-	(2,000)
4	Tara-Ika - Roding - Liverpool St Correction	-	-	-	-
3	Tara-Ika - Roding - Tararua Road Intersection Upgrade	-	-	1,800	1,800
3	Tara-Ika - Roding - Upgrade of Liverpool/Cambridge	-	-	-	-
-	Tara-Ika - Tararua Road Intersection Upgrade	4,000	-	-	-
<b>31</b>	<b>Total growth</b>	<b>4,000</b>	<b>5,000</b>	<b>1,800</b>	<b>(3,200)</b>
	<b>Total Land Transport Projects by Type</b>				
3,687	Renewals	3,540	4,220	3,770	(450)
5,828	Level of service	6,820	3,063	3,203	140
10	Growth	4,960	4,143	2,603	(1,541)
<b>9,525</b>	<b>Total Land Transport Projects</b>	<b>15,320</b>	<b>11,426</b>	<b>9,575</b>	<b>(1,851)</b>

## Funding Impact Statement for Land Transport

Annual Report 2020/21 \$000		LTP Forecast 2021/22 \$000	LTP Forecast 2022/23 \$000	Annual Plan Forecast 2022/23 \$000	Variance 2022/23 \$000
	<b>Sources of Operating Funding</b>				
-	General rates, uniform annual general charges, rates penalties	-	-	-	-
3,621	Targeted rates	3,011	3,936	4,049	113
2,644	Subsidies and grants for operating purposes	1,752	1,755	1,883	128
-	Fees and charges	-	-	-	-
260	Local authorities fuel tax, fines, infringement fees, and other receipts	376	389	398	9
-	Internal charges and overheads recovered	-	-	-	-
<b>6,525</b>	<b>Total Operating Funding (A)</b>	<b>5,139</b>	<b>6,080</b>	<b>6,330</b>	<b>250</b>
	<b>Applications of Operating Funding</b>				
2,780	Payments to staff and suppliers	2,945	2,998	3,209	211
92	Finance costs	153	312	245	(67)
725	Internal charges and overheads applied	1,020	1,041	1,051	10
-	Other operating funding applications	-	-	-	-
<b>3,597</b>	<b>Total applications of operating funding (B)</b>	<b>4,118</b>	<b>4,351</b>	<b>4,505</b>	<b>154</b>
<b>2,928</b>	<b>Surplus (deficit) of operating funding (A-B)</b>	<b>1,021</b>	<b>1,729</b>	<b>1,825</b>	<b>96</b>
	<b>Sources of capital funding</b>				
6,211	Subsidies and grants for capital expenditure	9,685	5,749	6,041	292
-	Development and financial contributions	276	276	139	(137)
1,409	Increase (decrease) in debt	4,490	3,485	5,980	2,495
-	Gross proceeds from sale of assets	-	-	-	-
-	Lump sum contributions	-	-	-	-
-	Other dedicated capital funding	-	-	-	-
<b>7,620</b>	<b>Total sources of capital funding (C)</b>	<b>14,451</b>	<b>9,510</b>	<b>12,160</b>	<b>2,650</b>
	<b>Applications of capital funding</b>				
	Capital expenditure				
10	- to meet additional demand	4,960	4,143	2,603	(1,540)
5,828	- to improve the level of service	6,820	3,063	3,203	140
3,687	- to replace existing assets	3,540	4,220	3,770	(450)
1,023	Increase (decrease) in reserves	152	(187)	4,409	4,596
-	Increase (decrease) of investments	-	-	-	-
<b>10,548</b>	<b>Total applications of capital funding (D)</b>	<b>15,472</b>	<b>11,239</b>	<b>13,985</b>	<b>2,746</b>
<b>(2,928)</b>	<b>Surplus (deficit) of capital funding (C-D)</b>	<b>(1,021)</b>	<b>(1,729)</b>	<b>(1,825)</b>	<b>(96)</b>
<b>-</b>	<b>Funding Balance ((A-B)+(C-D))</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
3,933	Depreciation	3,932	4,085	4,389	304



## Activity Expenditure for Land Transport

Annual Report 2020/21 \$000		LTP Forecast 2021/22 \$000	LTP Forecast 2022/23 \$000	Annual Plan Forecast 2022/23 \$000	Variance 2022/23 \$000
6,553	Subsidised Roothing	7,278	7,529	7,990	461
688	Footpaths	376	389	459	70
199	Unsubsidised Roothing	236	329	254	(75)
90	Shared Pathways	161	190	191	1
<b>7,530</b>	<b>Total Expenditure</b>	<b>8,051</b>	<b>8,437</b>	<b>8,894</b>	<b>457</b>

# 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 about 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, Health & Safety at Work Act 2015, and the Waste Minimisation Act 2008).

## Key Projects for 2022/23

### Replacement of existing assets

- Improvements to Foxton Transfer Station – this is to allow more material recovery and diversion from landfill.

### Additions to levels of service

- Levin Landfill Capping – permanent capping on areas as per the resource consent conditions.
- Old Levin Landfill Leachate remedial projects – This is a resource consent requirement to reduce leachate entering the Hōkio Stream.

## How we will measure our performance

Service	Community Outcomes	How we will measure our performance	Target 2022/23
Provision of landfill but minimising the amount that is sent there.  Recycling is encouraged.	Fit for purpose infrastructure  Outstanding environment  Fit for purpose infrastructure	Quantity of waste going to the landfill per person per year.  Level of recycling.	≤ 400 kg per person  ≥ 40% of total waste
<b>What does this tell me?</b> Encouraging recycling helps reduce waste and minimise its negative environmental effects.			
Waste transfer and recycling stations have a minimal impact on the immediate and surrounding environment.	Outstanding environment  Fit for purpose infrastructure	Number, per month, of odour complaints and minimal reports of solid waste in or around: <ul style="list-style-type: none"> <li>Waste transfer stations</li> <li>Recycling stations.</li> </ul>	<4  <4
<b>What does this tell me?</b> 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.			
Response to service requests regarding Council's Solid Waste Activities is timely.	Strong communities	95% of all requests are responded to within the required timeframe.	Within 3 working days
<b>What does this tell me?</b> 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.	Fit for purpose infrastructure  Outstanding environment  Strong communities	Number of complaints per-month about non collection of:  Kerbside recycling  Kerbside refuse	<6  <6
<b>What does this tell me?</b> The number of complaints provides an indication of the quality of the service provided. This measure also provides information about problems requiring attention.			
Recycling stations are available and accessible in urban centres in summer.	Outstanding environment  Strong communities	Recycling stations are available at the agreed locations on the agreed days and times outlined on Council's website.	Achieve
<b>What does this tell me?</b> 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.	Fit for purpose infrastructure	Percentage of customers satisfied with their solid waste services:  Kerbside recycling  Kerbside refuse	≥ 80%  ≥ 80%

<b>What does this tell me?</b> The percentage of satisfied customers gives us an indication of the quality of service we are providing.			
Customers are educated on waste minimisation practices.	Strong communities  Outstanding environment	Number of school aged students waste education is provided to each year.  Number of events Council attends to promote ways to minimise waste.	≥ 300 students  ≥ 5
<b>What does this tell me?</b> 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.			
Sustainable solid waste management.	Outstanding environment  Fit for purpose infrastructure	The number of:  <ul style="list-style-type: none"> <li>• Abatement Notices</li> <li>• Infringement Notices</li> <li>• Enforcement Orders</li> <li>• Convictions</li> </ul> Received by Council in relation to Horizons Regional Council resource consents.	0  0  0  0
<b>What does this tell me?</b> 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.			

## Challenges Council faces for Solid Waste

A key challenge for the future of the Solid Waste activities is the decision required for the Levels of Service provision. Council need to balance the solid waste disposal needs of the district with the ability to generate income by accepting waste from outside the district, and also the extent of provision by Council of the solid waste activity. All of these considerations have an effect on long term capital expenditure, income, and the estimated longevity of Council's most significant solid waste asset which is the Levin Landfill.

## Significant negative effects associated with Solid Waste

There is a negative perception of landfill use.

A key negative effect associated with this Group of Activities is the presence of both ground and airborne contaminants produced by the Landfill and their potential harm to the immediate environment. This effect is mitigated by strict adherence to the conditions of our resource consent from Horizons Regional Council. Council also facilitates a neighbourhood group and monitors the airborne effects associated with the Landfill.

## Key Risks and Assumptions associated with Solid Waste

A key risk of the solid waste activities is the potential environmental and social impacts associated with disposal of waste to landfill (both current and historic). This risk is mitigated through legislative controls and constant monitoring of leachates and ground conditions.

A key assumption of the 2021-2041 Long Term Plan is that Council's current ownership of the Levin Landfill, and being a provider of solid waste services, will continue. As per the Agreement with Ngati Pareraukawa, the Hōkio Environmental Kaitiaki Alliance and others, Council undertook a formal review of the closure date of the Landfill. After consultation with the community, Council decided to defer the decision.

The current resource consent is held until 2037 but the Council assumes that the Landfill will be full by 2031/32. Therefore Council need to undertake significant work in the first 10 years of the LTP to ensure a replacement landfill is available to service the district when the current landfill is full.

As mentioned above, much of this Group of Activities is optional rather than mandatory. Future changes in the service provision model, especially the level of Council's participation in it, could change the overall funding requirements.

## What it will cost

### Capital Expenditure Program for Solid Waste

Annual Report 2020/21 \$000	<b>Capital Expenditure for Solid Waste</b>	LTP Forecast 2021/22 \$000	LTP Forecast 2022/23 \$000	Annual Plan Forecast 2022/23 \$000	Variance 2022/23 \$000
	<b>Primary Type - to replace existing assets</b>				
3	Cap Shape Correction	150	51	50	(1)
-	Landfill Gas Flare renewals	10	-	-	-
-	Renewal works at Foxton Transfer Station	42	31	10	(21)
-	Solid Waste property renewals	2	-	-	-
-	Unplanned small landfill maintenance	25	-	-	-
<b>3</b>	<b>Total renewals</b>	<b>229</b>	<b>82</b>	<b>60</b>	<b>(22)</b>
	<b>Primary Type - to improve the level of service</b>				
11	Foxton WTS	-	-	-	-
86	Landfill Development	320	160	-	(160)
-	Leachate remedial option / work	12	21	350	329
-	Weighbridge at Foxton Transfer Station or Levin Landfill (if stays open)	5	41	41	-
<b>97</b>	<b>Total level of service</b>	<b>337</b>	<b>222</b>	<b>391</b>	<b>169</b>
	<b>Primary Type - to meet additional demand</b>				
21	Wheelie Bins & glass crates	38	39	39	0
<b>21</b>	<b>Total growth</b>	<b>38</b>	<b>39</b>	<b>39</b>	<b>0</b>
	<b>Total Solid Waste Projects by Type</b>				
3	Renewals	227	95	75	(20)
118	Level of service	335	206	375	169
-	Growth	42	42	40	(2)
<b>121</b>	<b>Total Solid Waste Treatment Projects</b>	<b>604</b>	<b>343</b>	<b>490</b>	<b>147</b>

## Funding Impact Statement for Solid Waste

Annual Report 2020/21 \$000		LTP Forecast 2021/22 \$000	LTP Forecast 2022/23 \$000	Annual Plan Forecast 2022/23 \$000	Variance 2022/23 \$000
	<b>Sources of Operating Funding</b>				
-	General rates, uniform annual general charges, rates penalties	-	-	-	-
1,232	Targeted rates	2,214	2,416	2,866	450
-	Subsidies and grants for operating purposes	-	-	-	-
1,676	Fees and charges	1,767	1,814	450	(1,364)
3	Local authorities fuel tax, fines, infringement fees, and other receipts	21	35	21	(14)
-	Internal charges and overheads recovered	-	-	-	-
<b>2,911</b>	<b>Total Operating Funding (A)</b>	<b>4,002</b>	<b>4,265</b>	<b>3,337</b>	<b>(928)</b>
	<b>Applications of Operating Funding</b>				
3,471	Payments to staff and suppliers	3,159	3,395	4,049	654
181	Finance costs	223	247	202	(45)
408	Internal charges and overheads applied	567	578	566	(12)
-	Other operating funding applications	-	-	-	-
<b>4,060</b>	<b>Total applications of operating funding (B)</b>	<b>3,949</b>	<b>4,220</b>	<b>4,817</b>	<b>597</b>
<b>(1,149)</b>	<b>Surplus (deficit) of operating funding (A-B)</b>	<b>53</b>	<b>45</b>	<b>(1,480)</b>	<b>(1,525)</b>
	<b>Sources of capital funding</b>				
-	Subsidies and grants for capital expenditure	3	21	21	-
-	Development and financial contributions	-	-	-	-
(152)	Increase (decrease) in debt	183	276	1,822	1,546
-	Gross proceeds from sale of assets	-	-	-	-
-	Lump sum contributions	-	-	-	-
-	Other dedicated capital funding	-	-	-	-
<b>(152)</b>	<b>Total sources of capital funding (C)</b>	<b>186</b>	<b>297</b>	<b>1,843</b>	<b>1,546</b>
	<b>Applications of capital funding</b>				
	Capital expenditure				
-	- to meet additional demand	42	42	40	(2)
118	- to improve the level of service	335	205	375	170
3	- to replace existing assets	227	95	75	(20)
(1,422)	Increase (decrease) in reserves	(365)	-	(127)	(127)
-	Increase (decrease) of investments	-	-	-	-
<b>(1,301)</b>	<b>Total applications of capital funding (D)</b>	<b>239</b>	<b>342</b>	<b>363</b>	<b>21</b>
<b>1,149</b>	<b>Surplus (deficit) of capital funding (C-D)</b>	<b>(53)</b>	<b>(45)</b>	<b>1,480</b>	<b>1,525</b>
<b>-</b>	<b>Funding Balance ((A-B)+(C-D))</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
463	Depreciation	388	401	392	(9)

## Activity Expenditure for Solid Waste

Annual Report 2020/21 \$000		LTP Forecast 2021/22 \$000	LTP Forecast 2022/23 \$000	Annual Plan Forecast 2022/23 \$000	Variance 2022/23 \$000
1,901	Landfill	1,537	1,799	2,257	458
369	Waste Transfer Stations	438	464	466	2
1,812	Recycling	1,884	2,024	1,996	(28)
441	Roadside Collection	478	493	490	(3)
<b>4,523</b>	<b>Total Expenditure</b>	<b>4,337</b>	<b>4,780</b>	<b>5,209</b>	<b>429</b>

# 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 use.*

It includes the following activities:

- Aquatic Centres and Recreation
- Community Centres and Libraries

## 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 safe venues for fun activities and social interaction.
- 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.
- Facilitating a targeted swimming programme for the rural community within Horowhenua.

## Key Projects for 2022/23

### Replacement of existing assets

- Foxton Pool Redevelopment – Undertake a basic redevelopment of the Foxton Pool building to address the shortfalls with the current building and ensure a fit for purpose facility to enable year round operation.
- Jubilee Park Splash Pad – Construction of a Splash Pad and decommissioning of the paddling pool at Jubilee Park, Levin.



## How we will measure our performance

Service	Community Outcomes	How we will measure our performance	Target 2022/23
Safe aquatic facilities are operating in the district.	Strong communities Fit for purpose infrastructure	Compliance with relevant standards including PoolSafe Accreditation.	Achieve
<b>What does this tell me?</b> This measure is to ensure the safety and enjoyment of aquatic centres for all customers.			
Aquatic centres meet customer needs.	Strong communities	Percent of customers satisfied, based on the Annual Customer Satisfaction Survey.	≥ 90%
<b>What does this tell me?</b> 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.	Strong communities	Number of participants in Learn to Swim classes.	≥ 400 per term
<b>What does this tell me?</b> 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.	Strong communities	Number of events per year held by clubs- clubs growing and taking ownership of their own events and future.	≥ 5 per year
<b>What does this tell me?</b> Our facilities are made available 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.	Strong communities	Number of events per year for: <ul style="list-style-type: none"> <li>• Children</li> <li>• General public</li> <li>• Retirees.</li> </ul>	≥ 3 ≥ 3 ≥ 3
<b>What does this tell me?</b> Council supports local sports/recreation clubs and organisations to host and run events on and off site.			

## Challenges Council faces for Aquatic Centres and Recreation

A major challenge facing Council for this Activity is the change in demand and community expectations, as well as ongoing increases in operational costs coupled with the desire to make fees and charges affordable for our community. Council is continuing to actively investigate areas for increasing revenue to subsidise other areas of public access.

Another challenge is the current condition of the Foxton Swimming Pool. Interest in this facility continues to be strong but in general usage remains low. To address this, Council has committed to redevelop this facility to make it operational year round.

## Significant negative effects associated with Aquatic Centres and Recreation

Potential for injuries or drownings resulting from use of the facility. This is managed by ongoing training, qualification and provision of competent lifeguards and compliance with the Poolsafe accreditation.

As costs increase to provide swimming pools it may become unaffordable for some. This is managed by ensuring costs are kept to a minimum through ongoing review and efficiencies. Programmes and events are actively monitored and reviewed to maximise revenue opportunities to offset operational costs.

## Key Risks and Assumptions associated with Aquatic Centres and Recreation

It is assumed that Aquatics will continue to be managed in-house.

The major risks associated with this Activity are health and safety risks inherently associated with publicly accessible swimming pools and with undertaking physical exercise. Control measures are in place to mitigate these risks and these are reviewed annually.

## 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:

Multi-functional facilities and district-wide Library Services provide a wide range of services to both the community and to visitors to the Horowhenua District, including:

- Spaces for social interaction
- Bookable rooms for community and commercial entities
- A creative hub that allows for music, visual performance and exhibition
- Museums that share stories and insight into the lives of the people in our area, and beyond
- Events that enrich our community
- Providing AA Services for our community
- Providing Visitor Information services through two sites (Levin and Foxton)
- Delivery of Council Services (e.g. Dog registrations at Shannon and Foxton)

District wide Library Services in Levin, Foxton and Shannon deliver programmes and services that:

- Provide equitable access to information for leisure, entertainment, research, education and career development across the district
- Foster and enhance literacy (including digital) and lifelong learning
- Deliver events and programmes for children, young people, adults and elders
- Recognise and support those with special needs and requirements
- Encourage the development of partnerships for the delivery of services and programmes
- Promote opportunities for people and communities to connect with each other
- Protect, conserve and maintain Horowhenua's heritage resources
- Provide opportunities for access to local history and heritage resources
- Operate a dedicated youth space that encourages and promotes inclusion, safety and interaction in both structured and unstructured settings

### Key Projects for 2022/2023

#### Replacement of existing assets

- Youth space Renovation – Undertake minor renovations of the Youth Space in Te Takeretanga o Kura-hau-pō following consultation with users to better understand the requirement of the space.

## How we will measure our performance

Service	Community Outcomes	How we will measure our performance	Target 2022/23
Council provides community facilities for residents, ratepayers, and visitors to access community services including library services.	Vibrant economy Strong communities Fit for purpose infrastructure Partnership with Tangata Whenua	Communities with library and community facilities providing an integrated and District wide service.  Number of visitors to our Community Hubs and Libraries  Te Takeretanga o Kura-hau-pō  Te Awahou Nieuwe Stroom  Shannon Library	Levin, Foxton, and Shannon  ≥575,000  ≥385,000  ≥165,000  ≥25,000
<b>What does this tell me?</b> 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.	Fit for purpose infrastructure Strong communities Partnership with Tangata Whenua	Percent of residents and non-residents satisfied with library and community services based on the Annual Customer Satisfaction Survey.	>90%
<b>What does this tell me?</b> The percentage of satisfied customers gives us an indication of the quality of service we are providing.			
Community facilities are available for public use.	Fit for purpose infrastructure Vibrant economy Strong communities Partnership with Tangata Whenua	Number of booking counts for: Community facilities  Te Takeretanga o Kura-hau-pō  Te Awahou Nieuwe Stroom	≥ 1,500  65%  35%
<b>What does this tell me?</b> This measure is used to ensure the community facilities are being utilised.			
Customers have access to a range of current information in both print and digital format.	Fit for purpose infrastructure Strong communities	Number of items loaned from the libraries across the District, including books, magazines etc.  Collections are refreshed and meet the literacy and information needs of the community in accordance with the NZ Public Library Standards  Percent of increase in use of websites and online engagement	≥ 270,000  \$7 per capita spent on library resources  >1%
<b>What does this tell me?</b>			

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.			
Customers have access to programmes and initiatives that enhance the wellbeing of the district.	Fit for purpose infrastructure Strong communities Vibrant economy Partnership with Tangata Whenua	Number of programmes delivered: Levin Foxton Shannon	500  ≥ 50% ≥ 30% ≥ 20%
<b>What does this tell me?</b> Council sets out to provide a relevant library service that people can enjoy throughout the district.			

## Challenges Council faces for Community Centres and Libraries

Challenges facing council for this activity include increased operational and maintenance costs while maintaining affordability for the community.

The impact of Covid19 has significantly reduced visitation across all Community Centres and Libraries. With restrictions easing Council will focus on recovery and the reintroduction of core programs, services and events within our facilities.

## Significant negative effects associated with Community Centres and Libraries

There are no significant negative effects on the social, cultural, economic and environmental wellbeing of the local community associated with this activity.

## Key Risks and Associated with Community Centres and Libraries

There is a risk that there will be a change to a more restrictive level of the Covid19 Traffic Light system which will likely reduce visitor numbers to Community Centres and Libraries.

## How much it will cost

### Capital Expenditure Program for Community Facilities and Services

Annual Report 2020/21 \$000	<b>Capital Expenditure for Community Facilities</b>	LTP Forecast 2021/22 \$000	LTP Forecast 2022/23 \$000	Annual Plan Forecast 2022/23 \$000	Variance 2022/23 \$000
	<b>Primary Type - to replace existing assets</b>				
-	Activity Renewal - Libraries	40	25	25	0
-	Activity Renewals - Community Centres	89	27	27	(0)
5	Audio books	-	-	-	-
-	Building Renewal - Shannon Library	1	10	10	0
-	Building Renewals - Te Awahou Nieuwe Stroom	32	56	38	(18)
-	Building Renewals- Te Takeretanga o Kura-hau-pō	20	-	-	-
13	Community hubs - Digital equipment replacement	-	-	-	-
12	DVD's	-	-	-	-
43	Foxton Aquatic Centre Plan Renewals	58	34	72	38
7	Levin - Disabled change facilities	5	-	-	-
468	Levin Aquatic - Replace the Hydro slide	-	-	-	-
145	Levin Aquatic Centre Plan Renewals	298	28	28	(0)
164	Library books	434	450	-	(450)
-	Library inventory	-	-	450	450
-	TANS Marketing billboards	20	-	-	-
1	Te Takeretanga o Kura-hau-pō - Furniture replacement	-	-	-	-
-	Youth Space Renovation	-	169	169	0
<b>858</b>	<b>Total renewals</b>	<b>997</b>	<b>799</b>	<b>819</b>	<b>20</b>
	<b>Primary Type - to improve the level of service</b>				
-	Foxton Pool Redevelopment	1,500	1,130	2,575	1,445
1	Levin - Feasibility study - Future needs	-	-	-	-
48	Levin - Splash Pad	181	133	249	116
-	Mobile outdoor screen & accompanying audio & visual equipment	-	68	68	(0)
-	Mobile partitions	25	-	-	-
<b>49</b>	<b>Total level of service</b>	<b>1,706</b>	<b>1,331</b>	<b>2,891</b>	<b>1,560</b>
	<b>Primary Type - to meet additional demand</b>				
-	<b>Total growth</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>Total Community Facilities Projects by Type</b>				
858	Renewals	997	799	819	20
49	Level of service	1,706	1,331	2,891	1,560
-	Growth	-	-	-	-
<b>907</b>	<b>Total Community Facilities Projects</b>	<b>2,703</b>	<b>2,130</b>	<b>3,711</b>	<b>1,581</b>

## Funding Impact Statement for Community Facilities and Services

Annual Report 2020/21 \$000		LTP Forecast 2021/22 \$000	LTP Forecast 2022/23 \$000	Annual Plan Forecast 2022/23 \$000	Variance 2022/23 \$000
	<b>Sources of Operating Funding</b>				
-	General rates, uniform annual general charges, rates penalties	-	-	-	-
6,576	Targeted rates	6,840	7,493	6,976	(517)
286	Subsidies and grants for operating purposes	316	103	-	(103)
884	Fees and charges	1,041	1,120	1,076	(44)
93	Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	5	5
-	Internal charges and overheads recovered	-	-	-	-
<b>7,839</b>	<b>Total Operating Funding (A)</b>	<b>8,197</b>	<b>8,716</b>	<b>8,057</b>	<b>(659)</b>
	<b>Applications of Operating Funding</b>				
5,232	Payments to staff and suppliers	5,464	5,711	5,519	(192)
418	Finance costs	455	549	155	(394)
1,478	Internal charges and overheads applied	1,316	1,320	1,401	81
-	Other operating funding applications	-	-	-	-
<b>7,128</b>	<b>Total applications of operating funding (B)</b>	<b>7,235</b>	<b>7,580</b>	<b>7,075</b>	<b>(505)</b>
<b>711</b>	<b>Surplus (deficit) of operating funding (A-B)</b>	<b>962</b>	<b>1,136</b>	<b>982</b>	<b>(154)</b>
	<b>Sources of capital funding</b>				
-	Subsidies and grants for capital expenditure	-	-	-	-
-	Development and financial contributions	-	-	-	-
(1,157)	Increase (decrease) in debt	1,741	993	2,584	1,591
-	Gross proceeds from sale of assets	-	-	-	-
-	Lump sum contributions	-	-	-	-
-	Other dedicated capital funding	-	-	-	-
<b>(1,157)</b>	<b>Total sources of capital funding (C)</b>	<b>1,741</b>	<b>993</b>	<b>2,584</b>	<b>1,591</b>
	<b>Applications of capital funding</b>				
	Capital expenditure				
-	- to meet additional demand	-	-	-	-
49	- to improve the level of service	1,706	1,330	2,891	1,561
858	- to replace existing assets	997	799	819	20
(1,353)	Increase (decrease) in reserves	-	-	(144)	(144)
-	Increase (decrease) of investments	-	-	-	-
<b>(446)</b>	<b>Total applications of capital funding (D)</b>	<b>2,703</b>	<b>2,129</b>	<b>3,566</b>	<b>1,437</b>
<b>(711)</b>	<b>Surplus (deficit) of capital funding (C-D)</b>	<b>(962)</b>	<b>(1,136)</b>	<b>(982)</b>	<b>154</b>
<b>-</b>	<b>Funding Balance ((A-B)+(C-D))</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
978	Depreciation	962	1,137	982	(155)

## Activity Expenditure for Community Facilities and Services

Annual Report 2020/21 \$000		LTP Forecast 2021/22 \$000	LTP Forecast 2022/23 \$000	Annual Plan Forecast 2022/23 \$000	Variance 2022/23 \$000
2,765	Aquatic Centres	2,814	3,141	2,995	(146)
5,340	Libraries and Community Centres	5,384	5,573	5,062	(511)
<b>8,105</b>	<b>Total Expenditure</b>	<b>8,198</b>	<b>8,714</b>	<b>8,057</b>	<b>(657)</b>



# Property

*Council owns a substantial number of properties throughout the Horowhenua District which support the delivery of our activities. The Property Activity ensures that these assets are managed and maintained effectively and in a 'fit for purpose' state.*

## What Property involves:

- Management, maintenance, 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 2022/2023

### Additions to Levels of Service

- Council owned property disposal – Continue the evaluation and disposal of Council owned land where strategically or operationally necessary.
- Land purchases – Continue purchasing land where strategically or operationally necessary.

## How we will measure our performance

Service	Community Outcomes	How we will measure our performance	Target 2022/23
Council's properties will comply with relevant legislation.	Fit for purpose infrastructure Strong communities	All buildings with compliance schedules will have current building WOF.	Achieve
<b>What does this tell me?</b> It is extremely important to Council that our buildings are safe for everyone to use.			

### Challenges Council faces for Property

A key challenge facing Council for this Activity is changing demands and community expectations with the use of some of Council's facilities.

Declining use for some facilities alongside an increase in their operational costs.

Demand for other Council owned facilities are increasing and therefore Council needs to decide where to focus its funds. This issue will be met by ensuring that as key property assets are developed they are designed to be multi-use and flexible enough to cope with the change in demands and expectations.

Another challenge is that the district's demographic projections have changed, with predicted growth indicating there will be an 8% increase in persons below 65 compared to 2% of those over 65. This will require the development of active recreational facilities for a range of ages between 2021 and 2041.

A number of Council's buildings have been identified as earthquake prone. With new legislative requirements to upgrade earthquake prone buildings we must decide the future of these buildings.

### Significant negative effects associated with Property

There are no known significant negative effects surrounding Council's planned Property Activity.

### Key Risks and Assumptions associated with Property

A key assumption for this activity is that Council's Property portfolio will continue to be assessed as core/non-core and readied for sale as necessary.

A key assumption for this Activity is that earthquake prone properties will be maintained in a fit for purpose state, unless identified for disposal as non-core assets.

A key assumption is that renewals will continue to be completed as scheduled.

## How much it will cost

### Capital Expenditure Program for Property

Annual Report 2020/21 \$000	<b>Capital Expenditure for Properties</b>	LTP Forecast 2021/22 \$000	LTP Forecast 2022/23 \$000	Annual Plan Forecast 2022/23 \$000	Variance 2022/23 \$000
	<b>Primary Type - to replace existing assets</b>				
-	Community buildings programmed renewals	58	67	67	(0)
-	Dog pound office building renewal	21	-	-	-
(12)	Focal Point Cinema - Exterior renewal & paint	-	-	-	-
10	General property renewals	-	-	-	-
(5)	Jack Allen Centre Exterior Renewals & Paint	-	-	-	-
-	Levin Depot building renewals & repaint	33	-	-	-
-	Levin Depot yard reseal	29	-	-	-
(8)	Pottery Shed Exterior Repaint	-	-	-	-
-	Pottery shed replace roof	17	-	17	17
87	Property renewals program	337	132	132	0
(8)	Waitāreere Beach Surf life club saving design and build	1,504	1,654	2,824	1,170
<b>64</b>	<b>Total renewals</b>	<b>1,999</b>	<b>1,853</b>	<b>3,040</b>	<b>1,187</b>
	<b>Primary Type - to improve the level of service</b>				
980	15-19 Durham Street Levin Property Purchase	-	-	-	-
675	28 Durham Street Levin	-	-	-	-
1	Corporate Furniture 2019	-	-	-	-
1,253	Foxton Beach Surf club Building Upgrade	-	-	-	-
74	Levin Historic Courthouse office upgrade	-	-	-	-
12	Roe Street Sale - Capital	-	-	-	-
38	Shed Purchase	-	-	-	-
-	Strategic land purchases	1,500	1,541	-	(1,541)
<b>3,033</b>	<b>Total level of service</b>	<b>1,500</b>	<b>1,541</b>	<b>-</b>	<b>(1,541)</b>
	<b>Primary Type - to meet additional demand</b>				
-	260 Gladstone Road subdivision	400	-	-	-
11	Endowment Subdivision Forbes Rd extension	800	-	-	-
-	Poads Road quarry	500	514	-	(514)
<b>11</b>	<b>Total growth</b>	<b>1,700</b>	<b>514</b>	<b>-</b>	<b>(514)</b>
	<b>Total Properties Projects by Type</b>				
64	Renewals	1,999	1,853	3,040	1,187
3,044	Level of service	1,500	1,541	-	(1,541)
-	Growth	1,700	514	-	(514)
<b>3,108</b>	<b>Total Properties Projects</b>	<b>5,199</b>	<b>3,908</b>	<b>3,040</b>	<b>(868)</b>

## Funding Impact Statement for Property

Annual Report 2020/21 \$000		LTP Forecast 2021/22 \$000	LTP Forecast 2022/23 \$000	Annual Plan Forecast 2022/23 \$000	Variance 2022/23 \$000
	<b>Sources of Operating Funding</b>				
922	General rates, uniform annual general charges, rates penalties	852	986	1,176	190
-	Targeted rates	-	-	-	-
-	Subsidies and grants for operating purposes	-	-	-	-
222	Fees and charges	171	175	298	123
31	Local authorities fuel tax, fines, infringement fees, and other receipts	194	214	190	(24)
370	Internal charges and overheads recovered	405	416	411	(5)
<b>1,545</b>	<b>Total Operating Funding (A)</b>	<b>1,622</b>	<b>1,791</b>	<b>2,075</b>	<b>284</b>
	<b>Applications of Operating Funding</b>				
1,055	Payments to staff and suppliers	1,088	1,050	1,381	331
242	Finance costs	195	358	375	17
327	Internal charges and overheads applied	377	384	370	(14)
-	Other operating funding applications	-	-	-	-
<b>1,624</b>	<b>Total applications of operating funding (B)</b>	<b>1,660</b>	<b>1,792</b>	<b>2,126</b>	<b>334</b>
<b>(79)</b>	<b>Surplus (deficit) of operating funding (A-B)</b>	<b>(38)</b>	<b>(1)</b>	<b>(51)</b>	<b>(50)</b>
	<b>Sources of capital funding</b>				
807	Subsidies and grants for capital expenditure	200	800	-	(800)
-	Development and financial contributions	-	-	-	-
786	Increase (decrease) in debt	4,511	(995)	436	1,431
2,021	Gross proceeds from sale of assets	650	4,293	4,180	(113)
-	Lump sum contributions	-	-	-	-
-	Other dedicated capital funding	-	-	-	-
<b>3,614</b>	<b>Total sources of capital funding (C)</b>	<b>5,361</b>	<b>4,098</b>	<b>4,616</b>	<b>518</b>
	<b>Applications of capital funding</b>				
	Capital expenditure				
-	- to meet additional demand	1,700	514	-	(514)
3,044	- to improve the level of service	1,500	1,541	-	(1,541)
64	- to replace existing assets	1,999	1,853	3,040	1,187
427	Increase (decrease) in reserves	124	189	1,525	1,336
-	Increase (decrease) of investments	-	-	-	-
<b>3,535</b>	<b>Total applications of capital funding (D)</b>	<b>5,323</b>	<b>4,097</b>	<b>4,565</b>	<b>468</b>
<b>79</b>	<b>Surplus (deficit) of capital funding (C-D)</b>	<b>38</b>	<b>1</b>	<b>51</b>	<b>50</b>
<b>-</b>	<b>Funding Balance ((A-B)+(C-D))</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
327	Depreciation	266	266	275	9

## Activity Expenditure for Property

Annual Report 2020/21 \$000		LTP Forecast 2021/22 \$000	LTP Forecast 2022/23 \$000	Annual Plan Forecast 2022/23 \$000	Variance 2022/23 \$000
377	Council Building	266	274	270	(4)
852	General Property	872	1,006	1,264	258
272	Endowment	363	341	408	67
171	Commercial Property	-	-	33	33
3	Camp Grounds	20	21	21	-
<b>1,675</b>	<b>Total Expenditure</b>	<b>1,521</b>	<b>1,642</b>	<b>1,996</b>	<b>354</b>

# Community Infrastructure

*The Community Infrastructure Group of Activities is made up of a number of sub-activities which aim to provide both passive and active amenities for the Community to use.*

The Community Infrastructure Group of Activities includes:

- Reserves and Beautification
- Urban cleansing
- Public Halls
- Public Toilets
- Sports Grounds
- Cemeteries

## Reserves, Sports Grounds, Cemeteries, Beautification, Urban Cleansing, Public Halls, and Public Toilets

*This Activity aims to provide management of reserves, sports grounds cemeteries, street beautification, maintenance of berms on the roading network (urban cleansing), public halls and public toilets.*

### What Reserves, Sports Grounds, Cemeteries, Beautification, Urban Cleansing, Public Halls, and Public Toilets involves:

- Maintenance of neighbourhood reserves, riverside and lakeside picnic areas, public gardens, and sports grounds.
- Mowing of berms, rubbish bin emptying, and the urban roading weed spraying programme.
- Providing Reserve Management Plans (RMP) 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 2022/23

#### *Additions to levels of service*

- Levin Adventure Park Renewals – Council will continue to work with the Levin Adventure Park Trust and other stakeholders to ensure the Levin Adventure Park remains a safe destination for play that develops social skills, encourages growth, and provides learning challenges in a positive constructive environment. It will do this by ensuring facilities and equipment is fit for purpose and relevant to its user base.
- Playford Park Improvements – Council in this historic period of growth recognises there is a need to maintain and develop its sports fields to service a growing community. The new ablution block and other facilities at Playford Park will ensure growth scenarios can be matched by investment in its existing, highly-values facilities.

## How we will measure our performance

Service	Community Outcomes	How we will measure our performance	Target 2022/23
Reserves are available for community use.	Vibrant economy	Residential dwellings in urban areas are within 400 metres to local reserves, either Council or privately provided.	≥ 80%
	Outstanding environment	Residential dwellings in urban areas are within 800 metres of playgrounds or destination reserves.	≥ 80%
	Fit for purpose infrastructure		
	Partnership with Tangata Whenua		
	Strong communities		
<b>What does this tell me?</b>			
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.			
Reserves meet local needs.	Outstanding environment	Percentage of customers satisfied with the service, based on the Annual Customer Satisfaction Survey.	≥ 80%
	Fit for purpose Infrastructure		
	Strong communities		
<b>What does this tell me?</b>			
The percentage of satisfied customers gives us an indication of the quality of service we are providing.			
Sports grounds are available for community use.	Vibrant economy	Percent of time that sport grounds are available for use during their opening hours.	≥ 95%
	Outstanding environment		
	Fit for purpose infrastructure		
	Partnership with Tangata Whenua		
	Strong communities		
<b>What does this tell me?</b>			
Sports grounds cater for both organised and casual sports. This measure shows Council have grounds available all year round.			
Sports grounds meet local needs.	Outstanding environment	Number of Customer Request Management complaints reporting of ground conditions per annum.	<5
	Fit for purpose infrastructure		
	Strong communities		

<b>What does this tell me?</b> The number of complaints gives us an indication of the quality of service we are providing.			
Playgrounds are safe for users.	Outstanding environment  Fit for purpose infrastructure  Strong communities	Playground facilities comply with relevant National Playground standards.	Achieve
<b>What does this tell me?</b> It is extremely important to Council our playgrounds are safe for everyone to use.			
Community Halls are available for public us.	Strong communities	Number of uses per fortnight for Community Halls.	10
<b>What does this tell me?</b> 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.			
Council operated facilities are available for public hire.	Fit for purpose infrastructure  Strong communities	Facilities availability (hrs) and hire charges by annual review.	8 hrs per day
<b>What does this tell me?</b> 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 a proportion of cost.			

## Challenges Council faces for Reserves, Sports Grounds, Cemeteries, Beautification, Urban Cleansing, Public Halls, and Public Toilets

Changes in levels of demand and Community expectations are challenges facing Council for this activity. We address these challenges by ensuring that reserves and sports grounds are developed to be multi-use and flexible enough to cope with changes in demands and expectations.

In the context of cemeteries and Horowhenua's changing demographics, there will be the need to consider less traditional uses which may necessitate developing options for natural burials and/or changes to plot depth, size and orientation. Use of some facilities may also be a challenge, with usage decreasing and operational costs increasing.

The accelerated growth will also support the need to maintain sufficient funding to uphold our existing Level of Service and expansion of the network via subdivision or other means. In addition, a lack of asset knowledge and condition together with deferred maintenance funding will require higher expenditure to maintain existing Levels of Service in the short-term.

Due to the lack of growth in the past, there has been a lack of strategic long-term planning for sports grounds and reserves assets, cemeteries, and shared pathways. The current RMP process, together with the regional facilities plan, should assist in this regard. In an increasingly technology savvy environment there will be the need to develop the e-citizens agenda across the Community Services portfolio.

Changes to environmental standards may also be a challenge faced by Council. These changes may require Council to consider more riparian planting, dune stabilisation, and succession planting than has traditionally been considered in the past, as well as having less reliance on traditional means of weed control (herbicides). These changes will inevitably result in additional costs.

Vandalism and graffiti are challenges for this Activity. Where possible, Council designs assets to CPTED (Crime Prevention Through Environmental Design) standards.

Another challenge facing Council is that the Community Halls in Levin and Foxton have been identified as being earthquake prone. Council proposes to manage this issue by transferring the halls to local community groups (Foxton Memorial Hall), and/or repurposing them (Levin Memorial Hall). Both Levin Domain



Grandstand and Shannon Domain Grandstand are earthquake prone and will need to be strengthened or demolished and rebuilt.

### Significant negative effects associated with Reserves, Sports Grounds, Cemeteries, Beautification, Urban Cleansing, Public Halls, and Public Toilets

There are no known significant negative effects surrounding this Activity.

### Key Risks and Assumptions associated with Reserves, Sports Grounds, Cemeteries, Beautification, Urban Cleansing, Public Halls, and Public Toilets

Due to the active nature of some assets used within this activity, there are varying levels of personal and social risks within some sub-activities. For example, playgrounds contain a range of inherent risks to personal safety. These types of risks are removed or managed by adherence to a range of standards regulating how these assets and activities are to be run.

Earthquake prone buildings owned by Council will need to be strengthened in line with current legislation, or alternatively considered for disposal.

There are increased expectations from local community groups that Council will raise its Levels of Service in this activity.

A deferred renewals program from 2010 until 2016 has led to a 'bow wave' of necessary repairs with some assets failing prior to having been renewed.

Council is finding itself having to deal with previously unconsidered growth and a change in demographic leading to a range of conflicting priorities as it applies to Council's Recreation and Leisure asset.

## How much it will costs

### Capital Expenditure Program for Reserves, Sports Grounds, Cemeteries, Beautification, Urban Cleansing, Public Halls, and Public Toilets

Annual Report 2020/21 \$000	<b>Capital Expenditure for Community Infrastructure</b>	LTP Forecast 2021/22 \$000	LTP Forecast 2022/23 \$000	Annual Plan Forecast 2022/23 \$000	Variance 2022/23 \$000
	<b>Primary Type - to replace existing assets</b>				
2	Beautification South bound carriageway SH1	-	-	-	-
8	District halls & pavilions reactive renewals	27	29	29	(0)
14	District Play Equipment Bark mulch	-	-	-	-
-	Donnelly Park - Replace netball lights	180	-	-	-
(2)	Levin Adventure Park Renewals	-	322	-	-
2	Park lighting replacement	255	-	-	-
-	Public toilets - Major renewals	451	-	-	-
1	Public toilets - Minor renewals	54	58	58	(0)
-	Reserves renewals (buildings)	2	34	-	-
225	Reserves renewals (Non - building)	961	1,34	1,271	(83)
-	Sportsgrounds renewals (buildings)	152	9	-	-
27	Waikawa Beach Pedestrian Bridge	50	10	10	0
<b>277</b>	<b>Total renewals</b>	<b>2,132</b>	<b>1,451</b>	<b>1,367</b>	<b>(84)</b>
	<b>Primary Type - to improve the level of service</b>				
10	Benches in high pedestrian use areas	-	-	-	-
61	Cemetery - Avenue - Redevelop front entrance and update information signage	-	-	-	-
13	Cemetery - Avenue Rd - Upgrade	-	-	-	-
-	Coastal reserve resiliency program	50	51	51	0
81	District fencing contingency	46	48	47	(1)
80	District play equipment	82	88	87	(1)
-	Donnelly Park improve cricket facilities	71	-	-	-
43	Donnelly Park strategic plan and design	-	-	-	-
52	Driscoll Reserve improvement plan	-	-	-	-
-	Foxton Beach access control	-	-	60	60
17	Foxton Beach Reserves (FHA)	700	-	-	-
-	Foxton East Beautification	-	31	31	(0)
1,906	Foxton Futures	-	-	-	-
77	Jail House	-	-	-	-
-	Levin Domain Grandstand	160	-	-	-
-	Mangahao tracks renewals / improvements	-	26	26	(0)
-	Playford Park - Improvements	450	154	184	30
(3)	Public Toilets - New Toilet Block Waitārere Domain	-	-	-	-
-	RSA Memorial Footpath & Gates	-	-	35	35
19	Signs at Waitārere Beach	-	-	-	-
(2)	Solway Park Pump Track - Grant Funded	-	-	-	-
-	Stafford Street Reserves improvement	-	31	31	(0)
16	Stream management plan	16	16	16	0
(18)	Te Awahou Nieuw-Stoom Landscape project	-	-	-	-
-	Waikawa Beach new vehicle access	-	-	300	300
59	Waitārere Domain improvements	85	57	56	(1)
<b>2,411</b>	<b>Total level of service</b>	<b>1,660</b>	<b>502</b>	<b>925</b>	<b>423</b>

Annual Report 2020/21 \$000	<b>Capital Expenditure for Community Infrastructure</b>	LTP Forecast 2021/22 \$000	LTP Forecast 2022/23 \$000	Annual Plan Forecast 2022/23 \$000	Variance 2022/23 \$000
	<b>Primary Type - to meet additional demand</b>				
-	Cemetery - Avenue Rd - Development	-	62	62	(0)
-	Cemetery - Manakau - Development Plan	-	30	31	1
-	Cemetery - Shannon - Development Plan	-	30	31	1
-	<b>Total growth</b>	-	<b>122</b>	<b>123</b>	<b>1</b>
	<b>Total Community Infrastructure Projects by Type</b>				
374	Renewals	1,882	1,091	1,437	346
2,314	Level of service	1,303	615	919	304
-	Growth	607	369	410	41
<b>2,688</b>	<b>Total Community Infrastructure Projects</b>	<b>3,792</b>	<b>2,075</b>	<b>2,767</b>	<b>692</b>

Funding Impact statement for Reserves, Sports Grounds, Cemeteries, Beautification, Urban Cleansing, Public Halls, and Public Toilets

Annual Report 2020/21 \$000		LTP Forecast 2021/22 \$000	LTP Forecast 2022/23 \$000	Annual Plan Forecast 2022/23 \$000	Variance 2022/23 \$000
	<b>Sources of Operating Funding</b>				
5,065	General rates, uniform annual general charges, rates penalties	5,325	5,626	5,655	29
-	Targeted rates	-	-	-	-
1,953	Subsidies and grants for operating purposes	-	-	203	203
354	Fees and charges	285	296	296	-
75	Local authorities fuel tax, fines, infringement fees, and other receipts	876	184	85	(99)
-	Internal charges and overheads recovered	-	-	-	-
<b>7,447</b>	<b>Total Operating Funding (A)</b>	<b>6,486</b>	<b>6,106</b>	<b>6,239</b>	<b>133</b>
	<b>Applications of Operating Funding</b>				
5,730	Payments to staff and suppliers	3,686	3,877	3,954	77
140	Finance costs	147	207	249	42
1,176	Internal charges and overheads applied	1,028	1,050	1,051	1
-	Other operating funding applications	-	-	-	-
<b>7,046</b>	<b>Total applications of operating funding (B)</b>	<b>4,861</b>	<b>5,134</b>	<b>5,254</b>	<b>120</b>
<b>401</b>	<b>Surplus (deficit) of operating funding (A-B)</b>	<b>1,625</b>	<b>972</b>	<b>985</b>	<b>13</b>
	<b>Sources of capital funding</b>				
1,911	Subsidies and grants for capital expenditure	-	-	-	-
-	Development and financial contributions	632	632	207	(425)
898	Increase (decrease) in debt	1,481	731	1,206	475
-	Gross proceeds from sale of assets	-	-	-	-
-	Lump sum contributions	-	-	-	-
-	Other dedicated capital funding	-	-	-	-
<b>2,809</b>	<b>Total sources of capital funding (C)</b>	<b>2,113</b>	<b>1,363</b>	<b>1,413</b>	<b>50</b>
	<b>Applications of capital funding</b>				
	Capital expenditure				
-	- to meet additional demand	607	369	410	41
2,314	- to improve the level of service	1,303	615	919	304
374	- to replace existing assets	1,882	1,090	1,437	347
522	Increase (decrease) in reserves	(54)	261	(368)	(629)
-	Increase (decrease) of investments	-	-	-	-
<b>3,210</b>	<b>Total applications of capital funding (D)</b>	<b>3,738</b>	<b>2,335</b>	<b>2,398</b>	<b>63</b>
<b>(401)</b>	<b>Surplus (deficit) of capital funding (C-D)</b>	<b>(1,625)</b>	<b>(972)</b>	<b>(985)</b>	<b>(13)</b>
<b>-</b>	<b>Funding Balance ((A-B)+(C-D))</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
900	Depreciation	724	762	775	13

Activity Expenditure for Reserves, Sports Grounds, Cemeteries, Beautification, Urban Cleansing, Public Halls, and Public Toilets

Annual Report 2020/21 \$000		LTP Forecast 2021/22 \$000	LTP Forecast 2022/23 \$000	Annual Plan Forecast 2022/23 \$000	Variance 2022/23 \$000
577	Cemeteries	604	615	615	-
324	Public Toilets	328	355	445	90
587	Beautification	642	658	687	29
4,288	Reserves	2,020	2,182	2,244	62
1,366	Sportsgrounds	1,227	1,305	1,288	(17)
334	Halls	284	290	259	(31)
471	Urban Cleansing	480	492	491	(1)
<b>7,947</b>	<b>Total Expenditure</b>	<b>5,585</b>	<b>5,897</b>	<b>6,029</b>	<b>132</b>

# 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:

- Employing the Chief Executive who is empowered to implement decisions of Council.
- Hosting Local Body elections.
- Encouraging Horowhenua residents to become involved in Council activity and communicating Council decisions.
- Council, Committee and Community Board meetings.
- Setting the strategic and policy direction of Council. This includes preparing the key strategic policy and planning documents such as the Long Term Plan and Annual Plans.
- Reviewing the District Plan and preparing plan changes. Monitoring the District's State of the Environment and efficiency and effectiveness of the District Plan.
- Representing the views and interests of residents.

## Key Projects for 2022/2023

- Annual Plan 2023/24 – This key document will adopted by 30 June 2023.
- LTP 2024-2044 – Begin the process of creating this key strategic document.
- District Plan changes – Continue to carry out the Plan Change process for a number of plan changes to respond to the needs of the district including growth.
- Central Government Reforms – Continue to keep informed and respond to changes prompted by Central Government Reforms.
- Local Government Election - Assisting in the administration of the local body elections, scheduled for 8 October 2022.

## How we will measure our performance

Service	Community Outcomes	How we will measure our performance	Target 2022/23
Council provides open, accessible information and processes to local government and the Community	Strong communities	Number of successful challenges to Council's decision making processes.  LGOIMA requests responded to within 20 working days. Official Information requests are processed in accordance with the LGOIMA.	<2  >100% compliance rate
<b>What does this tell me?</b>			
Council seeks to strengthen democracy through facilitating community input to decision-making processes. We are required to comply with the Local Government and Official Information and Meetings Act 1987.			
Council supports residents and ratepayers to have their views heard and considered in Council decision making  Council supports residents and ratepayers to have their views heard and considered in Council decision making	Strong communities	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.  Council will pre-engage on all significant decisions as outlined in the Significance of Engagement Strategy, found on Council's website.	>50%  Achieve
<b>What does this tell me?</b>			
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's planning documents meet statutory requirements and have unqualified audit opinions	Vibrant economy  Outstanding environment  Strong communities  Partnership with Tangata Whenua  Fit for purpose infrastructure	The LTP is completed within the statutory timeframe, including a Financial and Infrastructure Strategies which meets the requirements of the Local Government Act.  The Annual Plan will be adopted before 30 June annually.*  The Annual Report will include an unqualified audit opinion.	Adopted before 30 June (every 3 years)       Achieve   Achieve
<b>What does this tell me?</b>			
Council will meet its statutory requirements regarding planning and reporting documents.			
The District Plan provides for a	Vibrant economy	Council will process non-complying consents in a robust way. When the	<5%

balanced regulatory framework that protects important community and environmental values	Outstanding environment  Strong communities  Partnership with Tangata Whenua	percentage of non-complying consents approved exceed 5% we will undertake an investigation of the District Plan rules that have triggered the non-complying consents.	
<b>What does this tell me?</b>			
Good planning supports sustainable growth and development. It protects natural and built environments and helps maintain quality of life for our residents. This measure is used to understand whether the District Plan is performing effectively. If the number of consent applications being approved as non-complying activities is above 5% it could suggest the District Plan needs to be updated to support growth and development that is considered appropriate for the District.			

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

## Challenges Council faces for Representation and Community Leadership

A key challenge faced by Council is how to make local government more relevant for our residents and ratepayers as well as how to encourage positive and active engagement in Council's decision-making processes.

Another challenge is the impact that future changes in legislation could have on Council and its responsibilities and functions. Likely reform of the Resource Management Act may mean Council Officers will be required to understand and implement a new system for environmental management.

Council is also conscious of protecting our reputation, both within the local community but also nationally and with key stakeholders. Council's reputation is critical to working with others (such as Central Government Agencies) in the pursuit of Community Outcomes.

Horowhenua is experiencing higher levels of growth than it has faced in the past 20 years. This, combined with the significant investment that has been made in the expressway and highway improvements to the south of the district, and the development of an expressway from Ōtaki to North of Levin, make it crucial that Council ensures it balances planning for growth with achieving the best outcomes for the community.

Council must work towards giving effect to the first set of National Planning Standards in the next four to six years. Where possible these will be given effect to as Council undertakes plan changes.

## Significant negative effects associated with Representation and Community Leadership

There are no known significant negative effects surrounding Council's planned Representation and Community Leadership Activity.

## Key Risks and Assumptions associated with Representation and Community Leadership

A key assumption is that the Ōtaki to North of Levin Expressway will be constructed during the period of this LTP and that the associated future planning for the District including the redevelopment of the Levin Town Centre will need to be undertaken. A risk is that the proposed Expressway is delayed and timeframes are pushed out, which may impact on the level and speed at which growth occurs in the district.



## How much it will cost

### Capital Expenditure Program for Representation and Community Leadership

Annual Report 2020/21 \$000	<b>Capital Expenditure for Representation and Community Leadership</b>	LTP Forecast 2021/22 \$000	LTP Forecast 2022/23 \$000	Annual Plan Forecast 2022/23 \$000	Variance 2022/23 \$000
	<b>Primary Type - to replace existing assets</b>				
-	<b>Total renewals</b>	-	-	-	-
	<b>Primary Type - to improve the level of service</b>				
-	Levin Town Centre strategy activation projects	500	500	500	-
-	<b>Total level of service</b>	<b>500</b>	<b>500</b>	<b>500</b>	<b>-</b>
	<b>Primary Type - to meet additional demand</b>				
1	Levin Town Centre Projects	-	-	-	-
1	<b>Total growth</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>Total Representation and Community Leadership Projects by Type</b>				
-	Renewals	-	-	-	-
-	Level of service	500	500	500	-
1	Growth	-	-	-	-
1	<b>Total Representation and Community Leadership Projects</b>	<b>500</b>	<b>500</b>	<b>500</b>	<b>-</b>

## Funding Impact Statement for Representation and Community Leadership

Annual Report 2020/21 \$000		LTP Forecast 2021/22 \$000	LTP Forecast 2022/23 \$000	Annual Plan Forecast 2022/23 \$000	Variance 2022/23 \$000
	<b>Sources of Operating Funding</b>				
40	General rates, uniform annual general charges, rates penalties	267	360	427	67
3,565	Targeted rates	4,051	4,182	4,564	382
1,410	Subsidies and grants for operating purposes	-	-	-	-
-	Fees and charges	-	-	-	-
62	Local authorities fuel tax, fines, infringement fees, and other receipts	1	1	1	-
-	Internal charges and overheads recovered	-	-	-	-
<b>5,077</b>	<b>Total Operating Funding (A)</b>	<b>4,319</b>	<b>4,543</b>	<b>4,992</b>	<b>449</b>
	<b>Applications of Operating Funding</b>				
3,542	Payments to staff and suppliers	2,057	1,979	2,213	234
102	Finance costs	107	182	212	30
3,425	Internal charges and overheads applied	3,709	3,814	4,064	250
-	Other operating funding applications	-	-	-	-
<b>7,069</b>	<b>Total applications of operating funding (B)</b>	<b>5,873</b>	<b>5,975</b>	<b>6,489</b>	<b>514</b>
<b>(1,992)</b>	<b>Surplus (deficit) of operating funding (A-B)</b>	<b>(1,554)</b>	<b>(1,432)</b>	<b>(1,497)</b>	<b>(65)</b>
	<b>Sources of capital funding</b>				
-	Subsidies and grants for capital expenditure	-	-	-	-
-	Development and financial contributions	-	-	-	-
845	Increase (decrease) in debt	2,055	1,933	1,998	65
-	Gross proceeds from sale of assets	-	-	-	-
-	Lump sum contributions	-	-	-	-
-	Other dedicated capital funding	-	-	-	-
<b>845</b>	<b>Total sources of capital funding (C)</b>	<b>2,055</b>	<b>1,933</b>	<b>1,998</b>	<b>65</b>
	<b>Applications of capital funding</b>				
	Capital expenditure				
1	- to meet additional demand	-	(1)	-	1
-	- to improve the level of service	500	500	500	-
-	- to replace existing assets	-	-	-	-
(1,148)	Increase (decrease) in reserves	1	2	1	(1)
-	Increase (decrease) of investments	-	-	-	-
<b>(1,147)</b>	<b>Total applications of capital funding (D)</b>	<b>501</b>	<b>501</b>	<b>501</b>	<b>-</b>
<b>1,992</b>	<b>Surplus (deficit) of capital funding (C-D)</b>	<b>1,554</b>	<b>1,432</b>	<b>1,497</b>	<b>65</b>
<b>-</b>	<b>Funding Balance ((A-B)+(C-D))</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
-	Depreciation	-	-	-	-

## Activity Expenditure for Representation and Community Leadership

Annual Report 2020/21 \$000		LTP Forecast 2021/22 \$000	LTP Forecast 2022/23 \$000	Annual Plan Forecast 2022/23 \$000	Variance 2022/23 \$000
165	Community Board	182	201	183	(18)
10	Elections	11	66	146	80
2,051	Governance	2,174	2,255	2,481	226
1,871	LTP/Annual Plan/Annual Report	1,649	1,576	1,664	88
736	District Planning	1,137	1,131	2	(1,129)
-	Sustainable Growth Planning	721	746	727	(19)
2,236	Growth Response	-	-	-	-
<b>7,069</b>	<b>Total Expenditure</b>	<b>5,874</b>	<b>5,975</b>	<b>5,203</b>	<b>(772)</b>

# 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 (CDEM) Group.

### Key Projects for 2022/2023

- Completion of CDEM VHF Radio upgrade including new repeater antenna, complete replacement of vehicle VHF base Radios, and replacement of old analogue radios in CD Centres and schools
- Facilitation of 3 CDEM Readiness Forum with the business Community, Education & Training Sector, and Care Facilities

## How we will measure our performance

Service	Community Outcomes	How we will measure our performance	Target 2022/23
Community awareness is promoted and encouraged.	Strong communities	12 media messages promoting preparedness for an emergency will be made to residents and ratepayers annually*	Achieve
<b>What does this tell me?</b> Council is working with the community to build greater resilience to emergencies and disaster events, and to help our District recover faster.			
Council maintains a functional EOC and trained staff.	Strong communities	Civil defence and emergency management assessment of readiness and capability.	Council's EOC (and alternate EOC) are fully functional, designated staff are trained and qualified, and Council meets its obligations under the CDEM Act 2002.
What does this tell me? 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.

## Challenges Council faces for Emergency Management

The COVID pandemic has and could again, result in the shutdown of town, region or the country – and some council services as a result. The resurgence of this pandemic has a major impact on the community, business sector and staff who form part of the emergency management team. Councils role in preparing for and responding to disasters, such as the Canterbury and Kaikoura earthquakes, mean there is a much higher level of scrutiny and audit. Together this means a deeper level of commitment of staff time for EOC training and exercises as well as from Council managers and Civil Defence Emergency Management EOC function managers (and associated team members), for regular planning and reviewing of processes associated with the various emergency management functions.

Another challenge Council faces for this activity is obtaining accurate and up-to-date information about potential hazards (e.g. liquefaction and sea level rise) and how they might affect this District.

## Significant negative effects associated with Emergency Management

Psychological wellbeing has become more of an issue that we need to be aware of and focus on both within the community and our Council. We have seen a lot of pressures placed on people during the pandemic so far that we don't necessarily see otherwise. Council has an obligation to provide staff to be trained to perform duties under the Emergency Management function and to plan and review processes which will take core staff members away from their core duties.

## Key Risks and Assumptions associated with Emergency Management

A key risk for this activity is ensuring there is sufficient staff that are trained to respond to emergency events.

Natural disasters including floods, earthquakes, erosion, and drought will all impact the emergency responders and the community.

Health pandemics within the community and New Zealand puts further pressure on this activity and emergency services in general. The impact on local businesses and community wellbeing adds further complication to the recovery of the district.

# 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 Framework.
- Implement the Action Plans for: Housing, 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, Waitāreke 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](http://www.horowhenua.govt.nz).
- Respond and provide information to media outlets.
- Undertake regular voice of the customer research.
- 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.

### Cultural Outcomes

- Create and support delivery of Council's Māori Engagement Strategy.
- Support staff to be equipped in Tikanga Māori.
- Provide opportunities for the community to celebrate our diverse cultures.

- Develop protocols and processes for Council which enhance participation by different cultures.

## Key Projects for 2022/2023

No key projects identified for 2022/23

## How we will measure our performance

Service	Community Outcomes	How we will measure our performance	Target 2022/23
Council provides effective leadership in advocating, coordinating and facilitating on behalf of Community needs.	Strong communities  Partnership with Tangata Whenua	Number of Community Wellbeing Committee meetings per year.	≥4
<b>What does this tell me?</b> The Community Wellbeing Committee is the platform for community engagement with Council facilitating and coordinating on behalf of the Community to find solutions to respond to local needs.			
Young people in Horowhenua live in a safe and supportive environment, which empowers them to make positive life choices.	Strong communities	Number of Youth Empowerment Project meetings per year	≥8
		Number of programmes or projects implemented by Youth Empowerment Project	≥4
		Number of Youth Services Network meetings per year.	≥6
<b>What does this tell me?</b> Council is engaging with young people and supporting programmes or projects with a youth focus.			
Horowhenua residents are empowered to make choices enabling them to live a satisfying and healthy lifestyle.	Strong Communities	Number of Older Person Network meetings per year.	≥6
		Number of Puāwai magazine publications (formerly <i>Elderberries</i> ) annually.	≥4
<b>What does this tell me?</b> Council is engaging with the older people and keeping them informed.			
Horowhenua is a vibrant, creative and friendly Community with an abundance of art, rich cultures and a strong sense of heritage.	Strong communities	Number of Creative Communities funding rounds per year.	≥2
<b>What does this tell me?</b> Council supports arts and culture in the district by providing administrative support to externally funded contestable grant schemes			
Horowhenua is New Zealand's foremost district in taking joint responsibility for the success of our community through education.	Strong communities	Number of Education Horowhenua meetings per year.	≥4
<b>What does this tell me?</b> 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.	Strong communities	Number of Access and Inclusion Leadership forums per year.	≥4
<b>What does this tell me?</b> Council supports United Nations Convention of Rights of Persons with Disabilities. The Convention guides how to remove barriers and make sure disabled people have full and equal enjoyment of all human rights and fundamental freedoms.			
Council promotes community group empowerment and provides opportunities for Community driven initiatives and projects, and to grow and develop.	Strong communities	Number of Community Capacity and Capability Building Programme workshops or trainings offered  Percent of satisfaction with Capacity and Capability Building Programme workshops or training  Number of individuals participating in Capacity and Capability Building Programme workshops or training over the year.	≥10  ≥85%  ≥200
<b>What does this tell me?</b> Council provides opportunities for community-driven initiatives and projects by distributing funds through a contestable grants and funding scheme. 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.			
Council supports beach safety initiatives within Communities by providing financial support.	Strong communities	Number of weeks Council funded surf lifesaving service is provided at Foxton and Waitāreere Beaches.	≥6
<b>What does this tell me?</b> 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.	Strong communities  Vibrant economies  Outstanding environment  Partnership with Tangata Whenua	Percent of media releases feature in media within 21 days of release.  Percent of residents are well-informed about what the Council is doing.	≥60%  ≥60%
<b>What does this tell me?</b> Council provides useful and accessible information for the community.			
Council provides a variety of ways to access information.	Strong communities	Number of Council Community Connections newsletters published annually  Number of new digital services are delivered online annually	≥10  ≥2
<b>What does this tell me?</b> Council offers a variety of mediums to engage with the community.			

Council provides a 24/7 telephone contact centre operation.	Strong Communities	Telephone contact is continually provided 24/7	Achieve
<b>What does this tell me?</b> Council can be contacted any time even out of normal business hours.			
Council staff are knowledgeable in tikanga māori and the principles of Te Tiriti o Waitangi.	Partnership with Tangata Whenua	Percent of staff who have undertaken training	80% of Council staff
<b>What does this tell me?</b> Council upholds Te Tiriti o Waitangi and its principles.			

## Challenges Council faces for Community Engagement

A challenge facing Council for this Activity is the change in community expectations for engagement. This is, in part, due to the growing population who bring with them different challenges and expectations. This challenge will be met by ensuring that the services provided by the Community Engagement Activity will be developed to ensure that they are meeting the needs of their target audience as well as the wider community, and to ensure that they are flexible enough to cope with these changing demands and expectations.

Another challenge is the need to stay connected to Central Government's Strategic Policies and Direction for providing for community engagement and community wellbeing while maintaining a focus on the needs of our local communities. Funding requests are regularly higher than the limited funding that is available and these funds must be allocated to a wide range of community organisations, not just a few.

Council is often viewed as the effortless driver of community projects and are therefore approached regularly to lead activities. As we are moving towards community-led projects, building capacity in the community and other organisations is a measure to develop capability and less of a reliance on Council.

Difference in understanding of what iwi partnership means across the organisation and within the community.

## Significant negative effects associated with Community Engagement

There are no known significant negative effects surrounding Council's planned Community Engagement Activity.

## Key Risks and Assumptions associated with Community Engagement

An assumption is that the role of local government will continue to include community wellbeing as a core service and outcome.

Despite the growth in population, an assumption has been made that the target population areas which currently form our Networks and Forums such as Young People and Older People, will remain the same.

## 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 2022/2023

No key projects identified for this financial year

## How we will measure our performance

Service	Community Outcomes	How we will measure our performance	Target 2022/23
Council supports the promotion of Horowhenua as a tourism destination.	Vibrant economy  Strong communities	i-Site accreditation is maintained at Te Awahou Nieuwe Strom and Te Takeretanga o Kura-haupō facilities.  Annual number of visitor information enquiries conducted from Horowhenua i-Sites.	Achieve    ≥10,000
<b>What does this tell me?</b> i-Site is a visitor information network with more than 80 visitor centres throughout New Zealand, offering 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.			

### Challenges Council faces for Visitor Information

Maintaining the current levels of funding support in the absence of receiving income generated from this Activity.

Another challenge is balancing the requirements of visitor and local customers as this blurs the line between economic and community wellbeing outcomes and funding mechanisms.

### Significant negative effects on the social, cultural, economic and environmental wellbeing of the local community associated with Visitor Information

There are no known significant negative effects surrounding Council's planned Visitor Information Activity.

### Key Risks and Assumptions associated with Visitor Information

There are no known risks or assumptions associated with Council's planned Visitor Information Activity.

# 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:

Horowhenua is in a growth phase which brings opportunity to considerably advance its economic wellbeing and prosperity. Effective economic development requires capability and capacity to plan, collaborate, align, implement, monitor and evaluate action to take advantage of available opportunities.

## Key Projects for 2022/2023

No key projects identified for this financial year

## How we will measure our performance

Service	Community Outcomes	How we will measure our performance	Target 2022/23
Council provides opportunities for businesses to collaborate and network resulting in a stronger business sector.	Vibrant economy  Strong communities	Number of business networking meetings organised per year.	≥10
<b>What does this tell me?</b> Council is committed to collaborate and network with the local business sector. Below 10 would indicate Council is not fulfilling its commitment.			
Council advocates for and facilitates business development and new business investment in the Horowhenua District.	Vibrant economy  Fit for purpose infrastructure	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%
<b>What does this tell me?</b> The percentage of satisfied customers as per a business survey gives us an indication of the quality of service we are providing.			

## Challenges Council faces for Economic Development

Effective economic development is a team game played over long-term horizons. This means effective and targeted collaboration and partnerships with Iwi, business, Central Government and the not-for-profit sector are critical in achieving community objectives. For this to work well there needs to be an effective mechanism or mechanisms that bring the different parties together regularly to prioritise, coordinate and align activity.

Capability and capacity needs to be built over time to deliver effective economic development requiring a staged approach to progressing economic development priorities within scarce funding resources.

## Significant negative effects associated with Economic Development

There are no known significant negative effects surrounding Council's planned Economic Development Activity.

## Key Risks and Assumptions associated with Economic Development

There are no known risks or assumptions associated with Council's planned Economic Development Activity.

## How much it will cost

### Capital Expenditure for Community Support

Annual Report 2020/21 \$000	<b>Capital Expenditure for Community Support</b>	LTP Forecast 2021/22 \$000	LTP Forecast 2022/23 \$000	Annual Plan Forecast 2022/23 \$000	Variance 2022/23 \$000
	<b>Primary Type - to replace existing assets</b>				
-	Boundary Sign	11	-	-	-
-	Christmas Lights	8	6	6	0
-	Flags	9	4	4	(0)
3	Upgrade of Santa statue	-	-	-	-
<b>3</b>	<b>Total renewals</b>	<b>28</b>	<b>10</b>	<b>10</b>	<b>(0)</b>
	<b>Primary Type - to improve the level of service</b>				
-	Economic Development assets	10	-	-	-
-	Facility signage	12	-	-	-
-	New Portable Generator - Emergency Management	5	-	-	-
-	VHF Digital Radio Upgrade Project - Emergency Management	20	-	-	-
6	Website Development	-	-	-	-
<b>6</b>	<b>Total level of service</b>	<b>47</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>Primary Type - to meet additional demand</b>				
-	<b>Total growth</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>Total Community Support Projects by Type</b>				
3	Renewals	28	10	10	(0)
6	Level of service	47	-	-	-
-	Growth	-	-	-	-
<b>9</b>	<b>Total Community Support Projects</b>	<b>75</b>	<b>10</b>	<b>10</b>	<b>(0)</b>

## Forecast Funding Impact Statement for Community Support

Annual Report 2020/21 \$000		LTP Forecast 2021/22 \$000	LTP Forecast 2022/23 \$000	Annual Plan Forecast 2022/23 \$000	Variance 2022/23 \$000
	<b>Sources of Operating Funding</b>				
2,729	General rates, uniform annual general charges, rates penalties	2,759	2,812	2,962	150
-	Targeted rates	-	-	-	-
293	Subsidies and grants for operating purposes	33	34	34	-
-	Fees and charges	-	-	-	-
24	Local authorities fuel tax, fines, infringement fees, and other receipts	51	52	53	1
-	Internal charges and overheads recovered	-	-	-	-
<b>3,046</b>	<b>Total Operating Funding (A)</b>	<b>2,843</b>	<b>2,898</b>	<b>3,049</b>	<b>151</b>
	<b>Applications of Operating Funding</b>				
1,813	Payments to staff and suppliers	1,809	1,834	1,828	(6)
-	Finance costs	-	3	2	(1)
1,171	Internal charges and overheads applied	1,026	1,049	1,206	157
-	Other operating funding applications	-	-	-	-
<b>2,984</b>	<b>Total applications of operating funding (B)</b>	<b>2,835</b>	<b>2,886</b>	<b>3,036</b>	<b>150</b>
<b>62</b>	<b>Surplus (deficit) of operating funding (A-B)</b>	<b>8</b>	<b>12</b>	<b>13</b>	<b>1</b>
	<b>Sources of capital funding</b>				
-	Subsidies and grants for capital expenditure	-	-	-	-
-	Development and financial contributions	-	-	-	-
-	Increase (decrease) in debt	75	8	(2)	(10)
-	Gross proceeds from sale of assets	-	-	-	-
-	Lump sum contributions	-	-	-	-
-	Other dedicated capital funding	-	-	-	-
<b>-</b>	<b>Total sources of capital funding (C)</b>	<b>75</b>	<b>8</b>	<b>(2)</b>	<b>(10)</b>
	<b>Applications of capital funding</b>				
	Capital expenditure				
-	- to meet additional demand	-	-	-	-
6	- to improve the level of service	47	-	-	-
3	- to replace existing assets	28	10	10	-
53	Increase (decrease) in reserves	8	10	1	(9)
-	Increase (decrease) of investments	-	-	-	-
<b>62</b>	<b>Total applications of capital funding (D)</b>	<b>83</b>	<b>20</b>	<b>11</b>	<b>(9)</b>
<b>(62)</b>	<b>Surplus (deficit) of capital funding (C-D)</b>	<b>(8)</b>	<b>(12)</b>	<b>(13)</b>	<b>(1)</b>
<b>-</b>	<b>Funding Balance ((A-B)+(C-D))</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
9	Depreciation	9	12	12	-



## Activity Expenditure for Community Support

Annual Report 2020/21 \$000		LTP Forecast 2021/22 \$000	LTP Forecast 2022/23 \$000	Annual Plan Forecast 2022/23 \$000	Variance 2022/23 \$000
742	Community Development	684	701	800	99
216	Emergency Management	262	278	278	-
360	District Communication & Marketing	431	442	471	29
576	Community Grants & Funding	465	452	461	9
1,030	Economic Development	914	937	939	2
69	Visitor Information	86	88	101	13
<b>2,993</b>	<b>Total Expenditure</b>	<b>2,842</b>	<b>2,898</b>	<b>3,050</b>	<b>152</b>

# 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 in.*

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) (RMA).*

### What Resource Consenting involves:

- Processing resource consents and other applications made under the RMA.
- Providing advice to the public on the District Plan and RMA.
- 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 2022/23

No key projects identified

## How we will measure our performance

Service	Community Outcomes	How we will measure our performance	Target 2022/23
Processing of applications under the RMA	Vibrant economy  Outstanding environment	Applications under the RMA will be processed within statutory timeframes	95%
<p><b>What does this tell me?</b></p> <p>This measure indicates whether we are meeting our statutory timeframes for processing resource consent applications. The RMA contemplates that there will be occasions where a consent application is not processed within the statutory timeframes and provides a discounting process to ensure that the applicant receives an offset for the delay. This target recognises that while Council strives to achieve the statutory timeframes there are occasions where getting the best outcome can result in a consent being processed beyond the statutory timeframe. Examples of where this can occur include where officers seek to ensure the decision and consent conditions are workable and understood by the applicant before issuing the decision. Where the applicant has not agreed to an extension of time, this process of providing draft conditions to the applicant and checking their understanding can impact on compliance with the statutory timeframe.</p>			

### Challenges Council faces for Resource Consenting

A key challenge facing Council for this Activity is that there is a level of uncertainty about the implications for Council of the current reforms to the RMA, as well as the development or amendment of National Environmental Standards or National Policy Statements. For example, implications could result in changes to how resource consent applications are processed, or could require the District Plan to be updated or amended.

Another challenge is balancing the need to provide for, and encourage, economic development, with the desire to ensure that any adverse effects that businesses and their associated activities may have on the natural environment are acceptable and will not compromise future generations use and enjoyment of natural resources.

The requirement to apply for resource consents can be perceived by some people as encroaching on private property rights and could frustrate property owners who perceive 'over-regulation'. However, requirements relating to the District Plan and resource consents are deemed necessary to protect and sustainably manage the district's natural and physical resources.

The anticipated growth of the district will place pressure on this Activity. The growth environment is likely to see an increase in the volume and complexity of applications.

### Significant negative effects associated with Resource Consenting

There are no known significant negative effects surrounding this Activity.

### Key Risks and Assumptions associated with Resource Consenting

Changes in legislation could result in subsequent changes to the District Plan, or changes to how resource consents are processed or monitored which have not been anticipated. However, it is assumed that Central Government will give local government adequate notice/warning of any potential changes. It is also assumed where major changes are required, there will be an appropriate transition period provided to allow for Council to plan and budget for any required changes.

## 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 2022/23

No key projects identified for this financial year

## How we will measure our performance

Service	Community Outcomes	How we will measure our performance	Target 2022/23
Carry out Building Consent Authority functions including enforcement of legislation relating to construction of buildings and structures.	Vibrant economy  Outstanding environment	Building consent applications are processed within statutory timeframes.  Council will maintain its accredited status as a Building Consent Authority.	98%  Achieve
<p><b>What does this tell me?</b> 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.</p>			

### Challenges Council Faces for Building Consenting

A key challenge facing Council for this Activity is that there is uncertainty around future amendments to current legislation or the introduction of new legislation, and the implications that this would have on the Levels of Service for this Activity.

The anticipated growth of the District is likely to place pressure on this Activity. The growth environment is likely to see an increase in new commercial and industrial builds in the district. Potential development of increased housing density, may result in the building of multi-story and multi-unit dwellings. The Building Consent Authority will need to ensure that building officers continue to develop their skills and competencies to cater for the increased complexity associated with these types of buildings and the commercial and industrial buildings.

### Significant negative effects associated with Building Consenting

There are no known significant negative effects surrounding this Activity.

### Key Risks and Assumptions associated with Building Consenting

The risk for this Activity is that Council may not maintain its Building Consent Authority Accreditation and this would mean that Council would no longer be able to process building consent applications in-house. However, Council has an internal auditing and monitoring programme in place to ensure that its systems, policies and procedures are appropriate to ensure that it maintains its accreditation at each re-assessment.

Changes in legislation could result in an increase to the Levels of Service or require changes to be made to how Council currently undertakes this Activity. However, it is assumed that Central Government will give local government adequate notice/warning of any potential changes and that where major changes are required there will be an appropriate transition period provided to allow for Council to plan and budget for these.

# 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:

- Registration and verification of food businesses in accordance with the Food Act 2014 and associated regulations and legislation.

## Key Projects for 2022/2023

No key projects identified

## How we will measure our performance

<b>Service</b>	<b>Community Outcomes</b>	<b>How we will measure our performance</b>	<b>Target 2022/23</b>
Food safety – Food businesses are monitored to ensure compliance with legislation.	Vibrant economy Strong communities	Food businesses operating under the Food Act 2014 are verified at the frequency determined by the Food Regulations 2015.	Achieve
<b>What does this tell me?</b> Local food businesses registered under the Food Act need to be routinely verified to check they are operating safely to make sure the food they sell or provide to the public is safe and suitable to eat.			

## Challenges Council faces for Environmental Health (Food Safety)

A key challenge facing Council for this Activity is that there is uncertainty around future amendments to current legislation or the introduction of new legislation, and the implications that this would have on the Levels of Service for this Activity.

## Significant negative effects associated with Environmental Health (Food Safety)

There are no known significant negative effects surrounding this Activity.

## Key Risks and Assumptions associated with Environmental Health (Food Safety)

There is a risk of a reduction in our food premises client base due to the contestable market.

# 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 2022/2023

No key projects identified for this financial year

## How we will measure our performance

Service	Community Outcomes	How we will measure our performance	Target 2022/23
Monitoring of licensed premises to ensure compliance with relevant* legislation.	Strong communities Vibrant economy	Premises are inspected annually to check for compliance with their licence conditions.	Achieve
<b>What does this tell me?</b> 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 and Supply of Alcohol Act 2012.

## Challenges Council faces for Alcohol Licensing

A key challenge for this Activity is that the fees for licensing are set by Central Government and as such, Council is unable to change them.

Another key challenge for this Activity is that there is uncertainty around future amendments to current legislation or the introduction of new legislation that can be made at short notice. An example of this is the immediate modification orders made during Covid-19 pandemic, the changes having a huge impact on service delivery, and resulted in significant delays for customers.

## Significant negative effects associated with Alcohol Licensing

There are no known significant negative effects surrounding this Activity.

## Key Risks and Assumptions associated with Alcohol Licensing

Changes in legislation could result in unanticipated changes in Levels of Service for this Activity. It is assumed that Central Government will provide local government adequate notice/warning of any potential changes. It is also assumed that where major changes are required there will be an appropriate transition period provided to allow for Council to plan and budget for any required changes.

## 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 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 2022/2023

#### To replace existing assets

- Parking Mobile ticket devices - Replace old parking mobile ticket devices
- Body-worn equipment - Replacement of body worn video equipment

### How we will measure our performance

Service	Community Outcomes	How we will measure our performance	Target 2022/23
All parking restricted areas in Levin will be enforced under the provisions of Council's Bylaw and the Land Transport Regulations.	Vibrant economy  Strong communities	Parking infringement explanations are responded to within 5 business days of receipt.	Achieve
<b>What does this tell me?</b> This measure indicates the frequency at which we are enforcing our Land Transport Bylaw in regards to parking restricted areas in Levin, and other relevant legislation e.g. how many working days a year our parking wardens are undertaking their enforcement duties.			

### Challenges Council faces for Parking Enforcement

A key challenge for the Parking Enforcement Activity identified in preparation of the LTP 2021-2041 was the aged condition of our parking meters that are now obsolete. Coin operated only, the machines are not equipped to operate with modern technology, and therefore a challenge to our service delivery options.

### Significant negative effects associated with Parking Enforcement

There are no known significant negative effects surrounding Council's planned Parking Enforcement Activity.

### Key Risks and Assumptions associated with Parking Enforcement

No key risks or assumptions have been identified for the Parking Enforcement Activity.





## Key Risks and Assumptions associated with Building Compliance

Council will continue to meet its requirements as a regulator under the Building (Earthquake-prone Buildings) Amendment Act 2016. No key risks have been identified for this Activity.

# 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 2022/2023

While no key projects have been identified for this activity, this activity will continue to provide core services while seeking to improve delivery.

## How we will measure our performance

Service	Community Outcomes	How we will measure our performance	Target 2022/23
Monitoring of District Plan requirements, resource consent compliance and complaints	Outstanding environment	Known and reported instances of non-compliances with the District Plan and any resource consents will be responded to within five working days.  All resource consents that are required to be monitored for the year are monitored for compliance with conditions.	Achieve          Achieve
<b>What does this tell me?</b>			
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 conditions are being complied with.			

## Challenges Council faces for Resource Management Compliance

A key challenge for this activity is likely to be created by the new changes to exempt buildings in the Building Act 2004. It is likely there will be an increase in the number of resource management complaints where property owners do not realise their previously exempt building work requires a resource consent.

## Significant negative effects associated with Resource Management Compliance

There are no known significant negative effects surrounding Council's planned Resource Management Compliance Activity.

## Key Risks and Assumptions associated with Resource Management Compliance

No key risks or assumptions have been identified for this Activity.

# 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 euthanasing 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 2022/2023

To improve level of service

Dog pound facility – Investigation into the refurbishment of the dog pound facility.

## How we will measure our performance

Service	Community Outcomes	How we will measure our performance	Target 2022/23
Reported instances of non-compliances and dog nuisances will be responded to	Strong communities	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
<b>What does this tell me?</b> 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	Strong communities	Percent of known dogs that will be registered or accounted for annually by 31 October.	100%

**What does this tell me?**

This measure indicates how much of the known dog population is accounted for on our register. For each dog, the register holds information about 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 unite the dog with its owner. The register also helps us keep track of dogs deemed to be menacing or dangerous.

### Challenges Council faces with Animal Control

A key challenge for the Animal Control function is the aging state of the pound facility and its ability to meet the minimum standards in the MPI code of welfare.

Another key challenge for this activity is the increasing demand on the service as our population grows and dog numbers increase.

### Significant negative effects associated with Animal Control

There are no known significant negative effects associated with Council's planned Animal Control Activity.

### Key Risks and Assumptions associated with Animal Control

A key risk is that changes in legislation could result in unanticipated changes in Levels of Service for this Activity. However, it is assumed that Central Government will give local government adequate notice/warning of any potential changes. It is also assumed that where major changes are required there will be an appropriate transition period provided to allow for Council to plan/budget for any required changes.

## 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 devices
- 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 2022/2023

No key projects identified for this financial year

### How we will measure our performance

Service	Community Outcomes	How we will measure our performance	Target 2022/23
Noise complaints response service will be provided	Strong communities	Noise complaints services are provided all year round and 90% of complaints will be responded to within 60 minutes.	Achieve
<b>What does this tell me?</b> Excessive noise can cause a nuisance, especially if occurring within a quiet part of a neighbourhood. This measure indicates whether we are responding to noise complaints efficiently and ensuring that the noise, if deemed excessive, is addressed.			
Public safety bylaws and other legislation will be enforced	Strong communities	Percent of reported non-compliances and complaints that are responded to within five working days.	100%
<b>What does this tell me?</b> Our public safety bylaws are in place to ensure our community feels safe in the environment they live in. 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.			

### Challenges Council faces for General Regulatory Services

A key challenge facing Council for this Activity will be the increased demand on the service as new residents relocate to the area, with them bringing differing expectations of living, and expectations of Council to address non-compliance. As the number of complaints increase, the level of enforcement action will also be expected to increase.

### Significant negative effects associated with General Regulatory Services

There are no known significant negative effects surrounding Council's planned General Regulatory Services Activity.

## Key Risks and Assumptions associated with General Regulatory Services

No key risks or assumptions have been identified for this Activity.

## How much it will cost

### Capital Expenditure for Regulatory Services

Annual Report 2020/21 \$000	<b>Capital Expenditure for Regulatory Services</b>	LTP Forecast 2021/22 \$000	LTP Forecast 2022/23 \$000	Annual Plan Forecast 2022/23 \$000	Variance 2022/23 \$000
	<b>Primary Type - to replace existing assets</b>				
1	Animal Control - Body worn video equipment	4	-	26	26
3	Parking - Body worn video equipment	-	4	4	0
-	Parking - Mobile ticket devices	-	15	15	0
5	Vehicles - Replacing HPK637	-	-	-	-
3	Vehicles - Replacing HPR874	-	-	-	-
40	Vehicles - Replacing JJJ288	-	-	-	-
<b>52</b>	<b>Total renewals</b>	<b>4</b>	<b>19</b>	<b>45</b>	<b>26</b>
	<b>Primary Type - to improve the level of service</b>				
-	Animal - Dog Pound shade and kennel repairs	20	-	8	8
-	Animal Control - Dog Pound facility refurb investigation costs	-	26	26	-
-	Parking - Meter Upgrades	60	-	-	-
-	<b>Total level of service</b>	<b>80</b>	<b>26</b>	<b>34</b>	<b>8</b>
	<b>Primary Type - to meet additional demand</b>				
-	<b>Total growth</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>Total Regulatory Services Projects by Type</b>				
52	Renewals	4	19	45	26
-	Level of service	80	26	34	8
-	Growth	-	-	-	-
<b>52</b>	<b>Total Regulatory Services Projects</b>	<b>84</b>	<b>45</b>	<b>79</b>	<b>34</b>



## Funding Impact Statement for Regulatory Services

Annual Report 2020/21 \$000		LTP Forecast 2021/22 \$000	LTP Forecast 2022/23 \$000	Annual Plan Forecast 2022/23 \$000	Variance 2022/23 \$000
	<b>Sources of Operating Funding</b>				
2,328	General rates, uniform annual general charges, rates penalties	2,453	2,405	1,984	(421)
-	Targeted rates	-	-	-	-
-	Subsidies and grants for operating purposes	-	-	-	-
8	Fees and charges	204	209	275	66
3,331	Local authorities fuel tax, fines, infringement fees, and other receipts	3,490	3,767	4,329	562
-	Internal charges and overheads recovered	-	-	-	-
<b>5,667</b>	<b>Total Operating Funding (A)</b>	<b>6,147</b>	<b>6,381</b>	<b>6,588</b>	<b>207</b>
	<b>Applications of Operating Funding</b>				
596	Payments to staff and suppliers	615	648	924	276
1	Finance costs	1	1	1	-
4,344	Internal charges and overheads applied	5,461	5,657	6,037	380
-	Other operating funding applications	-	-	-	-
<b>4,941</b>	<b>Total applications of operating funding (B)</b>	<b>6,077</b>	<b>6,306</b>	<b>6,962</b>	<b>656</b>
<b>726</b>	<b>Surplus (deficit) of operating funding (A-B)</b>	<b>70</b>	<b>75</b>	<b>(374)</b>	<b>(449)</b>
	<b>Sources of capital funding</b>				
-	Subsidies and grants for capital expenditure	-	-	-	-
-	Development and financial contributions	-	-	-	-
(1)	Increase (decrease) in debt	14	(30)	419	449
19	Gross proceeds from sale of assets	-	-	-	-
-	Lump sum contributions	-	-	-	-
-	Other dedicated capital funding	-	-	-	-
<b>18</b>	<b>Total sources of capital funding (C)</b>	<b>14</b>	<b>(30)</b>	<b>419</b>	<b>449</b>
	<b>Applications of capital funding</b>				
	Capital expenditure				
-	- to meet additional demand	-	-	-	-
-	- to improve the level of service	80	26	34	8
52	- to replace existing assets	4	19	45	26
692	Increase (decrease) in reserves	-	-	(34)	(34)
-	Increase (decrease) of investments	-	-	-	-
<b>744</b>	<b>Total applications of capital funding (D)</b>	<b>84</b>	<b>45</b>	<b>45</b>	<b>-</b>
<b>(726)</b>	<b>Surplus (deficit) of capital funding (C-D)</b>	<b>(70)</b>	<b>(75)</b>	<b>(76)</b>	<b>(1)</b>
<b>-</b>	<b>Funding Balance ((A-B)+(C-D))</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
85	Depreciation	70	73	76	3

## Activity Expenditure for Regulatory Services

Annual Report 2020/21 \$000		LTP Forecast 2021/22 \$000	LTP Forecast 2022/23 \$000	Annual Plan Forecast 2022/23 \$000	Variance 2022/23 \$000
232	Animal Control	284	288	299	11
502	Dog Control	714	728	753	25
399	Building Policy	441	470	509	39
378	Environmental Health	545	556	532	(24)
55	Liquor Policy	74	74	76	2
359	Parking	439	453	459	6
362	Planning Policy	448	457	533	76
1,338	Building Consents	1,494	1,611	1,757	146
116	Safety Licencing	174	178	179	1
989	Resource Planning	1,123	1,145	1,527	382
188	Liquor Licences	267	271	265	(6)
108	Environmental Health Policy	144	147	148	1
<b>5,026</b>	<b>Total Expenditure</b>	<b>6,147</b>	<b>6,378</b>	<b>7,037</b>	<b>659</b>



# Council Financial Statements



# Funding Impact Statement

## 1. Revenue and Financing Sources Generally

The following revenue mechanisms will be used in 2022-2023:

- General rates
- Targeted rates
- Fees and charges
- Grants and subsidies

## 2. Funding Mechanisms

The following funding mechanisms will be used in 2022-2023

- Development contributions
- Borrowing
- Proceeds from asset sales
- Reserves

Please refer to Council's Revenue and Financing Policy for further information about 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 in 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, license, 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:

- On 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 recognises that there are certain instances where the above situations will occur, and there are some 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 2023

### 4.1 General Information

**Rating period:** the rates described in this section are for the financial year 1 July 2022 to 30 June 2023.

**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 2022/2023 are available for inspection at Council's office at 126-148 Oxford Street, Levin during normal office hours. This information includes the rating values which form the basis of rating in 2022/2023 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 different rate in the dollar on the Land Value (LV) of the land. LVs are assessed every three years, and were last assessed in 2019. These values have formed the basis of rating from 1 July 2022.

The general rates levied on LV are set differently to maintain the incidence of the rates between the categories of property.

The Farming differential applies to those rating units identified as Arable, Dairy, Forestry (except protected forestry), Horticultural, Pastoral, and Specialist Livestock. The Farming Category also applies to rating units located outside the urban boundaries, as defined in the Urban Rating Area maps available in the Council Offices that are identified as vacant, and bare lifestyle and residential properties using the "Property Category" codes from Appendix F of the Rating Valuation Rules 2008, promulgated by the Valuer-General. This category has a differential factor of 0.50.

The District Wide category includes all rating units other than those in the Farming category. This category also includes all rating units in rural areas other than those in the Farming differential. This category has a differential factor of 1.

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 set using Capital Value (CV) which is assessed every three years. These were last assessed in 2019, and it is those values that will form the basis of rating from 1 July 2022.

This rate is set district-wide.

### 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, Waitāreere 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, 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

In all schemes (except Foxtton Beach), the additional fees for metered supplies are subject to an allowance of 91 cubic metres (m<sup>3</sup>) per quarter. A charge per m<sup>3</sup> will be made for water consumed in excess of 91m<sup>3</sup> per quarter on any rating unit connected to any water supply; except Foxtton Beach where a meter is used to measure consumption on the network.

The charge per m<sup>3</sup> of water consumed in excess of 91m<sup>3</sup> per quarter 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.

Foxtton 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 m<sup>3</sup> for the first 50m<sup>3</sup> of water consumed per quarter on any rating unit or SUIP of a rating unit connected to the Foxtton Beach water supply network during the period.

**Step 2** – A charge per m<sup>3</sup> for the second 50m<sup>3</sup> of water consumed per quarter in excess of 50m<sup>3</sup> on any rating unit or SUIP of a rating unit connected to the Foxtton Beach water supply network. This will be set at 200% of the rate set in step 1.

**Step 3** – A charge per m<sup>3</sup> for the balance of water consumed per quarter in excess of 100m<sup>3</sup> on any rating unit or SUIP of a rating unit connected to the Foxtton 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 when a 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, and 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

This is 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 2022/2023

### Rating Mechanisms

Rating Mechanisms	Rating Basis	GST Inclusive	GST Exclusive		
		Rates in the \$ 2022/23 \$	LTP Forecast 30-Jun-22 \$000	LTP Forecast 30-Jun-23 \$000	AP Forecast 30-Jun-23 \$000
<b>General Rate</b>					
Farming Differential	Land value	0.00166329	2,748	2,783	2,712
District Wide Differential	Land value	0.00332658	8,889	9,061	8,753
<b>Total General Rate</b>			<b>11,637</b>	<b>10,890</b>	<b>11,465</b>
<b>Roading Rate</b>					
District Wide	Capital Value	0.00048644	3,011	3,936	4,049
<b>Total Rooding Rate</b>			<b>3,010</b>	<b>3,681</b>	<b>4,049</b>
Stormwater Rate	Capital Value	0.00046959	1,656	2,208	2,092
Library and Community Centre Rate	SUIP	275.28	4,596	4,939	4,569
Representation and Community Leadership Rate	SUIP	274.98	4,051	4,182	4,566
Aquatic Centre Rate District Wide	SUIP	145.04	2,244	2,553	2,407
<b>Solid Waste Rate</b>					
Rural Differential	SUIP	127.75	443	483	573
Urban Differential	SUIP	189.31	1,771	1,933	2,293
<b>Total Solid Waste Rate</b>			<b>2,214</b>	<b>2,416</b>	<b>2,866</b>
<b>Water Supply Rate</b>					
Water Supply District Wide Connected (excl Foxton Beach)	Refer Note 1	509.32	5,059	5,400	5,475
Water Supply District Wide Availability	Rating Unit	254.66	79	78	85
Foxton Beach Connected	Refer Note 1	372.73	475	554	519
<b>Total Water Supply Rate</b>			<b>5,614</b>	<b>6,032</b>	<b>6,079</b>
<b>Wastewater Rate</b>					
Wastewater District Wide Connected	Refer Note 1	658.22	6,747	7,504	7,616
Wastewater District Wide Availability	Rating Unit	329.11	107	112	121
<b>Total Wastewater Rate</b>			<b>6,854</b>	<b>7,616</b>	<b>7,737</b>
<b>Total Rates Required</b>			<b>41,875</b>	<b>41,493</b>	<b>45,830</b>
Penalties			390	400	400
Rates Remissions			(370)	(379)	(379)
Water - by - meter rates			1,552	1,606	1,378
<b>Total Rates income</b>			<b>43,447</b>	<b>43,120</b>	<b>47,229</b>

## Additional Tables to Rating Mechanisms

<b>Rating Base</b>	<b>LTP Forecast 30-Jun-22 \$000</b>	<b>LTP Forecast 30-Jun-23 \$000</b>	<b>AP Forecast 30-Jun-23 \$000</b>
Total Rates GST inclusive	48,157	52,584	54,288
Rateable Rating Units	18,425	18,843	18,192
Average rates	2,614	2,791	2,984
Total number of rating units LGA Schedule 10 Part 1 Clause 15A	18,615	19,033	18,204

<b>Water by Meter rates</b>			<b>LTP Forecast 30-Jun-22 \$000</b>	<b>LTP Forecast 30-Jun-23 \$000</b>	<b>AP Forecast 30-Jun-23 \$000</b>
District wide except Foxton Beach	Cubic Meter	2.50	1,372	1,420	1,188
Foxton Beach - Step 1 (First 50m3 of water consumed per quarter)	Cubic Meter	1.07	180	186	170
Foxton Beach - Step 2 (Second 50m3 of water consumed per quarter in excess of 50m3)	Cubic Meter	2.15	-	-	16
Foxton Beach - Step 3 (Balance of water consumed per quarter in excess of 100m3)	Cubic Meter	3.22	-	-	4
<b>Total Water by meter rates</b>			<b>1,552</b>	<b>1,606</b>	<b>1,378</b>

## Funding Impact Statement 2022/2023

Annual Report 2020/21 \$000		LTP Forecast 2021/22 \$000	LTP Forecast 2022/23 \$000	Annual Plan Forecast 2022/23 \$000	Variance 2022/23 \$000
	<b>Sources of Operating Funding</b>				
10,305	General rates, uniform annual general charges, rates penalties	11,657	11,863	11,486	(377)
28,964	Targeted rates	31,790	35,488	35,741	253
6,778	Subsidies and grants for operating purposes	2,101	1,891	2,120	229
4,341	Fees and charges	4,721	4,911	3,693	(1,218)
111	Interest and dividends from investments	200	205	211	6
4,240	Local authorities fuel tax, fines, infringement fees, and other receipts	4,749	4,302	4,662	360
	Internal charges and overheads recovered	-	-	-	-
<b>54,739</b>	<b>Total Operating Funding (A)</b>	<b>55,218</b>	<b>58,660</b>	<b>57,913</b>	<b>(747)</b>
	<b>Applications of Operating Funding</b>				
45,305	Payments to staff and suppliers	45,003	46,111	48,240	2,129
2,565	Finance costs	2,964	3,835	3,467	(368)
-	Other operating funding applications	-	-	-	-
<b>47,870</b>	<b>Total applications of operating funding (B)</b>	<b>47,967</b>	<b>49,946</b>	<b>51,707</b>	<b>1,761</b>
<b>6,869</b>	<b>Surplus (deficit) of operating funding (A-B)</b>	<b>7,251</b>	<b>8,714</b>	<b>6,206</b>	<b>(2,508)</b>
	<b>Sources of capital funding</b>				
12,873	Subsidies and grants for capital expenditure	15,135	11,158	16,605	5,447
-	Development and financial contributions	2,744	2,744	1,461	(1,283)
2,000	Increase (decrease) in debt	20,022	21,926	12,586	(9,340)
2,040	Gross proceeds from sale of assets	2,056	4,293	4,180	(113)
-	Lump sum contributions	-	-	-	-
-	Other dedicated capital funding	-	-	-	-
<b>16,913</b>	<b>Total sources of capital funding (C)</b>	<b>39,957</b>	<b>40,121</b>	<b>34,332</b>	<b>(5,789)</b>
	<b>Applications of capital funding</b>				
	Capital expenditure				
2,616	- to meet additional demand	18,042	19,453	10,349	(9,104)
18,211	- to improve the level of service	18,659	13,060	7,005	(6,055)
10,872	- to replace existing assets	18,838	14,897	17,646	2,749
(7,994)	Increase (decrease) in reserves	(8,331)	1,425	6,038	4,613
77	Increase (decrease) of investments	-	-	-	-
<b>23,782</b>	<b>Total applications of capital funding (D)</b>	<b>47,208</b>	<b>48,835</b>	<b>41,038</b>	<b>(7,797)</b>
<b>(6,869)</b>	<b>Surplus (deficit) of capital funding (C-D)</b>	<b>(7,251)</b>	<b>(8,714)</b>	<b>(6,706)</b>	<b>2,008</b>
<b>-</b>	<b>Funding Balance ((A-B)+(C-D))</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
15,399	Depreciation	14,722	15,314	17,196	1,882

# Financial Statements

The Financial Statements include:

- Forecast Statement for Comprehensive Revenue and Expense
- Forecast Statement of Changes in Equity
- Forecast Statement of Financial Position
- Forecast Cashflow Statement
- Capital Expenditure
- Reconciliation between Forecast Funding Impact Statement and the Forecast Statement of Comprehensive Income

## Forecast Statement of Comprehensive Revenue and Expense

Annual Report 2020/21 \$000		LTP Forecast 2021/22 \$000	LTP Forecast 2022/23 \$000	Annual Plan Forecast 2022/23 \$000	Variance 2022/23 \$000
	<b>Revenue</b>				
39,268	Rates Revenue	43,447	47,351	47,227	(124)
19,650	Grants & Subsidies	17,235	13,050	18,725	5,675
107	Finance Income	200	205	205	-
4,341	Fees & Charges	4,721	4,911	3,693	(1,218)
5,763	Other Revenue	4,749	4,302	4,718	416
360	Investment (Gains)/Losses	17	29	33	4
-	Development Contributions	2,744	2,744	1,461	(1,283)
2,612	Vested Assets	-	-	-	-
<b>72,101</b>	<b>Total Revenue</b>	<b>73,113</b>	<b>72,592</b>	<b>76,062</b>	<b>3,470</b>
	<b>Expenditure</b>				
15,709	Employee benefit Expenses	18,169	18,882	20,095	1,213
2,565	Finance Costs	2,964	3,835	3,467	(368)
15,399	Depreciation & Amortisation	14,722	15,314	17,196	1,882
29,507	Other Expenses	26,832	27,420	28,306	886
<b>63,180</b>	<b>Total Expenditure</b>	<b>62,687</b>	<b>65,451</b>	<b>69,064</b>	<b>3,613</b>
<b>8,921</b>	<b>Net Surplus/(Deficit)</b>	<b>10,426</b>	<b>7,141</b>	<b>6,998</b>	<b>(143)</b>
	<b>Other Comprehensive Income</b>				
16,451	Revaluation of Assets	3,700	23,420	37,357	13,937
<b>16,451</b>	<b>Total Other Comprehensive Income</b>	<b>3,700</b>	<b>23,420</b>	<b>37,357</b>	<b>13,937</b>
<b>25,372</b>	<b>Total Comprehensive Income</b>	<b>14,126</b>	<b>30,561</b>	<b>44,355</b>	<b>13,794</b>

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

Annual Report 2020/21 \$000		LTP Forecast 2021/22 \$000	LTP Forecast 2022/23 \$000	Annual Plan Forecast 2022/23 \$000	Variance 2022/23 \$000
	<b>Revenue</b>				
<b>72,101</b>	<b>Prospective Statement of Comprehensive Revenue and Expense</b>	<b>73,113</b>	<b>72,592</b>	<b>76,062</b>	<b>3,470</b>
	<b>Summary Funding Impact Statement</b>				
54,739	Total Operating Funding	55,218	58,660	57,963	(697)
	<b>Add Sources of Capital Funding</b>				-
12,873	Sources of Capital Funding	15,134	11,159	16,605	5,446
-	Development Contributions	2,744	2,744	1,461	(1,283)
1,877	Investment (Gains)/Losses	17	29	33	4
2,612	Vested Assets	-	-	-	-
<b>72,101</b>	<b>Total Revenue</b>	<b>73,113</b>	<b>72,592</b>	<b>76,062</b>	<b>3,470</b>
	<b>Expenditure</b>				
	<b>Prospective Statement of Comprehensive Revenue and Expense</b>				
<b>63,180</b>	<b>Operating Expenditure</b>	<b>62,687</b>	<b>65,451</b>	<b>69,064</b>	<b>3,613</b>
	<b>Summary Funding Impact Statement</b>				
47,870	Total Applications of Operating Funding	47,965	49,947	51,707	1,760
-	Loss on Derivative Financial Instruments	-	-	-	-
15,399	Depreciation and Amortisation Expense	14,722	15,314	17,196	1,882
955	Other Losses	-	29	-	(29)
(1,044)	Increase in Landfill Provision	-	161	161	-
<b>63,180</b>	<b>Total Expenditure</b>	<b>62,687</b>	<b>65,451</b>	<b>69,064</b>	<b>3,613</b>

## Forecast Statement of Financial Position

Annual Report 2020/21 \$000		LTP Forecast 2021/22 \$000	LTP Forecast 2022/23 \$000	Annual Plan Forecast 2022/23 \$000	Variance 2022/23 \$000
	<b>Assets</b>				
	<b>Current Assets</b>				
9,402	Cash & Cash Equivalents	11,519	11,602	4,380	(7,222)
7,587	Debtors & Other Receivables	6,340	6,525	7,587	1,062
371	Other Financial Assets	5,360	5,360	350	(5,010)
1,090	Non-current Assets Held for Sale	4,293	11,874	1,091	(10,783)
<b>18,450</b>	<b>Total Current Assets</b>	<b>27,512</b>	<b>35,361</b>	<b>13,408</b>	<b>(21,953)</b>
	<b>Non-Current Assets</b>				
1,248	Forestry Assets	1,107	1,136	1,301	165
1,463	Intangible Assets	970	922	1,211	289
2,013	Other Financial Assets	1,926	1,926	2,034	108
57,170	Operational Assets	44,414	49,853	60,992	11,139
605,275	Infrastructural Assets	601,858	645,084	660,129	15,045
63,835	Restricted Assets	71,132	67,582	75,022	7,440
<b>731,004</b>	<b>Total Non-Current Assets</b>	<b>721,407</b>	<b>766,503</b>	<b>800,689</b>	<b>34,186</b>
<b>749,454</b>	<b>Total Assets</b>	<b>748,919</b>	<b>801,864</b>	<b>814,097</b>	<b>12,233</b>
	<b>Liabilities</b>				
	<b>Current Liabilities</b>				
15,948	Creditors & Other Payables	13,721	13,987	15,948	1,961
1,422	Employee Benefit Liabilities	1,060	1,086	1,422	336
30	Provisions	30	30	30	-
28,000	Borrowings	10,000	11,000	21,000	10,000
702	Other Financial Liabilities	3,615	3,615	702	(2,913)
<b>46,102</b>	<b>Total Current Liabilities</b>	<b>28,426</b>	<b>29,718</b>	<b>39,102</b>	<b>9,384</b>
	<b>Non-Current Liabilities</b>				
256	Employee Benefit Liabilities	207	212	256	44
5,381	Provisions	6,425	6,586	5,542	(1,044)
80,000	Borrowings	117,821	138,747	98,463	(40,284)
1,279	Other Financial Liabilities	-	-	1,279	1,279
<b>86,916</b>	<b>Total Non-Current Liabilities</b>	<b>124,453</b>	<b>145,545</b>	<b>105,540</b>	<b>(40,005)</b>
<b>133,018</b>	<b>Total Liabilities</b>	<b>152,879</b>	<b>175,263</b>	<b>144,642</b>	<b>(30,621)</b>
<b>616,436</b>	<b>Net Assets</b>	<b>596,040</b>	<b>626,601</b>	<b>669,455</b>	<b>42,854</b>
	<b>Equity</b>				
254,154	Rate Payers Equity	261,402	268,243	267,488	(755)
352,517	Revaluation Reserves	324,660	348,080	389,873	41,793
9,765	Special Funds	9,978	10,278	12,094	1,816
<b>616,436</b>	<b>Total Equity</b>	<b>596,040</b>	<b>626,601</b>	<b>669,455</b>	<b>42,854</b>

## Forecast Statement of Changes in Net Assets/Equity

Annual Report 2020/21 \$000		LTP Forecast 2021/22 \$000	LTP Forecast 2022/23 \$000	Annual Plan Forecast 2022/23 \$000	Variance 2022/23 \$000
591,064	Equity Balance at 1 July	581,914	596,040	625,100	29,060
25,372	Comprehensive Income for Year	14,126	30,561	44,355	13,794
<b>616,436</b>	<b>Equity Balance 30 June</b>	<b>596,040</b>	<b>626,601</b>	<b>669,455</b>	<b>42,854</b>
	<b>Components of Equity</b>				
245,387	Retained Earnings at 1 July	250,903	261,402	262,934	1,532
8,767	Net Surplus/(Deficit)	10,499	6,841	5,004	(1,837)
<b>254,154</b>	<b>Retained Earnings 30 June</b>	<b>261,402</b>	<b>268,243</b>	<b>267,938</b>	<b>(305)</b>
336,066	Revaluation Reserves at 1 July	320,960	324,660	352,516	27,856
16,451	Revaluation Gains	3,700	23,420	37,357	13,937
<b>352,517</b>	<b>Revaluation Reserves 30 June</b>	<b>324,660</b>	<b>348,080</b>	<b>389,873</b>	<b>41,793</b>
9,611	Council Created Reserves at 1 July	10,051	9,978	9,650	(328)
154	Transfers to / (from) Reserves	(73)	300	2,444	2,144
<b>9,765</b>	<b>Council created Reserves 30 June</b>	<b>9,978</b>	<b>10,278</b>	<b>12,094</b>	<b>1,816</b>
<b>616,436</b>	<b>Equity at 30 June</b>	<b>596,040</b>	<b>626,601</b>	<b>669,455</b>	<b>42,854</b>



## Forecast Cash Flow

Annual Report 2020/21 \$000		LTP Forecast 2021/22 \$000	LTP Forecast 2022/23 \$000	Annual Plan Forecast 2022/23 \$000	Variance 2022/23 \$000
	<b>Cashflow from Operating Activities</b>				
	Cash was Provided From:				
38,644	Rates Revenue	43,447	47,166	47,227	61
89	Finance Income	200	205	205	-
29,285	Other Revenue	29,450	25,007	28,597	3,590
<b>68,018</b>	<b>Total Cash provided</b>	<b>73,097</b>	<b>72,378</b>	<b>76,029</b>	<b>3,651</b>
	Cash was disbursed to:				
44,426	Payments Staff & Suppliers	45,003	45,844	48,240	2,396
2,745	Finance Costs	2,964	3,835	3,467	(368)
215	Net GST movement	-	-	-	-
<b>47,386</b>	<b>Total Cash disbursed</b>	<b>47,967</b>	<b>49,679</b>	<b>51,707</b>	<b>2,028</b>
<b>20,632</b>	<b>Net Cashflow from Operating Activity</b>	<b>25,130</b>	<b>22,699</b>	<b>24,772</b>	<b>2,073</b>
	<b>Cashflow from Investing Activities</b>				
	Cash was provided from:				
-	Proceeds from Investments	-	-	-	-
2,038	Proceeds Sale of Assets	2,056	4,293	4,180	(113)
<b>2,038</b>	<b>Total Cash provided</b>	<b>2,056</b>	<b>4,293</b>	<b>4,180</b>	<b>(113)</b>
	Cash was disbursed to:				
102	Purchase of Investments	-	-	-	-
31,058	Purchase of Assets	47,208	48,835	35,000	(13,835)
<b>31,160</b>	<b>Total Cash disbursed</b>	<b>47,208</b>	<b>48,835</b>	<b>35,000</b>	<b>(13,835)</b>
<b>(29,122)</b>	<b>Net Cashflow from Investing Activity</b>	<b>(45,152)</b>	<b>(44,542)</b>	<b>(30,820)</b>	<b>13,722</b>
	<b>Cashflow from Financing Activities</b>				
	Cash was provided from:				
53,000	Loans Raised	65,022	31,926	18,356	(13,570)
<b>53,000</b>	<b>Total Cash provided</b>	<b>65,022</b>	<b>31,926</b>	<b>18,356</b>	<b>(13,570)</b>
	Cash was disbursed to:				
51,000	Loan Repayments	45,000	10,000	10,000	-
<b>51,000</b>	<b>Total Cash disbursed</b>	<b>45,000</b>	<b>10,000</b>	<b>10,000</b>	<b>-</b>
<b>2,000</b>	<b>Net Cashflow from Financing Activity</b>	<b>20,022</b>	<b>21,926</b>	<b>8,356</b>	<b>(13,570)</b>
(6,490)	Net Increase (Decrease) in Cash Held	-	83	1,858	1,775
15,892	Add Opening Cash bought forward	11,519	11,519	2,522	(8,997)
<b>9,402</b>	<b>Closing Cash Balance</b>	<b>11,519</b>	<b>11,602</b>	<b>4,380</b>	<b>(7,222)</b>
9,402	Closing Balance made up of Cash and Cash Equivalents	11,519	11,602	4,380	(7,222)

# 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.

	Activity	AP Forecast Opening Balance 1-Jul-22	Deposits for the period of the AP	Withdrawals for the period of the AP	Forecast Closing Balance 30-Jun-23
		\$000	\$000	\$000	\$000
<b>Restricted Reserves – Purpose of the Fund</b>					
<b>Foxton Beach Freeholding Fund</b>	Endowment Property	5,654	184	82	5,756
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.					
<b>Reserve Land Reserve</b>	Community Facilities and Services Activity	160	5	45	120
To hold funds derived from the sale of surplus reserve land to be spent on the future development of reserves under the Reserve Act.					
<b>Wairarawa Stream Walkway</b>	Community Facilities and Services Activity	60	2	-	62
To hold funding derived for the purpose of upgrading the walkway to be spent on the upgrade.					
<b>Road Upgrade Reserve</b>	Land Transport/	864	28	-	892
To fund transport network improvements as approved by the Council, from the accumulated funds of the former Horowhenua County Council subdivision contributions to roading.	Roads and Footpaths Activity				
<b>Council created Reserves – Purpose of the Fund</b>					
<b>Financial and Capital contributions for Roding</b>	Land Transport/	95	3	-	98
To fund transport network improvements, from the accumulated funds from financial and capital contributions under the	Roads and Footpaths Activity				

	Activity	AP Forecast Opening Balance 1-Jul-22	Deposits for the period of the AP	Withdrawals for the period of the AP	Forecast Closing Balance 30-Jun-23
		\$000	\$000	\$000	\$000
District Plan prior to Development Contributions regime.					
<b>Financial and Capital contributions for Water</b>					
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	627	20	-	647
<b>Financial and Capital contributions for</b>					
To fund Wastewater Scheme improvement projects, from the accumulated funds from financial and capital contributions under the District Plan prior to Development Contributions regime.	Wastewater Activity	155	5	-	160
<b>Financial and Capital contributions for Parks</b>					
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.	Community Facilities and Services Activity	724	24	-	748
<b>Election Fund</b>	Representation and Governance Activity				
To smooth the rating impact of election costs and fund any by-election.		27	1	-	28
<b>Hockey Turf Replacement Fund</b>	Community Facilities and Services Activity				
To fund the replacement of the water turf at Donnelly Park on behalf of the Turf Trust.		358	37	-	395
<b>Shannon Rail Station</b>	Properties Activity				
Set aside from grants to preserve the historic Shannon Railway Station.		29	1	-	30

	Activity	AP Forecast Opening Balance 1-Jul-22	Deposits for the period of the AP	Withdrawals for the period of the AP	Forecast Closing Balance 30-Jun-23
		\$000	\$000	\$000	\$000
<b>Esplanade Fund</b>					
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	147	5	-	152

	Activity	AP Forecast Opening Balance 1-Jul-22	Deposits for the period of the AP	Withdrawals for the period of the AP	Forecast Closing Balance 30-Jun-23
		\$000	\$000	\$000	\$000
<b>Capital Projects Fund</b>					
To provide funds for strategic capital projects with the last \$250,000 as a disaster relief working capital fund.	All Activities	958	31	-	989
<b>Foxton Citizens Fund</b>					
To provide a fund for awards in recognition of community service in Foxton.	Community Support Activity	4	0	-	4
<b>Total</b>		<b>9,861</b>	<b>346</b>	<b>127</b>	<b>10,080</b>

# Benchmarks Disclosure Statement

Annual plan disclosure statement for the year ending 30 June 2023

## What is the purpose of this statement?

The purpose of this statement is to disclose 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.

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

Benchmark	Limit	Planned	Met
<b>Rates affordability benchmark</b>			
- income	\$48.104m	\$47,227m	Yes
- increases	10.76%	8.70%	Yes
<b>Debt affordability benchmark</b>			
- net debt to operating revenue	250%	154%	Yes
- net interest to operating revenue	20%	4%	Yes
- net interest to rates revenue	25%	7%	Yes
<b>Balanced budget benchmark</b>	100%	108%	Yes
<b>Essential services benchmark</b>	100%	246%	Yes
<b>Debt servicing benchmark</b>	15%	5%	Yes

### Rates affordability benchmark

Council meets the rates affordability benchmark if the planned rates increases is equal, or are less than, each quantified limit on rates increases contained in the financial strategy included in the council's long term plan.

### Debt affordability benchmark

Council meets the debt affordability benchmark if its planned borrowing is within each quantified limit on borrowing. The quantified limits are:

- Net debt does not exceed 250% of operating revenue.
- Net annual interest costs do not exceed 20% of the total annual operating revenue.
- Net annual interest costs do not exceed 25% of the total annual rates revenue.

### Balanced budget benchmark

This benchmark ensures 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).

Council meets the balanced budget benchmark if its planned revenue equals, or is greater than, its planned operating expenses.

## Essential services benchmark

This benchmark is for Council's planned capital expenditure on network services as a proportion of expected depreciation on network services.

Council meets the essential services benchmark if its planned capital expenditure on network services equals, or is greater than, expected depreciation on network services.

## Debt servicing benchmark

The debt servicing benchmark uses Council's planned borrowing costs 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).

Because Statistics New Zealand projects that the Council's population will grow faster than the national population is projected to grow, it meets the debt servicing benchmark if its planned borrowing costs equal, or are less than, 15% of its planned revenue.

# Accounting Policies

## 1. Reporting Entity

The prospective financial statements of Horowhenua District Council are for the year ended 30 June 2022.

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

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 this 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
- Community Infrastructure
- Property
- Community Support

HDC also advise caution that the information in these statements may not be appropriate for purposes other than those described. The prospective financial statements were authorised by issue by Council on 30 June 2022. The Mayor and Chief Executive that authorise the issue of the prospective financial statements by 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 starting from 1 July 2022 unless otherwise stated.

## 2. Basis of Preparation

The prospective financial statements have been prepared in accordance with the requirement 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

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 expense are eliminated on consolidation.

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

## Comparative Information

The Annual Plan 2020/2021 adopted by the council on 30 June 2020 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, based on the most up-to-date forecast information.

## Budget Figures

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. 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 therefore 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. 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.

### Development and financial contributions

Revenue from development and financial contributions is recognised at the later of the point when 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 Council provides, or is able to provide, the service. Development contributions are disclosed separately.

### 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. 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 Waka Kotahi New Zealand Transport Agency which subsidises part of HDC's costs in maintaining the local roading infrastructure. It 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 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. The fair value of vested or donated assets is usually determined by reference to the cost of constructing the asset. For assets received from property developments, the fair value is based on construction price information provided by the property developer.

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 and Dividend Revenue

Revenue from interest is recognised using the effective interest method. Interest revenue on an impaired financial asset is recognised using the original effective interest rate.

Revenue from dividends is recognised when the right to receive payment has been established.

## Building and resource consent revenue

Fees and charges for building and resource consent services are recognised on a percentage completion basis with reference to the recoverable costs incurred at balance date.

## Landfill fees

Fees for disposing of waste at Council's landfill are recognised as waste is disposed by users.

## Lease revenue

Lease revenue from operating leases is recognised as revenue on a straight-line basis over the lease term, unless another systematic basis is more representative of the time pattern in which benefits derived from the leased asset is diminished.

## 4. Borrowing Costs

All borrowing costs are recognized 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 grants that are awarded if the grant application meets a 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.

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 face value 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. Derivative Financial Instruments

Derivative financial instruments are used to manage exposure to interest rate risks arising from Council's financing activities. In accordance with its treasury policy, Council does not hold or issue derivative financial instruments for trading purposes.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at each balance date. The resulting gains or losses are recognised in the surplus or deficit as Council does not hedge account.

The portion of the fair value of an interest rate derivative that is expected to be realised within 12 months of balance date is classified as current, with the remaining portion of the derivative classified as non-current.

## 11. 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.

Purchases and sales of financial assets are recognised on trade-date - the date 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.

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 re-measurement 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 are classified as "trade and other receivables" in the Prospective Statement of Financial Position. They 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.

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 surplus or deficit 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.

## 12. 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, and the 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.

## 13. 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.

## 14. 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
<b>Operational Assets</b>		
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%
<b>Restricted Assets</b>		
Land	N/A	N/A
Buildings:		

Structure	20 to 100 years	1% to 5%
Roofing	40 years	2.5%
Electricals	40 years	2.5%
<b>Infrastructure Assets</b>		
Roading: (average lives and depreciation rates of major components)	N/A	N/A
Land	N/A	N/A
Formation	100 years	1%
Berms	50 to 100 years	1% to 2%
Surface water channels	40 to 100 years	1% to 2.5%
Bridges and culverts	80 years	1.25%
Drainage	78 years	1.29%
Sealed pavement	60 years	1.66%
Basecourse	60 years	1.66%
Footpaths – concrete	100 years	1%
Footpaths – metal	20 to 45 years	2.22% to 5%
Footpaths – other	50 years	2%
Crossings	30 to 50 years	2% to 3.33%
Streetlights – poles	25 years	4%
Streetlights – lights	12 years	8.33%
Signage	1 to 25 years	4% to 100%
Surfacing		
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%

## Revaluation

Horowhenua District Council accounts for revaluations of property, plant and equipment on a 'class of asset' basis.

Land and buildings (operational and restricted) are revalued on a three yearly valuation cycle. Infrastructure assets (except land under roads) are revalued every two years. 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.

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 results 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 is 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.

### 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 TelferYoung and the valuation is effective as at 30 June 2020.

### 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 TelferYoung and the valuation is effective as at 30 June 2020.

### 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 assets were valued as at 1 July 2020 using unit rates calculated by Simon Gough (Bachelor of Engineering BE Civil Engineering) of GHD. Wastewater assets, water supply assets and stormwater assets were valued as at 1 July 2020 using unit rates calculated by WSP. Land and buildings associated with the water supply and wastewater activities was valued by B D Lavender (ANZIV, SNZPI) of TelferYoung and the valuation is effective as at 30 June 2020. Land under the roads is valued at deemed cost.

The landfill infrastructure was valued in two parts, both as at 30 June 2020. The land and buildings were valued by B D Lavender (ANZIV, SNZPI) of TelferYoung. 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.

## 15. 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.

Staff training costs are recognised in the surplus or deficit when included. Costs associated with development and maintenance of the Council's website are recognised as an expense when incurred.



## 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.

## Carbon credits

Carbon credits are initially recognised at cost. After initial recognition they are not amortised, but all carbon credits are measured, annually, at fair value. The net revaluation result is credited or debited to other comprehensive revenue and expense and is accumulated to fair value through general reserve. Where this results in a debit balance in the reserve, this balance is not recognised in other comprehensive revenue and expense but is recognised in the surplus or deficit. Any subsequent increase in 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. They are derecognised when they are used to satisfy carbon emission obligations.

## 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.

## 16. 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.

## 17. 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.

## 18. Impairment of Property, Plant and Equipment and Intangible Assets

Property, plant, and equipment that have a finite useful life are reviewed for impairment at each balance date, and 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 its value in use.

If an asset's carrying amount exceeds its recoverable amount, the asset is regarded as 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 in the surplus or deficit. For assets not carried at a revalued amount, the total impairment loss is recognised in the surplus or deficit.

The reversal of an impairment loss on a revalued asset is credited to other comprehensive revenue and expense and increases the asset revaluation reserve for that class of asset. However, to the extent that an impairment loss for that class of asset was previously recognised in the surplus or deficit, a reversal of the impairment loss is also recognised in the surplus or deficit.

For assets not carried at a revalued amount, the reversal of an impairment loss is recognised in the surplus or deficit.

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

### Value in use for non-cash generating assets

Non-cash generating assets are assets not held with the primary objective of generating a commercial return.

For non-cash generating assets, value in use is the depreciated replacement cost.

### Value in use for cash generating assets

Cash generating assets are assets that are held with the primary objective of generating a commercial return.

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

## 19. Employee Benefits

### Short-term Benefits

Employee benefits that Horowhenua District Council expects to be settled within 12 months after the end of period in which the employee renders the related service 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.

## Employees Benefit Liabilities

These are calculated based on estimate of individual staff members reaching the long service leave milestones based on current salaries.

Superannuation Schemes

## Defined Contribution Schemes

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

## Defined benefit schemes

Horowhenua District Council does not belong to any Defined Benefit Scheme.

## 20. Creditors and Other Payables

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

## 21. 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

## 22. 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.

## 23. 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. 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 relate to the revaluation of property, plant and equipment to fair value.

## 24. 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.

## 25. 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.

## 26. Critical Accounting Estimates and Assumptions

HDC has made estimates and assumptions concerning the future while preparing these financial statements. 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 Prospective 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 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.

## 27. Accounting Standards issues but not yet effective

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the prospective financial statements are as follows:

### Financial Instruments

For years 2023-2031 of the LTP, PBE IPSAS 41 Financial Instruments will be applicable as this new accounting standard will become effective for the period beginning 1 July 2022. This replaces PBE IPSAS 29 Financial Instruments. The prospective financial statements for the years 2 to 10 have not been prepared using this new standard as Council does not consider that the financial information will be materially different. The main differences between PBE IPSAS 29 and PBE IPSAS 41 relate to the classification of financial assets and liabilities, impairment and hedging. Under PBE IPSAS 41 the financial classification should not significantly change the value of the financial assets or liabilities. The required change in the impairment model should have no impact as impairments are not usually significant when considering prospective financial statements, and the hedging requirements under PBE IPSAS 41 can be continued as they were under PBE IPSAS 29. Council plans to apply current accounting policies under PBE IPSAS 29 when preparing the 30 June 2023 financial statements and anticipates that the standard will not have a material effect on Council's financial statements.

### Service Performance Reporting

Council is required under the Local Government Act 2002 to produce a Statement of Service Performance as part of its annual report.

In November 2017, the XRB issued a new standard - Service Performance Reporting (PBE FRS 48). This Standard establishes new requirements for public benefit entities (PBEs) to select and present services performance information. PBEs will need to provide users with: (i) sufficient contextual information to

understand why the entity exists, what it intends to achieve in board terms over the medium to long term, and how it goes about this; and (ii) information about what the entity has done during the reporting period in working towards its broader aims and objectives. The new standard is mandatory for annual periods beginning on or after 1 January 2022, with early application permitted.

Council plans to apply this standard in preparing the 30 June 2023 financial statements and anticipates that the standard will not have a material effect on Council's financial statements.

### Other changes in accounting policies

There have been no other changes in accounting policies since 30 June 2020.

# Indicative Rates on Selected Properties

Indicative 2022/23 RATES ON SELECTED PROPERTIES (as at 6 June 2022)						
GST inclusive						
Example Properties	Land Value \$	Capital Value \$	Rates 2021/22 \$	Indicative Rates 2022/23	\$ Dollar Change	% Percent Change
Hōkio Beach	135,000	220,000	1,440	1,543	103	7.10%
Waikawa Beach	280,000	465,000	2,118	2,259	141	6.70%
Ōhau	245,000	560,000	2,550	2,743	193	7.60%
Manakau	300,000	600,000	2,286	2,456	170	7.40%
Waitāreare Beach	375,000	550,000	4,511	4,857	346	7.70%
Foxton Beach	230,000	330,000	2,790	2,996	206	7.40%
Tokomaru	140,000	365,000	2,641	2,866	225	8.50%
Rural Comm/Indust	650,000	2,000,000	3,718	3,958	240	6.50%
Rural	3,220,000	3,340,000	7,481	7,804	323	4.30%
Lifestyle	375,000	680,000	2,775	2,910	135	4.90%
Utility	-	20,550,000	8,353	10,819	2,466	29.50%
Levin	180,000	530,000	2,902	3,157	255	8.80%
Levin - Business	400,000	930,000	3,948	4,271	323	8.20%
Foxton	195,000	400,000	2,855	3,083	228	8.00%
Shannon	136,000	235,000	2,531	2,727	196	7.70%

# 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 2021-2041 (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 2.6% for the 2022/2023 financial year.  It is estimated that the population of the Horowhenua District will reach 38,431 in the 2022/2023 financial year.	Population growth across the Horowhenua District occurs at a rate significantly different than assumed.  Level of uncertainty: Moderate/High
Demographics	It is assumed that the majority of growth in the Horowhenua District's population will occur in the 15 to 39 years old range.  Forecast population by age demographics for the 2022/2023 financial year: 0 – 14 years – 7,014 15 – 39 years – 10,536 40 – 64 years – 11,550 65+ years – 9,509	Population growth in different age groups is substantially different from what is assumed e.g. the 15 to 39 age group may increase at a rate that is less than the other age groups.  Level of uncertainty: Low/Moderate
Household Growth	It is assumed that the number of dwellings in the Horowhenua District will increase by approximately 350 to reach 17,299 in the 2022/2023 financial year.  The majority of this growth is expected to occur in Levin.	The future growth in the number of dwellings and the location of the new dwellings varies substantially i.e. much higher or lower than assumed.  Level of uncertainty: Moderate/High
Household Occupancy	The average number of occupants per dwelling will be 2.5	The future growth of the average number of occupants varies substantially i.e. is much higher or lower than the assumed rates.
Legislative Changes	Changes in legislation will not significantly affect Council's finances or Levels of Service.	There is some uncertainty  Level of uncertainty: Moderate
Three Waters Review	Council will retain ownership and management of its three waters assets for the 2022/2023 financial year.	Large scale entities will be set up to take over the three waters assets for the Horowhenua District.  Level of Uncertainty: High
Pandemics (COVID-19)	There will be no pandemics (including the current COVID-19 pandemic) requiring the implementation of the Traffic Light system for the purpose of the forecast budgets.	Level of uncertainty: High
Climate Change	It is assumed that climate change will occur in line with the atmospheric projections based on	Climate change occurs at a different rate to what has been projected with greater or lesser



	<p>simulations undertaken for the International Panel on Climate Change's (IPCC) 5<sup>th</sup> Assessment. Climate change will affect the Horowhenua District in a range of ways, including by an increase in temperature, change in annual precipitation patterns and rising sea levels.</p> <p>It is assumed there will not be significant impacts to Council's activities or the community as a result of climate change.</p>	<p>implications for the Manawatu-Whanganui Region and the Horowhenua District.</p> <p>Level of uncertainty: Moderate/High</p>
Property	<p>Council will continue the program of disposing of 'non-core' property, where possible.</p> <p>Earthquake-prone properties will be strengthened, or demolished where required unless identified for disposal as non-core assets.</p> <p>Property retained by Council for the delivery of core property activities, will be maintained on a fit for purpose condition.</p>	<p>Council disposes of more or less property than assumed, or fails to achieve the appropriate sale prices given the specific set of circumstances, resulting in debt levels that are higher or lower than forecast. The likelihood of these risks occurring is considered unlikely</p> <p>Level of uncertainty: Moderate</p>
Activity Management Plans	<p>The timing and cost of capital projects and operating costs are undertaken in accordance with the Activity Management Plans for Water, Wastewater, Stormwater, Land Transport (Roads and Footpaths), Solid Waste, Community Infrastructure, Property and Community Facilities.</p>	<p>That assets need to be managed differently than outlined in the Activity Management Plans, particularly regarding renewals.</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. The estimated useful lives are shown in the Statement of Accounting Policies.</p>	<p>That assets deteriorate at a faster or slower rate than anticipated.</p> <p>Level of uncertainty: Low</p>
Resource Consent Requirements	<p>Council will obtain any resource consents that are required to ensure that Water, Wastewater and Solid Waste Activities (and any other activity) can continue to operate. The consents we apply for are granted within assumed projects timeframes and within anticipated expenditure.</p>	<p>It may cost more than anticipated to obtain the required resource consents, or conditions that are imposed on the consents may be more stringent than expected requiring a higher level of ongoing monitoring that incur higher ongoing costs associated with maintaining the consent. 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. There could also be a change in consenting processes/requirements that we are unable to account for at this time.</p>

		Level of uncertainty: Moderate
Availability of Contractors	It is assumed there is sufficient capacity within the professional services and contractor market to undertake the capital program.	There is insufficient capacity within the professional services and contractor market to deliver the capital program, which may create project delays or increase costs.  Level of uncertainty: Moderate
Asset Revaluations	Council is assuming that the impact of the periodic revaluation of assets will be in line with the assumed rates of inflation relevant to local government goods and services and cost fluctuations relevant to each infrastructure sector.  Roading and Land & Buildings revaluations.	Asset valuations could be higher or lower than assumed. Key impacts on the valuation of infrastructure assets are oil prices and regional economic activity within each relevant sector.  Level of uncertainty: Low
Ōtaki to North of Levin Expressway	The development of the Ōtaki to North of Levin Expressway will occur as scheduled and the relevant sections of existing State Highways 1 and 57 will be revoked.  Currently we have not assumed an amount for the assets being vested to Council this will be completed when more information is available.	The Ōtaki to North of Levin Expressway may be delayed due to unforeseen implementation issues, resulting in the revocation of the existing State Highways to be also delayed.  That it may cost more or less than anticipated to maintain the existing state highways sections once it is revoked and vested in Council.  Level of uncertainty: Low/Moderate
Natural Hazards – Response and Recovery	Council has the capacity to borrow any funds it may require to respond to, and recover from, natural hazard events should they occur during this financial year.	There is risk that a natural hazard event, or series of events, could occur and that 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. 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.  Level of uncertainty: Low/Moderate
Sources of Funds for Replacement of Significant Assets	It is assumed that funding for the replacement of significant assets will be in accordance with Council's Revenue and Financing Policy, and Financial and Infrastructure Strategies.  Funding Sources: Third party sources Asset Sales Rates Reserves	That there are insufficient funds available for the replacement of significant assets.  Level of uncertainty: Moderate

	Borrowing	
Interest costs	Interest rates will be 3.00% for the 2022/2023 financial year.	Interest rates can vary subject to market conditions and could fluctuate beyond what is anticipated.  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.  The LGFA Covenants will not be breached.	The risk of LGFA failing is low.  The risk of council breaching its LGFA Covenants is low.  Level of uncertainty: Low
Inflation	Inflation will be in accordance with the inflation adjusters 'mid-scenario' that was provided by Business and Economic Research Ltd. (RERL) and endorsed for use by the Society of Local Government Managers (SOLGM).  For the year ending June 2023: Planning and Regulation 2.5% Roading 3.1% Transport 2.6% Community Activities 2.7% Water and Environmental 3.5%	Actual inflation will be significantly different to assumed as these are predictions. Future rates of inflation are subject to a large number of variables which are beyond Council's control and are difficult to forecast.  Level of uncertainty: Moderate
Delivery of the Capital Expenditure Program	It is assumed that 85% of the budgeted capital program will be completed for the financial year, with the remaining 15% completed in the following year.	That the capital program is completed above the 85% assumption, requiring extra borrowing.  That less than 85% of the capital program will be completed, meaning capital projects are delayed.  As we have assumed it will be 100% over two years it will be a matter of timing rather than total spend.  Level of uncertainty: High
Depreciation	That depreciation based on asset lives for each activity is identified in the Long Term Plan 2021-2041 Significant Forecasting assumptions	That the assets depreciate at a slower or faster rate than assumed.



# Definitions and Interpretations



# Definitions and Interpretations

## Advocate

Council acts as an advocate by representing the views and interests of the community to a range of organisations, including Government agencies and the Regional Council.

## Asset

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

## Assets Management Plan (AMP)

An asset management plan is a plan developed for the management of one or more infrastructure assets. These plans span the life of an asset and combine technical, financial and other techniques to provide an agreed Level of Service to the Community at optimum cost.

## Capital Expenditure

Money spent which has effects on the long-term rather than just the short-term. Examples of capital expenditure include buying or building a new asset or to improve the potential of an existing asset. Capital Expenditure is 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 improvement that have been made to it. Improvements commonly include, but are not limited to, 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. Council's five community outcomes are vibrant economy, outstanding environment, fit for purpose infrastructure, partnership with Tangata Whenua, and strong communities.

## 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.

## Financial Year

This Annual Plan spans the Council's financial year which starts on 1 July 2022 and ends on 30 June 2023.

## 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

Liabilities are 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 long-term.

## Long Term Plan (LTP)

Council's key strategic planning document outlining the Council's financial situation, and the Level of Service Council is committed to for the activities it undertakes and capital work program. The Long Term Plan is legally required to span at least 10 years, however, Council decided to extend the 2021-2041 LTP to cover 20 years.

## Operating Costs

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

## Performing Target

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

## Rates

Property taxes collected by Council to help fund the services that 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. Council receives income from 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. Council assesses significance 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.

## Sustainability

The use of natural, social and physical resources in such a way that takes care of our current needs while allowing for the ongoing use of those resources by future generations.

## 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, library, 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 Charge 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) carries away from a property by drains.

# Horowhenua

DISTRICT COUNCIL

 [enquiries@horowhenua.govt.nz](mailto:enquiries@horowhenua.govt.nz)

 [www.horowhenua.govt.nz](http://www.horowhenua.govt.nz)

 HorowhenuaDC

 06 366 0999

 Private Bag 4002, Levin 5540

 126 Oxford St, Levin 5510